

**FIRST ENGROSSMENT
with Senate Amendments
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 amend and reenact sections 50-33-02 and 50-33-07 of the North Dakota
2 Century Code, relating to early childhood services and child care assistance; to provide for a
3 legislative management report; to provide an appropriation; and to provide an effective date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **CHILD CARE FOR THE WORKPLACE - ONE-TIME FUNDING.** There is appropriated out of
15 any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
16 \$62,600,000, or so much of the sum as may be necessary, to the department of health and
17 human services for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

- 18 1. The sum of \$22,000,000 for the purpose of investing in the child care assistance
19 program to serve more working families;
- 20 2. The sum of \$15,000,000 for the purpose of enhanced child care assistance program
21 payments for infant and toddler care;
- 22 3. The sum of \$3,000,000, which is considered a one-time funding item, for the purpose
23 of quality tiers in the child care assistance program;
- 24 4. The sum of \$2,300,000 for the purpose of waiving a fee to a family whose income
25 does not exceed thirty percent of the state median income for a family of the same
26 size;
- 27 5. The sum of \$500,000 for the purpose of providing child care assistance program
28 application assistance and outreach;
- 29 6. The sum of \$5,000,000, which is considered a one-time funding item, for the purpose
30 of employer-led child care cost-share program;

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

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

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

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