



Jan. 17, 2024

To: Economic Affairs Interim Committee

Rep. Josh Kassmier, Chair

Sen. Shane Morigeau, Vice Chair

Sen. Kenneth Bogner

Sen. Steve Fitzpatrick

Sen. Mark Noland

Rep. Jonathan Karlen

Rep. Brandon Ler

Rep. Jennifer Lynch

Rep. Ron Marshall

Rep. Nelly Nicol

Cc: Erin Sullivan, Research Analyst

From: Caitlin Jensen, Executive Director, Zero to Five Montana

This memorandum outlines items of interest related to child care in Montana as expressed by committee members during the November 2023 Economic Affairs Interim Committee meeting.

According to the Montana Department of Labor & Industry (DLI), nearly 60% of Montana's counties are classified as child care deserts, including four counties without a single licensed provider. Approximately 30% of Montana children under age six live in a county designated as a child care desert. In 2023, DLI estimates 66,000 Montana parents were unable to engage in the workforce due to family responsibilities and a lack of child care.

Montana families need access to quality, convenient and affordable early care and education options to help provide a solid start for their children, allow them to work and further their education and training. DLI also reports that in 2023, Montana households averaged \$18,940 in child care expenses for children under age five. Annual child care expenses in 2023 were equivalent to 28% of the state's median household income.

During previous legislative sessions, several promising bills related to early childhood were discussed. A few efforts that didn't quite make it across the finish line, but are worth revisiting include:

- [HB 249](#) Create a child tax credit for the individual income tax (2023)
- [HB 832](#) Provide tax credit for early childhood workforce (2023)
- [HB 967](#) Create a child care subtrust (2023)
- [SB 407](#) Establishing high quality child care business development grants (2021)
- [SJ 29](#) Request interim study of child care and the work force (2021)

The following non-exhaustive list includes other items to explore as well as related policy solutions implemented by other states worth considering by this committee moving forward.

Policies that support families seeking or accessing child care:

- [Child Tax Credit](#)
 - Minnesota's child tax credit ([brief](#))
 - New Mexico's child tax credit (increased HB [547](#))
- Tax relief for child care owners
 - Texas property tax relief ([SJR 64](#))
 - Missouri property tax relief (introduced, [SJR 26](#))
- One-stop service portal for families
 - South Carolina's First Five SC [portal](#) ([legislation](#)).

Policies that support employers in retaining employees through access to child care and family-friendly policies:

- Public/private child care cost sharing
 - Michigan's [Tri-Share Program](#)
 - North Dakota's [Working Parents Child Care Relief Program](#)
- State paid family and medical leave
 - Colorado ([Proposition 118](#))
 - Maine (Budget; [Public Law Chapter 412](#))
- Employer incentives
 - Nebraska's tax credits include employer incentives ([LB 754](#))
 - Louisiana's School Readiness Tax Credits include employer incentives ([Act 394](#))
 - [Kentucky's](#) Employee Child Care Assistance Partnership Program ([HB499](#))

Policies that expand access to quality child care:

- Child care capacity-building using a community-driven approach
 - [Montana](#) offers this through Montana Child Care Business Connect's Community Child Care Capacity Building program.
 - Oregon's child care capacity building grants ([HB 3005-B](#))
- Child care business supports
 - [Montana](#) offers this through Montana Child Care Business Connect's child care business advising and mentorship program.
- Child care infrastructure support
 - Montana DPHHS offered one-time [innovation and infrastructure grants](#)
 - New Mexico's Early Education and Care Fund ([HB 83](#))
- Health care coverage for early care and education professionals
 - Washington DC's Early Childhood Education Pay Equity Fund now provides premium-free health care coverage to early childhood educators and providers ([link](#)).
 - Washington's Fair Start Act included health insurance supports ([SB 5237](#)).
- Child care workforce professional development incentives

- Montana offers Professional Development Incentive Award-Higher Education ([PDIA-HE](#))
- Vermont passed legislation to provide scholarships ([H. 171](#))
- Workforce pipeline support
 - [Montana](#) has an apprentice program and is piloting a pre-apprenticeship program
 - Texas's Rural Workforce Training Grant Program ([HB 3723](#))

Policies that result in affordable child care:

- Child care workforce wage supplement
 - Washington DC's Pay Parady Program ([B24-0632](#))
 - Minnesota's Great Start Compensation Support payments ([SF 2995](#))
- Tax incentives and tax packages
 - [Early Childhood Work Force Tax Credit](#)
 - [Child Tax Credit](#)
 - [Tax Incentives for Child Care Facilities & Business Development](#)
- Increased child care subsidy participation
 - New Mexico ([Rule Amendment](#))

Zero to Five Montana is happy to continue to serve as a resource for the Economic Affairs Interim Committee as it works to identify a solution or suite of strategies to address Montana's child care situation moving into the 2025 legislative session. We are encouraged by the commitment of this committee's examination of this issue and look forward to aiding in ongoing policy strategy. We have resources available on our [website](#) and we are available to assist in connections with state and national organizations. If you have any questions, please reach out.



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