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Rule: 37.95.102

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Rule Title: DEFINITIONS

Department: [PUBLIC HEALTH AND HUMAN SERVICES](#)
 Chapter: [LICENSURE OF DAY CARE FACILITIES](#)
 Subchapter: [General Requirements](#)



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Latest version of the adopted rule presented in Administrative Rules of Montana (ARM):

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37.95.102 DEFINITIONS

- (1) "ACIP" means the Advisory Committee on Immunization Practices of the U.S. Public Health Service.
- (2) "CPR" means cardio-pulmonary resuscitation.
- (3) "Child care center" is the same as "Day-care center" as defined in [52-2-703](#), MCA.
- (4) "Child care facility" is the same as "Day-care facility" as defined in [52-2-703](#), MCA.
- (5) "Day care" or "child care" is defined in [52-2-703](#), MCA. In addition to the definitional language found at [52-2-703](#), MCA, the term also means care to a child up to the age of 13 years except as indicated otherwise in these rules. The term does not include care by a relative, unless registration or licensure as a day care facility is required to receive payments as provided in [52-2-713](#), MCA.
- (6) "Day care center" means an out-of-home place in which day care is provided to 16 or more children on a regular basis.
- (7) "Day care facility" is defined in [52-2-703](#), MCA.
- (8) "Delayed renewal application" means a renewal application submitted to the department prior to the certificate expiration date in an incomplete manner, resulting in a delay in the issuance of the certificate.
- (9) "Director" means the person designated on the center application or otherwise by written notice to the department as the person responsible for the daily operation of a day care center. A director is also responsible for implementing appropriate child development principles and knowledge of family relationships in providing daily care to the children cared for in the facility.
- (10) "DT vaccine" means a vaccine containing a combination of diphtheria and tetanus toxoids for pediatric use.
- (11) "DTP vaccine" means a vaccine containing diphtheria and tetanus toxoids and pertussis (whooping cough) vaccine combined, including a vaccine referred to as DTaP, diphtheria, tetanus toxoid, and acellular pertussis vaccine combined.
- (12) "Early childhood assistant teacher (ECAT)" or "assistant teacher" means a facility staff member who carries out assigned care-giving and teaching tasks under the guidance and oversight of an early childhood lead teacher or center director.
- (13) "Early childhood lead teacher (ECLT)" or "lead teacher" means a facility staff member who meets the requirements as outlined in ARM [37.95.622](#) and who regularly provides direct care and teaching to the children who attend the day care or child care facility.
- (14) "Early childhood teacher (ECT)" or "teacher" means a facility staff member who is responsible for the direct care, teaching, and supervision of children in a day care or child care facility. This term includes directors, substitutes, ECAT, and ECLT.
- (15) "Facility overview on-the-job training" is an on-the-job training provided by the facility director or designee to orient a new staff member to facility-specific policies, procedures, and department requirements pertaining to their role.
- (16) "Family child care facility" is the same as a "Family day care home" as defined in [52-2-703](#), MCA. The department may refer to a family day-care home as a family child care home. In addition to the previous definitional language found at [52-2-703](#), MCA, the term also means a day care facility providing care to no more than three children under two years of age unless care is provided exclusively for children under age two. For facilities providing care exclusively to children under age two, a family child care home means a place in which supplemental parental

care is provided for up to four children under the age of two. No other children shall be in attendance.

(17) "Family, Friend, and Neighbor care (FFN)" is a child care provider type that provides care to no more than four children from separate families or all children from a "sibling group."

(18) "Group child care facility" is the same as "Group day-care home" as defined in [52-2-703](#), MCA.

(19) "Group size" means the number of children in a defined space.

(20) "Harm to children" means harm to a child's health or welfare as defined in [41-3-102](#), MCA.

(21) "Health care provider" means a licensed physician, a physician assistant-certified, a nurse practitioner, a registered nurse, or a naturopathic physician practicing within the scope of the license.

(22) "Hep B vaccine" means a vaccine containing Hepatitis B vaccine.

(23) "Hib vaccine" means a vaccine immunizing against infection by Haemophilus influenza type B disease.

(24) "Infant" means a child under 19 months of age.

(25) "Lapsed registration/license" means:

(a) an application for registration/licensing renewal which is received by the department after the registration/licensing expiration date;

(b) an application which is incomplete and results in a break-in-license span; or

(c) any break in the license/registration span resulting from a lapse of required insurance or resulting from a failure to comply with another licensure requirement.

(26) "Local health authority" means a local health officer, local department of health, or local board of health.

(27) "MMR vaccine" means a live virus vaccine containing a combination of measles, mumps, and rubella vaccine.

(28) "Montana Early Childhood Project (ECP)" is an integrated professional development system created to build a knowledgeable, competent, and stable early childhood workforce.

(29) "Montana ECP Practitioner Registry" or "Practitioner Registry" is a statewide registry that is used to help develop and track a knowledgeable and skilled early childhood work force based on an individual's verified professional achievements.

(30) "Night care" or "non-traditional hours" means care provided for a child between the hours of 8 p.m. and 5 a.m.

(31) "Nonprescription medication" means any over the counter medication that is not specifically prescribed by a physician, but is recommended by a health care provider or a parent or guardian for a specific child.

(32) "Overlap care" means care provided at a day care facility for children age three and older for the times before and after school and approved by the department for a designated period of time not to exceed three hours when the number of children in care may exceed the number of children registered for care on the registration certificate.

(33) "PCV vaccine" means a vaccine containing pneumococcal conjugate vaccine.

(34) "Physician" means a person licensed to practice medicine under Title 37, chapter 3, MCA.

(35) "Portable wading pool" means a structure which contains water, is used for aquatic activities, and is less than 24 inches high.

(36) "Preschooler" means a child between 36 months of age and the age the child will be when he or she initially enters a public or private school system.

(37) "Prescription medication" means medication prescribed by a licensed health care provider for a specific person which may only be obtained through a pharmacy by prescription.

(38) "Primary care-giver" means a facility staff person who meets the requirements as outlined in ARM [37.95.622](#) and who regularly provides direct care to the children who attend the day care facility.

(39) "Probationary license" means a day care facility license or registration certificate whose status has been reduced for a specified period of time for a licensing violation and which will be reinstated to regular status upon successful completion of and compliance with remedial measures identified by the department to address specific deficiencies.

(40) "Provider" means the applicant for license or registration, the licensee or registrant.

(41) "Provisional certificate" means a registration or license status that is given to a day care provider, if the provider does not meet all the registration or license requirements but is attempting to comply. This status can be granted for a period of up to three months. A second

three month certificate may be issued at the discretion of the day care licensing program manager.

(42) "Public sewage system" means a system of collection, transportation, treatment, or disposal of sewage that is designed to serve or serves 15 or more families or 25 or more persons for a period of at least 60 days out of the calendar year.

(43) "Public water supply system" means a system for the provision of water for human consumption from any community well, water hauler for cisterns, water bottling plant, water dispenser, or other water supply that is designed to serve or serves 15 or more families or 25 or more persons daily or has at least 15 service connections at least 60 days out of the calendar year.

(44) "Regular certificate" means a license status that is given upon determination that the day care provider is meeting all requirements set forth for family day care homes, or group day care homes, or day care centers.

(45) "Relative care" means the child is the brother, sister, first cousin, nephew, niece, grandchild, or great grandchild of the person providing child care and includes a child in a step, foster, or adoptive relationship.

(46) "Remote means of egress" means escape routes in the day care which consist of two exits whose distance apart is equal to or greater than one half the diagonal distance of the space occupied to minimize the possibility that both exits will be blocked off by a fire or other emergency condition.

(47) "Renewal registration/license" means a registration or license certificate that has reached its expiration date and the holder of that registration/license desires to renew or continue operations allowed by the registration/license.

(48) "Restricted certificate" means a restricted license or registration status assigned when it has been determined that the provider is unable to meet certain specific requirement criteria, but the provider is complying with an agreed upon plan of correction.

(49) "Safe sleep environment" means an environment where an infant is placed in a safety-approved crib with a firm mattress and a firmly fitted sheet or a safety-approved play yard for all naps. For children one year of age or over, a nap mat may be used only when compliant with ARM [37.95.1005](#). The infant must be placed on their back and only a lightweight blanket is allowed with the infant. The infant should be dressed in safe garments and provided a smoke-free environment.

(50) "Sibling group" means all children are from the same household. For the purposes of FFN, this can also include first cousins and foster children who are not blood related.

(51) "Staff member" is a director, trainee, support staff, substitute, ECAT, ECLT, or ECT.

(52) "Substitute" means any person not regularly employed by a child care facility who temporarily takes the place of an approved staff person, other than the director.

(53) "Supervision" means the provider and all caregivers shall be able to see or hear the children at all times.

(54) "Supplemental parental care" means the provision of day care by an adult other than a parent, guardian, or person in loco parentis on a regular basis for daily periods of less than 24 hours.

(55) "Support staff" means a staff member of a child care facility who does not participate in a direct care-giving role and is not counted in ratios. Examples of support staff would be cooks, administrative staff, foster grandparents, or cleaning staff.

(56) "Toddler" means a child who is 19 months of age to 36 months of age.

(57) "Trainee" means a staff member who has been approved to work in a child care facility based on initial criteria but has not yet completed required training.

(58) "Vaccine" means one of the following:

(a) if administered in the United States, an immunizing agent approved by the Bureau of Biologics, Food and Drug Administration, United States Public Health Services; or

(b) if administered outside the United States, an immunizing agent administered by a person licensed to practice medicine in the country where it is administered or by an agent of the principal public health agency of that country and properly documented as required by ARM [37.114.708](#).

(59) "Varicella" means an attenuated, live virus vaccine to prevent chicken pox disease.

(60) "Waiver" means the department has approved an exception to a rule within this chapter.

History: [52-2-704](#), [53-4-212](#), MCA; [IMP](#), [52-2-702](#), [52-2-703](#), [52-2-704](#), [52-2-713](#), [52-2-723](#), [52-2-725](#), [52-2-731](#), [52-2-735](#), [52-2-736](#), [53-2-201](#), [53-4-211](#), [53-4-212](#), [53-4-611](#), MCA; [NEW](#), Eff. 4/5/76; [AMD](#), 1978 MAR p. 205, Eff. 2/5/78; [AMD](#), 1981 MAR p. 1792, Eff. 12/18/81; [AMD](#),

1985 MAR p. 2041, Eff. 12/27/85; AMD, 1986 MAR p. 52, Eff. 1/17/86; TRANS, from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; AMD, 1992 MAR p. 45, Eff. 1/17/92; AMD, 1993 MAR p. 941, Eff. 7/1/93; AMD, 1994 MAR p. 2740, Eff. 10/14/94; AMD, 1997 MAR p. 1920, Eff. 10/21/97; TRANS, from DFS, 1998 MAR p. 2881; AMD, 2000 MAR p. 2415, Eff. 9/8/00; AMD, 2002 MAR p. 2231, Eff. 8/16/02; AMD, 2006 MAR p. 2136, Eff. 6/2/06; AMD, 2012 MAR p. 1368, Eff. 7/13/12; AMD, 2018 MAR p. 308, Eff. 2/10/18; AMD, 2018 MAR p. 191, Eff. 6/1/18; AMD, 2018 MAR p. 1887, Eff. 9/22/18; AMD, 2021 MAR p. 1787, Eff. 12/11/21.

MAR Notices	Effective From	Effective To	History Notes
37-959	12/11/2021	Current	History: 52-2-704 , 53-4-212 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-2-704 , 52-2-713 , 52-2-723 , 52-2-725 , 52-2-731 , 52-2-735 , 52-2-736 , 53-2-201 , 53-4-211 , 53-4-212 , 53-4-611 , MCA; <u>NEW</u> , Eff. 4/5/76; <u>AMD</u> , 1978 MAR p. 205, Eff. 2/5/78; <u>AMD</u> , 1981 MAR p. 1792, Eff. 12/18/81; <u>AMD</u> , 1985 MAR p. 2041, Eff. 12/27/85; <u>AMD</u> , 1986 MAR p. 52, Eff. 1/17/86; <u>TRANS</u> , from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; <u>AMD</u> , 1992 MAR p. 45, Eff. 1/17/92; <u>AMD</u> , 1993 MAR p. 941, Eff. 7/1/93; <u>AMD</u> , 1994 MAR p. 2740, Eff. 10/14/94; <u>AMD</u> , 1997 MAR p. 1920, Eff. 10/21/97; <u>TRANS</u> , from DFS, 1998 MAR p. 2881; <u>AMD</u> , 2000 MAR p. 2415, Eff. 9/8/00; <u>AMD</u> , 2002 MAR p. 2231, Eff. 8/16/02; <u>AMD</u> , 2006 MAR p. 2136, Eff. 6/2/06; <u>AMD</u> , 2012 MAR p. 1368, Eff. 7/13/12; <u>AMD</u> , 2018 MAR p. 308, Eff. 2/10/18; <u>AMD</u> , 2018 MAR p. 191, Eff. 6/1/18; <u>AMD</u> , 2018 MAR p. 1887, Eff. 9/22/18; <u>AMD</u> , 2021 MAR p. 1787, Eff. 12/11/21.
37-858	9/22/2018	12/11/2021	History: 52-2-704 , 53-4-212 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-2-704 , 52-2-713 , 52-2-723 , 52-2-725 , 52-2-731 , 52-2-735 , 52-2-736 , 53-2-201 , 53-4-211 , 53-4-212 , 53-4-601 , 53-4-611 , 53-4-612 , MCA; <u>NEW</u> , Eff. 4/5/76; <u>AMD</u> , 1978 MAR p. 205, Eff. 2/5/78; <u>AMD</u> , 1981 MAR p. 1792, Eff. 12/18/81; <u>AMD</u> , 1985 MAR p. 2041, Eff. 12/27/85; <u>AMD</u> , 1986 MAR p. 52, Eff. 1/17/86; <u>TRANS</u> , from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; <u>AMD</u> , 1992 MAR p. 45, Eff. 1/17/92; <u>AMD</u> , 1993 MAR p. 941, Eff. 7/1/93; <u>AMD</u> , 1994 MAR p. 2740, Eff. 10/14/94; <u>AMD</u> , 1997 MAR p. 1920, Eff. 10/21/97; <u>TRANS</u> , from DFS, 1998 MAR p. 2881; <u>AMD</u> , 2000 MAR p. 2415, Eff. 9/8/00; <u>AMD</u> , 2002 MAR p. 2231, Eff. 8/16/02; <u>AMD</u> , 2006 MAR p. 2136, Eff. 6/2/06; <u>AMD</u> , 2012 MAR p. 1368, Eff. 7/13/12; <u>AMD</u> , 2018 MAR p. 308, Eff. 2/10/18; <u>AMD</u> , 2018 MAR p. 191, Eff. 6/1/18; <u>AMD</u> , 2018 MAR p. 1887, Eff. 9/22/18.
37-814	6/1/2018	9/22/2018	History: 52-2-704 , 53-4-212 , 53-4-503 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-2-704 , 52-2-713 , 52-2-723 , 52-2-725 , 52-2-731 , 52-2-735 , 52-2-736 , 53-2-201 , 53-4-211 , 53-4-212 , 53-4-601 , 53-4-611 , 53-4-612 , MCA; <u>NEW</u> , Eff. 4/5/76; <u>AMD</u> , 1978 MAR p. 205, Eff. 2/5/78; <u>AMD</u> , 1981 MAR p. 1792, Eff. 12/18/81; <u>AMD</u> , 1985 MAR p. 2041, Eff. 12/27/85; <u>AMD</u> , 1986 MAR p. 52, Eff. 1/17/86; <u>TRANS</u> , from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; <u>AMD</u> , 1992 MAR p. 45, Eff. 1/17/92; <u>AMD</u> , 1993 MAR p. 941, Eff. 7/1/93; <u>AMD</u> , 1994 MAR p. 2740, Eff. 10/14/94; <u>AMD</u> , 1997 MAR p. 1920, Eff. 10/21/97; <u>TRANS</u> , from DFS, 1998 MAR p. 2881; <u>AMD</u> , 2000 MAR p. 2415, Eff. 9/8/00; <u>AMD</u> , 2002 MAR p. 2231, Eff. 8/16/02; <u>AMD</u> , 2006 MAR p. 2136, Eff. 6/2/06; <u>AMD</u> , 2012 MAR p. 1368, Eff. 7/13/12; <u>AMD</u> , 2018 MAR p. 308, Eff. 2/10/18; <u>AMD</u> , 2018 MAR p. 191, Eff. 6/1/18.
37-811	2/10/2018	6/1/2018	History: 52-2-704 , 53-4-212 , 53-4-503 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-2-704 , 52-2-713 , 52-2-723 , 52-2-725 , 52-2-731 , 52-2-735 , 52-2-736 , 53-2-201 , 53-4-211 , 53-4-212 , 53-4-601 , 53-4-611 , 53-4-612 , MCA; <u>NEW</u> , Eff. 4/5/76; <u>AMD</u> , 1978 MAR p. 205, Eff. 2/5/78; <u>AMD</u> , 1981 MAR p. 1792, Eff. 12/18/81; <u>AMD</u> , 1985 MAR p. 2041, Eff. 12/27/85; <u>AMD</u> , 1986 MAR p. 52, Eff. 1/17/86; <u>TRANS</u> , from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; <u>AMD</u> , 1992 MAR p. 45, Eff. 1/17/92; <u>AMD</u> , 1993 MAR p. 941, Eff. 7/1/93; <u>AMD</u> , 1994 MAR p. 2740, Eff. 10/14/94; <u>AMD</u> , 1997 MAR p. 1920, Eff. 10/21/97; <u>TRANS</u> , from DFS, 1998 MAR p. 2881; <u>AMD</u> , 2000 MAR p. 2415, Eff. 9/8/00; <u>AMD</u> , 2002 MAR p. 2231, Eff. 8/16/02; <u>AMD</u> , 2006 MAR p. 2136, Eff. 6/2/06; <u>AMD</u> , 2012 MAR p. 1368, Eff. 7/13/12; <u>AMD</u> , 2018 MAR p. 308, Eff. 2/10/18.
37-577	7/13/2012	2/10/2018	History: 52-2-704 , 53-4-212 , 53-4-503 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-2-704 , 52-2-713 , 52-2-723 , 52-2-725 , 52-2-731 , 52-2-735 , 52-2-736 , 53-2-201 , 53-4-211 , 53-4-212 , 53-4-601 , 53-4-611 , 53-4-612 , MCA; <u>NEW</u> , Eff. 4/5/76; <u>AMD</u> , 1978 MAR p. 205, Eff. 2/5/78; <u>AMD</u> , 1981 MAR p. 1792, Eff. 12/18/81; <u>AMD</u> , 1985 MAR p. 2041, Eff. 12/27/85; <u>AMD</u> , 1986 MAR p. 52, Eff. 1/17/86; <u>TRANS</u> , from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; <u>AMD</u> , 1992 MAR p. 45, Eff. 1/17/92; <u>AMD</u> , 1993 MAR p. 941, Eff. 7/1/93; <u>AMD</u> , 1994 MAR p. 2740, Eff. 10/14/94; <u>AMD</u> , 1997 MAR p. 1920, Eff. 10/21/97; <u>TRANS</u> , from DFS, 1998 MAR p. 2881; <u>AMD</u> , 2000 MAR p. 2415, Eff. 9/8/00; <u>AMD</u> , 2002 MAR p. 2231, Eff. 8/16/02; <u>AMD</u> , 2006 MAR p. 2136, Eff. 6/2/06; <u>AMD</u> , 2012 MAR p. 1368, Eff. 7/13/12.
	6/2/2006	7/13/2012	History: 52-2-704 , 53-4-212 , 53-4-503 , MCA; <u>IMP</u> , 52-2-702 , 52-2-703 , 52-

[2-704](#), [52-2-713](#), [52-2-723](#), [52-2-725](#), [52-2-731](#), [52-2-735](#), [52-2-736](#),
[53-2-201](#), [53-4-211](#), [53-4-212](#), [53-4-501](#), [53-4-504](#), [53-4-601](#), [53-4-611](#),
[53-4-612](#), MCA; [NEW](#), Eff. 4/5/76; [AMD](#), 1978 MAR p. 205, Eff. 2/5/78; [AMD](#), 1981 MAR
p. 1792, Eff. 12/18/81; [AMD](#), 1985 MAR p. 2041, Eff. 12/27/85; [AMD](#), 1986 MAR p. 52, Eff.
1/17/86; [TRANS](#), from Dept. of SRS, 1987 MAR p. 1492, Eff. 7/1/87; [AMD](#), 1992 MAR p. 45,
Eff. 1/17/92; [AMD](#), 1993 MAR p. 941, Eff. 7/1/93; [AMD](#), 1994 MAR p. 2740, Eff. 10/14/94;
[AMD](#), 1997 MAR p. 1920, Eff. 10/21/97; [TRANS](#), from DFS, 1998 MAR p. 2881; [AMD](#), 2000
MAR p. 2415, Eff. 9/8/00; [AMD](#), 2002 MAR p. 2231, Eff. 8/16/02; [AMD](#), 2006 MAR p. 2136,
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Rule Title: GROUP DAY CARE AND FAMILY DAY CARE HOMES, NIGHT CARE AND OVERLAP

Department: [PUBLIC HEALTH AND HUMAN SERVICES](#)Chapter: [LICENSURE OF DAY CARE FACILITIES](#)Subchapter: [Group and Family Day Care Homes](#)[Add to Favorites](#)

Latest version of the adopted rule presented in Administrative Rules of Montana (ARM):

[Printer Friendly Version](#)**37.95.718 GROUP DAY CARE AND FAMILY DAY CARE HOMES, NIGHT CARE AND OVERLAP**

(1) Day care homes offering night care must develop plans for program, staff, equipment and space which will provide appropriately for the personal safety and emotional and physical care of children away from their families at night.

(2) This requirement shall be deemed to have been met if:

(a) special attention is given by the care-giver and the parents to provide for a transition into this type of care appropriate to the child's emotional needs;

(b) a selection of toys for quiet activities which can be used with minimal adult supervision is provided for children prior to bedtime;

(c) bathing facilities, comfortable beds or cots, and complete bedding are provided;

(d) staff are available to assist children during eating and pre-bedtime hours and when dressing;

(e) during sleeping hours, staff have a plan of supervision which involves practices where no child is left alone and staff are in the immediate vicinity and on the same floor level of sleeping children in order to adequately hear the children should they wake and to provide for the needs of children and respond to any emergency; and

(f) at appropriate times a nutritious dinner and/or breakfast is served to children and a bedtime snack is offered.

(3) An individual day care provider may not provide care consecutively day and night without at least one additional care-giver. No care-giver may have responsibility for the care and supervision of children for more than 12 consecutive hours in a 24 hour period.

(4) Overlap care may be approved by the department in situations, such as before and after school, when the number of children in care over three years of age would exceed, for a short period of time, the registered capacity.

(a) Overlap of children under three years of age shall not be permitted.

(b) Overlap care shall not exceed three hours total in any day care day.

(c) Group day care facilities may be approved to provide overlap care for up to four additional children during the approved overlap time if there are at least two care-givers providing direct care at any time there are more than ten children being cared for at the facility.

(d) Family day care homes may care for two additional children during the approved overlap time.

(e) Day care facilities providing two shifts of 12-hour care may be granted three hours of overlap care for each 12 hours of continuous care upon the written approval of the department representative.

(f) There must be 35 square feet per child of indoor space including the additional children during approved overlap hours.

(g) If a provider wishes to provide overlap care, the provider shall file a written plan for this care stating the specific hours in which the overlap will occur and the arrangements for providing adequate activities and supervision to all children during this period.

(h) Overlap care shall not occur until the provider has received written approval of this plan from the department.

(i) Group day care homes which exceed 12 children during approved overlap may be subject to inspection by the state fire prevention and investigation bureau and the state sanitarian.

History: [52-2-731](#), [52-2-735](#), MCA; [IMP](#), [52-2-723](#), [52-2-731](#), [52-2-735](#), MCA; [NEW](#), 2000 MAR p. 2415, Eff. 9/8/00; [AMD](#), 2002 MAR p. 2231, Eff. 8/16/02; [AMD](#), 2021 MAR p. 1787, Eff. 12/11/21.

MAR Notices	Effective From	Effective To	History Notes
37-959	12/11/2021	Current	History: 52-2-731 , 52-2-735 , MCA; IMP , 52-2-723 , 52-2-731 , 52-2-735 , MCA; NEW , 2000 MAR p. 2415, Eff. 9/8/00; AMD , 2002 MAR p. 2231, Eff. 8/16/02; AMD , 2021 MAR p. 1787, Eff. 12/11/21.
8/16/2002	12/11/2021		History: 52-2-731 , 52-2-735 , MCA; IMP , 52-2-723 , 52-2-731 , 52-2-735 , MCA; NEW , 2000 MAR p. 2415, Eff. 9/8/00; AMD , 2002 MAR p. 2231, Eff. 8/16/02.

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Montana Code Annotated 2021

TITLE 52. FAMILY SERVICES

CHAPTER 2. CHILDREN'S SERVICES

Part 7. Child Care

Definitions

52-2-703. Definitions. In this part, the following definitions apply:

(1) "Child" means a person under 13 years of age or a person with special needs, as defined by the department, who is under 18 years of age or is 18 years of age and a full-time student expected to complete an educational program by 19 years of age.

(2) "Day care" or "child care" means care for children provided by an adult, other than a parent of the children or other person living with the children as a parent, on a regular or irregular basis, as applicable, for daily periods of less than 24 hours, whether that care is for daytime or nighttime hours.

(3) (a) "Day-care center" means an out-of-home place in which day care is provided to 16 or more children on a regular or irregular basis.

(b) The term does not include a place where day care is provided if a parent of a child for whom day care is provided remains on the premises.

(4) "Day-care facility" means a person, association, or place, incorporated or unincorporated, that provides day care on a regular basis or a place licensed or registered to provide day care on an irregular basis, as provided for in subsection (3)(a), or for children suffering from illness. The term includes a family day-care home, a day-care center, a group day-care home, or a facility providing care in a child's home for the purpose of meeting registration requirements for the receipt of payments as provided in **52-2-713**. The term does not include:

(a) a person who limits care to children who are related to the person by blood or marriage or under the person's legal guardianship, unless registration or licensure as a day-care facility is required to receive payments as provided in **52-2-713**; or

(b) any group facility established chiefly for educational purposes that limits its services to children who are 3 years of age or older.

(5) "Department" means the department of public health and human services provided for in **2-15-2201**.

(6) "Family day-care home" means a private residence in which day care is provided to three to eight children on a regular basis.

(7) "Group day-care home" means a private residence or other structure in which day care is provided to 9 to 15 children on a regular basis.

(8) "License" means a written document issued by the department that the license holder has complied with this part and the applicable standards and rules for day-care centers.

(9) "Licensee" means the holder of a license issued by the department in accordance with the provisions of this part.

(10) "Professional training" means training for early childhood or school-age care providers that is recognized as professional development by a national education or certification organization or by a higher education institution.

(11) "Registrant" means the holder of a registration certificate issued by the department in accordance with the provisions of this part.

(12) "Registration" means the process whereby the department maintains a record of all family day-care homes and group day-care homes, prescribes standards, promulgates rules, and requires the operator of a family day-care home or a group day-care home to certify compliance with the prescribed standards and promulgated rules.

(13) "Registration certificate" means a written instrument issued by the department to publicly document that the certificate holder has, in writing, certified to the department compliance with this part and the applicable standards for family day-care homes and group day-care homes.

(14) "Regular basis" means providing day care to children of separate families for any daily periods of less than 24 hours and within 3 or more consecutive weeks.

(15) (a) "Related by blood or marriage" means the status of a child who is the son, daughter, brother, sister, first cousin, nephew, niece, or grandchild of a person providing child care.

(b) The term includes the status of a child described in subsection (15)(a) in a step or adoptive relationship.

(16) "School age" means a person who is at least 5 years of age and who is younger than 13 years of age or a person with special needs, as defined by the department, who is under 18 years of age or is 18 years of age and a full-time student expected to complete an educational program by 19 years of age.

(17) "School-age care" means an adult-supervised program that is provided for school-age children during nonschool hours.

History: En. Sec. 1, Ch. 247, L. 1965; amd. Sec. 2, Ch. 121, L. 1974; R.C.M. 1947, 10-801; amd. Sec. 7, Ch. 38, L. 1979; amd. Sec. 2, Ch. 606, L. 1981; amd. Sec. 92, Ch. 609, L. 1987; amd. Sec. 8, Ch. 692, L. 1989; Sec. 53-4-501(2), MCA 1987; redes. 52-2-703 by Code Commissioner, 1989; amd. Sec. 1, Ch. 404, L. 1991; amd. Sec. 1, Ch. 304, L. 1993; amd. Sec. 348, Ch. 546, L. 1995; amd. Sec. 1, Ch. 318, L. 1997; amd. Sec. 1, Ch. 505, L. 2001; amd. Sec. 2, Ch. 421, L. 2021.

DATE: July 15, 2022
TO: Helena Citizens' Council
FROM: Lowell Chandler – HCC District 3, Nolan Harris – HCC District 2, and Joe Lehman – HCC District 2
RE: Recommendation Regarding a Motion to Advise the City Commission to Immediately Amend the Definitions of Daycare Facilities Listed in Section 11-38-2 of the Helena City Code to be Compliant with Montana Statutory Requirements in Section 52-2-703 of the Montana Code Annotated

SUMMARY

The lack of childcare in Montana is persistent and unfortunate issue for working Helenans. Sadly, more than 60% of Montanans live in what is called a “child care desert.”¹ In our own county of Lewis & Clark, only 42% of the demand for childcare for children between 2 and 6 years old is being met.² Even worse, only 33% of the demand for childcare for children under the age of 2 is being met in Lewis & Clark County.³ In other words, Lewis & Clark County is failing to meet 58% to 67% of childcare needs and our county is either at or barely above the threshold for qualifying as a Childcare Desert. This dire situation affects Helena families and hampers our City’s economic recovery from the pandemic recession.

Unfortunately, despite the Montana Legislature passing a law (SB 142) during the 2021 legislative session that expands childcare access for Montana families,⁴ the City of Helena’s zoning regulations are noncompliant with state statute and continue to serve as an impediment to expanding childcare access to Helena families. This Motion serves to bring the City of Helena into compliance with state statute at Section 52-2-703 of the Montana Code Annotated by recommending that the City Commission and the Mayor immediately revise the City zoning regulations at Section 11-38-2 to be consistent with Montana statutory definitions.

FINDINGS

Recognizing the dire need for making childcare in our State more accessible to Montana families, as well as its importance to our economic recovery from the pandemic, the Montana Legislature during the 2021 Legislative Session successfully passed Senate Bill 142– Increase the number of children who can be present in day-care homes (Bill Sponsor: Kenneth Bognor (R – Miles City)).⁵ SB 142 successfully amended Montana Code Annotated [Section 52-2-703](#)’s definitions to increase the number of children that can be cared for in the three types of day-care facilities, including the following amendments:

¹ “Child Care Desert” is defined as: “Any geographic area where licensed child care capacity meets less than a third of potential demand.” See Montana DPHHS and Dept. of Labor & Industry, *Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana*, p. 9, Available at: <https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildCareDesertsWhitePaper-FINAL.pdf>.

² *Id.* at p. 8.

³ *Id.* at p. 9.

⁴ Montana Legislature, *Legislative History of SB 142*, available at: [http://laws.leg.mt.gov/legprd/LAW0203W\\$BSRV.ActionQuery?P_SESS=20211&P_BLTP_BILL_TYP_CD=SB&P_BILL_NO=142&P_BILL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_ENTY_ID_SEQ2=&P_SBJT_SB_J_CD=&P_ENTY_ID_SEQ=](http://laws.leg.mt.gov/legprd/LAW0203W$BSRV.ActionQuery?P_SESS=20211&P_BLTP_BILL_TYP_CD=SB&P_BILL_NO=142&P_BILL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_ENTY_ID_SEQ2=&P_SBJT_SB_J_CD=&P_ENTY_ID_SEQ=).

⁵ *Id.*

(3) (a) “Day-care center” means an out-of-home place in which day care is provided to ~~13~~ **16** or more children on a regular or irregular basis.

(6) “Family day-care home” means a private residence in which day care is provided to ~~three to six~~ **three to eight** children on a regular basis.

(7) “Group day-care home” means a private residence or other structure in which day care is provided to ~~7 to 12~~ **9 to 15** children on a regular basis.

However, despite the Montana legislature recognizing the need for expanded childcare access and amending Montana law in 2021, the City of Helena’s zoning regulations at [Section 11-38-2](#) that define various types of childcare facilities are noncompliant⁶ with Montana statutory requirements at § 52-2-703(3), (6), and (7), MCA, and presently serve as an impediment to Helena families receiving the benefit of expanded childcare access that SB 142 aimed to provide. Unfortunately for Helena families, Section 11-38-2 of the Helena City Code limits “Family Daycare Home” facilities to “six (6) or fewer” children, “Group Daycare Home” to “seven (7) to twelve (12) children,” and “Daycare Center” to “thirteen (13) or more children.” Many of Helena’s childcare facilities are located in residential areas and pursuant to [City Ordinance 3222](#), Family and Group Daycare Home facilities are permitted throughout residentially zoned areas, whereas the larger Daycare Centers need a conditional use permit as depicted in the below figure.

Use	OSR	RU	R-1/R-2	R-3	R-4/R-O	B-1	B-2	B-3	CLM	M-I	PLI	Airport	Supplemental Requirements
Daycare center (13 or more children)	NP	CUP	CUP	CUP	CUP	P	P	P	CUP	NP	P	CUP	See chapter 38 of this title
Daycare, family	P	P	P	P	P	P	P	P	CUP	NP	NP	NP	
Daycare, group	P	P	P	P	P	P	P	P	CUP	NP	NP	NP	

Due the City’s noncompliance with the changes in state law, Helena families that would otherwise be able to receive high quality childcare are left without care, which has impacts on

⁶ Pursuant to [Section 7-1-113](#), MCA, the City of Helena is required to be consistent with state law and administrative regulations on this matter. As Section 7-1-113(1), MCA, provides: “A local government with self-government powers is prohibited the exercise of any power in a manner inconsistent with state law or administrative regulation in any are affirmatively subjected by law to state regulation or control.” *See also City of Helena v. Svej*, 2014 MT 311, P 16 n. 2 (holding that a City of Helena ordinance was “invalid” under Section 7-1-113, MCA, because “[i]n areas affirmatively subjected to state regulation or control, local governments with self-government powers are expressly prohibited from exercising power that is inconsistent with state law or administrative regulation”) (emphasis added). Given that childcare is an area that is “affirmatively subjected to state regulation or control,” pursuant to Section 52-2-701, et seq., MCA, and that Section 52-2-704, MCA, expressly delegates authority to the Montana Department of Public Health and Human Sciences to implement state law governing childcare facilities, the City of Helena’s current zoning code at 11-38-2 and City Ordinance 3222 which serve to limit the size of childcare facilities is presently in conflict with state law and DPHHS regulations. Action is needed to bring the City into compliance with state law and DPHHS regulations governing the allowable sizes of childcare facilities.

not only Helena children but also parents and Helena businesses given the impacts to the labor force as a result of the shortage. As mentioned in the summary above and depicted in Figure 4 and 5 below,⁷ Lewis and Clark County is facing a 58% shortage for childcare for children between two and six and a 67% shortage for children two and under. Bringing our City Code into compliance with state law is a commonsense step that must be done without delay to help reduce the childcare shortage in the City of Helena.

Figure 4. Child Care Capacity as a Percent of Children Under 6 by County

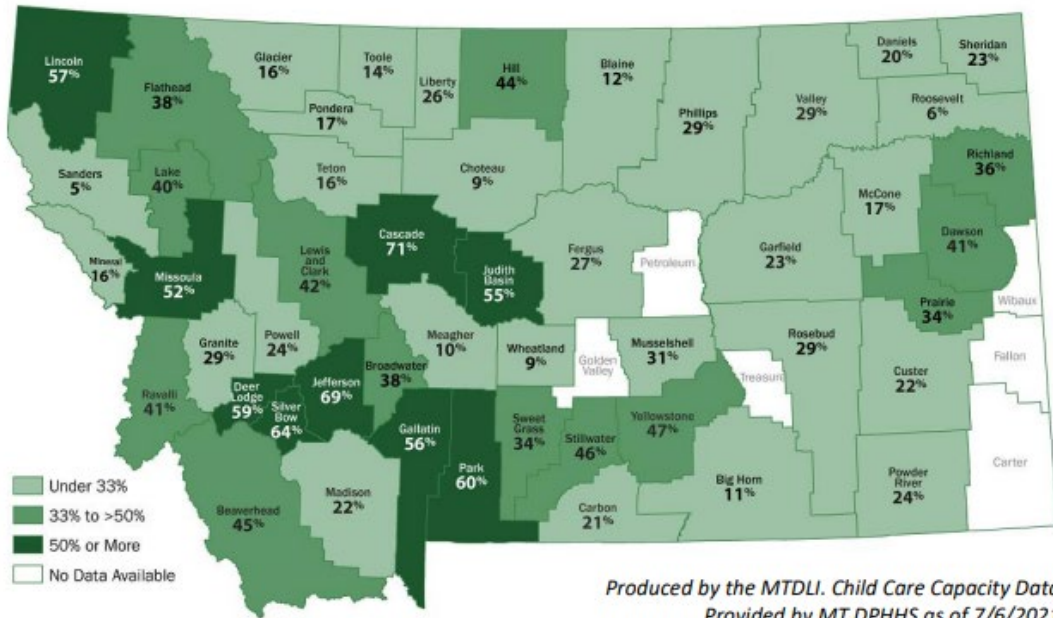
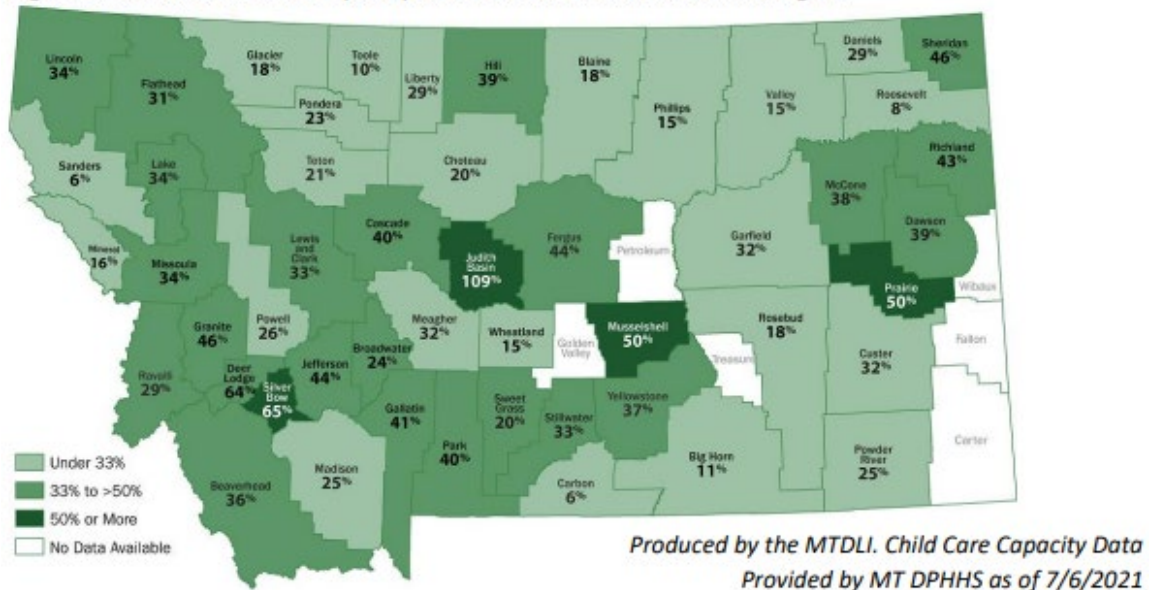


Figure 5. Infant Child Care Capacity as a Percent of Children Under Age 2



⁷ See Montana DPHHS and Dept. of Labor & Industry, *Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana*, pp. 8-9, Figures 4 and 5, Available at: <https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildCareDesertsWhitePaper-FINAL.pdf>.

RECOMMENDATION

We recommend that the Helena Citizens' Council unanimously approve the following motion:

The Helena Citizens' Council advises the City Commission to immediately amend the definitions of daycare facilities listed in Section 11-38-2 of the Helena City Code to be compliant with Montana statutory requirements in Section 52-2-703 of the Montana Code Annotated.

Specifically, the Helena Citizens' Council recommends that the definitions listed in Section 11-38-2 should simply refer to Section 52-2-703 of the Montana Code Annotated. This drafting change will allow for City Code to automatically update upon further statutory changes on the state level and allow the City to automatically remain in compliance with State law in the event of any changes.

Accordingly, the Helena Citizens' Council advises and recommends the following revisions to the definitions found in Section 11-38-2 of the City of Helena Code, which are consistent with the Montana Department of Public Health and Human Sciences definitions found in Montana Administrative Rule 37.95.102:

For purposes of this chapter, the following definitions are applicable:

DAYCARE CENTER: Is defined in Section 52-2-703, MCA. ~~A place in which supplemental parental care is provided on a regular basis for thirteen (13) or more children.~~

DAYCARE FACILITY: Is defined in Section 52-2-703, MCA. ~~A place registered or licensed by an agency of the state of Montana that provides supplemental care on a regular basis, operated by a public or private entity, including, but not limited to, the following: preschools, kindergartens, nursery schools, day nurseries and childcare centers.~~

FAMILY DAYCARE HOME: Is defined in Section 52-2-703, MCA. Overlap Care is permitted and does not affect the zoning status of a Family Daycare Home. ~~A private residence or other structure in which supplemental care is provided on a regular basis for six (6) or fewer persons.~~

GROUP DAYCARE HOME: Is defined in Section 52-2-703, MCA. Overlap Care is permitted and does not affect the zoning status of a Group Daycare Home. ~~A private residence or other structure in which supplemental parental care is provided on a regular basis for seven (7) to twelve (12) children.~~

OVERLAP CARE: Is defined and governed by Montana Administrative Rule 37.95.102 and 37.95.718.

POSITIVE OUTCOMES

As already discussed in the above summary and findings, Montana faces a critical shortage of childcare services with much of the state sadly qualifying as a childcare desert. Unfortunately, Lewis & Clark County and the City of Helena are not immune from the woes of the childcare shortage. By bringing the City of Helena's code into compliance with state statutory requirements, more Helena families will be able to access childcare facilities, which will in turn allow the Helena labor force to expand and help Helena's economy recover from the pandemic recession. As the report by the Montana Department of Labor and Industry and the Montana Department of Public Health and Human Services appropriately summarized:⁸

Access to child care is essential to a healthy economy, allowing parents of young children to engage in the labor force and preparing the state's future workforce through high-quality early childhood education.

Let's get this commonsense amendment to our City Code passed without delay so that the intent in Section 11-38-1 can be better met and the City can come into compliance with Montana law.

Respectfully submitted,

/s/ Lowell J. Chandler

Lowell Chandler
HCC District 3

/s/ Nolan Harris

Nolan Harris
HCC District 2

/s/ Joe Lehman

Joe Lehman
HCC District 2

⁸ See Montana DPHHS and Dept. of Labor & Industry, *Child Care Deserts: An Analysis of Child Care Supply and Demand Gaps in Montana*, p. 1, Available at: <https://lmi.mt.gov/docs/Publications/LMI-Pubs/Special-Reports-and-Studies/ChildCareDesertsWhitePaper-FINAL.pdf>.

Program Name	Zoning	Family/ Group/ Center	Current Licensing Capacity	Could expand to 8 plus two additional overlap if requested (Family) or to 15 plus 4 additional overlap if requested (Group)	Please note that the numbers for the Family and Group daycare do not include 2 and 4 additional children respectively allowed by state regulations for the 3 hours of overlap
3 R's Early Education Center, LLC	R-2	Center	80		Please Note: There are 11 SACC* sites located with the school buildings not included in this list. These are all Centers. *SACC refers to the Helena City Schools "School Age Child Care" program.
Aware Center for Early Childhood-Helena	B-2	Center	32		
Bloom Montessori School	DT	Center	91		
Child Enrichment Center	R-2	Center	24		
Creative Horizons Learning Center	B-2	Center	100		
Creative Learning Center	B-2	Center	68		
Haven Daycare & Preschool	B-2	Center	34		
Helena Family YMCA	PLI	Center	40		
Just Like Home DC	R-3	Center	52		
Little Sprouts Childcare Preschool LLC	R-2	Center	75		
Monarch Mountain Montessori	CLM	Center	70		
Nature Story Montessori	PUD #8	Center	68		
Ohana Daycare and Preschool	R-2	Center	26		
Pete's Place Child Care Center	R-3	Center	48		
RMDC Head Start Neighborhood Center	DT	Center	50		
RMDC Helena Housing Authority Head Start	R-O	Center	16		
RMDC Ray Bjork Site	PLI	Center	32		
RMDC Rocky Mountain Preschool	DT	Center	56		
YWCA Caterpillars Clubhouse	TR	Center	17		
Discovery Kidzone Helena Central	R-O-T #4	Center	70		
Debbie Denise Gribbons	R-2	family	6	yes	
Grassroots Montessori	R-2	family	6	yes	
Judy Cunningham	R-2	family	8		
Little Minds Childcare	R-3-T	family	8		
WonderHive	R-3	family	6	yes	
Mishell Forbes	R-2	family	6	yes	
ABC Academy	R-3	group	15		
Auntie's Childcare & Preschool	R-2	group	15		
Best Buddies Forever	R-3	group	12	yes	
Beth Carrell	R-2	group	15		
Green Earth Montessori	R-2	group	12	yes	
Margaret Pollington	R-2	group	12	yes	
Spanglish Kids/Stacy Clement	PLI	group	12	yes	
Big Sky Kids	R-2	group	15		
Mountainside Montessori	R-O	group	12	yes	



COMMUNITY IMPACT OF CHILD CARE

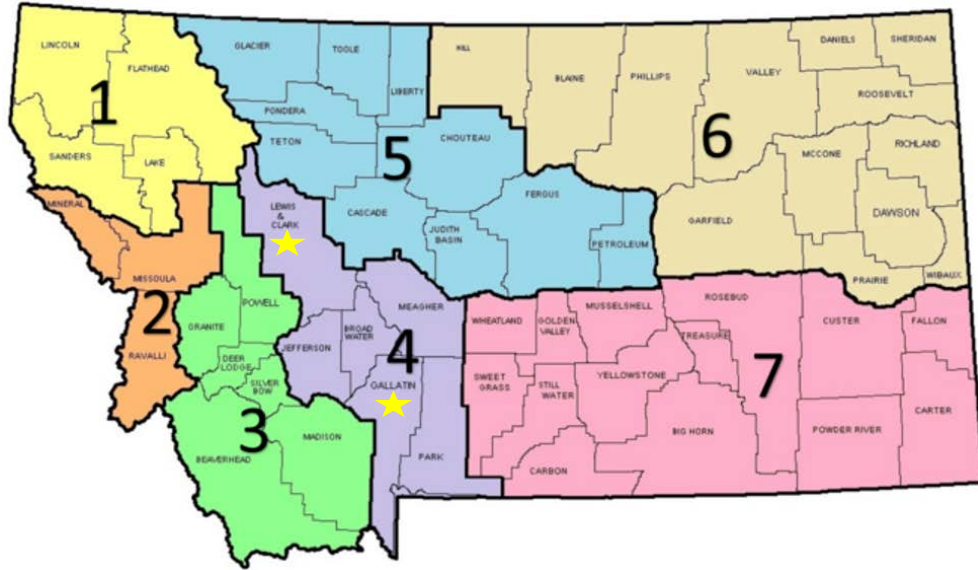
LEWIS & CLARK COUNTY





WHO ARE WE?

ABOUT CHILD CARE CONNECTIONS



★ CCC Offices in Helena and Bozeman

Child Care Connections (CCC) advocates for the well-being and quality care of children by supporting early childhood professionals, families, and the communities we serve.

We are the sole Child Care Resource and Referral Agency for six counties, including:

- Gallatin
- Park
- Meagher
- Lewis & Clark
- Jefferson
- Broadwater

WHAT IS QUALITY CHILD CARE?

Why quality care matters

Quality child care is safe, stimulating, and provides a loving environment in which children mentally and physically thrive.



Over **90%** of brain growth occurs between ages 0-5.

Key long-term benefits of quality early childhood care include:

- Increased school readiness
- Healthy nutrition habits
- Advanced verbal and intellectual skills
- Advanced social and emotional skills
- Strengthened future workforce for our community

[Watch Video](#)

<https://www.cde.ca.gov/sp/cd/re/caqdefinecare.asp>

<https://www.cscinc.org/programs/finding-quality-childcare/benefits-of-quality-child-care/>

<https://www.childrencabinet.org/child-care-resources/for-parents/why-is-quality-child-care-important/>

COST OF CHILD CARE



\$ 9,518

Per infant, ages 0-2, annually



\$ 8,365

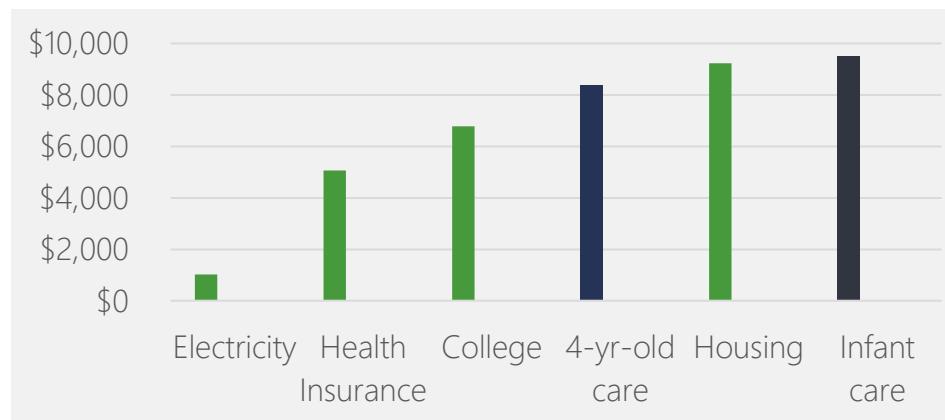
Per child, ages 3-5, annually

INCOME PERCENTAGE

A family with one infant and one 4-year-old making the Lewis & Clark County median family income of \$60,789 spends 29% of their annual income on child care.

29%

ANNUAL FAMILY EXPENSES



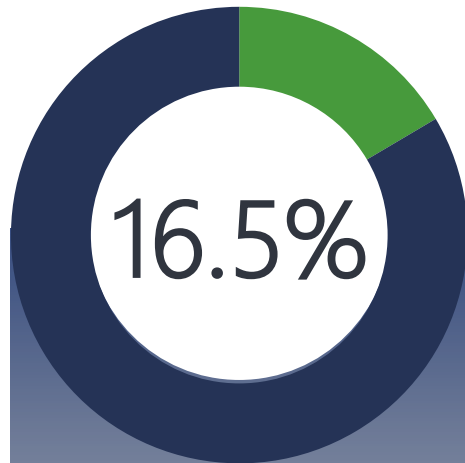
<https://www.epi.org/child-care-costs-in-the-united-states/#/MT>

<http://lmi.mt.gov/Portals/193/Publications/LMI-Pubs/Articles/2018/0918-ChildcareInMontana.pdf>

<https://datacenter.kidscount.org/data#MT/5/0/char/0>

IMPACT OF HIGH COSTS ON FAMILIES

AFFORDABILITY



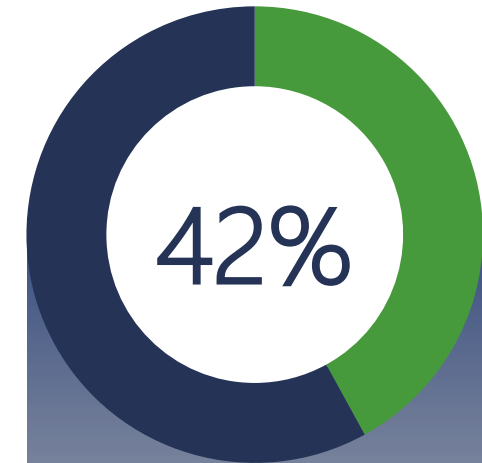
Child care is considered affordable if it costs 7% or less of a family's annual income, according to U.S. DPHHS. Yet, in Montana an average family pays 16.5% for one child.

MINIMUM WAGE WORKERS



Minimum wage workers in MT would have to work approximately 28 weeks to pay for child care of one infant.

SINGLE MOTHERS



An estimated 42% of single mothers with children 0-5 are living in poverty. This means that their annual income is \$17,000 or less.

CHILD CARE COSTS EXPLAINED

Despite the high cost of licensed child care, early childhood professionals are making some of the lowest wages in our state.



\$10,643

Is the annual median salary of an early childhood educator in Gallatin County.

Families should pay no more than **7%** of their annual income on child care, for it to be affordable.

Why child care is so expensive and early care educators, with Bachelor Degrees, paid so little:

- Parent fees alone are not enough funding
- Labor intensive field
- Requires low adult to child ratios
- Cost breakdown:
 - 12% to overhead, utilities, maintenance
 - 23% classroom materials, food, and admin
 - 65% for personnel
 - Ex: A center with 40 full-time children needs a minimum of 10 teachers.

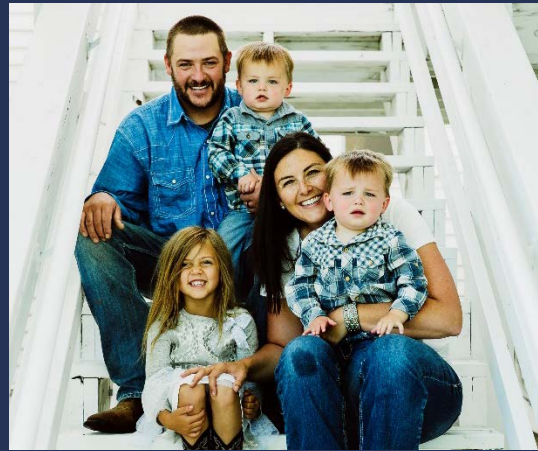
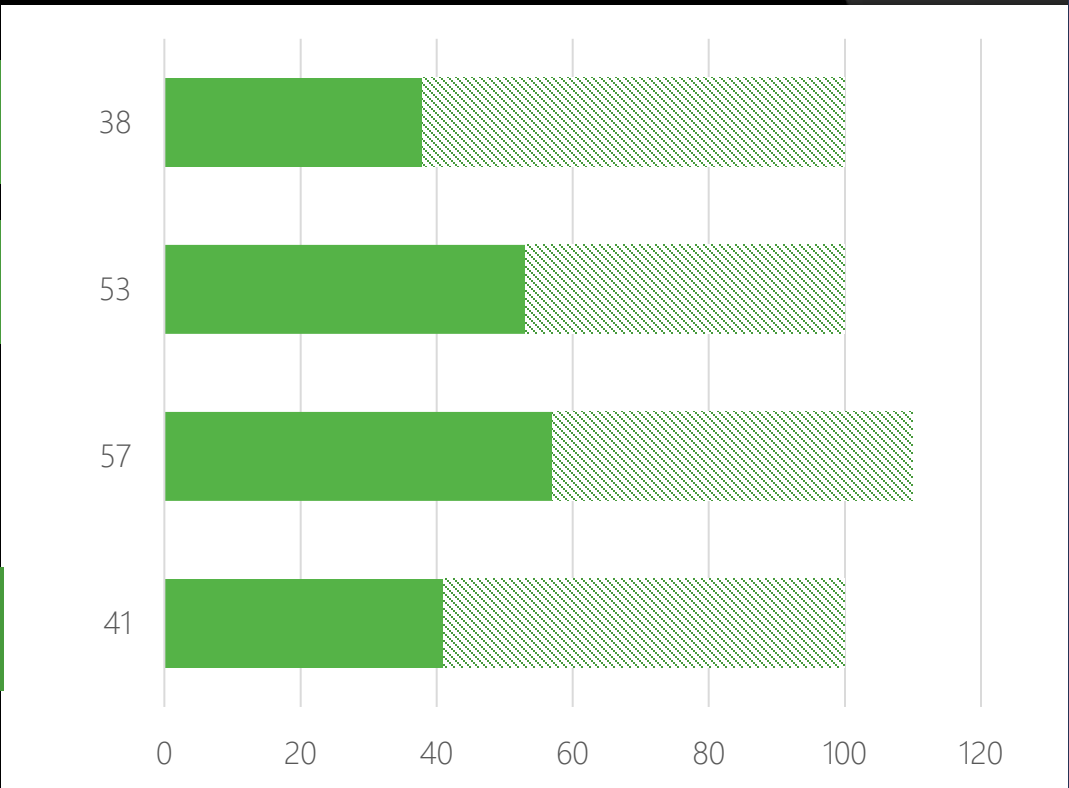


Broadwater County 38%

Jefferson County 53%

Lewis & Clark County 57%

MT 41%



CHILD CARE CAPACITY

Montana is considered a child care desert. This means that most of our communities have 3X as many children ages 0-5 as licensed child care slots.

MT Ranks 42 in child care capacity in the U.S.



[http://lmi.mt.gov/Portals/193/Publications/LMI-Pubs/Articles/2018/0918-ChildcareInMontana.pdf/](http://lmi.mt.gov/Portals/193/Publications/LMI-Pubs/Articles/2018/0918-ChildcareInMontana.pdf)
<https://childcaredeserts.org/index.html?state=MT>

WORKFORCE SHORTAGE

Unmet child care demand is both a **CAUSE** and an **EFFECT** of the state's workforce shortage.



Child care providers face the same problems as other businesses looking to expand – a lack of available workers.

<https://static1.squarespace.com/static/5c90fe4716b640613581ddff/t/5cef052b3b10330001757348/1559168304445/Childcare+as+a+Workforce+Issue.pdf>

https://www.bozemandailychronicle.com/news/business/help-wanted-from-high-tech-to-fast-food-bozeman-wrestles/article_1089233d-d751-59f1-9af6-b538b52ab98a.html



CHILD CARE AND THE WORKFORCE

High cost, limited availability, and inconvenient program hours are all challenges that are driving parents out of the workforce.

WHY WORKERS LEAVE THE WORKFORCE

42%

of MT's unemployed cite family responsibilities as the reason they are not working.

64%

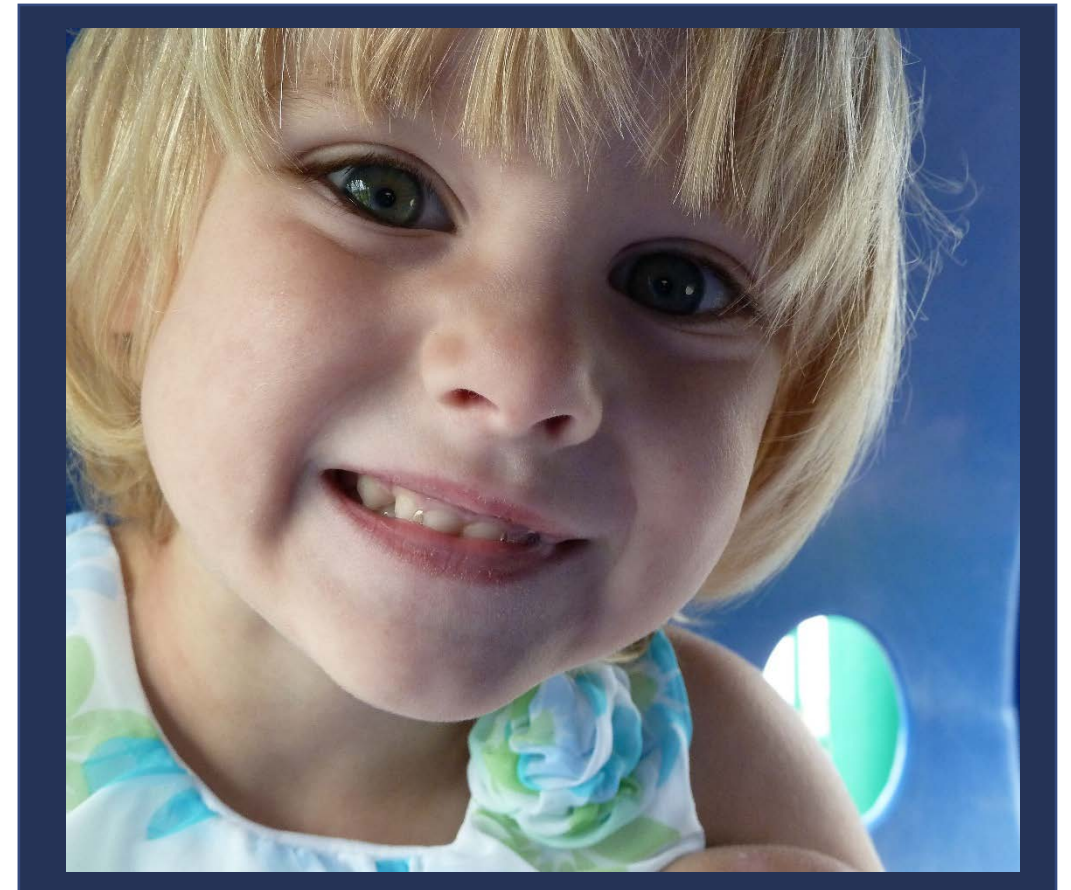
Of MT children under the age of 6 have both or their only parent in the workforce.

23%

Of partially employed workers in Montana cannot work full-time due to lack of child care.

17%

If child care capacity was met it is estimated that 17% more Mothers would be in the L&C workforce



CHILD CARE AND ROI MT BUSINESSES

\$1.61

For every \$1 spent on early care in MT an additional \$0.61 is generated in new spending.

With a \$197 million investment in MT's early care, \$317 million in new spending would be generated throughout the state, and stay in MT.

16 : 1

High quality early care programs for at-risk children save the community \$16 for every \$1 invested.

INVESTING IN MT JOBS

Fully investing in early care and education would generate millions of sales for MT businesses, and create thousands of jobs.

7,900

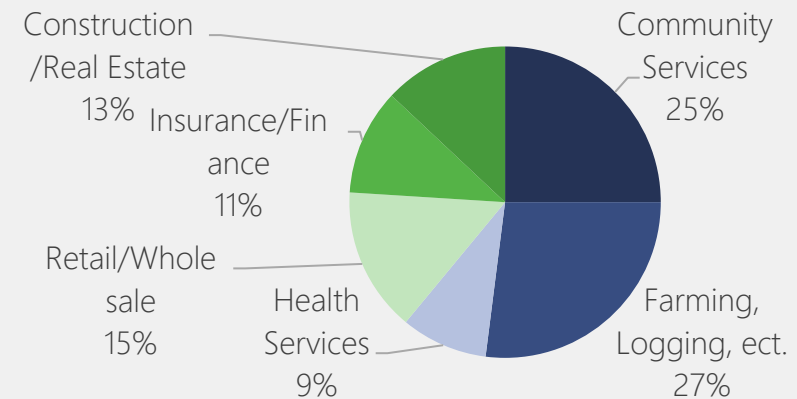
NEW JOBS

1,300

NEW JOBS OUTSIDE OF EARLY CARE SECTOR

SHORT-TERM ECONOMIC GAINS

61 cents of every \$1 invested generates income in other economic sectors





Watch Video QUESTIONS, COMMENTS?

THANK YOU!



Child Care Connections

901 North Benton
Helena, MT 59601

1143 Stoneridge Dr
Bozeman, MT 59718

(406) 587-7786

office@cccmontana.org
cccmontana.org





Lost Possibilities

The Impacts of Inadequate Child Care
on Montana's Families, Employers and Economy

Bureau of Business and Economic Research
University of Montana—Missoula

Sponsored by the Federal Reserve Bank of Minneapolis

September 2020

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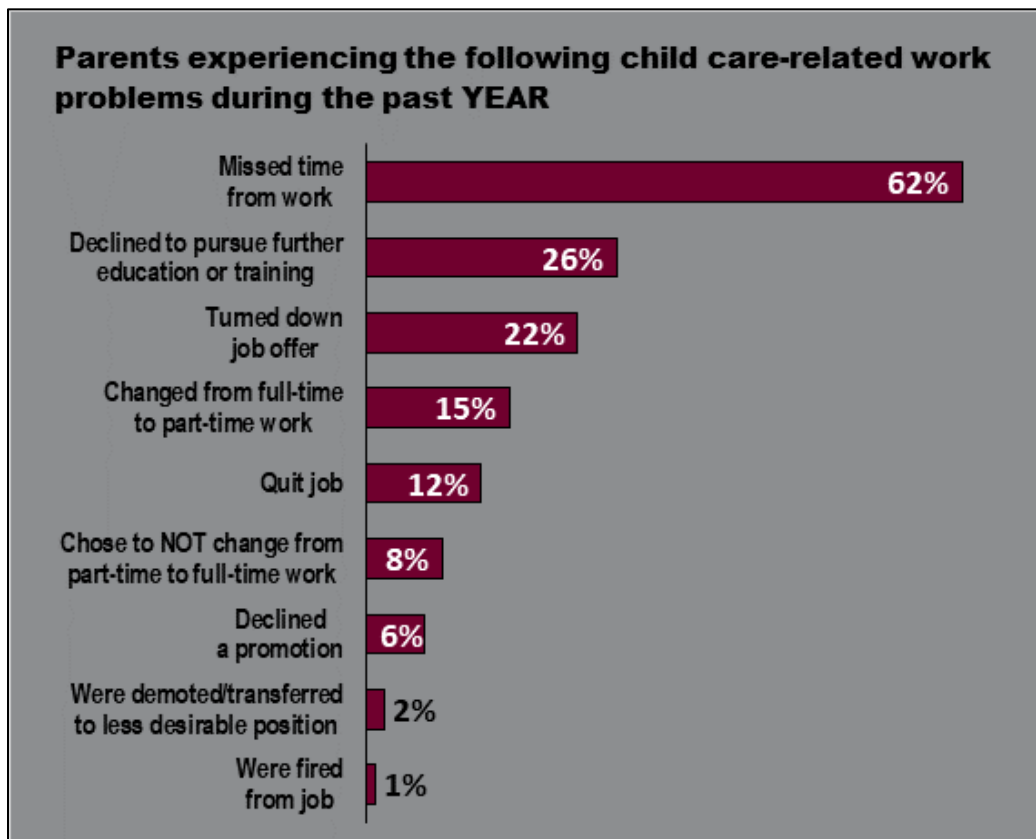
Highlights

From January through April of 2020 University of Montana's Bureau of Business and Economic Research (BBER) conducted a survey to examine the economic impact inadequate child care has on Montana parents, employers and taxpayers. The survey was paid for by the Federal Reserve Bank of Minneapolis. The survey randomly sampled Montana households with children ages 0-5. BBER collected data from 404 Montana households. The responses are weighted so the results reflect the statewide population of households with children ages 0-5. Most respondents replied prior to the impact of the COVID-19 pandemic on Montana. Responses received after the pandemic were not substantially different than those received before the pandemic.

The survey found:

1. 57% of households reported that finding affordable child care is a challenge
2. 46% of respondents left work early in the past month due to inadequate child care
3. 44% of respondents missed a full day of work in the past month due to inadequate child care

Over the past year Montana parents experienced the following work-related problems due to child care issues:



Detailed descriptions of the methods used in this study may be found in the appendices of this report. Inadequate child care in this report refers to a lack of access to reliable child care. The term does not refer directly to the quality of child care provided.

The analysis includes comparisons by household income, race, and geography. First, households earning \$30,000 or less lost about \$3,400 in wages per year due to issues related to inadequate child care, more than 10 percent of their income. Families with fewer economic resources are likely to face greater challenges in the child care market which can present a substantial barrier to economic opportunities. Parents in low-income households were more likely than high-income households to:

1. decline to pursue further education or training in connection with their employment (38% versus 21%)
2. turn down job offers (36% versus 12%)
3. change from full-time to part-time work (24% versus 10%)
4. quit their jobs (26% versus 5%).

Second, the results compare the experiences of American Indians, the second largest racial group in the state, with White Montanans. American Indian respondents were more likely than White respondents to:

1. decline to pursue further education or training in connection with their employment (47% versus 24%)
2. turn down job offers at a higher rate (37% versus 22%)
3. quit their jobs (27% versus 10%).

Third, urban and rural households did not have substantial differences in the impact of inadequate child care on employment and income; however, urban households reported greater difficulty finding affordable child care than rural households (60% versus 49%).

In the year prior to the survey the economic burden on the Montana economy caused by inadequate child care was substantial. Parents of children ages 0-5 suffered this burden primarily through lost wages caused by missing work to care for a child. Businesses bore the burden because of lower productivity caused by employee absenteeism and by incurring employee turnover costs. Taxpayers experienced this burden because income tax receipts were reduced since parents earned less when they missed work.

The figure below summarizes the past year economic losses suffered by the Montana economy due to inadequate child care.

Losses from the Montana economy caused by inadequate child care (2019)

	Loss to households	Loss to businesses	Loss to taxpayers
Average per household	\$5,700	\$2,150	\$1,260
Total	\$145,146,000	\$54,562,000	\$32,036,000

Introduction

All Montana parents¹ need some form of child care arrangement for their children before they reach school age². It can be as clear-cut as one parent staying home with the child full time, or as complex as parents utilizing a combination of several different child care alternatives to meet their needs while all available wage earners are working full time.

At least 73% of Montana households with children ages 0 to 5 years old—younger than school-aged—require some form of child care arrangement away from home to allow for all available wage earners to earn a pay check. Such arrangements are often inadequate, failing to meet the needs of a parent. For example, providers in the child care market may not cover the hours a parent needs to work, or a sudden closure or sick provider may leave them unexpectedly without care.

Regardless of adequacy, child care for young children is often expensive relative to a family's economic resources. Issues related to inadequate child care also impact a family's economic well-being. Inadequate child care can influence a parent's job selection, increase absenteeism, and detract from their work performance. These issues, in turn, affect employee earning potential, their employers and the greater state economy.

This report provides the results of the Montana Child Care Survey, assessing the issues related to inadequate access to reliable child care faced by Montana households with at least one child age 0-5. It does not include a discussion of the quality of child care available, nor the myriad benefits associated with quality early childhood education.

Descriptive Analysis

From January through April of 2020, the Bureau of Business and Economic Research (BBER) at the University of Montana, conducted the Montana Child Care Survey to examine issues related to inadequate child care in Montana. The survey was sponsored by the Federal Reserve Bank of Minneapolis. It obtained 404 completions—all Montana households with at least one child ages 5 years or younger. BBER collected more than 70% of survey responses before Montana K-12 schools switched to on-line instruction in response to COVID-19. Analysis of survey responses found little, if any, effect of COVID-19 on survey responses (please see the detailed analysis later in this report).

¹ To facilitate legibility, this report uses the term "parent" to refer to biological parents, step-parents, adopted parents, guardians and others who care for a child.

² While the authors recognize that there is a need for after-school child care as well, once children reach school age, this report addresses issues related to the care of children ages 0-5 only.

The survey sample was randomly selected at the household level. Responses were collected via the internet and mail. All estimates presented in this report are weighted to represent the population of Montana households with children under the age of 6. The characteristics of the survey respondents (not households) are summarized in Table 1 and Table 2. The questionnaire can be found in Appendix 1, and a detailed description of the survey methods used can be found in Appendix 2. Differences in the percentage of responses from specific demographic groups are only emphasized in this document if they are significant at the 95% confidence level unless noted otherwise.

Table 1: Survey respondent characteristics

Respondent^a characteristics	Percent of total
Sex	
Female	78%
Male	22%
Highest level of schooling completed	
Less than high school diploma	3%
High school diploma	12%
Some college credit but no degree	25%
Associate's degree	11%
Bachelor's degree	33%
Master's degree	11%
Professional degree	3%
Doctorate degree	2%
Ethnicity	
Hispanic or Latino	3%
Not Hispanic or Latino	97%
Race^b	
White	91%
American Indian/Alaska Native	12%
Black	3%
Asian	2%
Native Hawaiian/Other Pacific Islander	2%
Location of home	
Urban county	65%
Rural county	35%
Annual household income	
\$30,000 or less	24%
\$30,001 - \$55,000	25%
\$55,001 - \$95,000	26%
\$95,001 and over	25%

^a Respondents were one parent, guardian or caregiver who answered the survey on behalf of the sampled household.

^b Respondents could indicate more than one race.

Table 2: Survey respondent employment status

Current employment status	Percent of total
Employed, working 35 hours or more per week	51%
Employed, working LESS than 35 hours per week	24%
Not employed and NOT looking for work	16%
Not employed and looking for work	5%
Disabled and not able to work	2%
Retired	2%
Student or enrolled in job training program	1%

Twenty-seven percent of responding households had at least one child age 18 months or younger (Table 3). Forty-eight percent had a child aged 19 to 35 months, and 58 percent had a child age 36 months (3 years) to 71 months (5 years).

Table 3: Ages of children in household

Ages of children under age 6	Percent of households
Ages 0-18 months	27%
Ages 19 months - 35 months	48%
Ages 36 months - 71 months	58%

According to the National Survey of Children’s Health, 53 percent of Montana children ages 0-5 receive child care from someone other than their parents for at least 10 hours per week. The Montana Child Care Survey provided a breakdown of the variety of child care types Montana parents utilize for their children ages 5 years and younger (Table 4). The majority of households used more than one kind of care, predominantly (58%) having children staying at home with a parent, step-parent or guardian at least some of the time. One-quarter (25%) of households had children who attended pre-K or kindergarten, while almost as many (24%) had children staying with a different family member. Twenty-three percent of households had children attending a licensed child care center, and 11 percent had children attending a licensed home-based family or group care provider. Further, 9 percent of households had a child attending Early Head Start or Head Start, 6 percent had a child staying with an (unlicensed) unrelated person who cares for a few children, 3 percent used a babysitter or nanny, and 1 percent utilized other arrangements.

Table 4: Types of child care arrangements utilized

Households with children who are...	Percent of total
...staying at home with parent, step-parent or guardian	58%
...attending pre-K or kindergarten	25%
...staying with other family member (older sibling, grandparent, etc.)	24%
...attending licensed child care center	23%
...attending licensed home-based family or group care provider	11%
...attending Early Head Start or Head Start program	9%
...staying with unrelated person who cares for a few children	6%
...staying at home with babysitter or nanny	3%
...utilizing other options	1%

Table 4 presents the child care arrangement households are actually using; however, they are not necessarily the arrangements parents prefer. Readers should note that some responding parents may not have been aware of the distinction between pre-K and licensed child care. Montana does not offer publically-funded pre-K. Thus, there is likely some overlap in the responses to the pre-K and licensed child care options.

Responding households are experiencing a number of challenges in trying find suitable care for their young children. Child care cost is by far the greatest issue for households, with 57 percent reporting that finding affordable care is a challenge (Figure 1, Table 5). A large percentage (41%) faces problems with finding care for when their primary arrangement is not an option—if their child is sick, for emergency care, or back-up care in general. Finding high-quality care, and care that accommodates work schedules pose significant challenges as well, with 35 percent and 32 percent of households, respectively, dealing with these issues. Less than one-quarter (22%) of responding households indicated that they experience no challenges when it comes to accessing child care.

Figure 1: Challenges in accessing child care

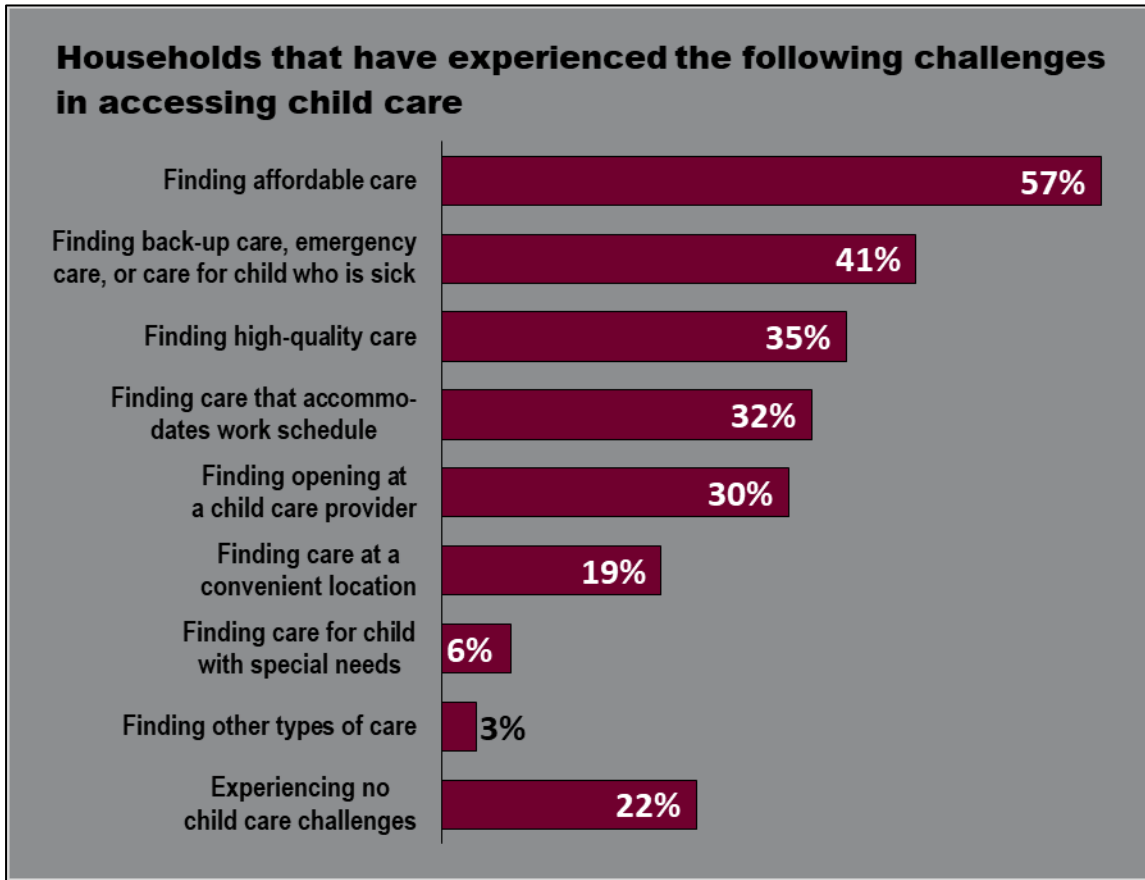


Table 5: Child care challenges faced by parents of children ages 5 years and younger

	Total	American Indian	White	Urban	Rural	Household income	
						low 1/3	high 1/3
Finding affordable care	57%	62%	58%	60% ^a	49% ^a	62%	52%
Finding back-up care, emergency care, or care for child who is sick	41%	50%	40%	44% ^b	34% ^b	35%	44%
Finding high-quality care	35%	27%	35%	36%	32%	31%	41%
Finding care that accommodates work schedule	32%	28%	34%	33%	31%	32%	36%
Finding opening at a child care provider	30%	30%	29%	29%	31%	27%	37%
Finding care at a convenient location	19%	22%	19%	20%	18%	20%	20%
Finding care for child with special needs	6%	5%	6%	5%	6%	9%	5%
Finding other types of care	3%	6%	2%	1% ^b	5% ^b	3%	3%
Experiencing no child care challenges	22%	10% ^b	22% ^b	21%	24%	14% ^a	23% ^a

Note: Respondents could indicate more than one option.

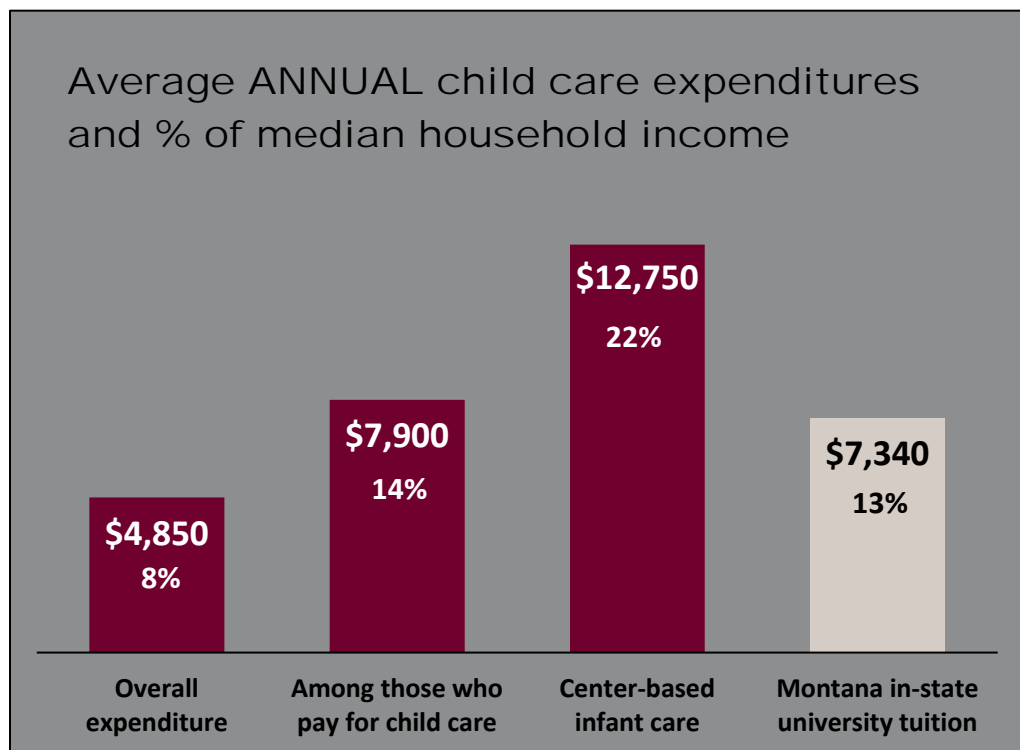
^a Difference significant at the 95% confidence level.

^b Difference significant at the 90% confidence level.

With regard to the various child care-related challenges that Montana parents face, there are some notable differences between parents in urban versus rural areas. While 60 percent of urban parents face the challenge of finding affordable care, only 49 percent of rural parents do. Further, when it comes to finding back-up care, emergency care, or care for a child who is sick, 44 percent of urban parents reported that this is a challenge, compared to 34 percent of rural parents. Finally, more households in the highest third of incomes (23%) report experiencing no child care challenges than do households in the lowest third (14%). A similar pattern emerges when comparing White households and American Indian households. About 22% of White households report no child care challenges while only 10% of American Indian households report no challenges.

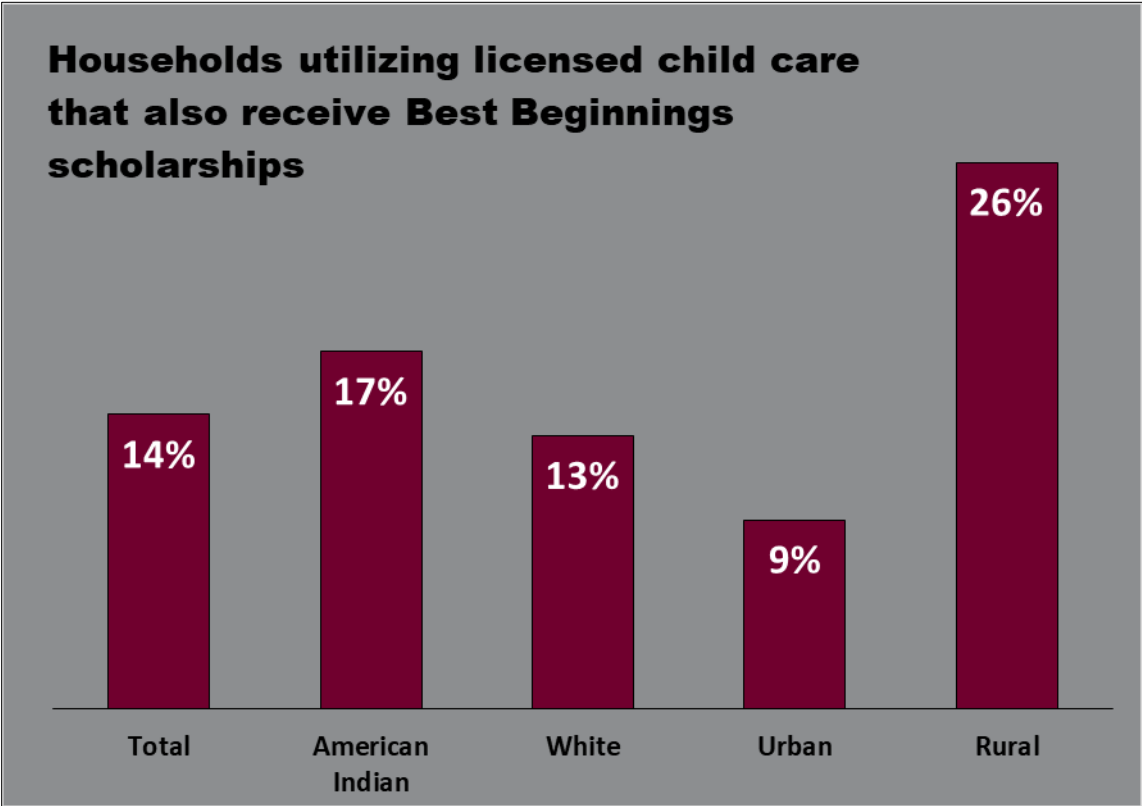
Finding affordable care is a real problem, both in Montana and elsewhere. Averaged across all Montana households with children ages 5 years and younger, regardless of child care arrangements, annual child care expenses equal \$4,850 (Figure 2). If averaging only the expenses of households that pay for child care, annual expenses total \$7,900. If averaging expenses for center-based infant care—the costliest age and care option—annual expenses top \$12,750. As points of comparison, average in-state tuition at Montana universities is \$7,340 for an academic year (Montana University System, 2020) and the median annual income for Montana households with children under age 6 was about \$58,000 in 2018 (U.S. Census Bureau, 2020).

Figure 2: Average annual child care expenditures per household and % of median household income



Qualifying low-income families can access Best Beginnings child care scholarships, managed by the Early Childhood Services Bureau at the Department of Public Health and Human Services³. Among households that use licensed child care options for their children, 14 percent receive a Best Beginnings scholarship (Figure 3). There is a notable difference in the percent of urban and rural families that receive such assistance (9% versus 26%).

Figure 3: Households receiving Best Beginnings child care scholarships



Child care issues affect Montana workers in a variety of ways, all leading to a loss of productivity. In the month prior to responding to the survey, among households with at least one child ages 5 years or younger, 46 percent of workers were forced to leave work earlier than their expected regular working hours (Figure 4, Table 6).

³ Department of Public Health and Human Services, Early Childhood and Family Support Division manages licensing of state child care providers. In an effort to partially address child care issues in the state the Division's Early Childhood Services Bureau manages a child care assistance program – Best Beginnings child care scholarships – given to qualifying low-income families. The program helps to pay for care when parents are not available to care for their children, 1) During working hours; 2) During school or training hours, if meeting work requirements; 3) If they are a teen parent attending high school; or 4) If they are a parent receiving TANF and who is participating in family investment agreement activities. For additional information, see: <https://dphhs.mt.gov/hcsd/childcare/bestbeginningsscholarships>.

Figure 4: Child care-related work problems experienced last month

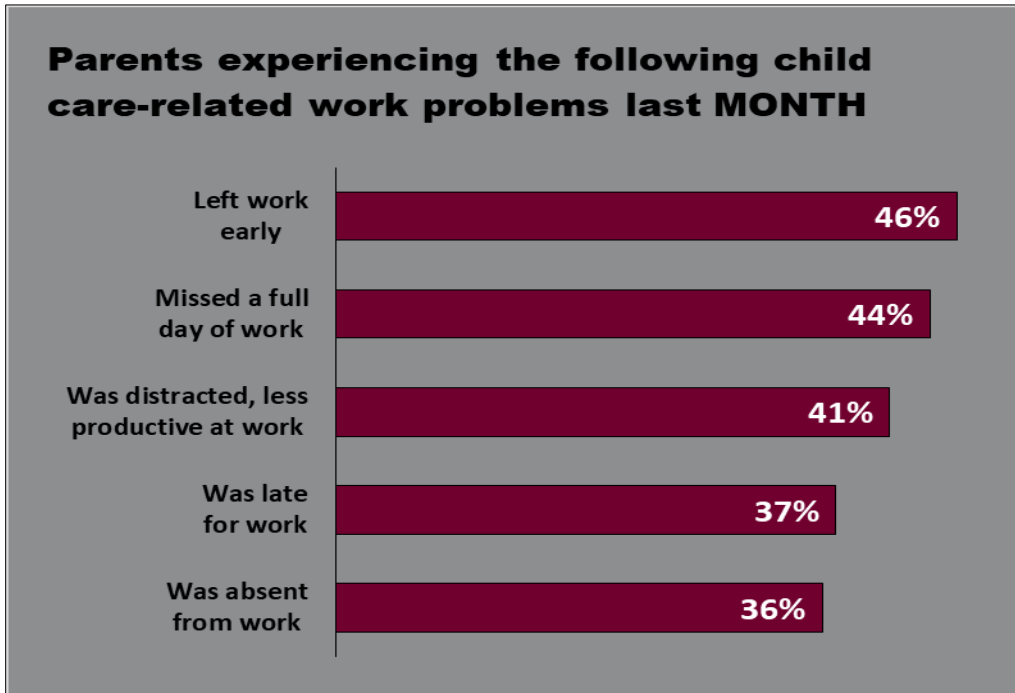


Table 6: Child care-related work problems experienced during last month

Child care challenges	Total	American Indian	White	Urban	Rural	Household income	
						low 1/3	high 1/3
Left work early	46%	46%	46%	44%	49%	41%	54%
Missed a full day of work	44%	45%	45%	42%	46%	43%	43%
Was distracted and less productive at work	41%	50%	40%	39%	43%	43%	41%
Was late for work	37%	40%	38%	38%	36%	34%	40%
Was absent from work	36%	41%	36%	36%	35%	35%	39%

Further, 44 percent missed at least one full day of work. All in all, working households with at least one child aged 5 years or younger lost an average of approximately 13 working hours per month—equivalent to 5 percent of total hours worked (Table 7).

Table 7: Work hours lost due to child care issues

Work hours lost due to child care issues	Per week	Per month
Average hours worked		
Respondent	31 hrs	125 hrs
Second parent	36 hrs	144 hrs
Total, household	67 hrs	269 hrs
Average hours absent		
Respondent		8 hrs
Second parent		5 hrs
Total, household		13 hrs
Absences as percent of hours worked		
Respondent		6%
Second parent		3%
Total, household		5%

In the year leading up to responding to the Montana Child Care Survey, Montana households with at least one child ages 5 years or younger experienced a number of child care-related issues while at work. For example, 62 percent of responding parents experienced time missed from work (Figure 5, Table 8). Further, career advancement was affected, as 26 percent declined to pursue further education or training, and 22 percent declined a job offer. Six percent declined a promotion. Only 1 percent of responding households indicated they had experience losing their job due to child care-related issues; however, household income was directly affected as 15 percent changed from full-time to part-time work, 12 percent quit their job, and 8 percent chose to not change from part-time to full-time work.

Figure 5: Child care-related work problems experienced during the past year

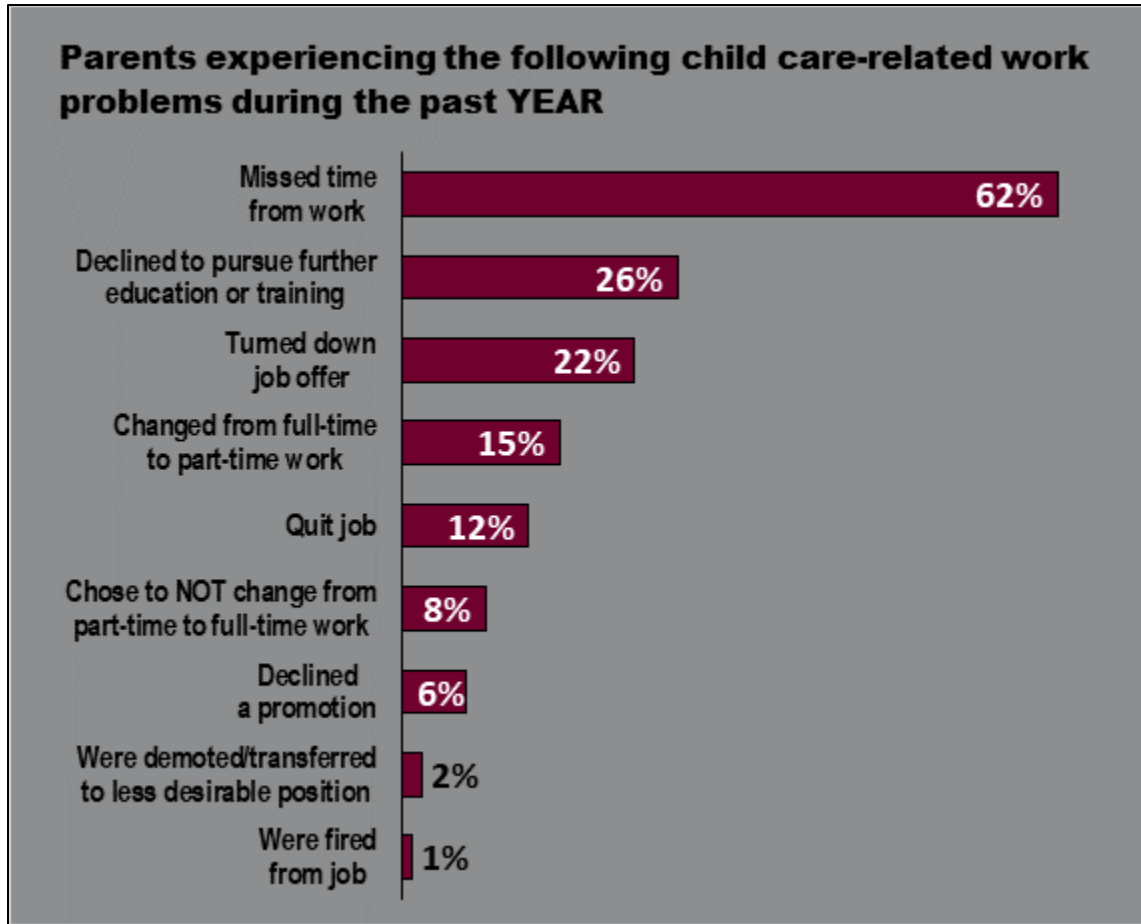


Table 8: Child care-related work problems experienced during the past year, by household type

	Total	American Indian	White	Urban	Rural	Household income	
						low 1/3	high 1/3
Missed time from work	62%	56%	64%	62%	62%	57%	69%
Declined to pursue further education or training	26%	47% ^a	24% ^a	26%	27%	38% ^a	21% ^a
Turned down job offer	22%	37% ^a	22% ^a	24%	19%	36% ^a	12% ^a
Changed from full-time to part-time work	15%	18%	15%	17%	11%	24% ^a	10% ^a
Quit job	12%	27% ^a	10% ^a	12%	10%	26% ^a	5% ^a
Chose to NOT change from part-time to full-time work	8%	6%	9%	9%	6%	9%	5%
Declined a promotion	6%	7%	6%	5%	7%	8%	4%
Was demoted or transferred to less desirable position	2%	5%	2%	2%	2%	4%	2%
Was fired from job	1%	1%	1%	2% ^b	<1% ^b	3% ^b	<1% ^b

^a Difference significant at the 95% confidence level.

^b Difference significant at the 90% confidence level.

In the area of child care-related work problems, there are significant differences between the experiences of American Indian and White parents, and between parents in the lowest third of household incomes when compared with parents in the highest third of household incomes. These differences should be viewed with the fact in mind that 38 (unweighted) survey respondents identified as American Indian and 71 (unweighted) survey respondents said they were in the lowest third of household incomes. These numbers of responses are minimally sufficient to report.

Due to child care-related issues, American Indian parents decline to pursue further education or training in connection with their employment at twice the rate of White parents (47% versus 24%). They turn down job offers at a higher rate (37% versus 22%), and they quit their jobs at almost three times the rate of White parents (27% versus 10%).

Child care related issues cause parents in the lowest third of household incomes to decline to pursue further education or training in connection with their employment at a much higher rate than parents in the highest third of household incomes (38% versus 21%). They turn down job offers at three times the rate of parents in the highest third of household incomes (36% versus 12%) and they change from full-time work to part-time work more than two times the rate of parents in the highest third of household

incomes (24% versus 10%). Finally, parents in the lowest third of households quit a job due to child care-related issues at more than five times the rate of parents in the highest third of household incomes (26% versus 5%).

While child care-related issues affect the employment and career trajectories of the lowest third of household incomes more than highest third, when higher-income households confront child care-related issues they tend to report they miss time from work or leave work early more often than lower-income households. While these findings don't meet statistical significance, results at the top of Table 6 and Table 8 are suggestive that higher-income workers with young children either have more flexibility in their work arrangements or more often choose to work fewer hours in response to child care-related issues compared with lower-income workers.

Being fired from a job because of child care-related problems occurs rarely among Montana parents with children under the age of 6, only 1% of parents reported this happening over the past year. However, more than twice the percentage of parents in urban areas than rural areas have had this experience (2% versus less than 1%) and more than three times the percentage of parents in the lowest third of household incomes had this experience when compared with parents in the highest third of household incomes (3% versus less than 1%).

Economic Impact Analysis

BBER estimated the economic impacts of inadequate child care using the reports of parents from the Montana Child Care Survey to directly estimate parents' lost wages caused by inadequate child care. These estimates of lost parental wages formed the basis of estimates of the economic impact of inadequate child care on Montana businesses and taxpayers. A more detailed description of the estimation methods used may be found in Appendix 3.

Household Impacts

One primary economic impact of inadequate child care on Montana families is the lost wages families suffer when parents have to miss work, switch from full-time work to part-time work or turn down a job offer. After responding to questions about work-related problems due to child care issues, the Montana Child Care Survey asked respondents to quantify the lost wages related to these problems. For example, parents often lose wages when they miss work, switch from full-time work to part-time work or turn down a job offer. According to the survey responses, Montana parents of children ages 0-5 years old lose more than \$145 million dollars in wages annually because of inadequate child care (Table 9). Individual parents lose, on average, \$3,110 annually, while Montana households with children ages 0-5

lose an average of \$5,700 in wages annually. Montana’s annual per-parent wage burden is very similar to the U.S. average per-parent annual burden (\$3,350) published in *The Economic Impacts of Insufficient Child Care on Working Families* by Clive Belfield in 2018.

Table 9: Annual economic burden to parents^a due to inadequate child care (2019)

	Estimate	95% confidence interval
Montana parents, total	\$145,146,000	+/- \$20,640,000
Montana parents, per household	\$5,700	+/- \$840
Montana parents, per parent	\$3,110	+/- \$460
U.S. parents, per parent ^b	\$3,350	na

^a Parents of children ages 0-5 years old.

^b Source: (Belfield, 2018).

The annual wage burden varies by household characteristics. Parents in Montana’s urban households face almost the same annual wage burden (\$5,580) from inadequate child care as parents in rural households (\$5,900) (Figure 6, Table 10). In contrast, the wage burden incurred by parents varies significantly whether one or two parents live in the household, and whether one of the parents stays at home. Single-parent households suffer, on average, a \$3,500 annual loss in wages due to inadequate child care. Two-parent households where both parents work lose more—an annual average of \$7,440. Two-parent households in which one parent works and one parent stays at home lose the least—an annual average of \$2,960.

One can conclude from these estimates that the number of wage earners and whether one adult stays at home are central for understanding differences in annual household burden due to inadequate child care. All other things being equal, more wage earners in a household means more wages lost due to child care issues. It is also important to observe that households in which one parent stays at home still report lost wages due to inadequate child care. This is often because lost wages are reported by both the stay-at-home parent and the working parent. One example of this is a household in which the stay-at-home parent works a weekend, part-time job and the working parent occasionally leaves work to care for a child while the stay-at-home parent goes to an appointment.

Figure 6: Average financial burden of inadequate child care (2019)

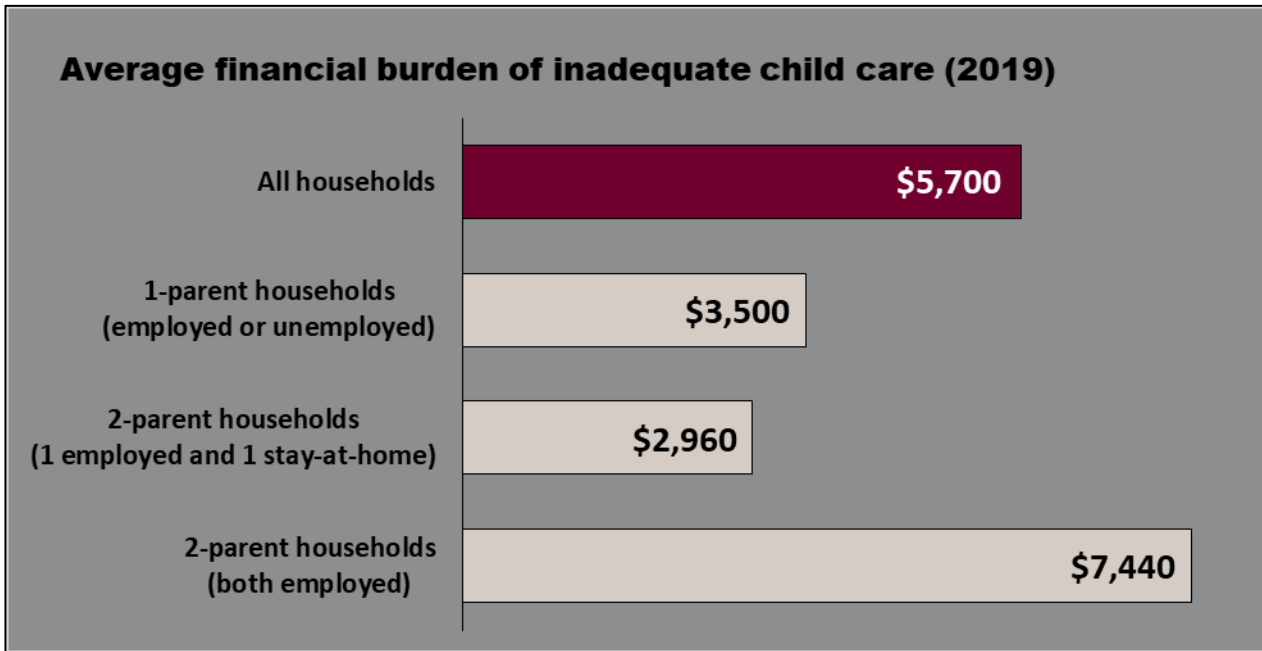


Table 10: Annual economic burden for Montana parents^a due to inadequate child care

	Estimate	95% confidence interval
All households	\$5,700	+/- \$840
Urban households	\$5,580	+/- \$910
Rural households	\$5,900	+/- \$1,680
American Indian households	\$6,270	+/- \$2,920
White households	\$5,650	+/- \$840
1-parent households (employed or unemployed)	\$3,500	+/- \$2,730
2-parent households (1 employed and 1 stay-at-home)	\$2,960	+/- \$770
2-parent households (both employed)	\$7,440	+/- \$1,060

^a Parents of children ages 0-5 years old.

The amount of wages Montana parents lose annually due to inadequate child care is directly related to household income. Montana’s lowest-income households lose less wages annually (\$3,440) than do Montana’s highest-income households (\$9,030) (Table 11). Readers should keep in mind, however, that the lowest-income households lose proportionately more of their income than do the highest-income households.

Table 11: Annual economic burden for Montana parents^a due to inadequate child care by household income category (2019)

	Estimate	95% confidence interval
All households	\$5,700	+/- \$840
\$0 - \$30,000	\$3,440	+/- \$1,960
\$30,001 - \$55,000	\$4,960	+/- \$1,720
\$55,001 - \$95,000	\$5,280	+/- \$1,080
\$95,001 +	\$9,030	+/- \$1,630

^a Parents of children ages 0-5 years old.

Business Impact

Montana businesses bear the second key burden caused by inadequate child care, mainly from reduced revenue due to lower employee productivity and increased employee recruitment costs caused by unwanted employee turnover. Table 12 details some of the most relevant parental work problems caused by inadequate child care and the associated impact on businesses.

Table 12: Business impacts of Montana parents^a child care-related problems, past year

Parents’ child care problem	Impact on businesses
62% of parents missed work	Reduced productivity
26% of parents declined to pursue further job training or education	Reduced productivity
22% of parents turned down a job offer	Increased employee recruitment cost if parent was unemployed
15% of parents changed from full-time work to part-time work	Increased employee recruitment cost
12% of parents quit a job	Increased employee recruitment cost

^a Parents with children ages 0-5 years old.

The Montana Child Care Survey gave parents the opportunity to report not only the work problems they experience, but work hours and wages they forego due to inadequate child care. BBER used these reports to estimate the economic burden caused by inadequate child care faced by Montana businesses (Table 13).

Table 13: Annual economic losses to Montana businesses due to child care-related problems (2019)

Total losses to Montana businesses	Losses to Montana businesses per household ^a	Losses to Montana businesses per parent ^a	Losses to U.S. businesses per parent ^b
\$54,562,000	\$2,150	\$1,170	\$1,150

^a Parents of, and households with, children ages 0-5 years old.

^b Households with children ages 0-2 years old. Source (Belfield, 2018).

Montana businesses lose nearly \$55 million dollars annually due to inadequate child care. Work problems experienced by parents with children ages 0-5 cause Montana businesses annual losses of \$2,150 per household and \$1,170 per parent. Montana business losses per parent are virtually identical to the U.S. business loss per parent (\$1,150) as estimated by Belfield (2018).

Tax impact

Taxpayers carry the third major economic burden caused by inadequate child care. Specifically, the federal government and Montana state government obtain lower income tax receipts because of the wages parents forego due to inadequate child care. BBER estimated these lost tax receipts using the information reported in the Montana Child Care Survey (Table 14, Figure 7).

Table 14: Annual economic burden on tax payers due to inadequate child care (2019)

Jurisdiction	Taxpayer loss, total	Taxpayer loss, per household ^a	Taxpayer loss, per parent ^a	U.S. taxpayer loss, per parent ²
Federal	\$22,946,000	\$900	\$500	na
Montana	\$9,090,000	\$360	\$200	na
Total	\$32,036,000	\$1,260	\$700	\$630

^a Households with, and parents of, children ages 0-5.

^b Parents of children ages 0-2. Source: (Belfield, 2018).

Taxpayers lose a total of \$32 million dollars annually due to inadequate child care. The federal government loses almost \$23 million annually in lower income tax receipts, while the State of Montana loses \$9 million annually in income tax receipts. Taxpayers lose \$1,260 annually per household with children ages 0-5, or approximately \$700 per parent. The Montana taxpayer loss per parent is only slightly higher than the U.S. loss per parent estimated by Belfield (2018), and the difference is not statistically significant.

Figure 7: Losses to the Montana economy caused by inadequate child care (2019)

Losses from the Montana economy caused by inadequate child care (2019)			
	Loss to households	Loss to businesses	Loss to taxpayers
Average per household	\$5,700	\$2,150	\$1,260
Total	\$145,146,000	\$54,562,000	\$32,036,000

Economic Impact in a National Context

The average economic impacts of inadequate child care borne by parents, businesses and taxpayers in Montana are very similar to the most recent estimates found for the United States as a whole (Table 15). Each of the Montana estimates is well within the margin of sampling error of Belfield's (2018) estimates for the U.S. State-level estimates from other recently completed studies are also provided in Table 15 for reference. The Montana estimates are quite comparable to other state-level estimates presented below.

Table 15: Montana compared to the U.S. and other states

	Annual loss per parent	Annual business loss per parent	Annual taxpayer loss, per parent
U.S. ^b	\$3,350	\$1,150	\$630
Montana ^a	\$3,110	\$1,170	\$700
Indiana ^c	\$2,810	\$4,605	\$304
Louisiana ^d	\$4,040	\$2,995	\$308
Maryland ^e	\$2,340	\$4,317	\$210
Pennsylvania ^f	\$3,460	\$1,430	\$860

^a Parents of children ages 0-5 years old.

^b Parents of children ages 0-2. Source: (Belfield, 2018).

^c Parents of children ages 0-4. Source: (Littlepage, 2018).

^d Parents of children ages 0-4. Source: (Davis, Bustamante, Bronfin, & Rahim, 2017)

^e Parents of children ages 0-4. Source: (Talbert, Bustamante, Thompson, & Williams, 2018)

^f Parents of children ages 0-2. Source: (Bishop-Josef, et al., 2019).

Several other studies estimate the economic impact of child care at the state level; comparable results are listed in Table 15. The Pennsylvania study (Bishop-Josef, et al. 2019) largely follows the methodology in Belfield (2018) based on a survey of working parents with children age 0-2. Like the Montana study, this group of studies reports the direct effects of inadequate child care on households, businesses, and taxpayers. A second group of studies follow the methodology used in the Louisiana study by Davis, Bustamante, Bronfin, & Rahim (2017) based on a survey of households with children age 0-4. The results in this group of studies includes secondary indirect and induced effects based on a multiplier of the direct effects. For example, the multiplier used in the Louisiana study is 2, which in large part explains why the economic results in this group of studies are larger than the results for Montana.

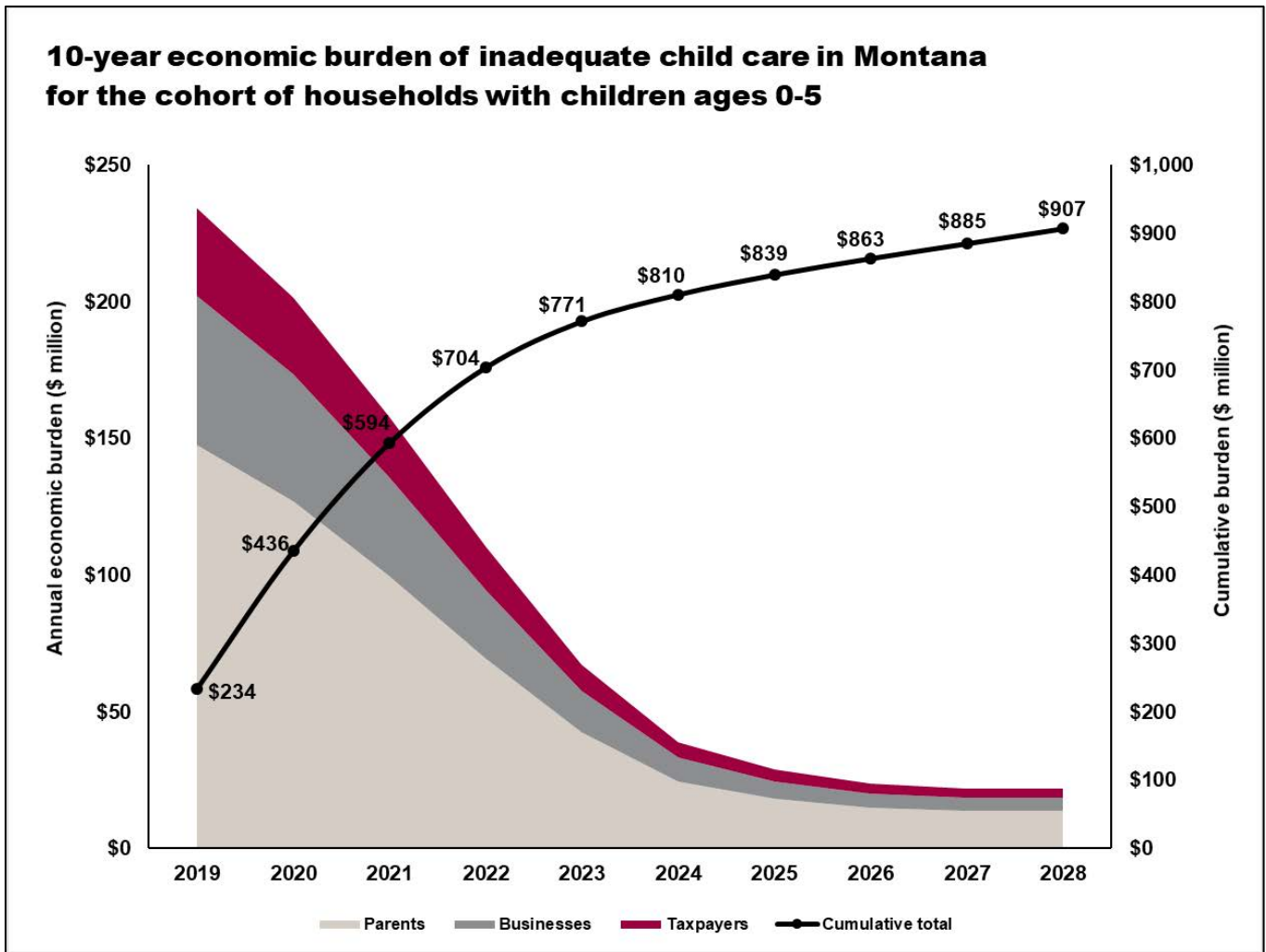
In 2019, the U.S. Chamber of Commerce Foundation released state reports for Iowa, Idaho and Mississippi based on the direct effects of inadequate child care. The results for neighboring Idaho show a \$414 million loss due to absences and employee turnover due to child care issues and a \$65 million loss in tax revenue (U.S. Chamber of Commerce Foundation, 2019). Even after accounting for Idaho's larger population of parents with young children, the overall economic impact is larger than Montana, although the study methodology was somewhat different.

Long Term Burden of the 2019 - 2020 Cohort

While the annual economic burden to Montana parents, businesses and taxpayers is substantial, the impact of inadequate child care also has implications in subsequent years. Specifically, parents of each cohort of children ages 5 and under incur quite considerable long-term losses which are worth examining if only in a limited way. Estimating long-term economic impact using one, cross-sectional survey is problematic. A longitudinal study or a series of repeated cross-sectional surveys would capture changes over time that this survey cannot. However, this survey does contain information, namely the ages of the children studied, that allows BBER to make plausible estimates of long-term economic burden. BBER estimated the long-term losses for the cohort of Montana households with children ages 5 and under in January through April 2020, with an assumed duration of 10 years.

The impact of inadequate child care lingers beyond 2019 as the youngest children in the cohort continue to attend child care for a few more years, and some child care effects have a long-term impact on career trajectories and household income. After 10 years, when children are age 10-15, the annual impact drops to \$22 million in 2028. However, accumulated over the ten-year period, the economic burden of inadequate child care for the cohort totals \$907 million (Figure 8 and Figure 9). The largest share of the burden, about 63 percent, falls on parents each year. Businesses' share of the burden is 23 percent and taxpayers carry the remaining 14 percent. See Appendix 3 for more information on the calculations that went into these estimates.

Figure 8: Detailed 10-year burden to the Montana economy caused by inadequate child care for the cohort of households with children ages 0-5



Parents

The 10-year parental burden is calculated from the average cost per year per child's age in household lost wages as reported in the survey. The lost wage burden is assumed to be highest before the child enters kindergarten and would decline thereafter. The resulting estimates show that the 10-year burden per parent is \$12,400 and \$22,400 per household, using inflation-adjusted lost income. This is equivalent to a statewide loss of \$571.8 million over 10 years for the cohort (Figure 9, Table 16).

Businesses

Businesses see a loss in revenue from employee absenteeism stemming from inadequate child care. Using a modified versions of the calculations used by Belfield (2018), the burden is again assumed to be highest before the child enters kindergarten and that business losses due to inadequate child care would drop thereafter. Thus, these calculations are conservative. Long-term burden to businesses total \$206.8 million across all Montana households, equivalent to \$4,500 per parent or \$8,100 per household. Annual cost of living increases are adjusted for each year. As in Belfield (2018) this includes hiring costs.

Taxpayers

The 10-year burden in terms of federal and Montana taxes is estimated at about \$128.4 million, or \$2,800 and \$5,040 per parent and per household, respectively, for the cohort. The loss in federal tax revenue equals \$91.9 million, while the loss in Montana tax revenue equals \$36.4 million.

Figure 9: Aggregated 10-year burden on the Montana economy due to inadequate child care (2019-2028)

Aggregated 10-year burden on the Montana economy due to inadequate child care (2019-2028)			
Total state burden	Household burden	Business burden	Taxpayer burden
\$907,000,000	\$572,000,000	\$207,000,000	\$128,000,000

Table 16: Summary of the 10-year economic burden of inadequate child care

	Total (millions)	Average per household	Average per parent^a
Parents ^a	\$571.8	\$22,400	\$12,400
Businesses	\$206.8	\$8,110	\$4,510
Taxpayers	\$128.4	\$5,040	\$2,800
Total	\$906.9	\$35,600	\$19,800

^a Parents of children ages 0-5 years old.

The estimates above represent significant losses to the state economy. Differences between the methods used in the Belfield (2018) study and this one preclude comparison of the long-term estimates of economic burden. The estimated 10-year economic loss presented here is by its nature conservative as it represents only one cohort of households. There are, of course, several cohorts of households with children at different ages that affect the economy during any 10-year period.

Impact of COVID-19 on Survey Responses

COVID-19 struck Montana during the data collection phase of this survey. Many factors that could influence parents' responses were affected by the pandemic, including the ability to send children to school, the availability of child care providers, the prevalence of parents working from home and the unemployment rate. BBER therefore examined the survey results to find instances where the results may have changed after the onset of the pandemic.

Perhaps the single most impactful, COVID-19 related event during data collection occurred on March 15, 2020 when Montana Governor Steve Bullock issued an order closing schools (Bullock, 2020). BBER collected 288 completed questionnaires prior to this order and 116 in the following weeks.

Many Montana industries were drastically affected by closures implemented to mitigate the spread of the pandemic. These closures caused a dramatic increase in the unemployment rate. The Montana Child Care Survey asked respondents about their employment status, which made it possible to calculate the unemployment rate of respondents before and after the school closure date (Table 17).

Table 17: Unemployment rate of respondents before and after school closure

Time period	Unemployment rate	95% confidence interval	
		Lower	Upper
Before	5%	2%	11%
After	11%	5%	22%

A change in the unemployment rate of respondents did occur after the school closure order. The survey's point estimate of the unemployment rate doubled from before the closure order (5%) to after the closure order (11%) (Table 18). However, this difference is well within the survey's margin of sampling error and is not statistically significant, as the survey was not designed to obtain enough completions to determine a difference at this level of precision.

Examining the annual wage burden of inadequate child care on households, a key outcome variable in this study, shows a much more attenuated and relatively small effect at a decrease of \$620 annually. Again, this difference is well within the survey’s margin of sampling error and not statistically significant. This small drop may indicate an effect of the increase in the proportion of parents who worked from home during this period.

Table 18: Annual parental wage burden of inadequate child care before and after school closure

Time period	Annual parental wage burden	95% confidence interval	
		Lower	Upper
Before	\$5,880	\$4,840	\$6,930
After	\$5,260	\$3,990	\$6,530

An exploration of a second important outcome variable, weekly spending on child care services, shows a very similar, attenuated effect (Table 19). There was a small and statistically insignificant difference between weekly spending on child care services before school closure (\$91) and after school closure (\$112). This small increase may reflect the cost of providing care for some kindergarteners sent home due to the school closure.

Table 19: Weekly spending on child care services before and after school closure

Time period	Weekly spending on child care services	95% confidence interval	
		Lower	Upper
Before	\$91	\$78	\$104
After	\$112	\$83	\$140

In summary, when examining one key descriptive variable (unemployment) and two key outcome variables (annual parental wage burden and weekly child care cost) there were small and statistically insignificant effects that may be attributed to COVID-19 mitigation measures. The impact of these effects on the estimates presented in this report is likely to be very small and almost certainly indistinguishable from the survey’s level of sampling error.

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APPENDIX 1: Montana Child Care Survey—Questionnaire

Montana Child Care Survey

“Does inadequate child care impact Montana families?”

Federal Reserve Bank of Minneapolis

January 2020



Administered by:

Bureau of Business and Economic Research

University of Montana—Missoula

Sponsored by:

Federal Reserve Bank of Minneapolis

Montana Child Care Survey

While many families in Montana have access to the child care they need when their children are very young, many do not. Parents, guardians or caregivers without access to adequate child care often report less time at work, less productive work, and fewer career opportunities. The information from this survey will shed light on the child care situation in Montana, especially for families with children age 5 and younger.



To gather this important information, we need your help. The best way we know to improve what we know about the child care situation in Montana is to ask Montana families to share their experiences with us. Your address is one of only a small number that have been randomly selected to help in this study.

Please have an adult who is a parent, guardian or caregiver to a child or children age 5 or younger complete this short survey. Please return the completed questionnaire in the enclosed stamped envelope. Your responses are voluntary and will be kept confidential. Your names are not on our mailing list, and your answers will never be associated with your mailing address. If you have any questions about this survey please contact Ms. Janet Stevens by telephone at 1-406-243-5113 or by e-mail at janet.stevens@umontana.edu.



By taking a few minutes, you will be adding greatly to our understanding of child care in Montana. Enjoy completing the questionnaire. We look forward to receiving your responses.

PLEASE GO TO THE NEXT PAGE AND BEGIN. 



1. Are you an adult age 18 years or older? Choose one answer.

- Yes  Please go to the next question.
- No  Please give this questionnaire to an adult who lives at this address.

2. Do any children age 5 years or younger live or stay at this address? Choose one answer.

- Yes  Please go to the next question.
- No  That is all the information we need. Please return this questionnaire in the envelope provided.

3. Are you a parent, guardian OR caregiver for at least one of the children age 5 years or younger who lives or stays at this address? Choose one answer.

- Yes  Please go to the next question.
- No  Please give this questionnaire to a parent, guardian OR caregiver for at least one of the children age 5 years or younger who lives or stays at this address.

4. How many children age 5 years or younger live or stay at this address? Enter the number of children.

Number of children age 5 or younger

5. How old are each of the children age 5 years or younger who live or stay at this address? Enter the age of each child.

<input type="text"/>	Age of child 1
<input type="text"/>	Age of child 2
<input type="text"/>	Age of child 3
<input type="text"/>	Age of child 4
<input type="text"/>	Age of child 5
<input type="text"/>	Age of child 6

6. What type(s) of child care arrangement(s) is (are) used for the child or children age 5 years or younger who live or stay at this address? Please choose one or more boxes below.

- Stays at home with parent, step-parent or guardian
- Stays with other family member, e.g. older sibling, grandparent, etc.
- Stays at home with babysitter
- Stays with unrelated person who cares for a few children
- Attends licensed home-based family or group care provider
- Attends licensed child care center
- Attends Early Head Start or Head Start program
- Attends pre-K or kindergarten
- Other (please specify) _____

7. For the child or children at this address, what challenges do you or the other parent, guardian or caregiver face when accessing child care? Finding Please choose one or more boxes below.

- An opening at a child care provider
- High-quality care
- Affordable care
- A convenient location
- Care that accommodates my work schedule
- Back-up care, or emergency care, or care for sick child
- Care for a child with special needs
- Other (please specify) _____
- None

8. How much money do you or the other parent, guardian or caregiver of the children at this address currently spend per week on child care? Enter the dollar amount below.

\$.00
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 Total spent on child care each week

9. Over the last year have you received any child care assistance from the State of Montana? For example, some people received a Best Beginnings Child Care Scholarship from the state to help pay for child care. Choose one answer.

- Yes
- No

10. Over the last year have you received any of the following types of support for child care from an organization that employed you? Provide one answer for each possible type.

	Yes	No
a. Child care program on-site	<input type="radio"/>	<input type="radio"/>
b. Reserved space at an off-site child care facility	<input type="radio"/>	<input type="radio"/>
c. Financial support to help pay for child care	<input type="radio"/>	<input type="radio"/>
d. Information on finding child care	<input type="radio"/>	<input type="radio"/>
e. Flexibility and tolerance of child care needs	<input type="radio"/>	<input type="radio"/>
f. Other (specify) _____	<input type="radio"/>	<input type="radio"/>

11. Over the last year have any of the following happened to you, yourself, specifically because of child care issues? Provide one answer for each possible child care issue.

	Yes	No
a. I missed time at work	<input type="radio"/>	<input type="radio"/>
b. I quit my job	<input type="radio"/>	<input type="radio"/>
c. I was fired from my job	<input type="radio"/>	<input type="radio"/>
d. I was demoted or transferred to less desirable position	<input type="radio"/>	<input type="radio"/>
e. I changed from full-time work to part-time work	<input type="radio"/>	<input type="radio"/>
f. I chose NOT to change from part-time to full-time	<input type="radio"/>	<input type="radio"/>
g. I declined a promotion	<input type="radio"/>	<input type="radio"/>
h. I turned down a job offer	<input type="radio"/>	<input type="radio"/>
i. I declined to pursue further education or training	<input type="radio"/>	<input type="radio"/>

12. For any of the child care issues listed in 11b through 11h above, about how many work days did you lose over the last year? Your best guess is ok. Enter the total number of days you lost below.

Total days lost over the last year

13. What is your relationship to at least one of the children age 5 years or younger who lives or stays at this address? Please choose one or more boxes below.

- Biological or adoptive parent
- Guardian
- Caregiver

14. Do you currently live with a spouse or partner? Choose one answer.

- Yes
- No

15. What is your current marital status? Choose one answer.

- Now married
- Widowed
- Divorced
- Separated
- Never married

16. Over the last month have any of the following happened to you, yourself, specifically because of child care issues? Provide one answer for each possible child care issue.

	Yes	No
a. I missed a full day of work	<input type="radio"/>	<input type="radio"/>
b. I was late for work	<input type="radio"/>	<input type="radio"/>
c. I left work early	<input type="radio"/>	<input type="radio"/>
d. I was absent from work during the work day	<input type="radio"/>	<input type="radio"/>
e. I was distracted and less productive at work	<input type="radio"/>	<input type="radio"/>

17. Which of the following categories best describes your current employment status? Choose one answer.

- Employed working 35 or more hours per week → Go to the next question.
- Employed working less than 35 hours per week → Go to the next question.
- Not employed but looking for work → Go to the next question.
- Not employed and NOT looking for work → SKIP to question 28.
- Student or enrolled in a job training program → SKIP to question 28.
- Retired → SKIP to question 28.
- Disabled and not able to work → SKIP to question 28.

18. How many hours per week do you USUALLY work at your main job? Enter the number of hours below.

Number of hours

19. How many hours per week do you USUALLY work at any other job or jobs? Enter the number of hours below.

Number of hours

20. How many weeks do you USUALLY work each year? Enter the number of weeks below.

Number of weeks

21. For your MAIN job, what is the easiest way for you to report your usual total earnings from work BEFORE taxes or other deductions? Choose one answer.

- Hourly
- Weekly
- Bi-weekly
- Twice monthly
- Monthly
- Annually

22. Using the time period you chose in the previous question, what is your best estimate of how much you usually earn from working at ALL of your jobs before taxes or other deductions? Enter the dollar amount of your earnings below.

\$.00 Total earnings from work

23. Over the last month how many hours were you absent from work specifically due to child care issues? Your best guess is ok. Enter the number below. If currently unemployed check the box below.

Not currently employed

Number of hours absent

24. What is the name of the organization for which you currently work in your main job? Enter the name below. If not currently employed check the box below.

Not currently employed

Name of organization

25. What kind of business or industry is your main job in? Briefly describe below. If not currently employed check the box below.

Not currently employed

Type of business or industry



26. What kind of work do you usually do in your main job? Briefly describe below.

Kind of work I do

27. What are your most important activities or duties in your main (usual) job? Briefly describe below.

My most important duties

28. Is there another adult parent, guardian or caregiver of the child or children age 5 years or younger at this address? Choose one answer.

- Yes  Go to the next question.
- No  Skip to question 35.

29. How many hours per week did the second parent, guardian or caregiver USUALLY work at their main job? Your best guess is ok. Enter the number of hours below.

Number of hours

30. How many hours per week did the second parent, guardian or caregiver USUALLY work at any other job or jobs? Your best guess is ok. Enter the number of hours below.

Number of hours

31. How many weeks did the second parent, guardian or caregiver USUALLY work each year? Your best guess is ok. Enter the number of weeks below.

Number of weeks

32. For the second parent, guardian or caregiver's MAIN job, what is the easiest way for you to report their usual total earnings from work BEFORE taxes or other deductions? Your best guess is ok. Choose one answer.

- Hourly
- Weekly
- Bi-weekly
- Twice monthly
- Monthly
- Annually
- Does not work for pay, stays at home

33. Using the time period you chose in the previous question, what is your best estimate of how much the second parent, guardian or caregiver usually earns from working at ALL of their jobs before taxes or other deductions? Your best guess is ok. Enter the dollar amount of their earnings below.

\$.00
----	--	--	--	--	--	--	--	--	--	-----

 Total earnings from work

34. Over the last month how many hours was the second parent, guardian or caregiver absent from work specifically due to child care issues? Your best guess is ok. Enter the number below. If they are currently unemployed check the box below.

Not currently employed

Number of hours absent

And now for a few background questions to help us know if we've heard from all kinds of families in Montana.

35. What is the year of your birth? Enter the year below.

YYYY

--

 Year you were born

36. What is your sex? Choose one answer.

Female

Male



**BUREAU OF BUSINESS AND
ECONOMIC RESEARCH**
UNIVERSITY OF MONTANA



MONTANA CHILD CARE SURVEY

Use envelope provided or mail to:

Bureau of Business and Economic Research

Gallagher Business Building 231

University of Montana

32 Campus Drive

Missoula, MT 59812-6840

APPENDIX 2: Montana Child Care Survey—Survey Methods

Survey Methods

Questionnaire design

The questionnaire was designed by the Bureau of Business and Economic Research (BBER) of the University of Montana and by the Federal Reserve Bank of Minneapolis (FRB-M). BBER programmed and tested the internet version of the questionnaire using software provided by Qualtrics, Inc. FRB-M was the final approval authority for the questionnaire.

Sampling

Sampling was conducted using an addressed-based, stratified, random sample purchased from Dynata, Inc. The study population was Montana households who lived in a dwelling that was listed on the U.S. Postal Service's Computerized Delivery Sequence File and who had at least one resident under the age of 6.

The sample consisted of 3 strata (U.S. Census Bureau, 2020):

1. Urban counties. The urban counties were defined by U.S. Office of Management and Budget as central metropolitan or micropolitan counties (Table 2.1).
2. Rural counties. The rural counties were all Montana counties outside U.S. OMB-defined, central metropolitan or micropolitan counties, excluding census tracts that were oversampled to increase American Indian representation in the survey.
3. American Indian census tracts. These were the 20 Montana census tracts with the highest percentage of American Indian residents (Table 2.2).

Table 2.1. Urban stratum

CBSA Title	Metropolitan/ Micropolitan Statistical Area	County/ County Equivalent	FIPS State Code	FIPS County Code	Central/ Outlying County
Billings, MT	Metropolitan	Yellowstone	30	111	Central
Great Falls, MT	Metropolitan	Cascade	30	013	Central
Missoula, MT	Metropolitan	Missoula	30	063	Central
Bozeman, MT	Micropolitan	Gallatin	30	031	Central
Butte-Silver Bow, MT	Micropolitan	Silver Bow	30	093	Central
Helena, MT	Micropolitan	Lewis and Clark	30	049	Central
Kalispell, MT	Micropolitan	Flathead	30	029	Central

Table 2.2. American Indian oversampled tracts

American Indian Population Rank	FIPS Tract Code	County
1	30047940301	Lake
2	30047940303	Lake
3	30047940400	Lake
4	30047940500	Lake
5	30047940600	Lake
6	30047940700	Lake
7	30005940100	Blaine
8	30005940200	Blaine
9	30015010300	Chouteau
10	30035940200	Glacier
11	30035940400	Glacier
12	30041940300	Hill
13	30073977200	Pondera
14	30085940001	Roosevelt
15	30085940002	Rosebud
16	30087940400	Rosebud
17	30003000100	Big Horn
18	30003940400	Big Horn
19	30003940600	Big Horn
20	30003940700	Big Horn

The sample was screened in 2 steps. In Step 1, Dynata, Inc. used an in-house model to estimate which residential addresses on the U.S. Postal Service Delivery Sequence File were likely to house at least one child ages 0-5 years old. Dynata, Inc. drew the stratified, random sample of addresses from its list of addresses that were likely to house at least one child ages 0-5. In step 2, households and respondents within households were screened by completing three initial survey questions. Those questions were:

1. Are you an adult age 18 or older?
2. Do any children age 5 years or younger live or stay at this address?
3. Are you a parent, guardian or care giver for at least one of the children age 5 years or younger who lives or stays at this address?

Households and respondents within households were defined as eligible for the remaining questions in the survey only if they answered “yes” to all three screening questions. BBER received survey responses from 1,298 households that were not eligible for the study.

The study population was 25,490 households with children ages 0-5 years old, as estimated by the 2014-2018 U.S. Census Bureau American Community Survey 5-year PUMS (U.S. Census Bureau, 2020). The sample consisted of 6,937 addresses. BBER purchased the sample in two waves. The Wave 1 sample included 3,333 addresses. Wave 1 addresses were selected from all three sampling strata. The Wave 2 sample consisted of 3,604 addresses and included addresses only from sampling stratum 1 and stratum 2.

Sampling Error

The 404 eligible responses obtained in this survey yielded a confidence interval of +/- 5%. This means that if the survey were administered 100 times, in 95 of the administrations a proportion of 50% would be found +/- 5%. The sampling error rate for respondents who lived in urban counties is +/- 7% and the sampling error rate for respondents who lived in rural counties is +/- 8%.

Survey Administration

BBER administered the survey on behalf of the FRB-M during the period January 9, 2020 through April 27, 2020.

The surveys were administered by mail and responses were collected over the internet or via a hardcopy questionnaire. Wave 1 potential respondents received up to four mail contacts during the survey as described below, while Wave 2 potential respondents received only contacts 1 and 2:

1. An introductory letter inviting participation via a provided internet link.
2. A follow-up letter thanking respondents and reminding non-respondents to participate via the provided internet link.
3. A 6" x 9" questionnaire packet mailed to non-respondents only, inviting participation via a provided internet link or by completing the enclosed hardcopy questionnaire and returning it in the stamped envelope provided.
4. A second 6" x 9" questionnaire packet mailed to non-respondents only, inviting participation via a provided internet link or by completing the enclosed hardcopy questionnaire and returning it in the stamped envelope provided.

Wave 1 potential respondents received a \$2 token of appreciation in the 1st mailing. The survey research literature demonstrates that cash incentives increase survey response rates (Dillman, Smyth, & Christian, 2014).

BBER carefully documented the survey completion status of each household in the sample. This allowed calculation and reporting of a unit response rate. The unit response rate for this survey was 24 percent. This response rate was calculated using American Association for Public Opinion Research (AAPOR) definition 3 where $e = .243$ (AAPOR, 2016). A 24 percent response rate is typical for a rigorously administered, randomly sampled, mail and internet survey with these stringent screening requirements. (Dillman, Smyth, & Christian, 2014)

Survey Completion Status

AAPOR response rate 3 is defined as:

$$I / ((I + P) + (R + NC + O) + e (UH + UO))$$

Where:

I = Complete questionnaires

P = Partial questionnaires

R = Refusals

NC = Non-contact

O = Other

e = The estimated proportion of cases of unknown eligibility that are eligible.

UH = Unknown household

UO = Unknown other

Using the case statuses outlined above the summary of data collection outcomes for the entire sample is presented in Table 2.3 below.

Table 2.3. Data collection outcomes

Status	N or e value
Complete	404
Partial	0
Refusal	12
Non-contact	0
Other	0
e	.243
Unknown household	4,949
Unknown other	274
Not eligible	1,298
Total sample used	6,937

Data Set Preparation

Following collection and data entry, 100 percent of mailed questionnaires were verified for data entry accuracy. Appropriate data labels were added as well as composite variables and flags to facilitate analysis. Missing values were imputed using the multiple imputation method (Berglund & Heeringa, 2014) (Rubin, 1987). Data were processed using three statistical software packages: IBM SPSS Statistics Version 25 (2017), SAS Version 9.4 (2016), and Statistics Canada's Generalized Estimation System (G-Est) Version 2.03 (2019).

Weighting

The estimates presented in this survey were produced using survey weights. Survey weights improve the accuracy of estimates and help ensure that the survey is representative of the study population. The consensus in the scientific literature is that correctly constructed and applied weights should be used to produce statistics that describe survey data (Kish & Frankel, 1974) (Rao, Hidiroglou, Yung, & Kovacevic, 2010) (Valliant, Dever, & Kreuter, 2013) (Battaglia, et al., 2016) (Haziza & Beaumont, 2017).

Weights for the survey were calculated using a three-step process that is also widely accepted in survey research literature (Haziza & Beaumont, 2017) (Battaglia, et al., 2016) (Haziza & Lesage, 2016) (Lavalley & Beaumont, 2016) (Valliant, Dever, & Kreuter, 2013). In step 1 a base weight was calculated to account for the probability of selection of each household in the sample. The population control total was based on the U.S. Census Bureau's American Community Survey 2018 5-year PUMS estimate for the population of households in Montana with at least one child ages 0-5 years old (U.S. Census Bureau, 2020). In step 2 the base weight was modified to adjust for nonresponse (Haziza & Lesage, 2016) (Battaglia, et al., 2016) (Brick, 2013) (Kreuter & Olson, 2013) (Olson, 2013) (Valliant, Dever, & Kreuter, 2013). The base weight was adjusted for nonresponse using the Gest_NRReweighting module of Generalized Estimation System version 2.03 (October 2019) developed by Statistics Canada. In step 3 the nonresponse-adjusted weight was calibrated to population control totals derived from the 2018 5-year PUMS estimate for the population of households in Montana with at least one child ages 0-5 (U.S. Census Bureau, 2020) (Haziza & Beaumont, 2017) (Lavalley & Beaumont, 2016) (Valliant, Dever, & Kreuter, 2013) (Sarndal, 2007) (Kalton & Flores-Cervantes, 2003).

Survey weight calibration was conducted using the Gest_Calibration module of Generalized Estimation System version 2.03 (October 2019) developed by Statistics Canada. The survey weight was calibrated to population control totals by:

1. U.S. Census Bureau population of households with at least one child ages 0-5 in each sampling strata
2. Household income quartiles.

Household Characteristics

Table 2.4 describes the 404 responding households. 2018 U.S. Census Bureau American Community Survey 5-year population proportions for the study population of 25,490 households are provided for context.

Table 2.4. 2020 Survey Household Characteristics

Characteristic		2018 ACS PUMS 5- Year Estimate (%)	Unweighted Responses (%)	Weighted Responses (%)
Sampling strata	Urban counties	65%	66%	65%
	Rural counties	20%	21%	20%
	Am. Ind. tracts	15%	13%	15%
Household income	LT \$31,356	25%	12%	25%
	\$31,356- \$57,991	25%	16%	25%
	\$57,992- \$94,218	25%	29%	25%
	\$94,219 +	25%	43%	25%
Household type	Married couple	69%	83%	75%
	Other, male householder no wife	10%	3%	4%
	Other, female householder no husband	21%	14%	21%

APPENDIX 3: Montana Child Care Survey—Analysis Methods

Survey Descriptive Analysis

BBER conducted a descriptive statistical analysis of the data obtained through the Montana Child Care Survey, and analyzed the data collected using response frequencies, sums, cross-tabulations, standard measures of central tendency (mean, median, and mode), ANOVA (analysis of variance) and hypothesis tests (chi-square and t-tests). IBM SPSS Statistics version 25, a statistical analysis software, was used to produce the analysis presented in this report. Within SPSS Statistics version 25 the Complex Samples Module was used in this analysis. All survey estimates presented in this report, unless labeled otherwise, are weighted as described in the survey methods section in Appendix 2. All missing responses to survey questions were imputed using multiple imputation, also as described in Appendix 2. All t-tests and chi-square tests were calculated using software that adjusts standard errors to account for the complex sample design and weighting used in this survey. Unless stated otherwise, BBER used a 95% confidence interval for all t-tests and chi-square tests.

Economic Impact on Parents

BBER estimated the economic impact on parents of inadequate child care directly by summing respondents' reports of their wages lost due to various work problems caused by inadequate child care. Specifically, the survey collected respondent reports of the wages they, themselves, lost and also collected respondents' reports of the wages lost by a second parent, guardian, or care giver living in the household. These reports enabled BBER to calculate the amount of wages lost by household and by individual parent. BBER added to the estimate of wages lost an estimate of the cost of a job searches borne by parents who must give up a job, were fired from a job, or must find a more suitable job due to inadequate child care. The job search cost estimate was \$142 per household based on evidence from Boushey & Glynn (2012).

Economic Impact on Businesses

Business losses are composed of three parts. One is the proportion ($1-x=10\%$) of lost parental earnings. The second is direct employment on-costs payable by the firm per worker; conservatively, these on-costs are 19.4 percent of lost parental earnings (6.1% in paid leave, 3.3% in supplemental pay, and 10.0% in health insurance (U.S. Bureau of Labor Statistics, 2020)). The third is firm turnover costs. These costs were estimated to be \$294 per household based on summaries of evidence across two reviews and is the lower bound of reported estimates (Boushey & Glynn, 2012; Work Institute, 2017).

Economic Impact on Taxpayers

Losses in federal income tax and Montana income tax are derived from values for lost wages applied through the National Bureau of Economic Research (NBER) tax calculator TAXSIM version 32. Taxes are calculated using the average number of children under the age of six and the average child care cost reported. We did the calculations using both two and one parent households. The estimates were done using the difference between taxes paid without lost income due to child care and income with child care. We compare taxes paid for any given level of income with and without child deductions. Thus, the loss of taxes is given as $\Delta T = \tau(Y) \cdot Y - [\tau(Y) \cdot Y - c(N)]$ where Y is income, $\tau(\cdot)$ is the gross tax rate as a function of income and $c(N)$ is the child care deduction for N children. All are state averages. $\tau(Y)$ is from TAXSIM. This differs from calculations done in Belfield (2018) who uses $\tau \cdot \Delta Y$ in his tax loss equation, where ΔY is lost income. Given the progressive nature of taxes in the US, the Belfield method would underestimate tax losses. Taxes were estimated using four types of households present in the Montana Child Care Survey findings. The four type of household were:

1. Single parent households.
2. 2-parent households where 1 works and 1 stays-at-home.
3. 2-parent households where both parents work.
4. 2-parent households where both parents are retired, unemployed or disabled.

Table 3.1. TAXSIM inputs

	Single parent	2-parent household, 1 works and 1 stays-at-home		2-parent household, both work		2-parent household, both retired, unemployed or disabled	
		Respondent	Other parent	Respondent	Other parent	Respondent	Other parent
Mean annual wages earned	\$24,750	\$14,840	\$51,790	\$48,900	\$51,200	\$3,860	\$17,270
Mean annual wages lost due to child care	\$3,420	\$530	\$2,190	\$3,500	\$3,660	\$2,080	\$1,200
Number of households	4,346	5,631		14,988		525	
Mean respondent age	38	37		38		38	
Mean number of children under 6	1	2		2		1	
Mean annual child care fees paid	\$4,390	\$1,520		\$6,500		\$5,630	

Long Term Economic Impact

To make a plausible estimate of the 10-year economic burden for this cohort of households BBER needed information from this single, cross-sectional survey that provided insight into how household economic burden from inadequate child care changes over time. Children's ages can serve as a rough indicator of different points of time in the child care experiences of households. So, BBER calculated the average age of only the children from 0 through 5 years old in each household to represent where each family fell along a hypothetical timeline of child care experiences. Specifically, BBER divided the households into 5 groups:

1. Average age 0-1 years old
2. Average age 1-2 years old
3. Average age 2-3 years old
4. Average age 3-4 years old
5. Average age 4-5 years old

BBER then estimated the average annual economic burden from inadequate child care (as described in the Economic Impact on Parents section above) for each of these five groups. The survey estimates were (see below):

Table 3.2. Annual parental burden by average age of children

Mean annual parental burden (household) by mean age of children in household				
Mean age of children (0-5 only) in household				
0-1	1-2	2-3	3-4	4-5
\$5,300	\$5,300	\$5,300	\$6,900	\$5,700

The mean annual parental burden is very similar (\$5,300) for households with children whose average ages are the lowest. The mean annual burden increases (\$6,900) among households with children whose average is between 3 and 4 years old. This may be due to some parents returning to work in the 4th year of their child's life, thus losing more work hours due to child care issues. Among households with children whose average age is between 4 and 5 years old the burden drops (\$5,700). This may be due to a portion of these children attending kindergarten in the 5th year of their life.

Using these insights about how parental burden changes as children age as rough indicators of different points in time in the child care experiences of households, BBER then constructed a progressive, 10-year table of mean annual parental burden for each of the 5 groups identified above. A 5-year extract of that table is below.

Table 3.3. Extract of 10-year parental burden table

Cohort	Year				
	2019	2020	2021	2022	2023
Mean age 0-1	\$5,300	\$5,250	\$5,200	\$6,700	\$5,480
Mean age 1-2	\$5,300	\$5,200	\$6,700	\$5,480	\$1,930
Mean age 2-3	\$5,300	\$6,700	\$5,480	\$1,930	\$1,460
Mean age 3-4	\$6,900	\$5,480	\$1,930	\$1,460	\$1,000
Mean age 4-5	\$5,700	\$1,930	\$1,460	\$1,000	\$540

After producing the parental table, we use the inputs from the parental table to calculate analogous tables for 10-year business burden and 10-year taxpayer burden. In each table we use a standard present value calculation, with a cost of living inflation adjustment. We use 1.5% as the rate of inflation, roughly the average for PCE inflation over the past ten years.⁴ The discount rate we use is 2.5% which is mean nominal yield on ten year US bonds over the past ten years. Others have used 3.0% as the preferred discount rate, however, since the end of the 2007 – 2008 financial crisis, nominal yields have remained low by historical standards. The equation we use is:

$$PV(z) = \sum_{t=0}^T (\beta \cdot (1 + \pi))^t \cdot z_t$$

Where π = is the inflation rate, $\beta = 1/(1+i)$ is the discount factor, and z is, alternatively, lost wages, business loss, and tax losses. Note, because we have data for children under the age of six, z is allowed to change over time. The biggest loss due to inadequate child care occurs in the years before each child enters kindergarten, there after lost wages fall, and business and tax losses decline in line with gains in wages.

⁴ PCE stands for the Price of Consumer Expenditures from the Bureau of Economic Analysis, it is the Federal Reserve's preferred price index for calculating inflation.



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**BUREAU OF BUSINESS AND
ECONOMIC RESEARCH**
UNIVERSITY OF MONTANA



The State of Montana's Babies

Where children are born can affect their chances for a strong start in life. Babies need good health, strong families, and positive early learning experiences to foster their healthy brain development and help them realize their full potential.

This state profile provides a snapshot of how infants, toddlers, and their families are faring in each of these three policy domains. Within each domain, view data for selected child, family, and policy indicators compared to national averages. The profile begins with a demographic description of the state's babies and families to offer the broadest context for exploring what may be very different experiences of the state's youngest children.

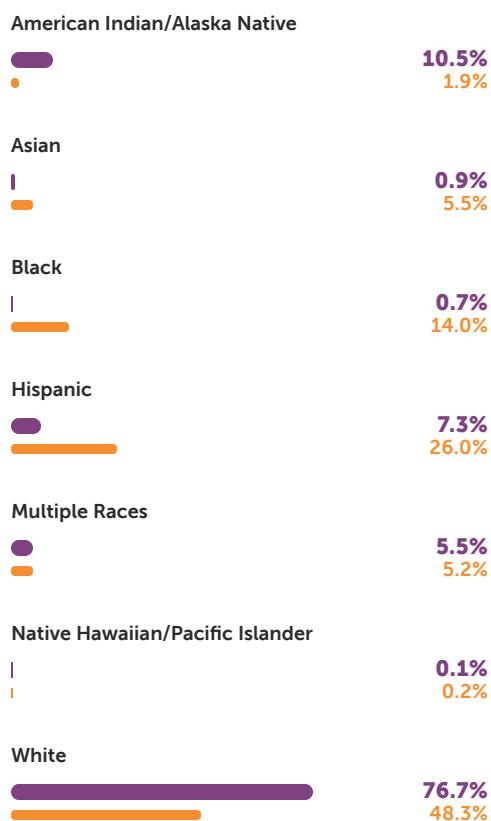
Demographics

Montana National Average

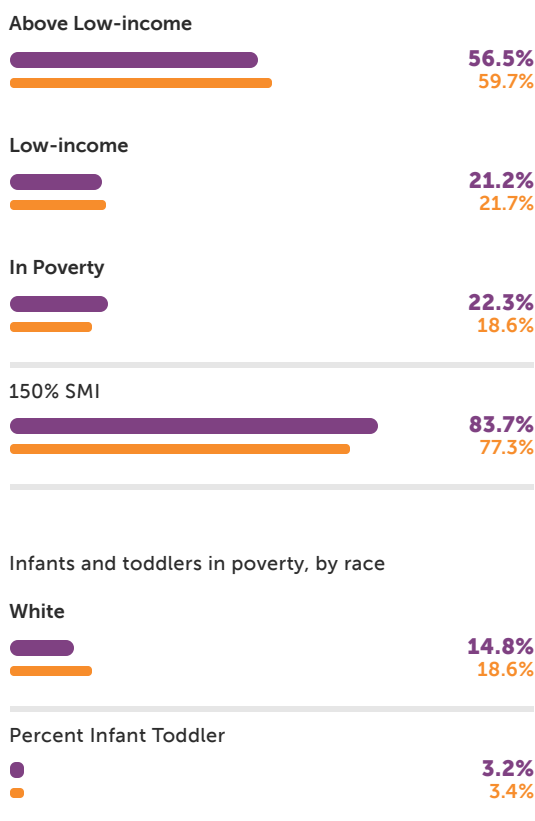
Infants and toddlers in Montana

Montana is home to 34,679 babies, representing 3.2 percent of the state's population. As many as 43.5 percent live in households with incomes less than twice the federal poverty line (in 2020, about \$52,400 for a family of four), placing them at economic disadvantage. The state's youngest children are diverse and are raised in a variety of family contexts and household structures.

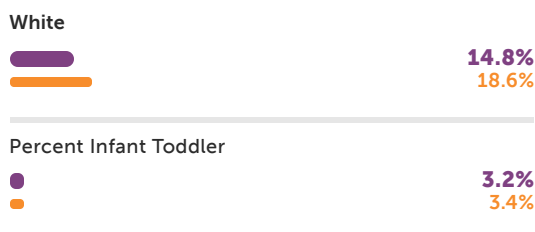
Race/ethnicity of infants and toddlers



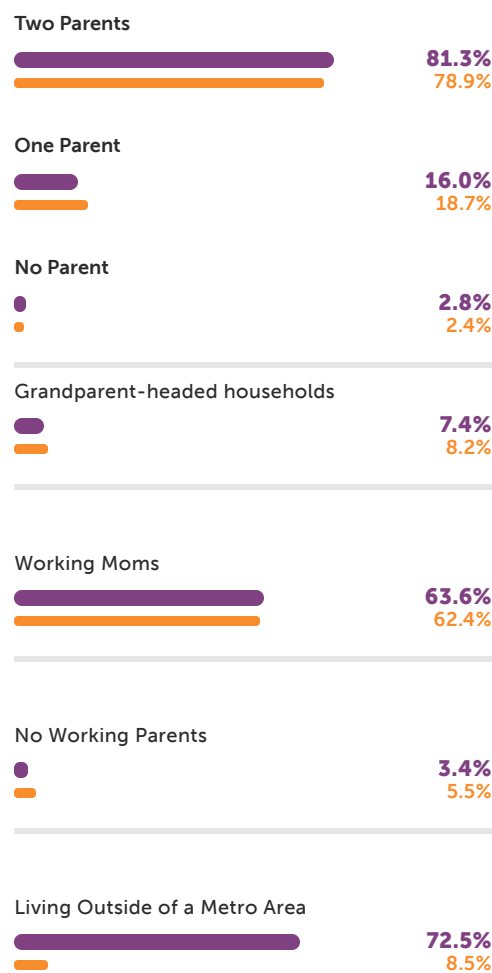
Poverty status of infants and toddlers



Infants and toddlers in poverty, by race



Family Structure



*Numbers are small; use caution in interpreting.

Note: N/A indicates Not Available

How are Montana's babies faring in Good Health?

Supporting babies' and mothers' physical and mental health provides the foundation for infants' lifelong physical, cognitive, emotional, and social well-being. Babies' brains grow rapidly in the first years of life, and, in these early years, the brain works with other organs and organ systems to set the stage for subsequent development and health outcomes. Equitable access to good nutrition during the prenatal period and first years of life is key to ensure that babies receive the nourishment and care they need for a strong start in life. Strengthening equitable access to integrated, affordable maternal, pediatric, and family health care is also essential to meeting babies' and families' health and developmental needs.

Montana falls in the Improving Outcomes (O) tier for the Good Health domain. A state's ranking is based on indicators of maternal and child health, including health care coverage, prenatal care, birth outcomes, and receipt of recommended preventive care as well as nutrition and mental health. Montana performs better than national averages on key indicators, such as the percentages of babies receiving preventive medical care and dental care. The state is performing worse than national averages on indicators such as the percentages of eligible babies participating in WIC and mothers reporting less than favorable mental health.

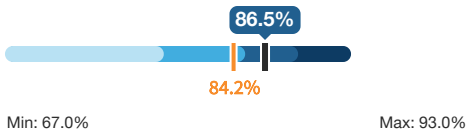
Key Indicators of Good Health

● Montana ● National Avg

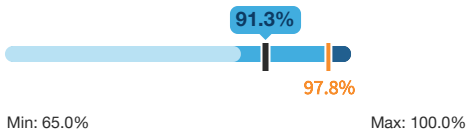
Eligibility limit (% FPL) for pregnant women in Medicaid



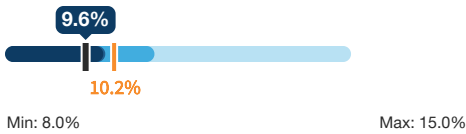
Infants ever breastfed **NR**



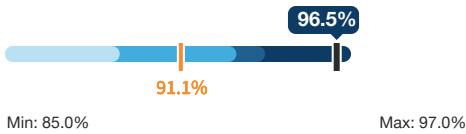
WIC Coverage



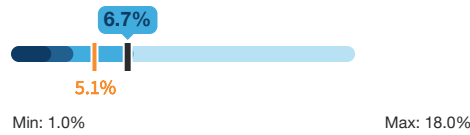
Babies born preterm



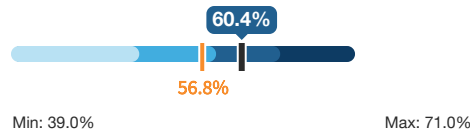
Preventive medical care received



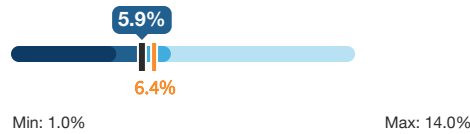
Uninsured low-income infants and toddlers



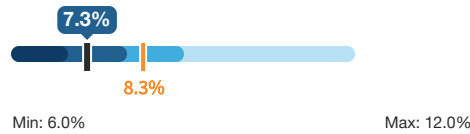
Infants breastfed at 6 months **NR**



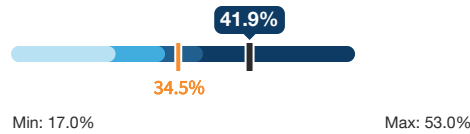
Late or no prenatal care received



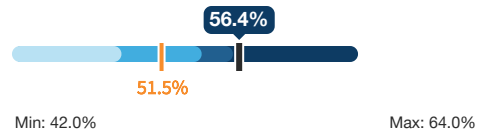
Babies with low birthweight



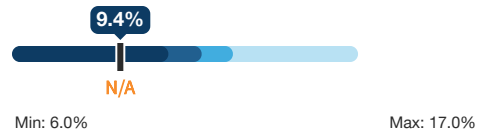
Preventive dental care received



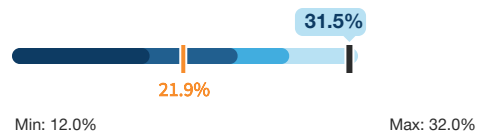
Medical home



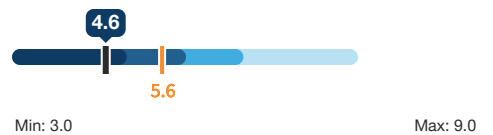
High weight-for-length **NR**



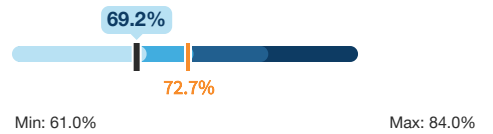
Mothers reporting less than optimal mental health



Infant mortality rate (deaths per 1,000 live births)



Received recommended vaccines



*Numbers are small; use caution in interpreting.

Good Health Policy in Montana

Medicaid expansion state	Yes ✓
CHIP maternal coverage for unborn child option NR	No ✗
Postpartum extension of Medicaid coverage	No law beyond mandatory 60 days
Pregnant workers protection	No protections
State Medicaid policy for maternal depression screening in well-child visits	Recommended
Medicaid plan covers social-emotional screening for young children	Yes ✓
Medicaid plan covers IECMH services at home	Yes ✓
Medicaid plan covers IECMH services at pediatric/family medicine practices	Yes ✓
Medicaid plan covers IECMH services in early childhood education settings	Yes ✓

Note: N/A indicates Not Available

All Good Health Indicators for Montana

● State Indicator ● National Avg

Health Care Coverage and Affordability

G Eligibility limit (% FPL) for pregnant women in Medicaid	162.0 200.0	G Uninsured low-income infants and toddlers	6.7% 5.1%
W Medical home	56.4% 51.5%		

Nutrition

Infants ever breastfed NR	86.5% 84.2%	O Infants breastfed at 6 months	60.4% 56.8%
High weight-for-length NR	9.4% NA	R WIC coverage	91.3% 97.8%

Maternal Health

O Late or no prenatal care received	5.9% 6.4%	Maternal mortality rate (deaths per 100,000 live births) NR	NA 20.1
G Mothers reporting less than optimal mental health	31.5% 21.9%		

Children's Health

O Babies born preterm	9.6% 10.2%	W Babies with low birthweight	7.3% 8.3%
W Infant mortality rate (deaths per 1,000 live births)	4.6 5.6	W Preventive dental care received	41.9% 34.5%
W Preventive medical care received	96.5% 91.1%	G Received recommended vaccines	69.2% 72.7%

Note: N/A indicates Not Available.

How are Montana's babies faring in Strong Families?

Young children develop in the context of their families, where stability, safety, and supportive relationships nurture their growth. All families may benefit from parenting supports, but families with low income and in historically marginalized communities of color face additional challenges that impact their babies' immediate and future well-being. Many policies can be designed to address these disparities by race, ethnicity, and income, including the provision of safe and stable housing, home visiting services, family-friendly employer policies, economic support for families with low income, and tax credits that benefit families with young children.

Montana falls in the Reaching Forward (R) tier of states when it comes to indicators of Strong Families. The state's ranking in this domain reflects indicators on which it is performing better than the national average, such as the percentages of families in poverty with babies who receive TANF and babies who live in crowded housing. Montana is doing worse than the national average on indicators such as the infant/toddler maltreatment rate and the percentage of babies removed from home.

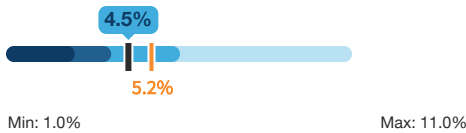
Key Indicators of Strong Families

● Montana ● National Avg

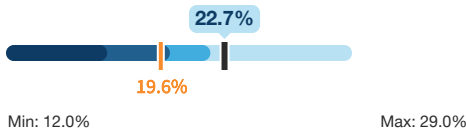
TANF benefits receipt among families in poverty



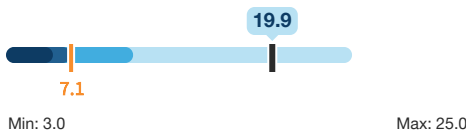
Unsafe neighborhoods



1 adverse childhood experience



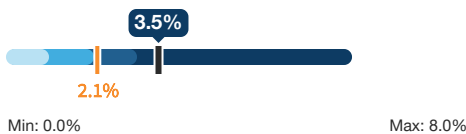
Removed from home **NR**



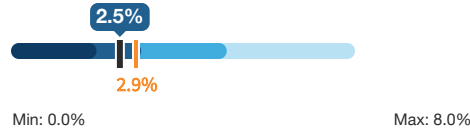
Permanency: Guardian **NR**



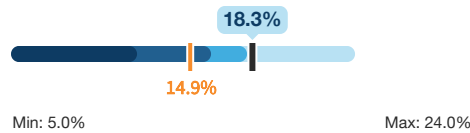
Potential home visiting beneficiaries served



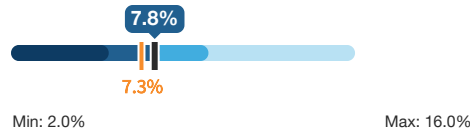
Housing instability



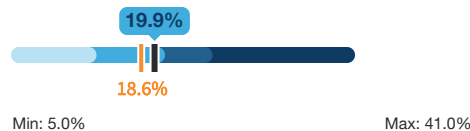
Low or very low food security



2 or more adverse childhood experiences



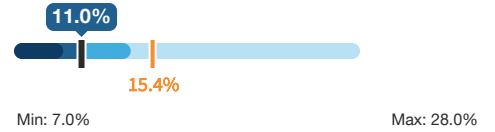
Time in out-of-home placement



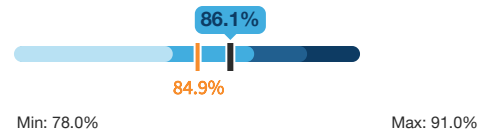
Permanency: Relative **NR**



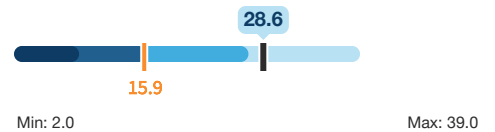
Crowded housing



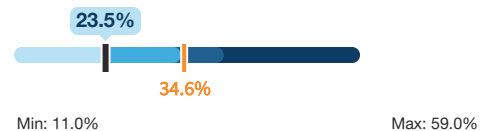
Family resilience



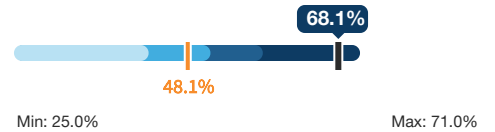
Infant/toddler maltreatment rate (per 1,000 children ages 0-2) **NR**



Permanency: Adopted **NR**



Permanency: Reunified **NR**



*Numbers are small; use caution in interpreting.

Strong Families Policy in Montana

Paid family leave	No ✗
Paid sick time that covers care for child	Yes ✓
TANF work exemption	No ✗
State child tax credit	No ✗
State Earned Income Tax Credit	Yes ✓

Note: N/A indicates Not Available

All Strong Families Indicators for Montana

● State Indicator ● National Avg

Basic Needs

O TANF benefits receipt among families in poverty	23.6% 18.5%	O Housing instability	2.5% 2.9%
O Crowded housing	11.0% 15.4%	R Unsafe neighborhoods	4.5% 5.2%
G Low or very low food security	18.3% 14.9%		

Child Well-being and Resilience

R Family resilience	86.1% 84.9%	1 adverse childhood experience NR	22.7% 19.6%
O 2 or more adverse childhood experiences	7.8% 7.3%	Infant/toddler maltreatment rate (per 1,000 children ages 0-2)	NR 28.6 15.9
Removed from home NR	19.9 7.1	Time in out-of-home placement NR	0.2% %
Permanency: Adopted NR	23.5% 34.6%	Permanency: Guardian NR	4.9% 8.3%
Permanency: Relative NR	NA 7.8%	Permanency: Reunified NR	68.1% 48.1%
W Potential home visiting beneficiaries served	3.5% 2.1%		

Note: N/A indicates Not Available.

How are Montana's babies faring in Positive Early Learning Experiences?

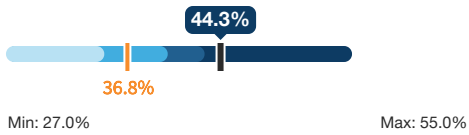
Infants and toddlers learn through interactions with the significant adults in their lives and active exploration of enriching environments. The quality of babies' early learning experiences at home and in other care settings can impact their cognitive and social-emotional development as well as early literacy. High-quality early childhood care can strengthen parents' interactions with their children in the home learning environment and support parents' ability to go to work or attend school. Equitable access to high-quality care across factors like race, ethnicity, and income, ensures all infants and toddlers have the opportunity for optimal development. However, disparities in access to high-quality care remain across many states and communities in the United States.

Montana scores in the Improving Outcomes (O) tier for Positive Early Learning Experiences. The state's ranking in this domain reflects indicators on which it is performing better than the national average, such as the higher percentage of babies in families below 100 percent of the federal poverty line with access to Early Head Start. Montana is doing worse than the national average on indicators such as the lower percentage of infants and toddlers who received Individuals with Disabilities Education Act (IDEA) Part C services.

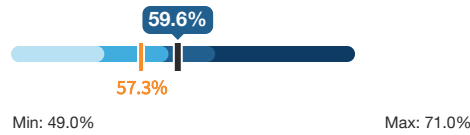
Key Indicators of Positive Early Learning Experiences

● Montana ● National Avg

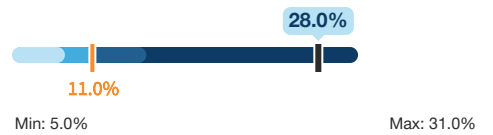
Parent reads to baby every day



Parent sings to baby every day



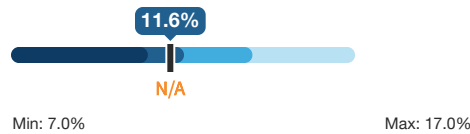
% Income-eligible infants/toddlers with Early Head Start access



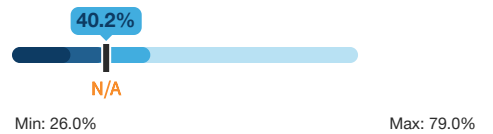
Low/moderate income infants/toddlers in CCDF funded-care



Cost of care, as % of income married families



Cost of care, as % of income single parents



Developmental screening received



Percentage of infants/toddlers receiving IDEA Part C services



*Numbers are small; use caution in interpreting.

Positive Early Learning Experiences Policy in Montana

Adult/child ratio	_____	EHS Standards met for 2 of 3 age groups
Level of teacher qualification required by the state beyond a high school diploma	_____	No ✗
Group size	_____	EHS Standards met for 0 of 3 age groups
Infant/toddler professional credential	NR _____	Yes ✓
Families above 200% of FPL eligible for child care subsidy	_____	No ✗
Allocated CCDBG funds	_____	No ✗
State reimburses center-based child care	_____	No ✗
At-risk children included in Part C eligibility definition	NR _____	No ✗

Note: N/A indicates Not Available

All Positive Early Learning Experiences Indicators for Montana

● State Indicator ● National Avg

Activities that Support Early Learning

W Parent reads to baby every day	44.3% 36.8%	O Parent sings to baby every day	59.6% 57.3%
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Access to Early Learning Programs

W % Income-eligible infants/toddlers with Early Head Start access	28.0% 11.0%	R Low/moderate income infants/toddlers in CCDF-funded care	4.0% 4.6%
Cost of care, as % of income married families NR	11.6% NA	Cost of care, as % of income single parents NR	40.2% NA

Early Intervention

O Developmental screening received	34.9% 33.8%	G Percentage of infants/toddlers receiving IDEA Part C services	3.1% 7.2%
Timeliness of Part C services NR	100.0% NA		

Note: N/A indicates Not Available.