

**2023 HOUSE APPROPRIATIONS**

**HB 1540**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1540  
4/18/2023

A BILL for 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.

**8:02 AM Chairman J. Nelson** opened the meeting.

Roll call taken.

Chairman J. Nelson, Vice Chairman Stemen. Representatives B Anderson, Kreidt, Mitskog, O'Brien, Strinden. Not present Representative Schobinger.

### **Discussion Topics:**

- Childhood services
- Childcare assistance

**Representative Emily O'Brien**, District 42, Grand Forks, ND, (Testimony #27642).

**Representative Robin Wiesz**, District 14, (Testimony #27676).

**Senator Curt Kreun**, District 32, spoke in favor of HB 1540

**Andrea Pfenning**, Greater North Dakota Chamber, (Testimony #27678).

**Jack McDonald**, Lobbyist, representing YMCAs of ND, spoke in favor of HB 1540.

**Mike Krumwiede**, American Heart Association, spoke in favor of HB 1540, (Testimony #27681).

**Chris Jones**, Commissioner, Department of Health and Human Services spoke in favor of HB1540.

**9:01 AM Vice Chair Stemen** closed the meeting.

*Jan Kamphuis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1540  
4/19/2023

A BILL for 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.

**8 AM Chairman J. Nelson** opened the meeting.

Roll call taken.

Chairman Nelson, Vice Chairman Stemen, Representatives Anderson, Kreidt, Mitskog, O'Brien, Schobinger, Strinden present.

### Discussion Topics:

- Amendment changes
- Chairman recognition

**Representative Kreidt** moved to adopt amendment LC #23.1130.05001, seconded by **Representative Anderson**.

Roll Call vote taken:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Greg Stemen	Y
Representative Bert Anderson	N
Representative Gary Kreidt	Y
Representative Alisa Mitskog	N
Representative Emily O'Brien	N
Representative Randy A. Schobinger	N
Representative Michelle Strinden	N

Motion failed, 3-5-0.

**Representative Kreidt** moved a two-year sunset clause be added to HB 1540, seconded by **Representative Strinden**.

Roll Call vote taken:

<b>Representatives</b>	<b>Vote</b>
Representative Jon O. Nelson	N
Representative Greg Stemen	N
Representative Bert Anderson	Y
Representative Gary Kreidt	Y
Representative Alisa Mitskog	N
Representative Emily O'Brien	N
Representative Randy A. Schobinger	N
Representative Michelle Strinden	N

Motion failed, 2-6-0.

**Representative O'Brien** moved to change special funds to general funds on page 3, line 30, and page 4, lines 1,3,5, seconded by **Representative Stemen**.

Roll Call vote taken:

<b>Representatives</b>	<b>Vote</b>
Representative Jon O. Nelson	Y
Representative Greg Stemen	Y
Representative Bert Anderson	Y
Representative Gary Kreidt	Y
Representative Alisa Mitskog	Y
Representative Emily O'Brien	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y

Motion carried 8-0-0.

**Representative O'Brien** moved do pass as amended HB 1540, seconded by **Representative Mitskog**.

Roll Call vote taken:

<b>Representatives</b>	<b>Vote</b>
Representative Jon O. Nelson	Y
Representative Greg Stemen	Y
Representative Bert Anderson	N
Representative Gary Kreidt	N
Representative Alisa Mitskog	Y
Representative Emily O'Brien	Y
Representative Randy A. Schobinger	N
Representative Michelle Strinden	Y

Motion carried 5-3-0.

**Representative O'Brien** to carry.

**Additional written testimony: Shannon Full**, President/CEO, Fargo Moorhead West Fargo (FMWF), Chamber of Commerce, (#27691).

**Andrea Pfenning**, Greater North Dakota Chamber, (#27682).

**Brita Cowan**, Head of Operations, Missouri Valley Montessori Preschool, Bismarck, ND, (#27683)

**8:29 AM Chairman Nelson** closed the meeting.

*Jan Kamphuis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1540  
4/19/2023

Relating to early childhood services and child care assistance; to provide for a legislative management report
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**10:28 AM Chairman Vigesaa-** Meeting was called to order and roll call was taken:

**Members Present;** Chairman Vigesaa, Representatives B. Anderson, Brandenburg, Hanson, Kreidt, Martinson, Mitskog, Meier, Mock, Monson, Nathe, J. Nelson, O'Brien, Pyle, Richter, Sanford, Schatz, Schobinger, Strinden, G. Stemen and Swiontek.

**Members not Present-** Representative Kempenich and Representative Bellew

### Discussion Topics:

- Amendment
- Committee Action

**Representative O'Brien-** Gives statement of purpose and explains the amendment 23.1130.05002 (Testimony #27705)

**Representative O'Brien-** Move to Adopt Amendment 23.1130.05002

**Representative Mitskog** Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	N
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

**Motion Carries 19-2-2**

**Representative O'Brien-** Move for a Do Pass as Amended

**Representative Strinden** Seconds the Motion

**Committee Discussion- Roll call vote**

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	N
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	N
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	N
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

**Motion Carries 16-5-2 Representative O'Brien will carry the bill**

**10:52 AM Chairman Vigesaa** Closed the meeting for HB 1540

*Risa Berube, Committee Clerk*

April 19, 2023

JA  
4-19-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1540

Page 3, line 14, replace "The funds provided in this section" with "There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$62,600,000"

Page 3, line 15, replace "funds" with "sum"

Page 3, line 15, remove "are appropriated out of any moneys in the general fund in the state"

Page 3, remove line 16

Page 3, line 17, remove "income,"

Page 3, line 19, remove "appropriated from the general fund"

Page 3, line 21, remove "appropriated from the general fund"

Page 3, line 23, remove "appropriated from the general fund"

Page 3, line 25, remove "appropriated from the general fund"

Page 3, line 28, remove "appropriated from the general fund"

Page 3, line 30, remove "appropriated from special funds"

Page 4, line 1, remove "appropriated from special funds"

Page 4, line 3, remove "appropriated from special funds"

Page 4, line 5, remove "appropriated from special funds"

Page 4, line 7, remove "appropriated from the general fund"

Page 4, line 9, remove "appropriated from the general fund"

Re-number accordingly



**REPORT OF STANDING COMMITTEE**

**HB 1540: Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1540 was placed on the Sixth order on the calendar.

Page 3, line 14, replace "The funds provided in this section" with "There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$62,600,000"

Page 3, line 15, replace "funds" with "sum"

Page 3, line 15, remove "are appropriated out of any moneys in the general fund in the state"

Page 3, remove line 16

Page 3, line 17, remove "income,"

Page 3, line 19, remove "appropriated from the general fund"

Page 3, line 21, remove "appropriated from the general fund"

Page 3, line 23, remove "appropriated from the general fund"

Page 3, line 25, remove "appropriated from the general fund"

Page 3, line 28, remove "appropriated from the general fund"

Page 3, line 30, remove "appropriated from special funds"

Page 4, line 1, remove "appropriated from special funds"

Page 4, line 3, remove "appropriated from special funds"

Page 4, line 5, remove "appropriated from special funds"

Page 4, line 7, remove "appropriated from the general fund"

Page 4, line 9, remove "appropriated from the general fund"

Renumber accordingly

**2023 SENATE APPROPRIATIONS**

**HB 1540**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1540  
4/24/2023

A BILL for an Act 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.

5:33 PM Chairman Bekkedahl opened the hearing on HB 1540.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

### Discussion Topics:

- Child care services
- Child care assistance
- Sliding fee schedule
- Pilot projects
- Consolidation of bills
- Formula based
- State employee participation
- Constitutionality
- One time funding
- Employer driven
- Infants and toddlers
- Workforce impact
- Biannual report
- Committee discussion

5:33 PM Senator O'Brien introduced the bill, testified in favor, testimony # 27850.

5:59 PM Brady Larson, Legislative Council, answered questions from the committee, no written testimony.

6:09 PM Senator Ryan Braunberger, testified in favor. #27862

6:12 PM Andrea Pfennig, Greater North Dakota Chamber, testified in favor, testimony # 27827.

6:16 PM Jack McDonald, lobbyist on behalf of the YMCA's of North Dakota, testified in favor, no written testimony.

6:18 PM Mike Krumweide, American Heart Association, testified in favor, testimony # 27831.

6:19 PM Dana Hager, Economic Development Association of North Dakota, testified in favor, testimony # 27861.

6:20 PM Jessica Thomason, Health and Human Services, answered questions from the committee, no written testimony.

**Additional written testimony:**

- Shannon Full, testimony # 27824
- Delore Zimmerman, testimony # 27849

6:33 PM Senator Bekkedahl closed the hearing on this bill.

6:34 PM Senator Mathern moved to adopt the amendment proposed by Senator Braunberger, LC 23.1130.06002.  
Senator Roers seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	N
Senator Karen K. Krebsbach	N
Senator Randy A. Burckhard	N
Senator Kyle Davison	N
Senator Dick Dever	N
Senator Michael Dwyer	N
Senator Robert Erbele	N
Senator Curt Kreun	N
Senator Tim Mathern	Y
Senator Scott Meyer	N
Senator Jim P. Roers	Y
Senator David S. Rust	N
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	N

Motion FAILED 3-13-0.

6:37 PM Senator Davison moved DO PASS AS AMENDED, given that the amendment that is to be drafted by Brady Larson of Legislative Council, with the final amendment being LC 23.1130.06003.

Senator Kreun seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	N
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	N
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	N
Senator Terry M. Wanzek	Y

Motion passed 12-4-0.

Senator Kreun will carry the bill.

6:42 PM Chairman Bekkedahl closed the meeting.

*Kathleen Hall, Committee Clerk*

24  
 H-25-23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1540

Page 3, line 14, after "WORKPLACE" insert "- ONE-TIME FUNDING"

Page 3, line 22, after "\$3,000,000" insert ", which is considered a one-time funding item,"

Page 3, line 29, after "\$5,000,000" insert ", which is considered a one-time funding item,"

Page 3, line 30, after "\$7,000,000" insert ", which is considered a one-time funding item,"

Page 4, line 4, after "\$3,000,000" insert ", which is considered a one-time funding item,"

Page 4, line 5, after "\$1,000,000" insert ", which is considered a one-time funding item,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1540 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00
DHHS - Other				
Total all funds	\$0	\$62,600,000	\$0	\$62,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$62,600,000	\$0	\$62,600,000
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$0	\$65,600,000	\$0	\$65,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$65,600,000	\$0	\$65,600,000
FTE	0.00	0.00	0.00	0.00

Department 325 - DHHS - Other - Detail of Senate Changes

	Identifies One-Time Funding Items <sup>1</sup>	Total Senate Changes
Child care assistance		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> The following items are adjusted from ongoing to one-time funding items:

JA  
H-25-23

	<b>General Fund</b>
Quality tiers in child care assistance program	\$3,000,000
Employer-led child care cost-share program	5,000,000
Grants and shared services	7,000,000
Quality infrastructure for providers	3,000,000
Background check automation	<u>1,000,000</u>
Total	\$19,000,000

**REPORT OF STANDING COMMITTEE**

**HB 1540, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1540 was placed on the Sixth order on the calendar. This bill affects workforce development.

Page 3, line 14, after "**WORKPLACE**" insert "**- ONE-TIME FUNDING**"

Page 3, line 22, after "\$3,000,000" insert ", which is considered a one-time funding item,"

Page 3, line 29, after "\$5,000,000" insert ", which is considered a one-time funding item,"

Page 3, line 30, after "\$7,000,000" insert ", which is considered a one-time funding item,"

Page 4, line 4, after "\$3,000,000" insert ", which is considered a one-time funding item,"

Page 4, line 5, after "\$1,000,000" insert ", which is considered a one-time funding item,"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1540 - Summary of Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$3,000,000	\$0	\$3,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$3,000,000	\$0	\$3,000,000
FTE	0.00	0.00	0.00	0.00
DHHS - Other				
Total all funds	\$0	\$62,600,000	\$0	\$62,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$62,600,000	\$0	\$62,600,000
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$0	\$65,600,000	\$0	\$65,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$65,600,000	\$0	\$65,600,000
FTE	0.00	0.00	0.00	0.00

**Department 325 - DHHS - Other - Detail of Senate Changes**

	Identifies One-Time Funding Items <sup>1</sup>	Total Senate Changes
Child care assistance		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> The following items are adjusted from ongoing to one-time funding items:

	General Fund
Quality tiers in child care assistance program	\$3,000,000
Employer-led child care cost-share program	5,000,000
Grants and shared services	7,000,000
Quality infrastructure for providers	3,000,000
Background check automation	1,000,000
Total	\$19,000,000





**TESTIMONY**

**HB 1540**



# NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Emily O’Brien

District 42

5021 West Elm Court

Grand Forks, North Dakota 58203

*eobrien@nd.gov*

## COMMITTEES:

Appropriations  
Human Resources Division

April 17, 2023

### House Bill 1540

#### House Appropriations – Human Resources Division

#### Representative Jon Nelson, Chairman

Chairman Nelson and members of the House Appropriations – Human Resources Division Committee:

I am Representative Emily O’Brien, from District 42, in Grand Forks, North Dakota.

This past fall, a group of legislators and representatives from the Executive Branch announced a framework for legislation to address the availability, affordability, and quality of child care services in North Dakota, which has been a major barrier to workforce participation.

Speaking from personal experience, four years ago, my first daughter came to work with me every day for 6 months. There were waiting lists to get into any child care center or in-home provider – whether or not they had a license and fees just to be put on a waitlist. Five months ago, I had my second daughter. Luckily, I communicated with our in-home child care provider that we would be expecting our second child and needed to know if there would be a spot available coming November. With two children, I pay \$20,000+ annually for our in-home child care. This amount does not include when daycare is closed, whether paid or unpaid days noted in the contract. Unpaid days require my partner or me to take work off – which results in a loss of money that could have been made, or we scramble at the last minute to find a babysitter and end up paying \$100+ per day. For example, late Thursday evening last week, I was notified that daycare would be closed Friday due to our provider’s household catching norovirus. It is difficult for an individual like me, serving during the legislative session, 275 miles away from home, to drop what I am doing to be home to provide care for our children. I am grateful to have a small village back home that helps pick up the pieces, but not everyone has options.

There have been a handful of proposals brought forward that resulted from many months of work and discussions with child care providers, business leaders, legislators, and other key stakeholders – all to whom I give credit too.

Hearing from constituents, one of the top priorities this session is addressing our workforce crisis. This child care proposal will aid in addressing that crisis.

To go through the bill:

#### **Section 1 – Subsection 4**

The department already has the authority to establish rules for the administration of the child care assistance program – this bill would add in the language “to be adjusted annually based on information from a market study and a cost study,”

#### **Section 2 – Subsection 2**

Would add “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.”

The policy from Section 1 – Subsection 4 and Section 2 – Subsection 2, would accompany the appropriation in Section 5, Subsection 4. for a total of \$2,300,000. An annual market study and cost study would allow the Department of Health and Human Services to consider more comprehensively the cost of providing child care when setting payment rates utilized as the basis for payments in the Child Care Assistance Program (CCAP). This change in legislation will impact 2,200 extremely low-income working families, who will no longer have a co-pay requirement for child care.

Attached in your packet, you will find the North Dakota Child Care Assistance Program Sliding Fee Schedule.

#### **Section 3 – Subsection 1. a.**

Changes the income eligibility for child care assistance from eighty-five percent of the state median income to seventy-five percent of the state median income for a family of the same size. This would become effective July 1, 2025.

#### **Section 4**

Provides for the North Dakota Department of Health and Human Services to provide reports to the Legislative Management regarding the status of the early childhood programs managed by the department.

#### **Section 5 – Subsection 1**

Provides for an appropriation of \$22,000,000 from the general fund, which provides benefits to a family whose income is less than seventy-five percent of the state median income for a family of the same size. We heard from countless interviewees that the CCAP for families is not just a help, it is a necessity. This appropriation will impact 1,800+ additional children receiving child care assistance each month.

### **Section 5 – Subsection 2**

Provides an appropriation of \$15,000,000 from the general fund, which would incentivize the availability of child care for infants and toddlers whose families receive child care assistance by increasing the rate the state pays for children younger than 3. An estimated 2,080 would be impacted.

### **Section 5 – Subsection 3**

Provides an appropriation of \$3,000,000 from the general fund for the creation of quality-based tiers for child care assistance. Increase choices available to working families who participate in the CCAP by paying more for care delivered in child care programs that have taken all the steps necessary to validate quality standards. A system with quality payment tiers puts working families with more modest incomes on par with families who are better able to afford the higher cost of the highest quality care. The 5-15% increase in monthly CCAP payment for providers who are Quality rated would impact 1,600 children.

### **Section 5 – Subsection 4**

As discussed previously, it provides an appropriation of \$2,300,000 as described in Sections 1 and 2 – waiving the fee to a family whose income does not exceed thirty percent of the state median income for a family of the same size.

### **Section 5 – Subsection 5**

Provides an appropriation of \$500,000 from the general fund, for advertising and sign-up assistance.

### **Section 5 – Subsection 6**

Provides an appropriation of \$5,000,000 from general funds for the purpose of employer-led child care cost-share program. This program creates a state match for employer-funded child care stipends to employees where household income is no more than 100% of the state median income. The maximum state match is \$300 per month, as long as the employee has a child ages zero to five, meets the household income thresholds, and is employed by a business that has opted into participating in the program. The goal is to serve an additional 650 children through 2025.

### **Section 5 – Subsection 7**

Provides an appropriation of \$7,000,000 from general funds that will support a more sustainable, stable child care sector by offering grants, incentives, and shared service resources to child care businesses. Inclusion grants will support providers who endeavor to provide quality child care experiences for children with special needs. Start-up grants will support entrepreneurs who are entering the business of child care, with enhanced resources available to programs that are starting up or expanding in designated child care deserts. Shared services models can allow child care providers to access administrative support at reduced cost via statewide or regional vendors. The goal is

to serve 200+ child care providers to receive grants (facility, start-up, inclusion, quality) and 750+ shared service grants.

### **Section 5 – Subsection 8**

Provides an appropriation of \$1,800,000 from general funds, creating new incentives for the provision of non-traditional care. The creation of 2-4 pilot partnership(s) between employers and child care programs. For North Dakotans that are engaged in shift work outside of the traditional “eight to five” business day, child care can be difficult to access. The specific nature of the pilot projects will be driven by the unique needs identified in each proposal.

### **Section 5 – Subsection 9**

Provides an appropriation of \$2,000,000 from general funds for the purpose of stipends for worker training. This will provide grants and incentives to child care workers to support quality care through high-impact professional development. Child care programs typically operate 10-12 hours per day and are staffed to interact with and provide care for children during that time. While basic (required) training may happen during work hours, it is often left to the child care staff members to build their credentials and skills outside of paid work time. The goal is to provide training stipends for 1,200 and 1,800 child care workers pursuing above-and-beyond training.

### **Section 5 – Subsection 10**

Provides an appropriation of \$3,000,000 from the general fund for the purpose of quality infrastructure for providers. The proposal invests in the infrastructure needed to support child care providers in their quest to continue excellence in delivery of care. Many child care providers are interested in becoming quality rated but to do so requires coaching and technical assistance resources to help support child care providers as they work to infuse even more quality practices into their work.

### **Section 5 – Subsection 11**

Provides an appropriation of \$1,000,000 from the general fund for the purpose of streamlining background checks. This has been an ongoing conversation with solutions to make it as easy as possible for providers to get licensed, stay licensed, and participate in the state’s quality improvement system. 9,000+ child care-related background checks can be completed more quickly and efficiently.

### **Section 6**

Provides an appropriation of \$3,000,000, or so much of the sum as may be necessary, to the North Dakota Office of Management and Budget for the purpose of state employee child care benefits from the biennium beginning July 1, 2023 and ending June 30, 2025.

## **Section 7**

As mentioned previously, Section 3 of this Act becomes effective July 1, 2025.

House Bill 1540 has consolidated the majority of the child care proposals that have been introduced from House Bills, Senate Bills and the Executive Recommendation. Credit is due to Senator Hogan, Senator Kreun, Representative Weisz, and the Department of Health and Human Services for all of teamwork that has gone into this vital piece of legislation and appropriation to address North Dakota's workforce crisis and child care needs.

Thank you, Chairman Nelson, and members of the House Appropriation – Human Resource Division Committee. I will stand for any questions.

**North Dakota Child Care Assistance Program**  
**Sliding Fee Schedule**  
**Effective October 1, 2022**

LL - Lower Income Limit  
 UL - Upper Income Limit  
 SMI - State Median Income

HH Size	Level 1 (10% of State Median Income)			Level 2 (20% SMI)			Level 3 (30% SMI)			Level 4 (40% SMI)			Level 5 (50% SMI)			Level 6 (60% SMI)			Level 7 (85% SMI)			HH Size
	LL	UL	Copay (2.0%)	LL	UL	Copay (3.0%)	LL	UL	Copay (4.0%)	LL	UL	Copay (6.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	
1	\$0	\$464	\$10	\$465	\$928	\$28	\$929	\$1,392	\$56	\$1,393	\$1,856	\$112	\$1,857	\$2,320	\$163	\$2,321	\$2,784	\$195	\$2,785	\$3,944	\$277	1
2	\$0	\$607	\$13	\$608	\$1,214	\$37	\$1,215	\$1,820	\$73	\$1,821	\$2,427	\$146	\$2,428	\$3,034	\$213	\$3,035	\$3,641	\$255	\$3,642	\$5,158	\$362	2
3	\$0	\$750	\$15	\$751	\$1,499	\$45	\$1,500	\$2,249	\$90	\$2,250	\$2,998	\$180	\$2,999	\$3,748	\$263	\$3,749	\$4,497	\$315	\$4,498	\$6,371	\$446	3
4	\$0	\$892	\$18	\$893	\$1,785	\$54	\$1,786	\$2,677	\$108	\$2,678	\$3,569	\$215	\$3,570	\$4,462	\$313	\$4,463	\$5,354	\$375	\$5,355	\$7,585	\$531	4
5	\$0	\$1,035	\$21	\$1,036	\$2,070	\$63	\$2,071	\$3,105	\$125	\$3,106	\$4,140	\$249	\$4,141	\$5,176	\$363	\$5,177	\$6,211	\$435	\$6,212	\$8,798	\$616	5
6	\$0	\$1,178	\$24	\$1,179	\$2,356	\$71	\$2,357	\$3,533	\$142	\$3,534	\$4,711	\$283	\$4,712	\$5,889	\$413	\$5,890	\$7,067	\$495	\$7,068	\$10,011	\$701	6
7	\$0	\$1,205	\$25	\$1,206	\$2,409	\$73	\$2,410	\$3,614	\$145	\$3,615	\$4,818	\$290	\$4,819	\$6,023	\$422	\$6,024	\$7,228	\$506	\$7,229	\$10,239	\$717	7
8	\$0	\$1,231	\$25	\$1,232	\$2,463	\$74	\$2,464	\$3,694	\$148	\$3,695	\$4,926	\$296	\$4,927	\$6,157	\$431	\$6,158	\$7,388	\$518	\$7,389	\$10,467	\$733	8

**State Provider Rates**

**Allowable Monthly Maximums for Full Time Care--Category One**  
 (25 or more hours per week)

Provider Type Provider Codes	Infant (Birth to 17 months)	Toddler (18 months to 2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>CENTER</b> C, E, K, M	<b>\$913.33</b> \$228.33 (weekly)	<b>\$888.00</b> \$222.00 (weekly)	<b>\$811.00</b> \$202.75 (weekly)	<b>\$760.00</b> \$190.00 (weekly)
<b>LICENSED FAMILY/GROUP</b> F, G, H	<b>\$700.00</b> \$175.00 (weekly)	<b>\$700.00</b> \$175.00 (weekly)	<b>\$680.00</b> \$170.00 (weekly)	<b>\$660.00</b> \$165.00 (weekly)
<b>SELF-DECLARED/ TRIBAL REGISTERED</b> S, R	<b>\$462.00</b> \$115.50 (weekly)	<b>\$429.00</b> \$107.25 (weekly)	<b>\$420.20</b> \$105.05 (weekly)	<b>\$407.00</b> \$101.75 (weekly)
<b>APPROVED RELATIVE</b>	<b>\$367.50</b> \$91.87 (weekly)	<b>\$346.50</b> \$86.62 (weekly)	<b>\$338.10</b> \$84.52 (weekly)	<b>\$325.50</b> \$81.37 (weekly)

**Allowable Monthly Maximums for Part-Time Care--Category Two**  
 (Less than 25 hours per week)

Infant (Birth to 17 months)	Toddler (18 months to 2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>\$900.00</b> \$225.00 (weekly)	<b>\$824.00</b> \$206.00 (weekly)	<b>\$565.75</b> \$141.43 (weekly)	<b>\$535.25</b> \$133.81 (weekly)
<b>\$700.00</b> \$175.00 (weekly)	<b>\$700.00</b> \$175.00 (weekly)	<b>\$615.00</b> \$153.75 (weekly)	<b>\$540.00</b> \$135.00 (weekly)
<b>\$277.20</b> \$69.30 (weekly)	<b>\$257.40</b> \$64.35 (weekly)	<b>\$252.12</b> \$63.03 (weekly)	<b>\$244.20</b> \$61.05 (weekly)
<b>\$220.50</b> \$55.12 (weekly)	<b>\$207.90</b> \$51.97 (weekly)	<b>\$202.86</b> \$50.71 (weekly)	<b>\$195.30</b> \$48.82 (weekly)

State provider rates will be rounded down when the rate is not a full dollar amount

Allowable Maximum for Registration fees  
 Provider Type: C, E, K, M, F, G, H - \$150 per calendar year



23.1130.05001  
Title.

Prepared by the Legislative Council staff for  
Representative Weisz  
April 17, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1540

Page 1, line 1, after "to" insert "create and enact a new section to chapter 50-11.1 of the North Dakota Century Code, relating to child care staffing ratios; and to"

Page 1, after line 4, insert:

"SECTION 1. A new section to chapter 50-11.1 of the North Dakota Century Code is created and enacted as follows:

**Staffing requirements.**

1. Staffing requirements for an early childhood services provider under a self-declaration apply to the number of children physically in care at the self-declaration premises at any given time, rather than total enrollment, subject to the limitations of subsection 24 of section 50-11.1-02.
2. Staffing requirements for family child care apply to the number of children physically in care at the family child care at any given time, rather than total enrollment, subject to the limitations of subsection 7 of section 50-11.1-02 and subsection 1 of section 50-11.1-03.
3. If providing group child care or child care at a child care center:
  - a. For children less than eighteen months of age, one staff member may care for no more than five children, with a maximum group size of ten children.
  - b. For children eighteen months of age to thirty-six months of age, one staff member may care for no more than five children, with a maximum group size of fifteen children.
  - c. For children thirty-six months of age to kindergarten, one staff member may care for no more than ten children, with a maximum group size of twenty-five children.
  - d. For children in grades kindergarten and above, one staff member may care for no more than twenty-five children, with a maximum group size of thirty children for group child care and fifty children for a child care center.
4. If providing school-age child care for children in grades kindergarten and above, one staff member may care for no more than twenty-five children, with a maximum group size of fifty children.
5. If providing preschool services:
  - a. For children less than thirty-six months of age, one staff member may care for no more than six children.
  - b. For children thirty-six months to forty-eight months of age, one staff member may care for no more than twelve children.



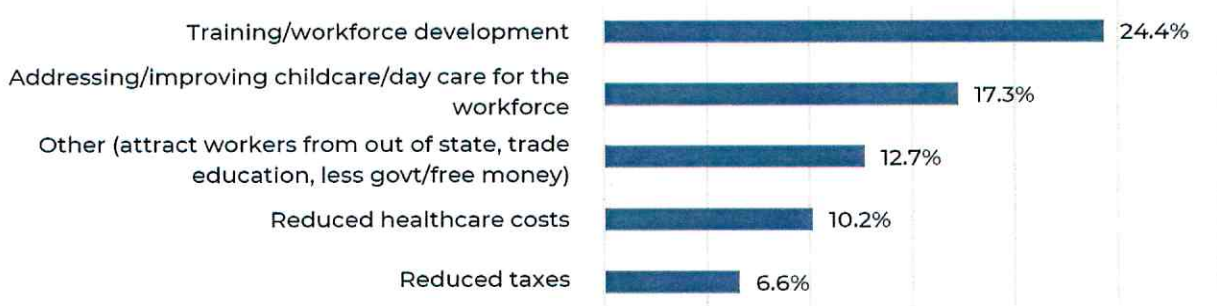
- Study Dollars  
- Study Ratio Change

GREATER NORTH DAKOTA CHAMBER  
HB 1540  
House Appropriations: Human Resources  
Chairman Jon Nelson  
April 17, 2023

Mr. Chairman and members of the committee, my name is Andrea Pfennig with the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of the delayed bill relating to childcare, HB 1540.

Recently, GNDC partnered with the NDSU Challey Institute for Global Innovation and Growth to complete a survey about the business climate in North Dakota. The survey found that 62% of respondents felt the number one factor holding businesses back is difficulty attracting and retaining qualified workers. Additionally, when respondents were asked what change in North Dakota would have the greatest positive impact on their organization's growth or performance, the second most common response was to improve childcare for the workforce.

What change in North Dakota would have the greatest positive impact on your organization's growth or performance?



Additionally, we are aware that 73% of the 44,237 North Dakota households who have children younger than age 5 likely have at least some need for childcare as all available parents are in the workforce. This stat, coupled with the results of the Challey survey were reflected in the discussions held by our members in our policy position development process. The message was clear: Lack of childcare is negatively impacting businesses. As a result, our position is to encourage solutions that enhance childcare availability and out of school time programming that do not increase costs to businesses.

We stand with local chambers across the state, as well as our members from the business community and trade associations in support of funding for childcare. We hope you will support this bill as we feel it is a critical, immediate solution to address the state's current workforce challenges.



## Testimony in Support of HB 1540

### House Appropriations Human Services Committee

Chairman Nelson and Members of the Committee, my name is Mike Krumwiede appearing on behalf of the American Heart Association in support of House Bill 1540. AHA is a nonpartisan, not for profit organization with more than 800 North Dakotan AHA volunteers who advocate for longer and healthier lives. AHA's mission is to reduce death and disability from heart disease and stroke.

The American Heart Association supports investing in early childcare and education, Head Start and Early Head Start to create new opportunities and improve outcomes for infants, toddlers, children and their families.

- Establish funding for dedicated technical assistance and grant opportunities for early childcare and education programs operating in or serving low-income communities to adopt and implement nutrition, active play, and screen time standards.
- Secure funding for targeted outreach, recruitment, and retention of licensed ECE programs and pre-licensure technical assistance. Prioritize funding to build supply in rural areas, child-care deserts, areas with a high proportion of exempt providers, and family childcare homes.
- Support other Head Start and Early Head Start needs that will increase the number of eligible children served, such as infrastructure, transportation, or the duration of services by seeking state supplemental funding.

We are happy that the with the legislature for investing in childcare and making this change a standard policy we fully support HB 1540 and would encourage a DO PASS recommendation. Thank you.



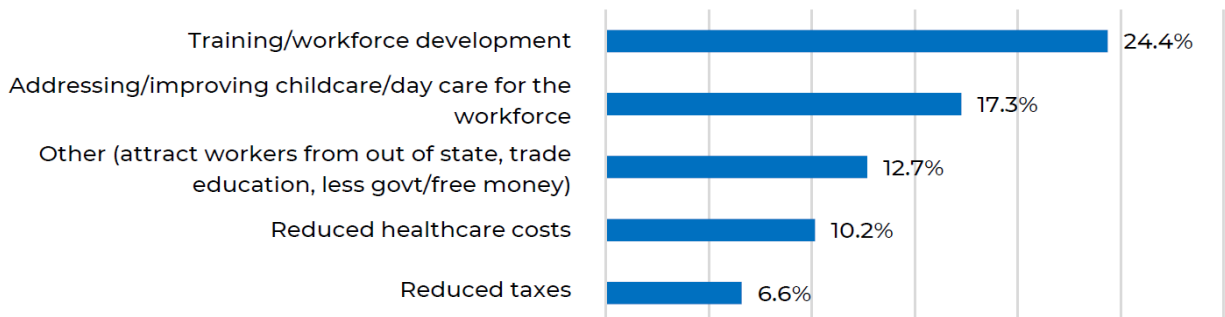


GREATER NORTH DAKOTA CHAMBER  
HB 1540  
House Appropriations: Human Resources  
Chairman Jon Nelson  
April 18, 2023

Mr. Chairman and members of the committee, my name is Andrea Pfennig with the Greater North Dakota Chamber. GNDC is North Dakota’s largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of the delayed bill relating to childcare, HB 1540.

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**What change in North Dakota would have the greatest positive impact on your organization's growth or performance?**



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**Missouri Valley Montessori Preschool**  
**200 W Turnpike Ave**  
**Bismarck ND 58501 (Located in District 35)**  
**701.222.0929**

**SUPPORT HB 1540**

Chair Nelson and members of the Appropriations Committee, my name is Brita Cowan – I’m the Head of Operations at Missouri Valley Montessori Preschool in Bismarck, North Dakota. I, with our Head of Education, Kara Seeklander, and our Board of Directors Chair, Stanley Mack are submitting testimony in **support** of HB 1540. Missouri Valley Montessori began in 1977 by a group of parents. Our nonprofit currently serves over 90 children each year in 5 classrooms.

Childcare, whether it’s formal preschool/kindergarten prep or serving younger children, is an essential service to our community and state. Our preschool has the obvious benefit of educating students, but it also provides a resource for our current workforce to provide excellent care and education of one of their most precious aspects of their lives. Our industry has not been supported by our state. For decades, our parents have been ensuring our doors are open – paying steep costs and fundraising. Our waitlist is 2 years deep and yet our margins run tight.

We stand in support of the solutions of HB 1540. We like that this bill would allow us to cultivate our workforce. As providers – attraction and retention are our biggest challenges. We want to find and keep quality people to hug the hurts, light the minds, and keep our children safe.

We would be available for any questions, and we also invite you all to come see our preschool. This is a standing invitation as our children are the greatest accomplishment and testament to what we do.

Brita Cowan, Head of Operations  
[Director@mvmpreschool.org](mailto:Director@mvmpreschool.org)

Kara Seeklander, Head of Education  
[Kara@mvmpreschool.org](mailto:Kara@mvmpreschool.org)

Stanley Mack, Board of Directors Chair  
[Stashiemack@gmail.com](mailto:Stashiemack@gmail.com)

Ainsley Ruth, Student  
 no email available, mastering markers

**PLEASE SEE OUR STUDENT SUBMISSION,**  
 On the following page, this is a picture drawn of our center by Ainsley (picture below). Ainsley turned 4 on Feb 25. She is at her fourth childcare center. Her first, where she attended with her brother and sister, closed when she was 2 – they had already been closing every Friday before they formally closed due to workforce and ratio constraints. Her second daycare, also a 40-child center, closed after she turned 3 due to workforce challenges and a director leaving. At her third center – she went through 3 lead teachers in three months, devastated at each change.

Now she is finally attending the same preschool as her brother and has seemed to overcome her separation anxiety, which happened every morning at her previous 2 locations. Ainsley’s parents are happy to see her thriving at preschool and want every parent to have their children in a stable, safe, and loving environment.







Ainsley's teachers  
↓



R P A

← Her name/signature

Ainsley ↗



### FMWF Chamber Letter of Support for HB 1540

April 19<sup>th</sup>, 2023

Chairman Nelson and members of the House Appropriations – Human Resources Division,

For the record, my name is Shannon Full, and I have the pleasure of serving as the President and CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in support of House Bill 1540.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This challenge is not unique to our state, businesses across the United States are in desperate need of qualified workers to fill their open positions. A critical component of this nationwide workforce crisis is the accessibility of affordable and quality childcare. These challenges are cyclical in nature and require a multi-pronged approach to strategically address the root causes of the problem.

Through innovative approaches, the state of North Dakota, the business community, and childcare providers can work together to create a more sustainable and equitable childcare sector. In order to provide quality, accessible, and affordable childcare solutions for North Dakotans, we believe legislation should:

- Integrate initiatives and policies that streamline the processes required for employment at a childhood or school-aged care facility.
- Review and adjust regulations and codes associated with establishing and operating a childhood or school-aged care facility to address burdensome regulatory barriers without diminishing quality and safety.
- Advance public-private partnership models for childhood and school-aged care providers to provide communities with affordable and accessible care.
- Address financial barriers hindering North Dakotan's access to childcare services.
- Identify creative opportunities to provide childcare for North Dakota families working non-traditional hours.
- Create a sustainable childhood and school-aged care sector through adequate grants, incentives, training, and shared service resources.

In closing, I would like to express my deepest appreciation for Representative O'Brien and the number of other legislators, statewide officials, and state employees that worked extensively, bringing together state leaders, childcare providers, business leaders, and community stakeholders to the table, to create this robust legislative proposal. House Bill 1540 addresses many of our state's challenges surrounding childcare by merging several of the childcare proposals offered throughout this session. We encourage the entire Legislative Assembly to support the innovative childcare solutions outlined in this bill, to provide meaningful relief to many North Dakotans.

On behalf of our members, thank you for your time and consideration of this critical issue.

Sincerely,

Shannon Full  
President/ CEO  
FMWF Chamber of Commerce  
[sfull@fmwfchamber.com](mailto:sfull@fmwfchamber.com)

23.1130.05002  
Title.

Prepared by the Legislative Council staff for  
the House Appropriations - Human Resources  
Division Committee

April 19, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1540

Page 3, line 14, replace "The funds provided in this section" with "There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$62,600,000"

Page 3, line 15, replace "funds" with "sum"

Page 3, line 15, remove "are appropriated out of any moneys in the general fund in the state"

Page 3, remove line 16

Page 3, line 17, remove "income,"

Page 3, line 19, remove "appropriated from the general fund"

Page 3, line 21, remove "appropriated from the general fund"

Page 3, line 23, remove "appropriated from the general fund"

Page 3, line 25, remove "appropriated from the general fund"

Page 3, line 28, remove "appropriated from the general fund"

Page 3, line 30, remove "appropriated from special funds"

Page 4, line 1, remove "appropriated from special funds"

Page 4, line 3, remove "appropriated from special funds"

Page 4, line 5, remove "appropriated from special funds"

Page 4, line 7, remove "appropriated from the general fund"

Page 4, line 9, remove "appropriated from the general fund"

Re-number accordingly





### FMWF Chamber Letter of Support for HB 1540

April 24<sup>th</sup>, 2023

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[sfull@fmwfchamber.com](mailto:sfull@fmwfchamber.com)

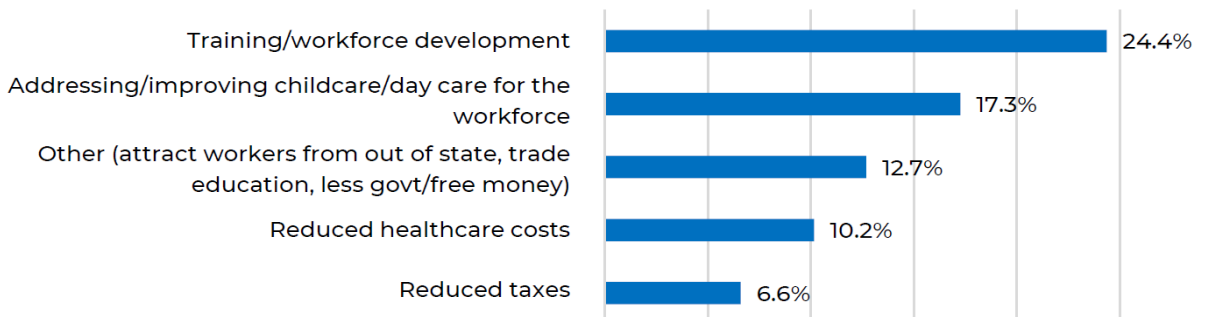


GREATER NORTH DAKOTA CHAMBER  
HB 1540  
Senate Appropriations  
Chairman Brad Bekkedahl  
April 24, 2023

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**Testimony in Support of HB 1540**  
**Senate Appropriations Committee**

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## Testimony



### HOUSE BILL NO. 1540

### Senate Appropriations

April 24, 2023

Senator Bekkedahl and members of the Senate Appropriations Committee. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by leaders from higher education, economic development, and chambers of commerce – to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and the entirety of North Dakota.

Employers of all sizes in all sectors of North Dakota’s economy depend on working parents. Working parents, in turn, depend upon childcare. Without it, many parents – particularly mothers – cannot join or rejoin the labor force.

Quality childcare is an early learning setting for young children that creates a foundation for future learning, including school readiness. This makes childcare a two-generation support for working families, helping parents return to the workforce while also giving kids a future-learning jump start.

The VPP supports HB1540 and strongly endorses funding for childcare that will positively impact availability, affordability, and workforce. Closing the childcare gap is a top priority for the VPP and employers throughout North Dakota.

Thank you for your consideration of this important legislation.

## Valley Prosperity Partnership Steering Committee

Brian Johnson, CEO, Choice Bank,  
Co-Chair Valley Prosperity Partnership\*

Judd Graham, Market President  
Dacotah Bank - Fargo  
Co-Chair Valley Prosperity  
Partnership\*

Jonathan Holth, JLG Architects  
Vice Co-Chair\*

Marshal Albright, President & CEO  
Cass County Electric Cooperative,

Andrew Armacost, President  
University of North Dakota

Steve Burian, President & CEO  
Burian & Associates

Dan Conrad, President & CEO  
Blue Cross Blue Shield North Dakota

David Cook, President  
North Dakota State University

Tim Curoe, CEO  
RD Offutt Company

Mylo Einarson, President & CEO  
Nodak Electric Cooperative

Chad Flanagan, Partner  
Eide Bailly

Rod Flanigan, President  
North Dakota State College of Science

Todd Forkel, CEO  
Altru Health System

Shannon Full, President/CEO  
Fargo Moorhead West Fargo  
Chamber of Commerce\*

Shawn Gaddie, Director of Infrastructure  
Management Services, AE2S  
AE2S

Jim Galloway, Principal  
JLG Architects

Kevin Hanson, President & CEO  
Gate City Bank

Tiffany Lawrence, CEO & President  
Sanford Fargo

Keith Lund, President & CEO  
Grand Forks Region EDC\*

William C. Marcil, Sr. Chairman  
Forum Communications Company

Pat McAdaragh, President & CEO  
Midco

Jeff Melgaard, Vice President  
Construction Engineers

Tammy Peterson, Grand Forks Region  
President & Ag Banking Director  
Bremer Bank

Joe Raso, President & CEO  
Greater Fargo Moorhead EDC\*

Jim Roers, President & CEO  
Roers Construction & Development

Richard Solberg, Chairman & CEO  
Bell State Bank & Trust

David White, President  
Border States Electric

Barry Wilfahrt, President & CEO  
The Chamber Grand Forks/East Grand  
Forks\*

Chris Wolf, North Valley Market President  
Alerus Financial

Delore Zimmerman, Executive Director\*

\* Member Executive Committee



# NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Emily O’Brien

District 42

5021 West Elm Court

Grand Forks, North Dakota 58203

[eobrien@nd.gov](mailto:eobrien@nd.gov)

## COMMITTEES:

Appropriations  
Human Resources Division

April 24, 2023

### House Bill 1540 Senate Appropriations Senator Brad Bekkedahl, Chairman

Chairman Bekkedahl and members of the Senate Appropriations Committee:

I am Representative Emily O’Brien, from District 42, in Grand Forks, North Dakota.

This past fall, a group of legislators and representatives from the Executive Branch announced a framework for legislation to address the availability, affordability, and quality of child care services in North Dakota, which has been a major barrier to workforce participation.

Speaking from personal experience, four years ago, my first daughter came to work with me every day for 6 months. There were waiting lists to get into any child care center or in-home provider – whether or not they had a license and fees just to be put on a waitlist. Five months ago, I had my second daughter. Luckily, I communicated with our in-home child care provider that we would be expecting our second child and needed to know if there would be a spot available coming November. With two children, I pay \$20,000+ annually for our in-home child care. This amount does not include when daycare is closed, whether paid or unpaid days noted in the contract. Unpaid days require my partner or me to take work off – which results in a loss of money that could have been made, or we scramble at the last minute to find a babysitter and end up paying \$100+ per day. For example, late Thursday evening last week, I was notified that daycare would be closed Friday due to our provider’s household catching norovirus. It is difficult for an individual like me, serving during the legislative session, 275 miles away from home, to drop what I am doing to be home to provide care for our children. I am grateful to have a small village back home that helps pick up the pieces, but not everyone has options.

There have been a handful of proposals brought forward that resulted from many months of work and discussions with child care providers, business leaders, legislators, and other key stakeholders – all to whom I give credit too.

Hearing from constituents, one of the top priorities this session is addressing our workforce crisis. This child care proposal will aid in addressing that crisis.

I am going to begin on Section 4 of the bill – Sections 1-3 will be acknowledged in Section 5.

#### **Section 4**

Provides for the North Dakota Department of Health and Human Services to provide reports to the Legislative Management regarding the status of the early childhood programs managed by the department.

#### **Section 5 – Subsection 1**

Provides for an appropriation of \$22,000,000, which provides benefits to a family whose income is less than seventy-five percent of the state median income for a family of the same size. We heard from countless interviewees that the CCAP for families is not just a help, it is a necessity. This appropriation will impact 1,800+ additional children receiving child care assistance each month.

#### **Section 5 – Subsection 2**

Provides an appropriation of \$15,000,000, which would incentivize the availability of child care for infants and toddlers whose families receive child care assistance by increasing the rate the state pays for children younger than 3. An estimated 2,080 would be impacted.

#### **Section 5 – Subsection 3**

Provides an appropriation of \$3,000,000 for the creation of quality-based tiers for childcare assistance. This increases the choices available to working families who participate in the child care assistance program, which would impact 1,600 children.

#### **Section 5 – Subsection 4**

Provides an appropriation of \$2,300,000 – waiving the co-pay fee to a family whose income does not exceed thirty percent of the state median income for a family of the same size. The policy from Section 1 – Subsection 4 and Section 2 – Subsection 2, would accompany this appropriation. An annual market study and cost study would allow the department to consider more comprehensively the cost of providing child care when setting payment rates utilized as the basis for payments in the child care assistance program. This change in legislation will impact 2,200 working families.

#### **Section 5 – Subsection 5**

Provides an appropriation of \$500,000 for advertising and sign-up assistance.

### **Section 5 – Subsection 6**

Provides an appropriation of \$5,000,000 for the purpose of employer-led child care cost-share program. This program creates a state match for employer-funded child care stipends to employees where household income is no more than one hundred percent of the state median income. The maximum state match is \$300 per month, as long as the employee has a child ages zero to five, meets the household income thresholds, and is employed by a business that has opted into participating in the program. The goal is to serve an additional 650 children through 2025.

### **Section 5 – Subsection 7**

Provides an appropriation of \$7,000,000 that will support a sustainable, stable child care sector by offering grants, incentives, and shared service resources to child care businesses. Inclusion grants will support providers whose endeavor to provide quality child care experiences for children with special needs. Start-up grants will support entrepreneurs who are entering the business of child care, with enhanced resources available to programs that are starting up or expanding in designated child care deserts. These grants will serve 200+ child care providers. The shared services model grants will support 750+ grants to child care providers to access administrative support at a reduced cost via statewide or regional vendors.

### **Section 5 – Subsection 8**

Provides an appropriation of \$1,800,000, creating new incentives for the provision of non-traditional care. The creation of 2-4 pilot partnership(s) between employers and child care programs. For North Dakotans that are engaged in shift work outside of the traditional “eight to five” business day, child care can be challenging to access. The specific nature of the pilot projects will be driven by the unique needs identified in each proposal.

### **Section 5 – Subsection 9**

Provides an appropriation of \$2,000,000 for the purpose of stipends for worker training. This will provide grants and incentives to child care workers to support quality care through high-impact professional development. Child care programs typically operate 10-12 hours per day and are staffed to interact with and provide care for children during that time. While basic and required training may happen during work hours, it is often left to the child care staff members to build their credentials and skills outside of paid work time. The goal is to provide training stipends for 1,200 and 1,800 child care workers pursuing above-and-beyond training.

### **Section 5 – Subsection 10**

Provides an appropriation of \$3,000,000 for the purpose of quality infrastructure for providers. The proposal invests in the infrastructure needed to support child care providers in their quest to continue excellence in delivery of care. Many child care providers are interested in becoming quality rated but to do so requires coaching and technical assistance resources to help support child care providers as they work to infuse even more quality practices into their work.



### **Section 5 – Subsection 11**

Provides an appropriation of \$1,000,000 from the general fund for the purpose of streamlining background checks. This has been an ongoing conversation with solutions to make it as easy as possible for providers to get licensed, stay licensed, and participate in the state's quality improvement system. 9,000+ child care-related background checks can be completed more quickly and efficiently.

### **Section 6**

Provides an appropriation of \$3,000,000, or so much of the sum as may be necessary, to the North Dakota Office of Management and Budget for the purpose of state employee child care benefits from the biennium beginning July 1, 2023, and ending June 30, 2025.

In Senate Bill 2012, Section 45 – there is a legislative management study regarding the early child care programs and child care services to identify major needs and systemic approaches to stabilize child care infrastructure.

This total child care proposal is \$65,600,600 of general fund dollars. The executive budget recommendation was \$73,000,000, and the Senate sent over several proposals totaling \$113,426,307.

House Bill 1540 has consolidated the majority of the child care proposals that have been introduced from House Bills, Senate Bills, and the Executive Recommendation. Credit is due to Senator Hogan, Senator Kreun, Representative Weisz, the Department of Health and Human Services, and many others that I may be forgetting for all of the teamwork that has gone into this vital piece of legislation and appropriation to address North Dakota's workforce crisis and child care needs.

Thank you, Chairman Bekkedahl and members of the Senate Appropriations Committee. I will stand for any questions.

**North Dakota Child Care Assistance Program**  
**Sliding Fee Schedule**  
**Effective October 1, 2022**

LL - Lower Income Limit  
 UL - Upper Income Limit  
 SMI - State Median Income

HH Size	Level 1 (10% of State Median Income)			Level 2 (20% SMI)			Level 3 (30% SMI)			Level 4 (40% SMI)			Level 5 (50% SMI)			Level 6 (60% SMI)			Level 7 (85% SMI)			HH Size
	LL	UL	Copay (2.0%)	LL	UL	Copay (3.0%)	LL	UL	Copay (4.0%)	LL	UL	Copay (6.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	
1	\$0	\$464	\$10	\$465	\$928	\$28	\$929	\$1,392	\$56	\$1,393	\$1,856	\$112	\$1,857	\$2,320	\$163	\$2,321	\$2,784	\$195	\$2,785	\$3,944	\$277	1
2	\$0	\$607	\$13	\$608	\$1,214	\$37	\$1,215	\$1,820	\$73	\$1,821	\$2,427	\$146	\$2,428	\$3,034	\$213	\$3,035	\$3,641	\$255	\$3,642	\$5,158	\$362	2
3	\$0	\$750	\$15	\$751	\$1,499	\$45	\$1,500	\$2,249	\$90	\$2,250	\$2,998	\$180	\$2,999	\$3,748	\$263	\$3,749	\$4,497	\$315	\$4,498	\$6,371	\$446	3
4	\$0	\$892	\$18	\$893	\$1,785	\$54	\$1,786	\$2,677	\$108	\$2,678	\$3,569	\$215	\$3,570	\$4,462	\$313	\$4,463	\$5,354	\$375	\$5,355	\$7,585	\$531	4
5	\$0	\$1,035	\$21	\$1,036	\$2,070	\$63	\$2,071	\$3,105	\$125	\$3,106	\$4,140	\$249	\$4,141	\$5,176	\$363	\$5,177	\$6,211	\$435	\$6,212	\$8,798	\$616	5
6	\$0	\$1,178	\$24	\$1,179	\$2,356	\$71	\$2,357	\$3,533	\$142	\$3,534	\$4,711	\$283	\$4,712	\$5,889	\$413	\$5,890	\$7,067	\$495	\$7,068	\$10,011	\$701	6
7	\$0	\$1,205	\$25	\$1,206	\$2,409	\$73	\$2,410	\$3,614	\$145	\$3,615	\$4,818	\$290	\$4,819	\$6,023	\$422	\$6,024	\$7,228	\$506	\$7,229	\$10,239	\$717	7
8	\$0	\$1,231	\$25	\$1,232	\$2,463	\$74	\$2,464	\$3,694	\$148	\$3,695	\$4,926	\$296	\$4,927	\$6,157	\$431	\$6,158	\$7,388	\$518	\$7,389	\$10,467	\$733	8

**State Provider Rates**

**Allowable Monthly Maximums for Full Time Care--Category One**  
 (25 or more hours per week)

Provider Type Provider Codes	Infant (Birth to 17 months)	Toddler (18 months to 2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>CENTER</b> C, E, K, M	<b>\$913.33</b> \$228.33 (weekly)	<b>\$888.00</b> \$222.00 (weekly)	<b>\$811.00</b> \$202.75 (weekly)	<b>\$760.00</b> \$190.00 (weekly)
<b>LICENSED FAMILY/GROUP</b> F, G, H	<b>\$700.00</b> \$175.00 (weekly)	<b>\$700.00</b> \$175.00 (weekly)	<b>\$680.00</b> \$170.00 (weekly)	<b>\$660.00</b> \$165.00 (weekly)
<b>SELF-DECLARED/ TRIBAL REGISTERED</b> S, R	<b>\$462.00</b> \$115.50 (weekly)	<b>\$429.00</b> \$107.25 (weekly)	<b>\$420.20</b> \$105.05 (weekly)	<b>\$407.00</b> \$101.75 (weekly)
<b>APPROVED RELATIVE</b>	<b>\$367.50</b> \$91.87 (weekly)	<b>\$346.50</b> \$86.62 (weekly)	<b>\$338.10</b> \$84.52 (weekly)	<b>\$325.50</b> \$81.37 (weekly)

**Allowable Monthly Maximums for Part-Time Care--Category Two**  
 (Less than 25 hours per week)

Infant (Birth to 17 months)	Toddler (18 months to 2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>\$900.00</b> \$225.00 (weekly)	<b>\$824.00</b> \$206.00 (weekly)	<b>\$565.75</b> \$141.43 (weekly)	<b>\$535.25</b> \$133.81 (weekly)
<b>\$700.00</b> \$175.00 (weekly)	<b>\$700.00</b> \$175.00 (weekly)	<b>\$615.00</b> \$153.75 (weekly)	<b>\$540.00</b> \$135.00 (weekly)
<b>\$277.20</b> \$69.30 (weekly)	<b>\$257.40</b> \$64.35 (weekly)	<b>\$252.12</b> \$63.03 (weekly)	<b>\$244.20</b> \$61.05 (weekly)
<b>\$220.50</b> \$55.12 (weekly)	<b>\$207.90</b> \$51.97 (weekly)	<b>\$202.86</b> \$50.71 (weekly)	<b>\$195.30</b> \$48.82 (weekly)

State provider rates will be rounded down when the rate is not a full dollar amount

Allowable Maximum for Registration fees

Provider Type: C, E, K, M, F, G, H - \$150 per calendar year



PO Box 1091 • Bismarck, ND 58502

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**Testimony of Dana Hager**  
**Economic Development Association of North Dakota**  
**In Support of HB 1540**  
**April 24, 2023**

Chairman Bekkedahl and members of the Senate Appropriations Committee:

I am Dana Hager, executive director of the Economic Development Association of North Dakota (EDND), and on behalf of our members, I want to express our support for HB 1540.

EDND represents more than 100 state economic development organizations and businesses on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote new wealth creation throughout North Dakota to develop more vibrant and efficient communities and improve quality of life.

Workforce is a critical priority and challenge nationwide. While the solution to attracting and retaining qualified workers is complex, we do know that the economic impact of childcare matters and has a spillover impact throughout our counties and cities. The childcare piece of the workforce puzzle requires partners from across sectors to work together toward a shared goal—the goal for affordable, accessible and quality childcare solutions for North Dakota families.

HB 1540 will address many of the state's childcare challenges and we encourage your support and a Do Pass recommendation. Thank you.

23.1130.06002

**FIRST ENGROSSMENT**

Sixty-eighth  
Legislative Assembly  
of North Dakota

**ENGROSSED 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 create and enact a new section to chapter 50-11.1 of the North Dakota  
2 Century Code, relating to the establishment of a child care stabilization program; to amend and  
3 reenact sections 50-33-02 and 50-33-07 of the North Dakota Century Code, relating to early  
4 childhood services and child care assistance; to provide for a legislative management report; to  
5 provide an appropriation; and to provide an effective date.

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

7 **SECTION 1.** A new section to chapter 50-11.1 of the North Dakota Century Code is created  
8 and enacted as follows:

9 **Child care stabilization program.**

10 1. The department shall establish a child care stabilization program to address child care  
11 workforce shortages. The department shall remit a monthly payment to each licensed  
12 early childhood services provider based on the number of children receiving early  
13 childhood services on the premises under the license. The monthly payment is  
14 calculated at seventy-five dollars per number of children from birth to less than  
15 eighteen months of age.

16 2. A provider that receives funding under the program shall report annually to the  
17 department on how the funding was used to directly address the wages and benefits  
18 of child care workers.

19 3. Payments under the program to a provider must be discontinued if the provider is  
20 under a provisional license for longer than three months.

21 **SECTION 2. AMENDMENT.** Section 50-33-02 of the North Dakota Century Code is  
22 amended and reenacted as follows:



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

10 **SECTION 4. AMENDMENT.** Section 50-33-07 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **50-33-07. Sliding fee schedule.**

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

26 **SECTION 5. LEGISLATIVE MANAGEMENT REPORT - EARLY CHILDHOOD**

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

30 **SECTION 6. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**

31 **CHILD CARE FOR THE WORKPLACE.** There is appropriated out of any moneys in the