



Recommendations for Improving Child Care Access, Quality, and Affordability in North Dakota

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Child care is a critical component of a thriving economy. Access to affordable child care is essential for parents to return to the workforce and maintain quality employment. However, many communities across North Dakota lack accessible and affordable child care to meet the demand for our state's working families. With more than **\$1 billion available** to build a stronger North Dakota, now is the time to invest in a child care system that works for children, families, and businesses across the state.

Did You Know?

- On average, working families in North Dakota spend **13 percent of their family budget on infant child care**.
- Fourteen counties in North Dakota meet **less than 60 percent of the child care demand**, and eight of these counties also experience high unemployment or poverty.
- Parents that need child care during non-traditional hours find even fewer options. Only **3 percent of licensed programs are open during the weekends**, 4 percent open during evenings, and 25 percent open during early morning hours.
- **Child care is as expensive as in-state tuition at UND or NDSU**. For full time infant care, families spend between \$7,600 and \$9,500 on average each year. At the same time, child care businesses struggle to stay open and often must sacrifice worker pay to continue operating.
- **Child care workers earn \$24,150** per year if working full time at the median wage of \$11.61, just barely hovering above the poverty level for a family of three.

There are solutions that can meet the needs of both families and child care providers and help local businesses hire employees. Improving child care is a common-sense, bipartisan solution and is essential for strong families and a strong economy in North Dakota. A better child care system is possible for North Dakota. Here is how:

Invest \$130 Million to Provide Accessible, High-Quality, and Affordable Child Care.

- **Increase pay for child care workers and ensure professional development opportunities are within reach.** Child care workers are essential and deserve wages that reflect the challenging work of caring for young children. North Dakota needs a stable child care workforce for parents to return to work. Like other businesses, child care providers struggle to recruit and retain workers without competitive wages. Funding is needed to increase child care worker pay and/or provide bonuses to recruit a strong child care workforce. Funding for scholarship and apprenticeship programs that support training and higher education for child care workers can also ensure a skilled workforce. Like other industries, higher education means increased skills and knowledge which should result in increased compensation.
- **Reach more families eligible for child care assistance.** Estimates show that at least 21,000 North Dakota children younger than age 6 live below the current income guideline for eligibility, yet only 5,000 children received assistance in 2020. An outreach campaign to reach eligible families not receiving child care assistance would go a long way to help more families. School-age children (up to age 13) and children with special needs (up to age 19) are eligible for child care assistance and would benefit from inclusion in an outreach campaign.

- **Extend child care stabilization grants.** Current stabilization grants funded by the American Rescue Plan Act provide up to 12 months of funding for all child care programs licensed with the state. Programs receive additional funds if they are in an under-served community, provide care for infants and toddlers, or offer non-traditional hours. Extending these grants, which North Dakota has funding for, would ensure child care businesses have the support needed to stay open and provide affordable child care.
- **Expand Head Start and Early Head Start slots, particularly in tribal communities operating tribal Head Start programs.** Head Start is an evidence-based program and is essential for providing high-quality care in tribal communities. Currently, Head Start reaches only [59 percent of eligible 3 to 5 year old children and 15 percent of eligible children younger than 3](#). Investing additional funds in Head Start is a ready-built solution to reach more children in North Dakota. [Other states](#) have implemented this funding solution with success.
- **Provide grants to expand existing child care facilities or build new facilities.** Grants should be prioritized in areas with limited access to care and at locations convenient for families such as on school grounds.
- **Encourage public/private partnerships.** Rent and utilities make up between [9 percent and 14 percent](#) of the cost to provide care. The state can work with businesses that have room for child care to partner with a business and offer the space at low or no cost. When child care centers pay less on rent and utilities, they can pay higher wages and/or charge parents less for child care. The state can also partner to support businesses that offer their employees a child care benefit.
- **Implement a statewide shared services model to make it easier for child care businesses to coordinate common services such as accounting, insurance, employee benefits, and a substitute pool.** Shared services models help small child care businesses tap into pooled resources at a lower cost than obtaining them on their own.
- **Remove barriers to participating in the quality rating and improvement system (QRIS).** Currently, participation for child care providers in QRIS is too low to meet the needs of North Dakota. The state should conduct an assessment to identify the barriers to participation in QRIS. This is critical to find solutions and increase participation which will help address inequities across the state.
- **Better align licensing and quality rating and improvement system (QRIS) requirements with Head Start.** Head Start providers indicate that duplicate training requirements are barriers for Head Start programs to participate. Providing a pathway would ensure all Head Start providers can access benefits from QRIS.

With over \$1 billion available in American Rescue Plan funding, **we urge that 13 percent (\$130 million), much like a family's budget, be spent on child care.** Now is the time to invest in child care, a long undervalued industry that plays a key role in a strong economy. We have solutions that build a child care system that works for children, families, and businesses across the state and sets North Dakota up for long-term success. More information and data can be found in our full report: [A Modern Economy Depends on Child Care. North Dakota Can Make It Affordable and Accessible.](#)