

**HOUSE BILL NO. 1540**

Introduced by

Representatives O'Brien, Lefor, Mitskog, Nelson, Stemen, Vigesaa, Weisz

Senators Hogan, Kreun, Lee

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to amend and reenact sections 50-33-02 and 50-33-07 of the North Dakota  
2 Century Code, relating to early childhood services and child care assistance; to provide for a  
3 legislative management report; to provide an appropriation; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 50-33-02 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **50-33-02. Child care assistance - Application for benefits - Applicant's duty to**  
8 **establish eligibility - Decisions - Rules.**

- 9 1. An individual desiring child care assistance or an individual seeking assistance on  
10 behalf of another individual may apply for child care assistance. An applicant shall  
11 submit a request for child care assistance in writing to a human service zone on a form  
12 prescribed by the department. The applicant shall complete, sign, and date the  
13 application. Eligibility begins on the first day of the month in which a signed and dated  
14 application is received by the human service zone. Eligibility may begin on the first day  
15 of the month prior to the month in which a signed and dated application is received by  
16 the human service zone, if the applicant requests child care assistance for that month  
17 and demonstrates eligibility in that month.
- 18 2. The applicant shall provide information sufficient to establish the eligibility of each  
19 individual for whom assistance is requested, including the age, verification of relative  
20 relationship, citizenship or resident alien status of the children, verification of  
21 participation in an allowable activity, and financial eligibility.
- 22 3. An eligibility decision must be made within thirty days on child care assistance  
23 applications whenever possible. The human service zone shall notify the applicant  
24 following a determination of eligibility or ineligibility.

- 1           4. The department shall establish rules for the administration of the child care assistance  
2           program, including rules on income requirements, appeals of eligibility determinations  
3           for child care assistance, closure of a child care assistance case, and a sliding scale  
4           fee schedule for child care assistance benefits to be adjusted annually based on  
5           information from a market study and a cost study, and to establish and enforce  
6           standards against program fraud and abuse.

7           **SECTION 2. AMENDMENT.** Section 50-33-07 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **50-33-07. Sliding fee schedule.**

- 10          1. The sliding fee schedule established by the department for inclusion within the child  
11          care and development fund state plan to determine eligibility, benefit levels, and the  
12          portion of the allowable child care cost that may be paid as a benefit under this  
13          chapter, must not:  
14              a. Exceed available federal and non-federal funding; and  
15              b. Provide benefits to a family whose income exceeds eighty-five percent of the  
16              state median income for a family of the same size.  
17          2. The sliding fee schedule established by the department may not charge a fee to a  
18          family whose income does not exceed thirty percent of the state median income for a  
19          family of the same size.  
20          3. Child care costs that exceed maximums established under this section are the  
21          responsibility of the family and may not be considered in determining the child care  
22          assistance program payment amount.

23          **SECTION 3. AMENDMENT.** Section 50-33-07 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25          **50-33-07. Sliding fee schedule.**

- 26          1. The sliding fee schedule established by the department for inclusion within the child  
27          care and development fund state plan to determine eligibility, benefit levels, and the  
28          portion of the allowable child care cost that may be paid as a benefit under this  
29          chapter, must not:  
30              a. Exceed available federal and non-federal funding; and

- 1           b. Provide benefits to a family whose income exceeds ~~eighty-five~~seventy-five
- 2           percent of the state median income for a family of the same size.
- 3           2. The sliding fee schedule established by the department may not charge a fee to a
- 4           family whose income does not exceed thirty percent of the state median income for a
- 5           family of the same size.
- 6           3. Child care costs that exceed maximums established under this section are the
- 7           responsibility of the family and may not be considered in determining the child care
- 8           assistance program payment amount.

9           **SECTION 4. LEGISLATIVE MANAGEMENT REPORT - EARLY CHILDHOOD**

10 **PROGRAMS.** During the 2023-24 interim, the department of health and human services shall  
11 provide reports to the legislative management regarding the status of early childhood programs  
12 managed by the department.

13           **SECTION 5. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**

14 **CHILD CARE FOR THE WORKPLACE.** ~~The funds provided in this section~~There is  
15 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
16 appropriated, the sum of \$62,600,000, or so much of the ~~funds~~sum as may be necessary, ~~are~~  
17 ~~appropriated out of any moneys in the general fund in the state treasury, not otherwise~~  
18 ~~appropriated, and from special funds derived from federal funds or other income,~~ to the  
19 department of health and human services for the biennium beginning July 1, 2023, and ending  
20 June 30, 2025, as follows:

- 21           1. The sum of \$22,000,000 ~~appropriated from the general fund~~ for the purpose of
- 22           investing in the child care assistance program to serve more working families;
- 23           2. The sum of \$15,000,000 ~~appropriated from the general fund~~ for the purpose of
- 24           enhanced child care assistance program payments for infant and toddler care;
- 25           3. The sum of \$3,000,000 ~~appropriated from the general fund~~ for the purpose of quality
- 26           tiers in the child care assistance program;
- 27           4. The sum of \$2,300,000 ~~appropriated from the general fund~~ for the purpose of waiving
- 28           a fee to a family whose income does not exceed thirty percent of the state median
- 29           income for a family of the same size;
- 30           5. The sum of \$500,000 ~~appropriated from the general fund~~ for the purpose of providing
- 31           child care assistance program application assistance and outreach;

- 1 | 6. The sum of \$5,000,000 ~~appropriated from special funds~~ for the purpose of
- 2 | employer-led child care cost-share program;
- 3 | 7. The sum of \$7,000,000 ~~appropriated from special funds~~ for the purpose of grants and
- 4 | shared services;
- 5 | 8. The sum of \$1,800,000 ~~appropriated from special funds~~ for the purpose of
- 6 | partnerships care during nontraditional hours;
- 7 | 9. The sum of \$2,000,000 ~~appropriated from special funds~~ for the purpose of stipends for
- 8 | worker training;
- 9 | 10. The sum of \$3,000,000 ~~appropriated from the general fund~~ for the purpose of quality
- 10 | infrastructure for providers; and
- 11 | 11. The sum of \$1,000,000 ~~appropriated from the general fund~~ for the purpose of
- 12 | streamlining background checks project.

13 | **SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE**

14 | **EMPLOYEE CHILD CARE BENEFITS.** There is appropriated out of any moneys in the general  
15 | fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the  
16 | sum as may be necessary, to the office of management and budget for the purpose of state  
17 | employee child care benefits, for the biennium beginning July 1, 2023, and ending June 30,  
18 | 2025.

19 | **SECTION 7. EFFECTIVE DATE.** Section 3 of this Act becomes effective July 1, 2025.