

**Sixty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 3, 2023**

HOUSE BILL NO. 1540  
(Representatives O'Brien, Lefor, Mitskog, Nelson, Stemen, Vigesaa, Weisz)  
(Senators Hogan, Kreun, Lee)  
(Approved by the Delayed Bills Committee)

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

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

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

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

1. An individual desiring child care assistance or an individual seeking assistance on behalf of another individual may apply for child care assistance. An applicant shall submit a request for child care assistance in writing to a human service zone on a form prescribed by the department. The applicant shall complete, sign, and date the application. Eligibility begins on the first day of the month in which a signed and dated application is received by the human service zone. Eligibility may begin on the first day of the month prior to the month in which a signed and dated application is received by the human service zone, if the applicant requests child care assistance for that month and demonstrates eligibility in that month.
2. The applicant shall provide information sufficient to establish the eligibility of each individual for whom assistance is requested, including the age, verification of relative relationship, citizenship or resident alien status of the children, verification of participation in an allowable activity, and financial eligibility.
3. An eligibility decision must be made within thirty days on child care assistance applications whenever possible. The human service zone shall notify the applicant following a determination of eligibility or ineligibility.
4. The department shall establish rules for the administration of the child care assistance program, including rules on income requirements, appeals of eligibility determinations for child care assistance, closure of a child care assistance case, and a sliding scale fee schedule for child care assistance benefits to be adjusted annually based on information from a market study and a cost study, and to establish and enforce standards against program fraud and abuse.

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

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

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

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

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

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

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

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

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

**SECTION 5. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - CHILD CARE FOR THE WORKPLACE - ONE-TIME FUNDING.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$62,600,000, or so much of the sum as may be necessary, to the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

1. The sum of \$22,000,000 for the purpose of investing in the child care assistance program to serve more working families;
2. The sum of \$15,000,000 for the purpose of enhanced child care assistance program payments for infant and toddler care;
3. The sum of \$3,000,000, which is considered a one-time funding item, for the purpose of quality tiers in the child care assistance program;
4. The sum of \$2,300,000 for the purpose of waiving a fee to a family whose income does not exceed thirty percent of the state median income for a family of the same size;
5. The sum of \$500,000 for the purpose of providing child care assistance program application assistance and outreach;

6. The sum of \$5,000,000, which is considered a one-time funding item, for the purpose of employer-led child care cost-share program;
7. The sum of \$7,000,000, which is considered a one-time funding item, for the purpose of grants and shared services;
8. The sum of \$1,800,000 for the purpose of partnerships care during nontraditional hours;
9. The sum of \$2,000,000 for the purpose of stipends for worker training;
10. The sum of \$3,000,000, which is considered a one-time funding item, for the purpose of quality infrastructure for providers; and
11. The sum of \$1,000,000, which is considered a one-time funding item, for the purpose of streamlining background checks project.

**SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE EMPLOYEE CHILD CARE BENEFITS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of state employee child care benefits, for the biennium beginning July 1, 2023, and ending June 30, 2025.

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

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Speaker of the House

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President of the Senate

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Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1540.

House Vote:    Yeas 63            Nays 27            Absent 4

Senate Vote:    Yeas 30            Nays 17            Absent 0

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2023,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State