

1 SENATE BILL NO. 407

2 INTRODUCED BY S. O'BRIEN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING HIGH-QUALITY CHILD CARE BUSINESS
5 DEVELOPMENT GRANTS; ALLOWING THE DEPARTMENT OF COMMERCE TO ADMINISTER THE
6 PROGRAM; CREATING THE CHILD CARE BUSINESS DEVELOPMENT FUND; PROVIDING ELIGIBILITY;
7 AND PROVIDING RULEMAKING AUTHORITY."

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9 WHEREAS, the Bureau of Business and Economic Research at the University of Montana recently
10 conducted a survey to examine the adequacy of child care in the state and found significant economic impacts
11 on Montana parents, employers, and taxpayers; and

12 WHEREAS, of the 404 households that responded, 57% reported that finding affordable child care is a
13 challenge, 46% reported leaving work in the previous month due to inadequate child care, and 44% of
14 respondents missed a full day of work in the previous month due to inadequate child care; and

15 WHEREAS, other impacts of inadequate child care included survey respondents who declined to
16 pursue further education or training, turned down a promotion or a job offer, reduced work hours from full-time
17 to part-time, and had been demoted, transferred to a less desirable position, or fired; and

18 WHEREAS, the economic impact for households earning \$30,000 or less annually was approximately
19 \$3,400, more than 10%, in lost wages; and

20 WHEREAS, the overall average economic impact in 2019 to the Montana economy included a \$5,700
21 loss to households, a \$2,150 loss to businesses, and a \$1,260 loss to taxpayers; and

22 WHEREAS, the overall total economic impact in 2019 that inadequate child care had on the state's
23 economy included a loss of \$145,146,000 to Montana households, \$54,562,000 to Montana businesses, and
24 \$32,036,000 to Montana taxpayers; and

25 WHEREAS, the aggregated 10-year burden on the Montana economy due to inadequate child care is
26 forecasted to be a cost of \$572 million to households, \$207 million to businesses, and \$128 million to
27 taxpayers, for a total aggregated 10-year burden of \$907 million from 2019 to 2028; and

28 WHEREAS, Title 2, subtitle C, of the American Rescue Plan of 2021, H.R.1319 - 117th Congress

1 (2021-2022), provides federal funding for child care; and

2 WHEREAS, this act is not only intended to serve as a conduit to receive and distribute federal child
3 care funding under the American Rescue Plan of 2021, but it is also intended to serve as a future resource to
4 the people of the state in providing low-cost, high-quality child care.

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6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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8 **NEW SECTION. Section 1. Child care business development fund and program -- rulemaking.**

9 (1) There is a child care business development fund. The fund and program are administered by the
10 department of commerce. The fund and program are established to provide child care business development
11 grants to high-quality child care businesses.

12 (2) It is the intent of this section to require the department to create grants that stimulate high-quality,
13 new child care businesses and growth for existing child care businesses.

14 (3) The revenue in the account is allocated to the department of commerce. The department may
15 accept federal funds granted by congress or by executive order and gifts, grants, and donations for any
16 purpose of this section.

17 (4) The department of commerce may adopt rules to implement the provisions of this section.

18 (5) For the purposes of this section, the term "child care business" means an entity providing child
19 day-care services as provided under Title 52, chapter 2, part 7. The business shall follow industry standards as
20 determined by the quality, rating, and improvement system that is described by the national association for the
21 education of young children. The term includes a day care, day-care center, and day-care facility as defined in
22 52-2-703.

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24 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
25 integral part of Title 90, and the provisions of Title 90 apply to [section 1].

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