

Child Care in Montana: Policies that Build on Innovation and Community-Informed Strategies for Longterm Gains

Economic Affairs Interim Committee
November 14, 2023



ZEROTOFIVE
MONTANA

MONTANA CHILD CARE BUSINESS
CONNECT



WHO WE ARE...

MISSION To work for our children, for our future.	VISION A Montana dedicated to every child.
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- Early Childhood System Building
- Policy Support
- Grassroots Advocacy

- Child Care Capacity Building and Child Care Business Support



Our promise is to stabilize, innovate, and build the early childhood system in Montana so all families and communities can thrive.

WHY?

Family conditions have changed....

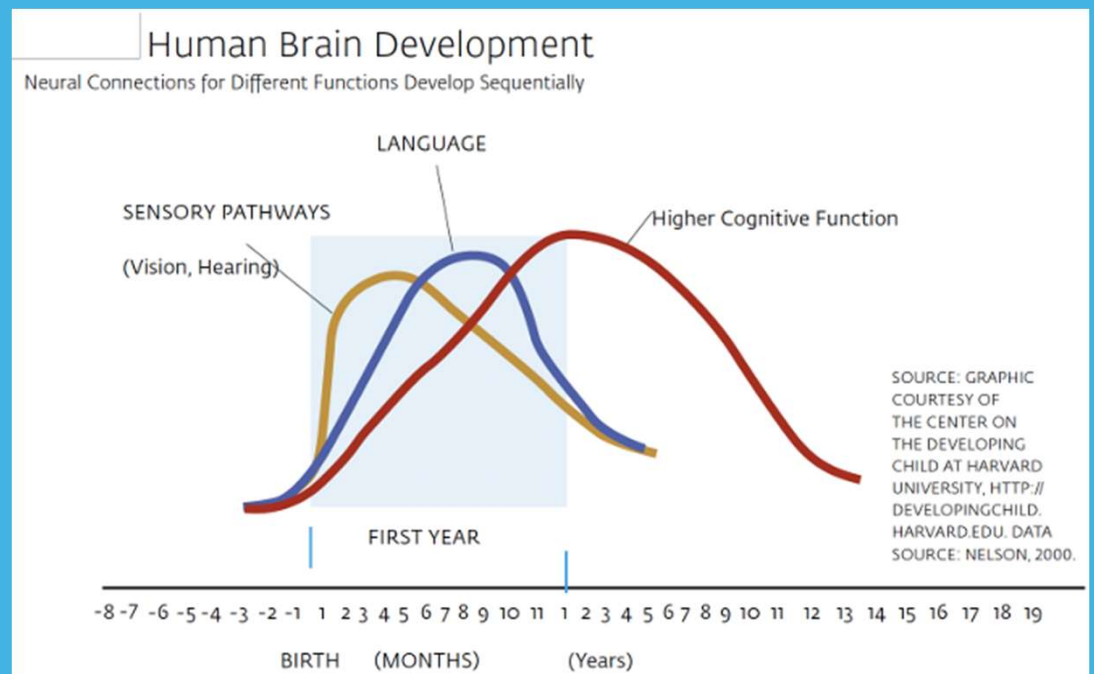
- 71% of Montana's children have all available parents in the labor force; 65% under the age of 6 years
- Cost of living is higher - housing, food, transportation, and child care costs Montana families \$16,262 on average annually (2022) - latest data is upwards of \$19,000 annually

Labor force has changed....

- Parents with young children are typically earning less due to the amount of time in their career
- Interpersonal skills and critical-thinking are in high demand

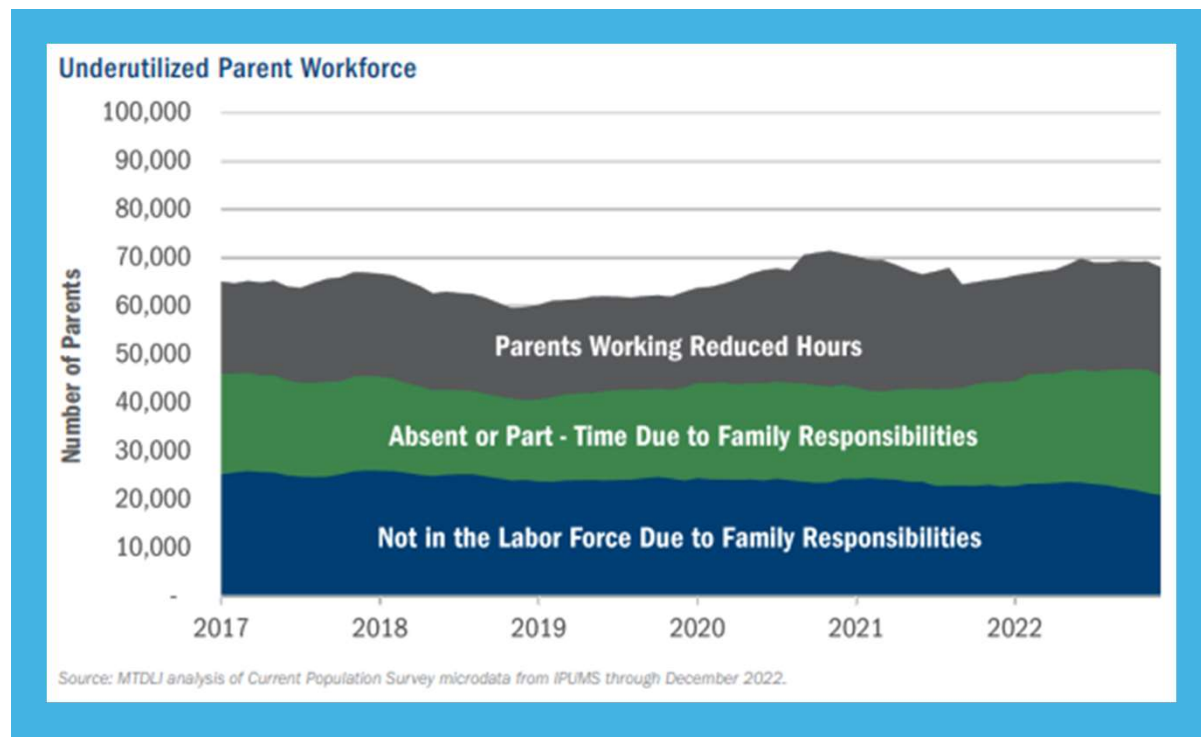
The early years are critical....

- 90% of a child's brain is developed by the age of 5 years
- Strong ROI of \$1 : \$16 when a child experiences high-quality, stable, and enriching early care and education



WORKFORCE PARTICIPATION

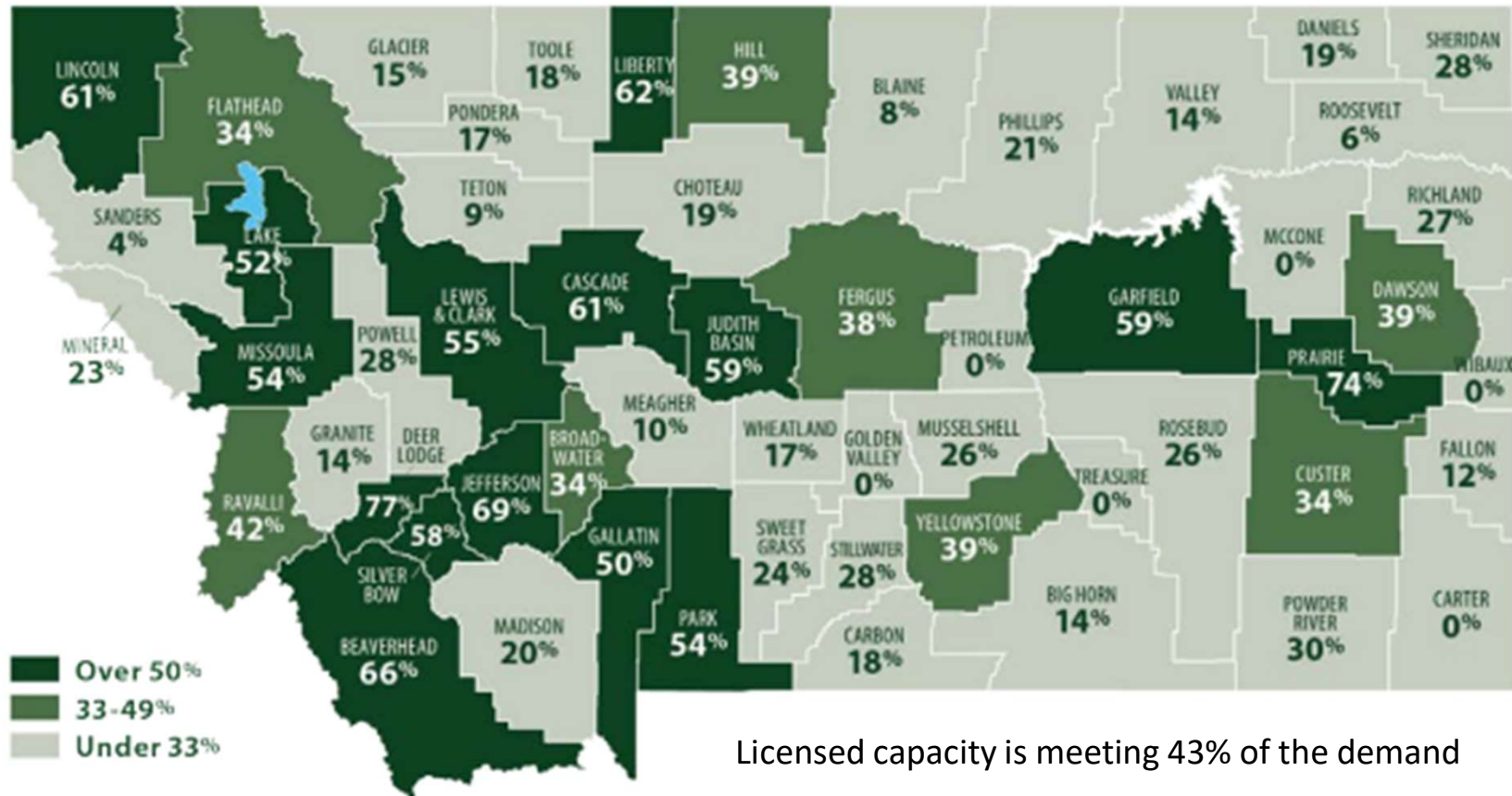
- 22,800 parents unable to participate in the labor force due to family responsibility and lack of child care
- 45,000 parents underemployed or working reduced hours



TRANSLATES TO ABOUT 68,000 PARENTS UNABLE TO FULLY PARTICIPATE IN THE WORKFORCE - ABOUT 8% OF MONTANA'S ENTIRE LABOR FORCE

CHILD CARE ACCESS IN MONTANA

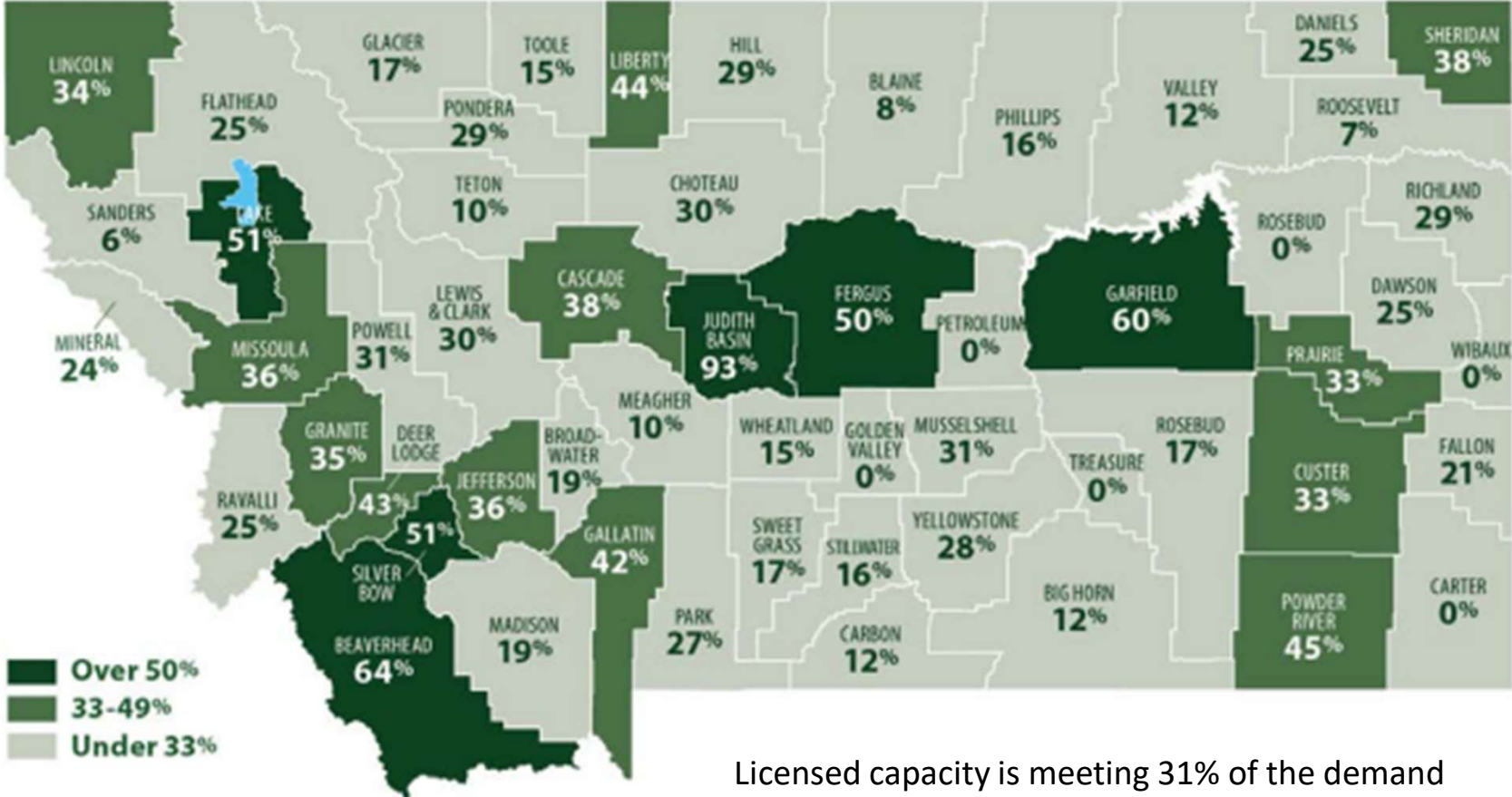
Childcare Capacity as a Percent of Demand by County



Licensed capacity is meeting 43% of the demand

CHILD CARE ACCESS IN MONTANA (INFANTS)

Infant Childcare Capacity as a Percent of Demand by County



Licensed capacity is meeting 31% of the demand

2022 POLLING DATA - STRONG PUBLIC WILL



Montana Voters Want Action on Early Childhood Issues

A POLL BY ZERO TO FIVE MONTANA FOUND WIDESPREAD SUPPORT FOR INVESTING IN EARLY CHILDHOOD PROGRAMS.



Agree the economy is impacted when working parents don't have access to child care.



Believe the Montana state government should play a role in providing a public preschool option.

MONTANA VOTERS RECOGNIZE CHILD CARE AS AN ECONOMIC ISSUE.



Agree that child care costs are burdensome for families.



Agree that a lack of child care impacts Montana's small businesses.



Favor using a portion of Montana's budget surplus to fund early childhood programs.



VOTERS ALSO SEE TAX CREDITS AS A WAY TO LIFT COST BURDENS FOR MONTANA FAMILIES AND TO SUPPORT CHILD CARE PROFESSIONALS.



Agree that tax credits help parents offset the cost of raising a child.



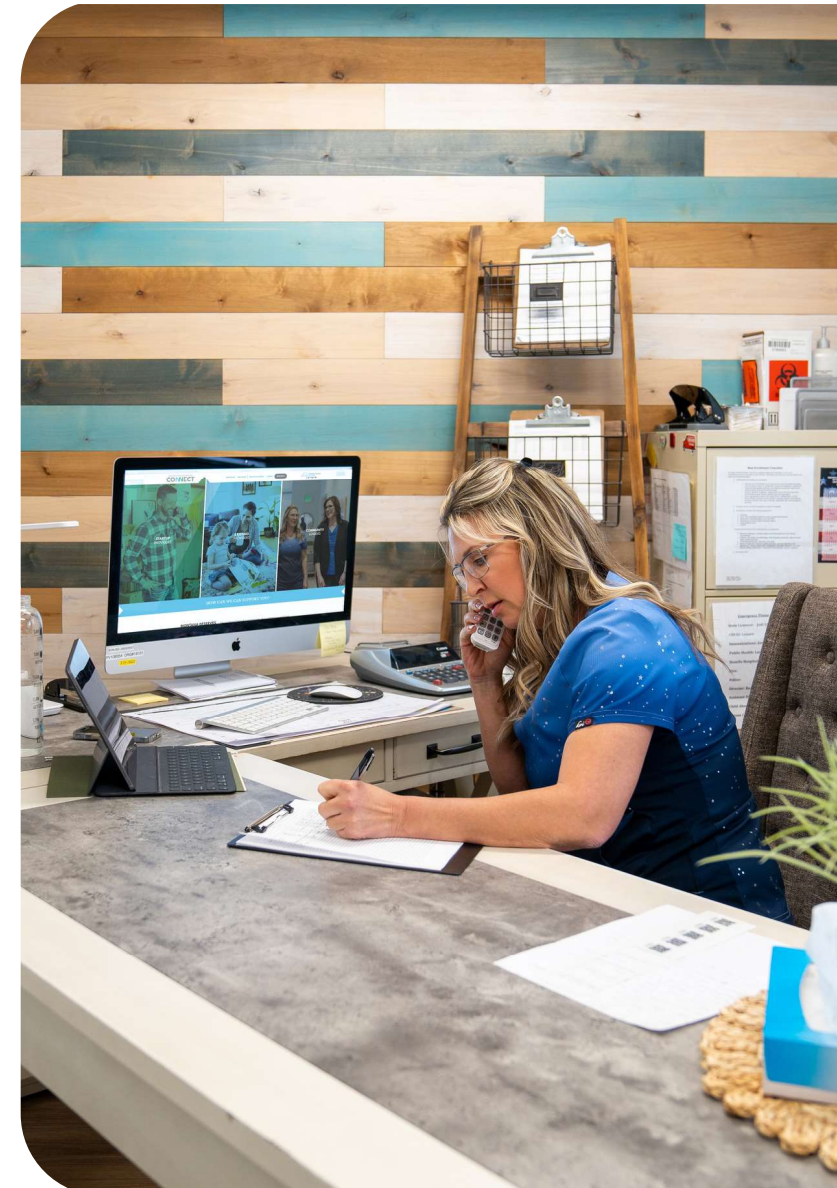
Favor a state tax credit for employers who provide child care to their workers, when told that the Montana state government repealed a tax credit for employers in 2021.



Favor state tax credits in Montana to supplement wages for the child care workforce.

ADDRESSING THE BUSINESS OF CHILD CARE

- Child care shortage due to lack of available workers
- Despite early childhood educators/providers being one of the most in demand occupations in Montana, the average salary is \$11/hr
- Providing child care is expensive, labor intensive, and undervalued
- Child care subsidy funding available to eligible families who have access to licensed or registered child care
- Limited MT/state investment to expand federal funding



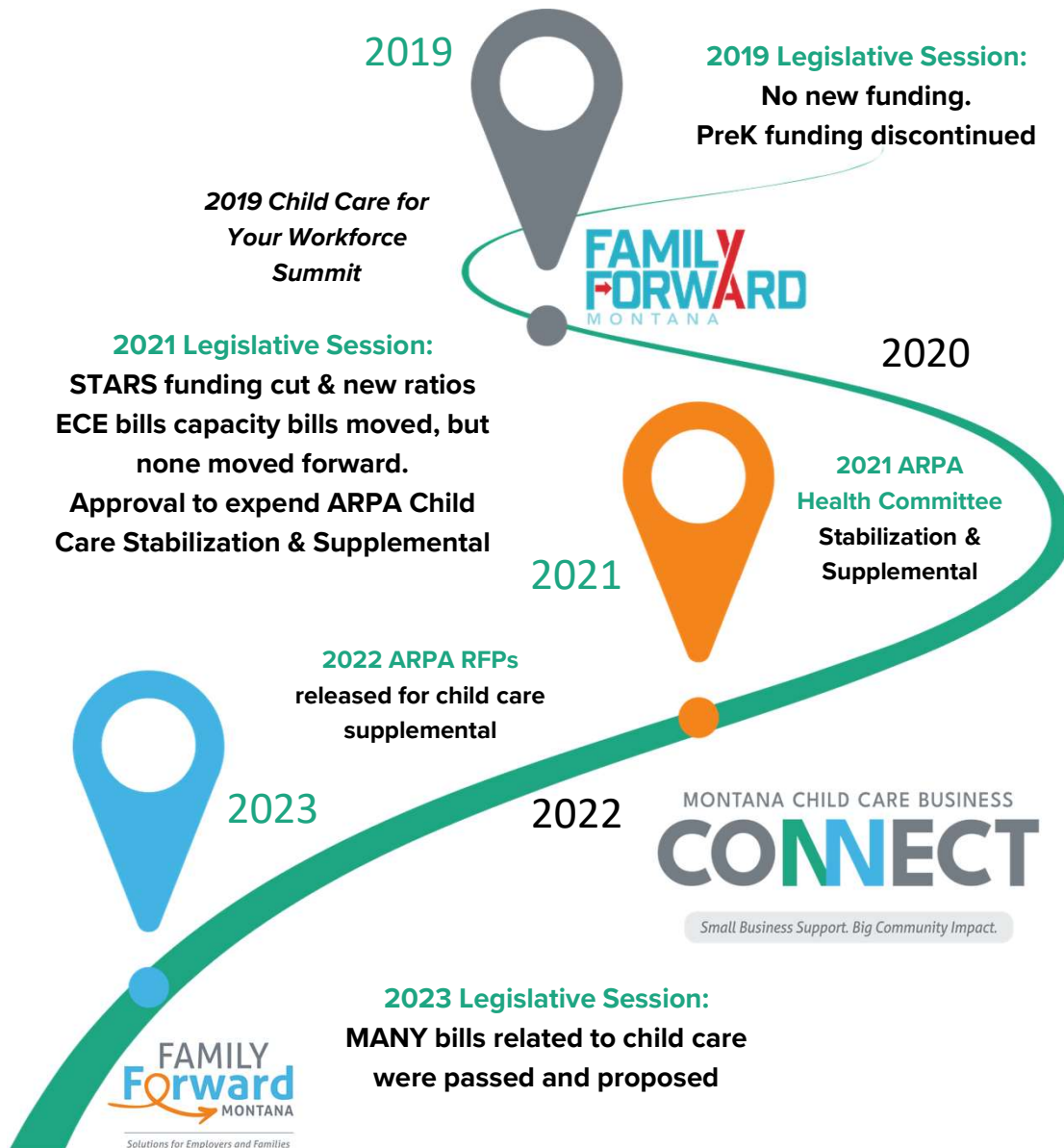
A UNIQUE ERA OF CHILD CARE SYSTEM REFORM

Engagement from the business community, increased interest in community-led solutions and new business models, strong public will, economic sector collaboration, and an influx of ARPA funding... all working to create unique conditions for reform.



ESSENTIAL ELEMENTS FOR A STRONG CHILD CARE SYSTEM





... THE LAST 4 YEARS

2023 Legislative Session:

Passed

- HB 352 Targeted Early Literacy Intervention
- HB 648 Child Care Subsidy Expansion
- HB 187 Residential Use of Property

Proposed

- HB 967 Child Care Subtrust
- Tax-payer credits
 - HB 832 Child Care Worker Tax Credit
 - HB 268 Child Tax Credit

2021: SJ29 Interim Study on Child Care and the Workforce

MONTANA CHILD CARE BUSINESS CONNECT PROGRAM



Theory of Change



Comprehensive Early Care and Education (ECE) business supports will improve ECE infrastructure and availability



Improved ECE business management will contribute to the development of an esteemed child care workforce and industry



Accessible ECE supports Montana's children, families and economy.



These programs are funded in part or full under a Contract with the Montana Department of Public Health and Human Services (DPHHS). The statements herein do not necessarily reflect the opinion of the Department.

THANK YOU! ANY Questions?

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