

FISCAL NOTE
Requested by Legislative Council
12/31/2018

Bill/Resolution No.: HB 1114

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1114 provides for a repeal of self-declaration early childhood licenses, effective December 31, 2020.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1114 has no fiscal impact. Providers who currently hold self-declared licenses will more than likely apply as family child care providers as the requirements are similar.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Heide Delorme

Agency: Human Services

Telephone: 701-328-4608

Date Prepared: 01/04/2019

2019 HOUSE HUMAN SERVICES

HB 1114

2019 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

HB 1114
1/9/2019
30525 and 30742

- Subcommittee
 Conference Committee

Committee Clerk: Elaine Stromme by Nicole Klaman

Explanation or reason for introduction of bill/resolution: Relating to early childhood services; transition of self-declared child care providers to a licensed child care provider.

Minutes:

1, 2, 3, 4 and 5

Vice Chairman Rohr: Opened the hearing on HB # 1114

Amanda Carlson: Testimony; See Attachment 1

Representative Porter: What is the availability of continued education online?

Amanda Carlson: The state does have required courses the providers, self-declared or licensed, must complete. If there are additional education hours needed to fulfill the minimum required, the provider may use their own discretion providing the chosen course(s) meet the requirements of the states Growing Future Registry. This allows the provider to access these courses as their schedules allow.

Representative Porter: Define how this would benefit the “self-declared provider” beyond becoming licensed and increased education.

Amanda Carlson: They could accept more children

Representative Porter: Provide the max amount of children

Amanda Carlson: I will provide more info as it would depend if they were licensed as Family provider or group.

Representative Westlind: Daycare is already difficult to find, especially in smaller communities. This would make it more difficult receive licensing. Do you think this would increase the number of “illegal daycares”?

Amanda Carlson: Due to my brief time in this position and limited exposure to providers I don't feel as though I can provide an adequate answer.

Representative Westlind: How extensive of background checks would be required and would finger printing be a part of this?

Amanda Carlson: Yes. We must meet the Federal Background requirements in order to receive the Child Care Development Block Grant Funds.

Representative Westlind: Is there a finding of increased problems with self-declared child care providers due to the increase of requirements? Abuse or substandard care conditions? What is driving this request?

Amanda Carlson: The concern is the care standard and the need for same standard across the board and to insure the same foundational practices are implemented regardless if the provider is caring for 5 children or 10 children.

Representative Schneider: Will this eliminate the Self-declared Provider category?

Amanda Carlson: Yes. This would eliminate that in 2020

Representative Schneider: As comment to Representative Porters question regarding the benefits of becoming licensed. Having that declaration of licensure is a big screening benefit. It gives assurance to parents regarding care standards and training.

Amanda Carlson: I agree

Representative Skroch: Rurally, I fear, more mandated requirements may jeopardize reputable self-declared providers. That have chosen to remain self-declared and may have operated as such for many years. This may force them to discontinue services as this would eliminate the self-declared category and additional burdens meeting state requirements. As a result, families in need of these services may find themselves without options which may then lead to increased illegal providers.

Amanda Carlson: That is something to be considered. However, the motivation behind this bill is geared towards equalizing care standards. To achieve this, self-declared providers would have to become licensed under the state of ND.

Vice Chairman Rohr: Would there be added cost to the self-declared groups to be moved to licensed?

Amanda Carlson: For the provider, they would incur additional fees under continued education courses due to the increase in hours. At the state level, no. This would not increase the work load for the county licensure workers as they are already implementing visits to self-declared providers.

Vice Chairman Rohr: May we have documentation showing how many self-declared providers across the state would be impacted by this?

Amanda Carlson: Yes.

Joan Enderle: Testimony; See attachment 2.

Opposition

Opposed were not present; See attachment 3, 4 and 5.

Rep. Devlin: I make a motion for a Do Not Pass on HB 1114 (Recording 30742)

Rep. Damschen: Seconded.

Vice Chairman Rohr: Any other questions on HB 1114?

Rep. Schneider: Is it the belief of this committee that this bill eliminates all unlicensed day care providers?

Rep. Skroch: I believe that question was asked during testimony and they said it would. Because they would go out of compliance if they weren't accepting the recommendations that were made by the department.

Rep. Schneider: I am asking if that designation would be removed if these people were all bumped up. I didn't realize that it eliminates the ability of unlicensed daycares to operate.

Vice Chairman Rohr: I asked Amanda Carlson if there was any input solicited from the self-declared daycares and she was not sure. That is when individuals went back to their communities and asked if they were aware of it and they were not.

Rep. Damschen: I understand that this bill eliminates self-declared day care providers and I specifically questioned that and they did say that.

Roll Call Vote: Yes 13 No 0 Absent 1.

Rep. Damschen: Will Carry the bill. Hearing closed on HB 1114.

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1114**

House Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Representative Devlin Seconded By Representative Damschen

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman	A		Gretchen Dobervich	x	
Karen M. Rohr – Vice Chairman	x		Mary Schneider	x	
Dick Anderson	x				
Chuck Damschen	x				
Bill Devlin	x				
Clayton Fegley	x				
Dwight Kiefert	x				
Todd Porter	x				
Matthew Ruby	x				
Bill Tveit	x				
Greg Westlind	x				
Kathy Skroch	x				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Representative Damschen

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1114: Human Services Committee (Rep. Weisz, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1114 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

HB 1114

HB 1114
Attachment #1
1-9-2019
Pg. 1

**House Bill 1114 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman**

January 8, 2019

Chairman Weisz and members of the Human Services Committee, I am Amanda Carlson – Early Childhood Services Administrator with Children and Family Services of the Department of Human Services (Department). I appear today to provide testimony in support of House Bill 1114.

House Bill 1114 seeks to transition Self-Declared child care providers to a licensed child care provider due to the minimal difference in requirements.

The reauthorization of the Child Care Development Block Grant (CCDBG) in 2014, the Office of Child Care (OCC) within the Administration of Children and Family, emphasized the federal standards to maintain health and safety in all child care settings supported by CCDBG funds.

Self-Declared child care providers voluntarily provide documentation that they are providing early childhood services in a private residence for up to five children through the age of eleven, of which no more than three may be under the age of twenty-four months. Upon meeting the requirements, self-declared providers are issued a certificate. The requirements Self-Declared child care providers must meet are the same as licensed child care providers, except for the minimum number of annual training hours. A Self-Declared child care provider is required to have a minimum three hours per year of annual training, while a Family child care provider (the closest licensed child care setting) is required to have a minimum of nine hours of annual training.

Self-Declared child care providers are required to have background checks completed, maintain minimum sanitation standards, are subject to correction orders, inspections, etc., just like all licensed child care providers.

Transitioning Self-Declared child care providers to a licensed child care provider will allow the State to ensure all child care providers meet the same basic the same standards regarding training, provide consistent child care and support child care providers across the state.

This concludes my testimony, and I am happy to answer any questions you may have.



American Heart Association | American Stroke Association

Learn and Live.

HB 1114
1-9-19
Attachment 2
pg. 1

Good Morning Vice-Chair Rohr and members of the House Human Services Committee.

I am Joan Enderle, Early Child and Education (ECE) Campaign Manager in North Dakota for the American Heart Association. I am not a lobbyist.

Every child deserves a healthy start in life. No matter where children live or attend early care and education, they all deserve nutritious food and appropriate physical activity in order to give them the best opportunity to grow up healthy and ready to learn.

In North Dakota, more than 7 out of 10 (70.4%) children under the age of six have parents in the labor force. For children 6-12 years of age it is nearly 8 out of 10 (78%)¹. Childcare is a necessity for many North Dakota families and quality childcare should be a concern for all of us. Quality child care is also an economic issue. A 2014 White House report on The Economics of Early Childhood Investments found that access to high-quality care for young children allows parents to work, which increases their earnings potential over time and enables them to provide for their families.²

Today's children are the future workforce of tomorrow. Access to healthy food and physical activity is important for overall health and can help prevent or control many future conditions such as heart disease, stroke and some cancers. According to research published in *Prevention Medicine Reports*, healthy eating and physical activity are associated with better learning in children ages six months to five years.³

The American Heart Association intends to support HB 1114, and would like to see language added to the bill requiring minimum standards on physical activity, nutrition and screen time. We would very much like to work with you and members of the committee to ensure that the youngest members of our communities are provided evidence-based guidelines that will give them the best opportunity to grow up healthy and ready to learn. Everyone has a role to play, including parents, elected officials from all levels of government, schools, health care professionals, faith-based and community-based organizations, and the private sector. Thank you.

Citation Sources:

1. Child Care Aware of North Dakota. Retrieved January 2019. <https://ndchildcare.org/data-pub/data.html>
2018 Child Care Supply and Demand. Original Data Source: National Kids Count
<http://datacenter.dkidscount.org>
2. Executive Office of the President of the United States. The Economics of Early Childhood Investment. December 2014.
https://obamawhitehouse.archives.gov/sites/default/files/docs/the_economics_of_early_childhood_investments.pdf
3. Tandon PS, Tovar A, Jayasuriya AT, et al. The relationship between physical activity and diet and young children's cognitive development: A systematic review. *Prev Med Rep.* 2016; 3: 279-90, doi: 10.1016/j.pmedr.2016.04.003.

District 24 Representatives:

Thank you for taking time to read my request. I am very concerned about the HB1114, as a mother and a member of our community I do know how important and valuable in-home day cares are. I strongly believe we should not be requiring them to be licensed. They already have high expenses and a set limit to how many children they can provide excellent care too with hopes of make a living. It would put many of my friends unemployed and more individuals, including myself, out of daycare which I need to be able to work my full-time job. Please speak up for our community and loved ones.

Thank you for your time,
Becky Sundstrom
Oriska, ND

Good morning District 24 representatives,

Thank you for taking the time to read this letter. I am writing to provide concerns on HB114. I think it would be very detrimental to the state of North Dakota if this bill were to pass with the new edits made. Removing the self-declaration verbiage would mean that day cares who aren't licensed would not be able to provide the care they are currently providing. There are many in-home day cares across the state that are providing amazing services to families in their communities. Day cares and child centers across the state are already at capacity and families are struggling to find good quality care for their children. Please to don't take away options for current and future families. There are a lot of great people that this would negatively impact.

Thank you for your time,

Erica Buchholz

Valley City, ND

HB 1114
1-9-2019
Attachment 4
pg. 1

Good evening representatives,

It is my understanding that a bill is coming before the house that would require home daycares to be licensed. I am writing to oppose this bill. I have been a daycare provider for over 15 years, and in that time have been licensed as well as registered before finally providing out of my home unlicensed. As a home daycare provider, I only have a few kids in addition to my grandchildren. Being licensed brings about many requirements, rules, and regulations as I'm sure you are aware. While this may not sound like a bad thing, it is not something I agree should be a legal requirement for those who chose to provide daycare out of their home.

Simply being licensed does not make a person better or more qualified at caring for young children. So often in the news now we hear reports of abuse, incompetence or neglect. Many licensed providers have been closed because of these reasons. Licensure has not prevented it from happening. My parents have chosen to come to me with the knowledge that I am not a licensed provider. They trust me to care for their child, and that is what I find to be the most compelling argument for home daycares. Typically, they are people who wish to work from their homes and enjoy working with young children. They make connections with their families. These children grow up in another home that loves them and cares for them as their own parents would. These are parents who do not wish for their children to be placed in a center but wish for a more personal experience. I firmly believe that legal requirement of licensure for home daycares will greatly reduce the number of home daycare providers, as they will not wish to go through that process.

Please consider those who provide home daycare in North Dakota as you discuss and vote on this bill.

Sincerely,
Lori Heath
Valley City, ND resident

Mr. Kiefert,

My name is Lynn Priebe. I have a 5 year old son that goes to a couple of private in home daycares in Valley City. I choose to work part time and part time stay at home with my child. Trying to find a daycare that is willing to provide part time care is nearly impossible. The 2 providers I use are very accommodating in that regard. I love both of them dearly. No they are not licensed, does that mean they do a bad job? NO!!! Just the opposite. I would hands down send him to an unlicensed in home daycare before a daycare center. I have had experiences with licensed in home daycare and a center. The in home licensed daycare was a disaster. The center I use only in desperation. These both have issues with not enough staff, bullying, and kids are just kids. These women, who we go to, are the best, they take care of him and others. They also maintain order and structure. They will not allow bullies and only take the amount of kids they are comfortable with. They never have staff issues. I feel that making everyone become licensed is just a way of the government pocketing more money. There are always fees. Leave the system alone. It works. In Valley City if you require licenses by everyone you will lose a lot of providers , then what are those parents to do? The centers are full as are all the others. If you can get in and you're part time you pay full time rate or they will give your spot away. So then the parents are losing money. Please leave the system alone. Thank you for your time.

Lynn A. Priebe,
Mother and resident of Valley City.