



# MONTANA KIDS DESERVE A BRIGHT FUTURE



**ZEROTOFIVE**  
MONTANA

## WHY DOES MONTANA NEED A CHILD CARE TRUST FUND?

Right now, Montanans struggle to access and afford child care. This impacts small businesses and employers across the state in their efforts to recruit and retain qualified workers. To stabilize the child care industry and ensure hardworking parents can get to work and boost the economy, our state must prioritize the child care system. Establishing a child care trust fund makes a commitment to addressing the dire child care crisis in Montana.

- 40% of Montana businesses say they are unable to find and retain a qualified workforce because of a lack of child care. Meanwhile, 30% of Montana businesses say inadequate child care has prevented their company from growing. [1]
- 70,000 parents are not in the labor force, working part time instead of full time, or working less hours because they lack child care. [2]
- 62% of parents say they missed time from work because of a child care related problem. [3]
- Over a ten year span, Montana can expect a total economic burden of \$907 million because of inadequate child care. [3]

## WHAT IS A CHILD CARE TRUST FUND?

A child care trust fund allocates dollars to the child care system or industry. Trust funds provide stable funding for a dedicated purpose, such as child care expansion as an economic driver.

## WHO WOULD A CHILD CARE TRUST FUND HELP?

- Montana lacks the crucial investments needed to stabilize and build up the state's child care industry, which is the foundation for parents to get to work and support a robust state economy.
- Depending on the scope, a child care trust fund could help create child care businesses or expand existing programs, including those that are currently underway through the Child Care Innovation Grants. Further, a trust fund could aid in supplementing wages for providers, directly assisting families with the cost of child care, supporting small businesses who cannot recruit or retain qualified staff because of a lack of child care in their area, and much more.
- A child care trust fund could provide funding for a variety of purposes including:
  - Capital investment and facility creation/expansion (which was not permitted under the American Rescue Plan innovation funds).
  - Early care and education workforce development through increased financial incentives for training and career development.
  - Workforce compensation for early care and education professionals including benefits like health care, wage supplements, as well as retention bonuses.
  - Increase the provider reimbursement rate of the Best Beginnings Child Care Program.
  - Increase funding into the Quality Rating and Improvement System.
  - Tax credits for child care workers or for employers contributing to child care capacity.

## WHAT WOULD HB 967 DO?

- Establish a child care subtrust within the coal severance tax bond fund. At present, other funds under the coal severance tax bond include an endowment for regional water systems, a big sky economic development fund, and a school facilities fund.
- General funds would be transferred to the child care subtrust for the use of the Department of Public Health and Human Services. Permitted uses include funding programs that provide scholarships or grants for child care expenses.
- Provide a monthly transfer of earnings from the child care fund to the Department. The monthly transfer does not include unrealized gains or losses. Earnings not transferred to the Department must stay in the child care fund.

## IS THERE SUPPORT FOR INVESTING IN CHILD CARE? YES!

- A survey of registered voters in Montana found [4]:

**93%** agree that child care costs are burdensome for families.

**89%** agree that the economy is impacted when working parents don't have access to child care.

**88%** agree that a lack of child care has a significant impact on the state's workforce.

**82%** agree that a lack of child care impacts Montana's small businesses.

**75%** agree that the Montana state government should play a role in reducing the cost of child care for parents.

