



HB1012 Overview – Early Childhood

House Appropriations | Human Resources Division
Representative Jon Nelson, Chairman

January 28, 2025, Kay Larson | Director, Early Childhood Section



Health & Human Services

Early Childhood Purpose and Century Code

Facilitate delivery of programs and services so kids ages 0-5 from all backgrounds and circumstances, their families, and those who support them, have the opportunity to realize their potential.

| Chapter | Chapter Name |
|---------|---|
| 50-06 | Department of Health and Human Services |
| 50-11.1 | Early Childhood Services |



Early Childhood Section Services:



Help families access early childhood services so they can go to school or participate in ND's workforce

- Child care referrals
- Navigating early intervention and early childhood special needs
- Partner with employers to support working parents



Support early childhood experience providers in their day-to-day work with children

- Training and Professional Development
- Coaching on health, safety, inclusion and quality improvement
- Access to grants and resources to support business operations



Support children's optimal development and school readiness

- Developmental screening and referrals
- Supporting program staff with tools and resources to assess and plan for child outcomes

Early Childhood Programs and Services



Licensing

Health and safety-oriented oversight designed to reduce the risk of children being cared for in an unsafe environment



Professional Development

Maintain workforce registry and vet trainers and training, offer technical assistance to potential and existing providers, establish EC career pathways



Quality

Operate quality improvement system, maintain early childhood standards, support inclusive child care



Best in Class

Support to offer quality experiences in the year before kindergarten focused on child outcomes



Family Support and Education

Consumer ed, child care referrals, early intervention & early special education svc, head start collaboration



EC Operations

CCDF state plan, EC technology coordination and systems support

In ND early childhood is a mixed delivery system, involving both public and private partners using both federal and state funds

| ND HHS team | Training and Early Childhood Supports | Early Childhood Experience Providers | ND Department of Public Instruction |
|---|---|---|---|
| <ul style="list-style-type: none"> • Children & Family Services (Home Visitation, Child Protection, Abuse Prevention) • Developmental Disabilities (Early Intervention, In-Home supports) • Economic Assistance (Child Care Assistance Program) • Public Health (Maternal & Child Health) • Medicaid (Right Track, CHIP / Healthy Steps) | <p>Trainers, coaches, mentors, consultants</p> <ul style="list-style-type: none"> • Health and wellness • Business success • Quality improvement • Inclusive child care <p>Consumer education resource and referral</p> | <ul style="list-style-type: none"> • Early childhood programs including center- and home-based programs • Four-Year-Old Programs in Public and Private Schools • Early Childhood Special Education services • Head Start and Early Head Start • Home visiting, DD & Early Intervention providers | <ul style="list-style-type: none"> • Office of Specialized Services • PK-12 Strategic Vision • K-12 coordinating council • Comprehensive State Literacy Development Program • Child and Adult Care Food Program • Family Engagement Council |

Contracted Partners help deliver core services

Child care resource and referral

- Provide referrals and consumer education to families searching for child care
- Consultation and resources for existing and potential licensed providers to support their day-to-day work with special attention to health and safety in group child care settings, child care environments, interactions with children and families, and business essentials.
- Contract held by South East Education Cooperative.



QRIS Coaching and Assessment

- Continuous quality improvement coaching and assessment of programs participating in QRIS cohorts
- Contract held by Community Action Program Lakes and Prairies.



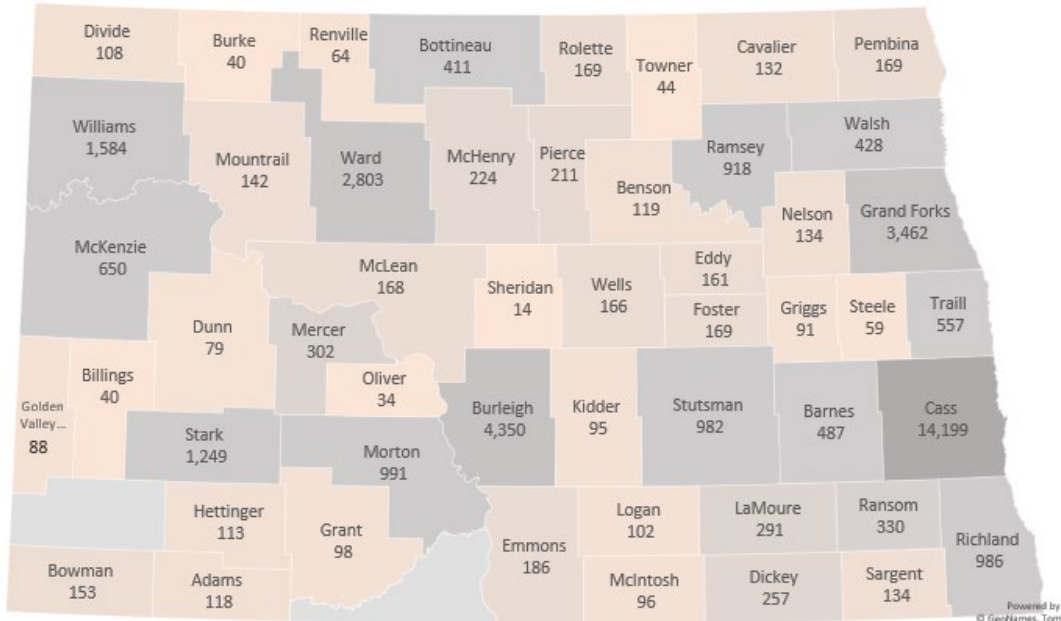
Inclusive Child Care Support

- Consultation, coaching and resources to support providers in caring for children with physical, developmental, or behavioral needs.
- Contract held by USpireND.



Early Childhood by the Numbers (as of December 2024)

1,183 Licensed & Self Dec Child Care Programs
 Licensed Child Care Capacity – 38,957



Source: Work Life Systems Resource and Referral Registry, 1-4-25

8,631

Growing Futures members

2,419

Hours of TA delivered by our contracted partners

3,405

Children supported by IDEA Part C Early Intervention

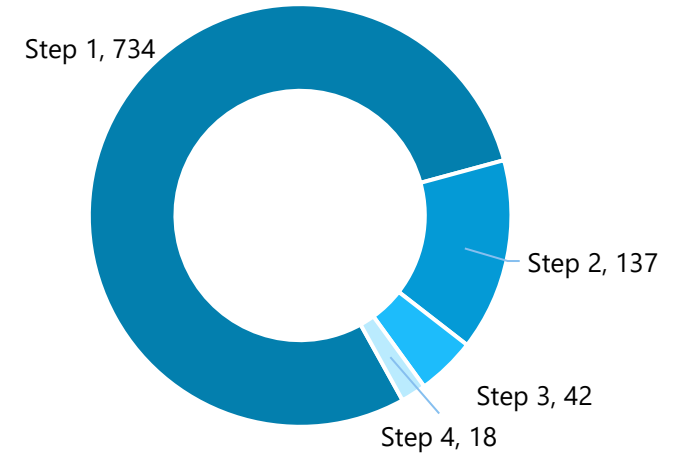
1,754

Children supported by IDEA Part B 619 services

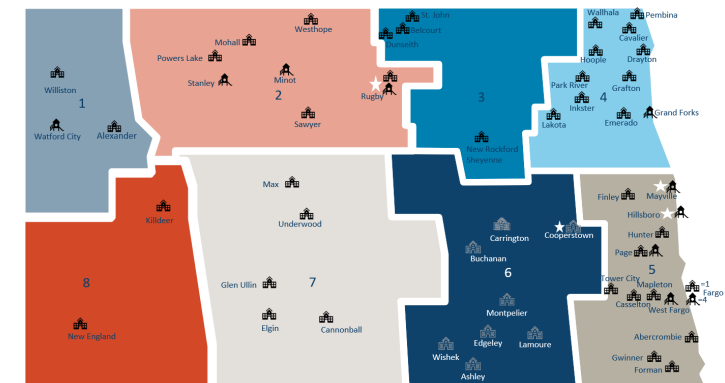
1,066

Waterford Upstart households representing all but two counties

931 Quality Rated Programs



57 Best in Class Programs 2024-2025



606
 Pregnant women and children served in Early Head Start

1,566
 Children ages three to five years old served in Head Start

103
 Schools with Four-Year-Old Program Approval

Start-up and Expansion Grants

1540

Availability

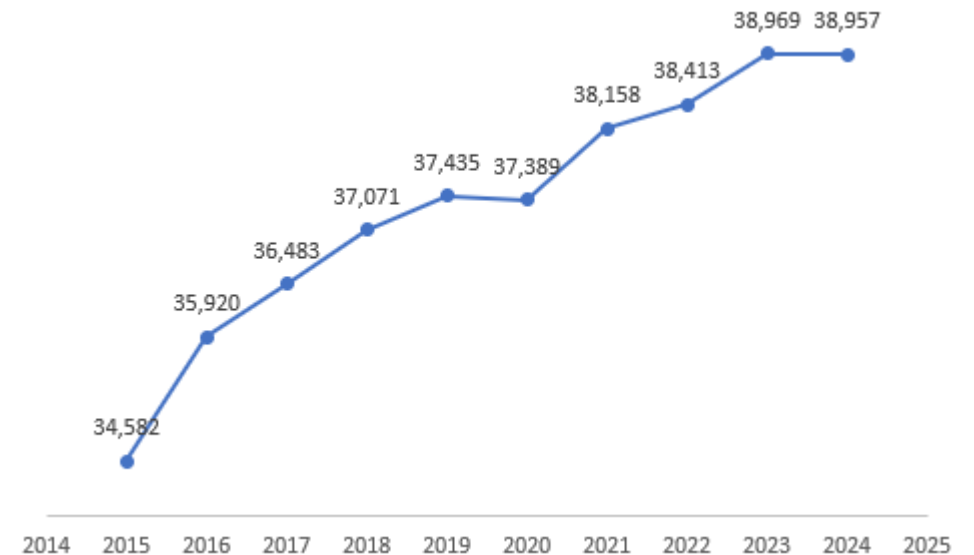
Grants to new and existing licensed child care programs to add capacity. Funds can support purchase of supplies and equipment, and operating costs related to start-up or expansion.

Grow Grants

| | |
|------------------------------|--|
| <u># of children served:</u> | 720 newly available child care spots |
| <u>Provider involvement:</u> | 28 grants |
| <u>Expenditures:</u> | \$892,438 |
| <u>Measurable outcomes:</u> | 468 spots created in programs located in underserved areas (“child care deserts”), 112 new infant slots, 140 new toddler slots |

- ✓ Grants from \$20,000 - \$100,000
- ✓ Applicant must work with Child Care Aware® business consultant
- ✓ Eligible: New programs in under-served counties (Benson, Dunn, Kidder, McKenzie, McLean, Morton, Mountrail, Oliver, Renville, Rolette, Sioux, Stark, Towner, Williams, Walsh)
- ✓ Eligible: New infant/toddler spaces in new or expanding programs (any location)

Licensed Child Care Capacity



Note: Annual capacity snapshot taken in June each year, 2024 capacity as of December 31, 2024

Facility Grants

1540

Availability

Grants to existing licensed child care programs to address facility improvement, minor renovations, related equipment and services, and costs to meet health, safety, and licensing needs

of children served: 9,305

Provider involvement: 259 programs

Expenditures: \$1,996,430

Measurable outcomes:

- 26% replacement of child-sized furnishings
- 15% heating, cooling, and kitchen appliances
- 11% natural playscapes and outdoor shade,
- 6–7% each: asphalt, doors, flooring, fencing

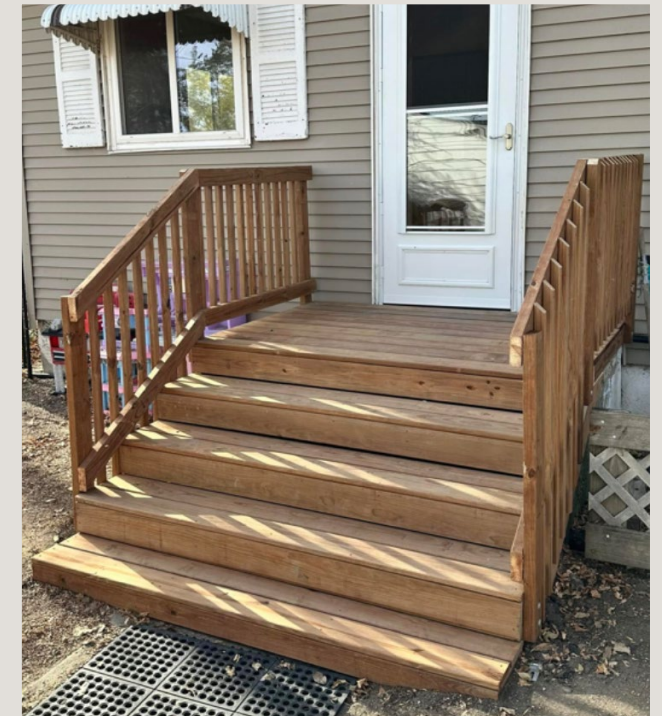
Other data: 133 applications still under review; awarding as funds available

Milnor | Licensed Home-Based



BEFORE

steps cracked, chipped, and sunk, jammed screen on door, railing too wide



AFTER

Quality Recognition

1540

Quality

Bright & Early ND is ND's Quality Rating and Improvement System (QRIS). A QRIS is a systematic approach to assess, improve, and communicate the level of quality in early childhood programs. Bright & Early ND was developed to help early childhood programs offer high-quality care that supports each child's learning and development. ND's quality efforts are supported with a variety of grants, incentives and supports.

of children served: 11,500 spaces in programs that have achieved Step 2, 3 or 4

Provider involvement: 931 providers participating in QRIS

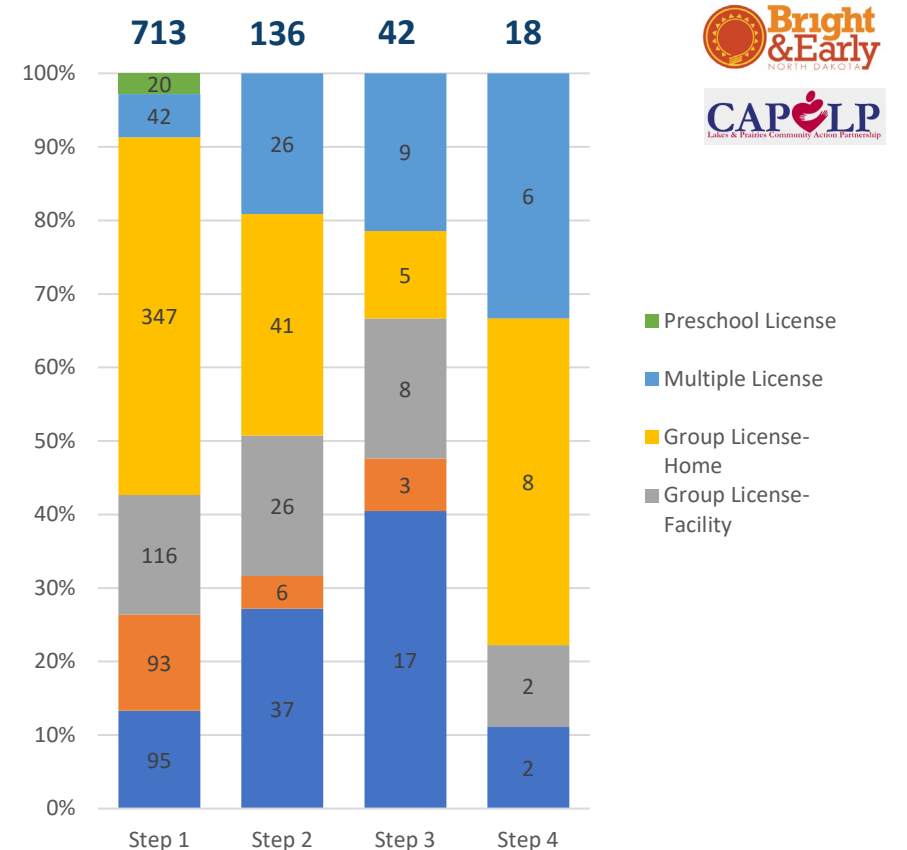
Expenditures: 185 quality grant awards - \$595,000 (FY 2023-2025)
\$2.7 million for QRIS coaching supports (FY2023-25)

Measurable outcomes: 91 programs are actively renewing or pursuing the next quality step, which includes 42 in the January 2025 cohort

- 41 - Step 2
- 36 - Step 3
- 14 - Step 4

In CY2024, participating programs received 1,386 hours of coaching support.

Other data: In 2023, 128 observations were completed, and by 2024, that number rose to 182, marking a 42% increase in the number of programs able to use data to inform quality improvement



25% growth in QRIS participation

Here's what Heather Reyes from Wolf Pup Daycare in Watford City has to say...

"The coaches were there the entire time and helped answer any questions I had, and helped provide support in areas that I didn't know I needed. As a childcare director, it isn't easy especially when it comes to being on a strict budget. It can also be challenging to keep staff if there aren't any benefits to offer them.

When the incentives were offered to all staff, it was so greatly appreciated by everyone who received it. The incentives and grants have helped our facility in so many ways. We were able to replace old furniture and toys with new ones and get our classrooms new equipment and quality materials that we haven't been able to have before. We noticed a huge difference in the children's behavior and how excited each child was engaging with the new materials. It honestly felt like a whole new environment. We care for children from the ages of 0-5 and have 16 classrooms and over 150 kids so you can only imagine how these benefits are much needed and how much they do help and benefit us. Having these benefits honestly helps make things less stressful!"

Deb Habedank from Center for Child Development at NDSU, Fargo adds...

"Coaching professionals who meet face-to-face with our team to guide and support quality improvement... reviewed the Bright & Early ND process with us, helped prepare our program for the assessments, and held our team accountable to making long term improvements that are developmentally appropriate for young children. The coach also provided resources and effective support which was only a phone call away; Our educators were excited and proud to share the QRIS process and results with our parents, administration, and the community."

Jody Cymbaluk from Little Scholars Preschool in Williston says...

"The quality of care that this funding has helped increase has been monumental. Our childcare facility has been able to offer a lower teacher/student ratio, hire staff with higher education, offer ongoing staff training opportunities, retain staff, offer family engagement opportunities, and nurture relationships with parents to promote a positive diverse learning experience for their children.

This productive combination has in return fostered a happier staff, less stress for working parents & enabled a higher quality childcare setting in what is an oil impacted county."

Best in Class

Best in Class is a targeted state investment in programs committed to delivering the highest quality experiences to children and their families in the year before kindergarten. It includes focused efforts to serve children who might be least likely to have the opportunity to access high quality experiences like those offered in Best in Class settings.

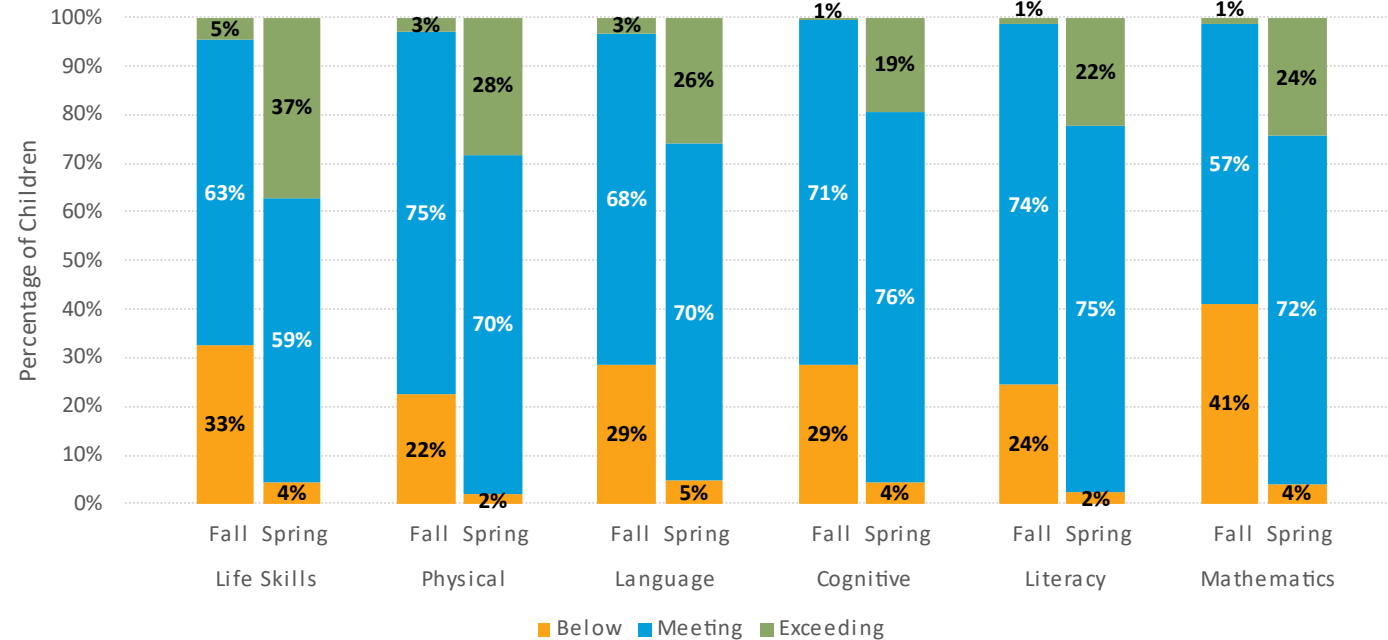
of children served: 1164 (2024-25)

Provider involvement: 57 program awards - 22 small & 59 large groups

Costs and benefits: \$6.21 M (2024-25)

Measurable outcomes: Fall/Winter/Spring progress checks
Shown to the right, Fall 2023-Spring 2024

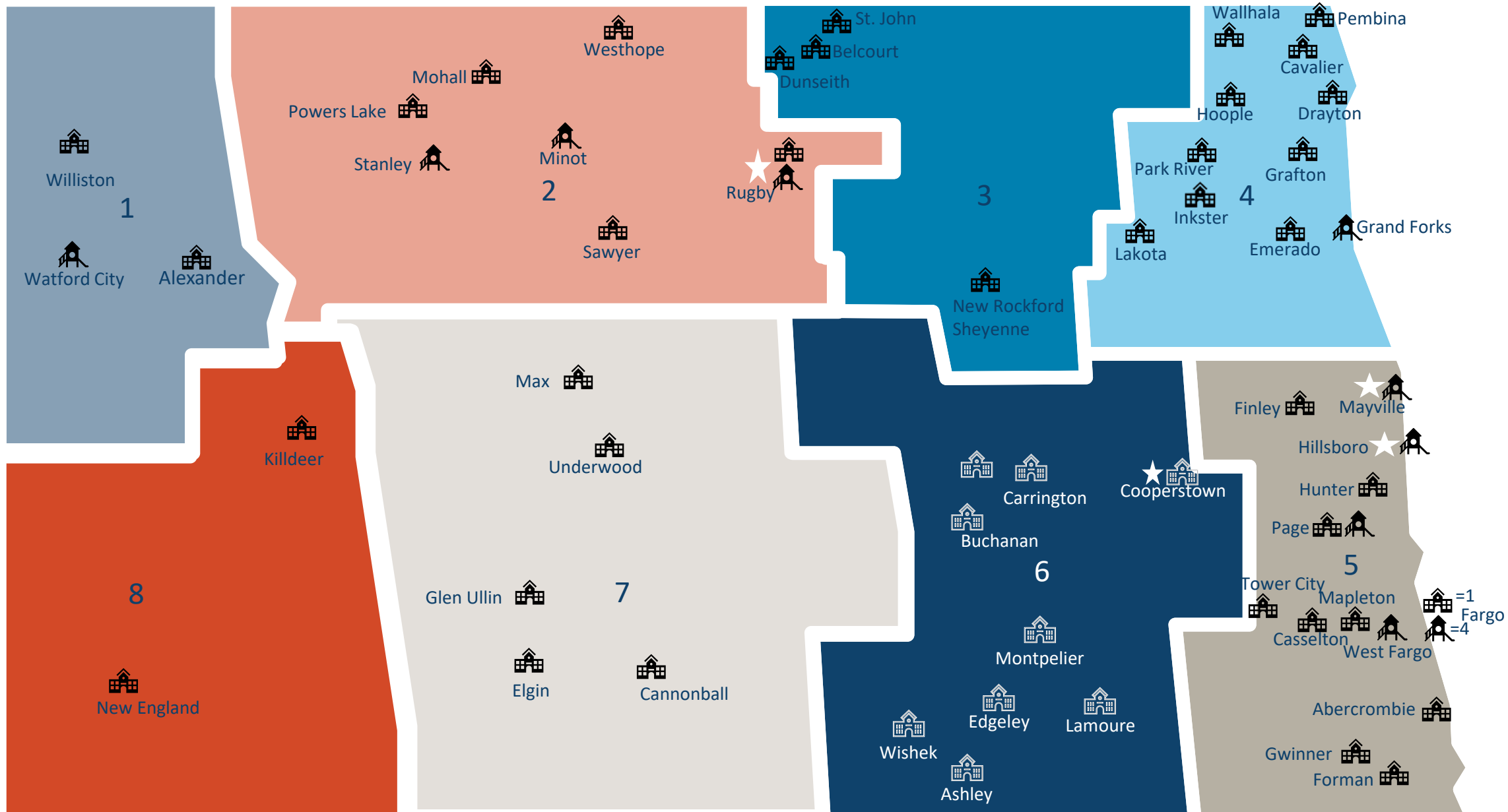
2023-2024 Fall and Spring Widely Held Expectations Breakdown by Area



| 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 (est) |
|---|---|---|---|---|
| 23 programs *18 small groups *11 large groups | 33 programs *29 small groups *15 large groups | 45 programs *15 small groups *50 large groups | 57 programs *22 small groups *59 large groups | 68 programs *28 small groups *69 large groups |
| 371 children \$2.2M grants* | 546 children \$2M grants* | 878 children \$4.9M grants* | 1,164 children \$6.2M grants* | 1,300 children \$7.6M grants* |

**Programs also receive coaching resources, and various program supports in addition to grants*

2024-2025 Best in Class = 57 programs with 81 classrooms



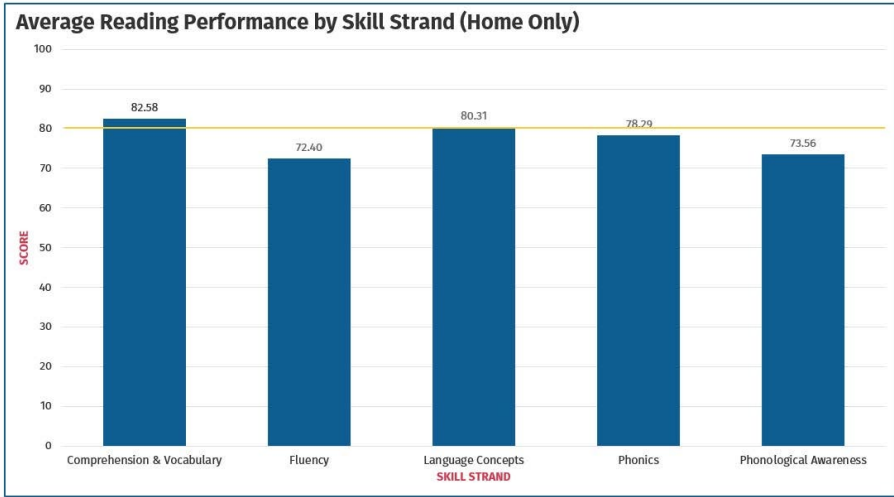
9 child care only classrooms
 4 classrooms child care with Head Start
 and/or 4-year-old approval

Waterford Upstart

Quality

A family-based kindergarten readiness program that helps children in the year before kindergarten develop the cognitive and mindset skills they need for school success. Waterford Upstart is delivered fully in the home, leveraging adaptive software and providing tailored coaching to support families as their child's first teacher.

- # of children served: 2292
- Provider involvement: 2,292 families (2023-25)
- Costs and benefits: \$2.4M (2023-25)
- Measurable outcomes: Usage and Milestones – children who use the software for at least 1,000 minutes experience an average of 2 levels of growth
- Other data: 93% of children live in rural communities; 17% live in households with income <200% of federal poverty level (2024-25 cohort)



The program helped prepare my child for kindergarten.



■ Agree ■ Disagree

I feel confident that I can help my child transition from PreK to Kindergarten.



■ Agree ■ Disagree

The program was engaging to my child.



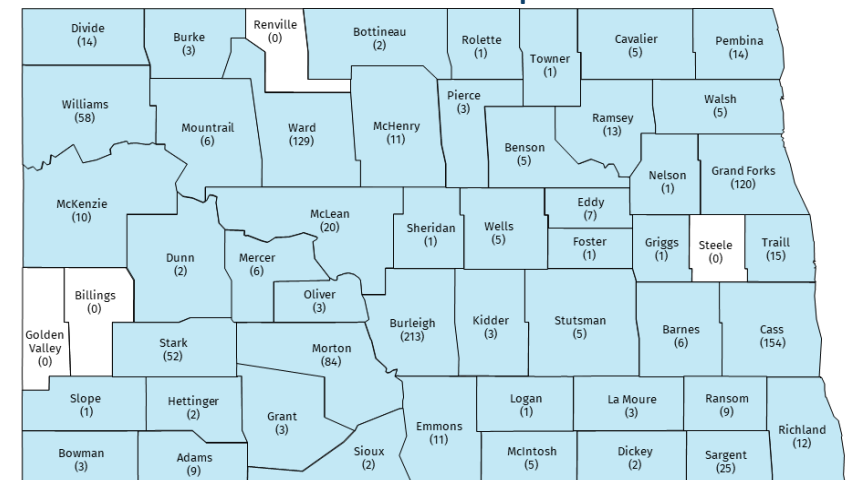
■ Agree ■ Disagree

In general, did your child enjoy the Reading program?



■ Yes ■ No

2024-2025 Participation



Child Care Coaching, Resource and Referral

Availability

Provide in-the-field training and technical assistance to child care providers, including TA related to licensing violations. Operate a resource and referral service to help parents find and evaluate child care options.

- # of children served: All children in licensed child care
- Provider involvement: 834 face-to-face courses; 5,349 online self-paced courses; 170 health safety hours to 8 programs (2023-25)
- Costs and benefits: \$3.1 million contract for resource and referral (2023-25)
- Other data: 89,857 online and specialist performed referrals (2023-25)



 **Did you know?**
ND child care licensing specialists process an average of 21 new licenses and 61 license renewals every month

IF YOU'RE A LICENSED CHILD CARE PROVIDER IN NORTH DAKOTA, CHECK YOUR INBOX: WE WANT TO HEAR FROM YOU!

PROVIDER SURVEYS
Take a minute to answer our Market Rate Survey which you should have received in your email. The state uses this information to set accurate reimbursement rates. Questions? Click for more information.

PARENTS & FAMILIES
Child care is a choice and investment that can influence your child's health, development and learning skills for a lifetime. Take time to learn about your options and ask plenty of questions. In partnership with the North Dakota Department of Health and Human Services, we have provided resources below to help you make an informed decision.

- CHILD CARE** → Use our free online search tool to locate a program that meets your needs. Have questions? For one-on-one help, contact a Child Care Aware® Parent Services Specialist by phone: (800) 991-8515 or email at: referrals@ndchildcare.org
- TIPS FOR CHOOSING CARE** → Finding the right care for your child requires an investment of time. Use these resources will help you make an informed decision.
- COST OF CHILD CARE** → Child care is often a family's biggest expense. Learn what child care costs are across the state and explore assistance options that may help you pay for care.
- UNDERSTANDING EARLY CARE** → Child care programs, like many other businesses, must follow certain rules and operate under specialized regulations. Understanding all the ins and outs of child care licensing, early learning and best practices can be confusing.
- CREATE A BACKUP CHILD CARE PLAN** → Families need a backup child care plan for those times when regular child care arrangements become unavailable due to illness, weather, vacations or unexpected circumstances.
- REPORT A CONCERN** → If you wish to report a concern regarding an early childhood program, contact the Licensing Specialist in your county.
- MORE RESOURCES FOR FAMILY** → Families have many important decisions to make when it comes to their children. We hope the following resources will be helpful as you navigate these early years.

CHILD CARE DATA BY COUNTY
Choose a county to view specific data about projected need for child care, referral requests, child care capacity and the average cost of child care.

NAVIGATION MENU: HOME, PARENTS & FAMILIES, START CHILD CARE, TRAINING, CHILD CARE RESOURCES

LEARN MORE ABOUT IT
Visit our Resource Library to explore informative resources selected for you by Child Care Aware®.
[FIND RESOURCES](#)

Shared Services Alliance

1540

Availability

Support services designed to support child care entrepreneurs' business success and sustainability

Provider involvement:
(participation to date)

43 programs – Women's Business Center Coaching
105 programs – Procure child care management solution
22 programs – Parachute child care management solution
177 programs – Learning Beyond/Lakeshore

Costs and benefits:

\$1.5 million to support delivery of shared services

Measurable outcomes:

Program launched Sept 2023
Additional cohorts starting in January and March/April

1

Business Training and Coaching by the ND Women's Business Center

2

Access to the Procure Child Care Management technology platform to enable contactless check-in/out, automated invoicing, fee collection and payment processing, family connection tools, and document management. Parachute available to smaller programs.

3

Access to curriculum and environment materials to support service delivery by Learning Beyond and Lakeshore



Free Business Consultants to help with Child Care Start-ups and Expansions

Business consultants from Child Care Aware® of North Dakota offer guidance and assistance to new and existing child care entrepreneurs.

Their expertise is in the business of child care. They can offer help:

- Identifying demand (i.e., community need),
- Understanding licensing requirements,
- Space planning to optimize the environment for young children,
- Developing strategies for staff recruitment and training,
- Thinking through curriculum considerations, and
- Business planning (including start-up and operational budgets).

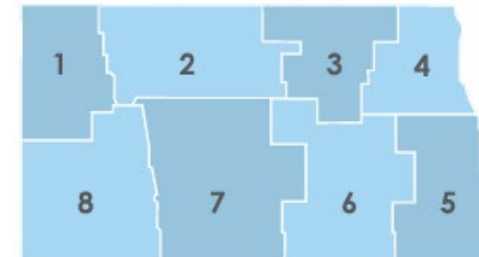
Training and Professional Development

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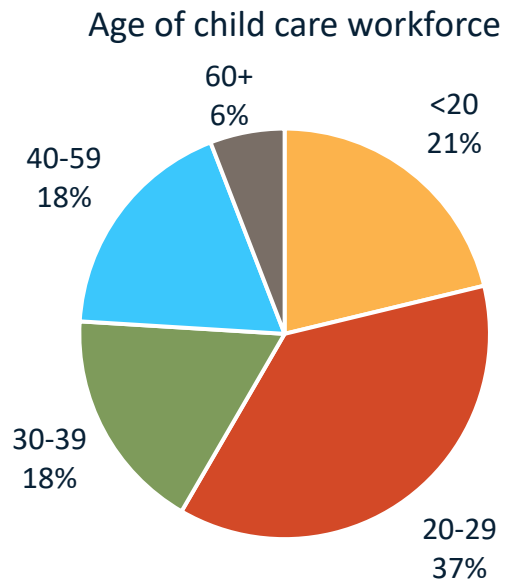
Quality

North Dakota's Child Care Workforce Registry (Growing Futures) works to promote the growth of a qualified early childhood workforce with a range of services and resources, including career pathways, an early childhood training gallery.

- # of children served: All children in licensed child care
- Provider involvement: 8,631 Growing Futures members
1597 training stipends paid
- Costs and benefits: \$748k (2024-25)
- Measurable outcomes: % of workforce completing career pathway levels



6,368
Employment Positions



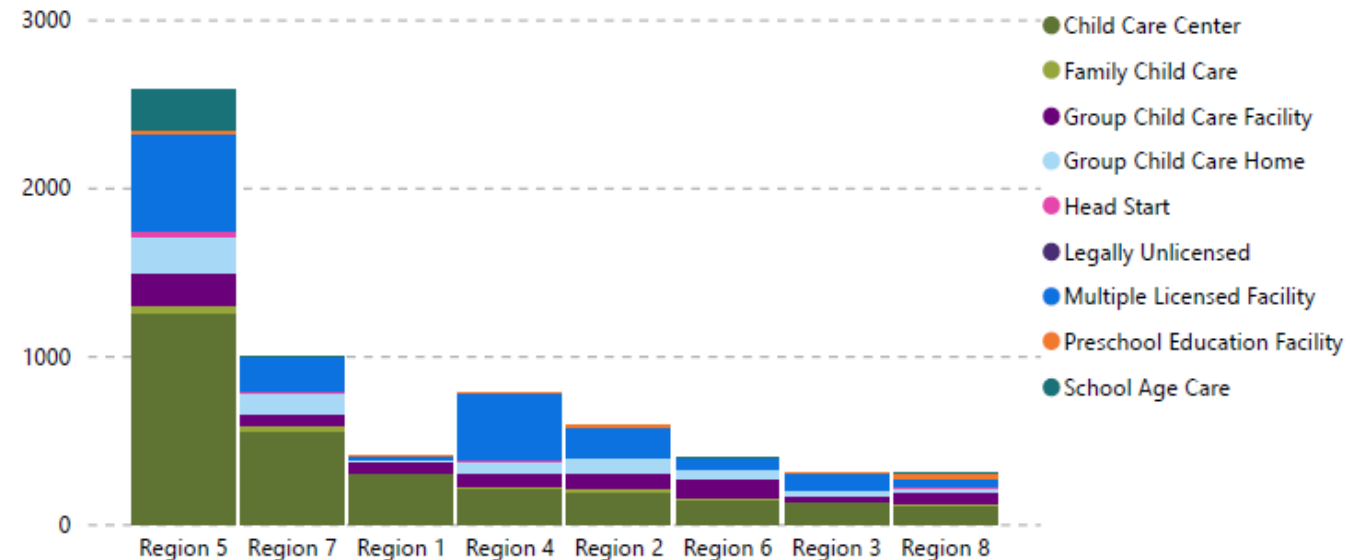
Q4 2024

4,214
Clock Hours

915
Training Events

38
Training Sponsors

Employees by Program License Type per Employer Region



Working Parents Child Care Relief

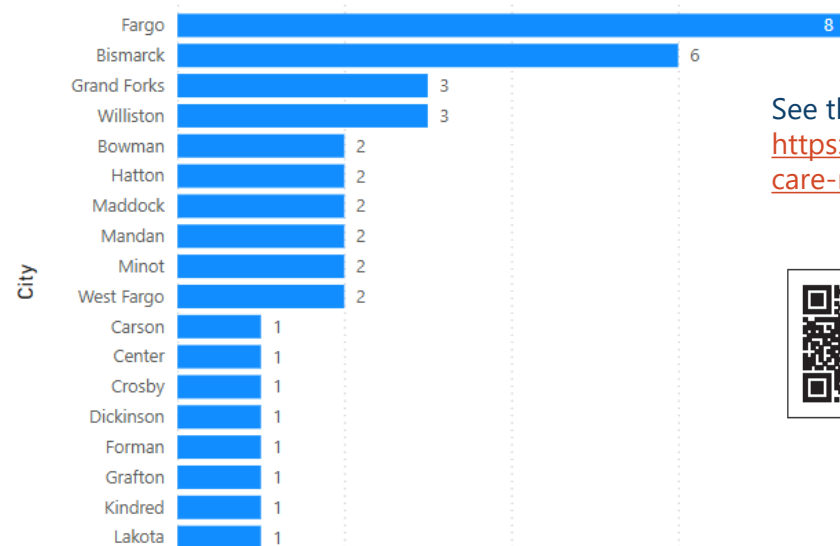
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Affordability

State match to employer-led child care benefits to offset child care costs

- # of employers participating: 49
- # of working parents supported: 395 parents working for 49 businesses in 18 communities
- Costs and benefits: \$1,185,905
- Measurable outcomes: \$300 - \$600 for child care costs based on employer program (\$150/\$150 or \$300/\$300)

Count of Active Employers by City



See the list of current participating employers - <https://www.hhs.nd.gov/nd-working-parents-child-care-relief-program-employers-choice>



HOW CAN EMPLOYERS BEGIN OFFERING THIS BENEFIT?
Visit [hhs.nd.gov/wpccr/employers](https://www.hhs.nd.gov/wpccr/employers).

HURRY! IT PAYS TO ACT NOW.

Opt in now to help eligible parents receive a state match to their employer-led child care benefits.

HARDWORKING BENEFITS FOR HARDWORKING PARENTS

It works great, so don't wait. State funds are available to match employer-led child care benefits. These hardworking benefits could make a difference in helping you attract and retain hardworking parents.

Opt in to offer these benefits by visiting [ND Working Parents Child Care Relief](https://www.hhs.nd.gov/childcare) at [hhs.nd.gov/childcare](https://www.hhs.nd.gov/childcare).

OPT IN NOW

KEEP YOUR TOP WORKERS. BOOST YOUR BOTTOM LINE.



Once your business opts in to participate, your employees will need to see if they qualify.

LEARN MORE

HOW WORKING PARENTS CHILD CARE RELIEF WORKS.

- STEP 1** YOU OPT IN TO THE PROGRAM AS AN EMPLOYER.
- STEP 2** YOU VERIFY PAYMENT OF CHILD CARE BENEFIT; STATE SENDS MATCH TO PARTICIPATING PARENTS.
- STEP 3** ELIGIBLE PARENTS APPLY.

Questions? Visit [hhs.nd.gov/childcare](https://www.hhs.nd.gov/childcare) or call (701) 328-2116, 211 (TTY) and press 2 to speak to a Working Parents Child Care Relief specialist.

ND HHS ND Health and Human Services
1,045 followers
Promoted

Become an Employer of Choice. North Dakota is matching employer-led child care benefits.

HARDWORKING BENEFITS FOR HARDWORKING PARENTS

Hardworking Benefits for Hardworking Parents [Learn more](#)

[hhs.nd.gov](https://www.hhs.nd.gov)

EMPLOYER TOOLKIT FOR SUPPORTING WORKING PARENTS

EMPLOYER SUPPORT GUIDE FOR WORKING PARENTS

NORTH Dakota Be Legendary.
Health & Human Services

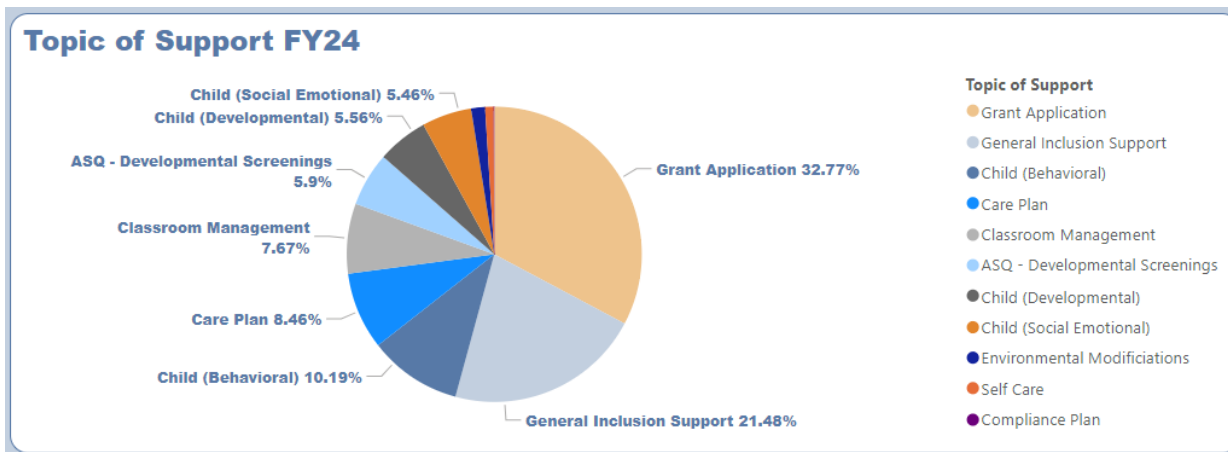
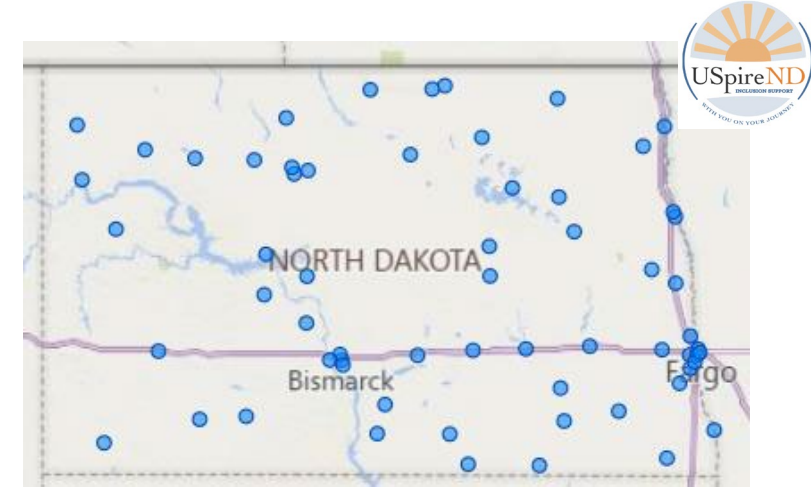
Child Care Inclusion

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Availability

Support, information, resources and coaching for child care providers who are caring for children with unique needs. Child Care inclusion coaches also serve as a facilitator of ND Child Care Inclusion grants

- # of children served: 1718 inclusion support instances (FY24)
- Provider involvement: 259 child care programs received inclusion support (FY24)
44 providers trained in developmental screening ASQ (FY24)
- Costs and benefits: \$1,333,215 inclusion awards to 76 programs (2023-25)
\$880,000 inclusion coaching and supports (2023-25)
- Measurable outcomes: Care maintained in 97% of cases (3% of cases resulted in expulsion)
209% increase in inclusion support instances in FY 24; 47% more programs served in FY 24
- Other data: 3-4 years-olds represent 34% of requested support for specific children; followed closely by 1-2 year-olds (31%)



“Getting the help we needed to make sure we are doing what is best for all children, while also making sure all children are included in all activities is the best aspect of receiving Inclusion Support.”

Non-Traditional Hours Care

1540

Availability

Grants to child care providers who are offering expanded care during evenings, overnights, weekends, and early mornings.

| | |
|------------------------------|--|
| <u># of children served:</u> | 64 (fall 2024) |
| <u>Provider involvement:</u> | 4 child care providers received pilot grants |
| <u>Costs and benefits:</u> | \$1,800,000 awards to 4 programs |
| <u>Measurable outcomes:</u> | These programs are experiencing enrollment growth with the availability of extended hours |
| <u>Other data:</u> | All of these programs currently operate traditional hours. One pilot program open 24/7; others until 11 or 11:30 p.m. |



Jasmin Child Care | Fargo

15 enrolled in non-trad. hr. care
Room for up to 63

Gifted Stars Child Care Fargo

33 enrolled in non-trad. hr. care | Room for up to 60

Victorious Christian Kids Academy | Fargo

7 enrolled in non-trad. hr. care
Room for up to 40

Ready, Set, Grow Oakes

9 enrolled in non-trad. hr. care
Room for up to 23

Learning from these pioneers as they scale up

- Staffing – recruiting quality staff for non-traditional hours, onboarding and providing OJT during day shifts
- Environment – facility space/logistics and comfortable space for extended rest periods
- Transportation to get kids from school to program so parents can work non-traditional hours
- Marketing - helping non-traditional hour workers know they can depend on care

PDG-funded initiatives

PDG

Infrastructure

Preschool Development Grant – Birth to Five supports state systems building. HHS conducted a needs assessment, and is engaging in activities to support family engagement, quality improvement, workforce supports, and direct services to young children.

Update and Revise

- Core Competencies for Early Childhood Practitioners
- Career Pathways
- Quality Improvement System
- Mandated Health and Safety Training

Develop

- Core Competencies for licensing specialists and coaches
- Coursework: licensing, early learning standards, adult learning principals
- Early Childhood Integrated Dataset (ECIDS)
- One-stop shop for providers – Insight Data Systems Enhancement Project
- Family Engagement and Kindergarten Transition resources

Expand/Offer

- More professional development opportunities
- Courses and resources available in languages other than English
- Statewide conference for early childhood mixed delivery system
- Opportunities for providers to participate in rule making processes

Included in Executive Budget Request **Best in Class program expansion**

- Since its inception in 2021, Best in Class has grown to serve more than 1,200 children (in 2024-25), with programs in 53 ND communities, 49 of which are rural.
- This request would allow more programs to apply to become Best in Class sites
- Best in Class participation would be expected to grow to serve approximately 1,500 children in year 1 of the biennium and 1,800 children by year 2, with approximately 80-90 total program sites anticipated.
- This request represents an expanded investment of \$6 M (over the base budget level of \$12 M).

| Total | General | Federal | Other |
|-------------|-------------|---------|-------|
| \$6,000,000 | \$6,000,000 | \$0 | \$0 |

This is a one-time funding request. (SIIF)



Included in Executive Budget Request

Expand access to Teaching Strategies outcome measurement tool

- Capturing good data is essential to our ability to measure impact; the state makes Teaching Strategies GOLD available to Best in Class and Step 3-4 quality rated programs to accomplish this goal.
- This request increases the number of programs who will be able to use Teaching Strategies for **data collection on quality and outcomes**.
- Adding access to outcome reporting tools would add data collection capacity for 2,000 children in new quality rated programs.
- Data collection portfolios to support quality and outcome measurement represents an expanded investment of \$100,000 (over the base budget level of \$372,000, which is partially funded with federal dollars).

| Total | General | Federal | Other |
|-----------|-----------|---------|-------|
| \$100,000 | \$100,000 | \$0 | \$0 |

This is a one-time funding request. (SIIF)

Included in Executive Budget Request

Inclusion support for child care providers

Inclusion Supports connect private child care programs and families with both coaching and financial resources designed to help assure that children with special needs can maintain their place in an integrated child care setting.

- Today there are 5 inclusion coaches who support the more than 1,100 child care programs across ND
- 1 of those coaching roles is supported with funding that expires in 2025. This request would allow us to maintain the current network of 5 inclusion specialists serving the state.
- Inclusion supports are used by 100-200 providers/families each year; the inclusion specialist funded in this request would likely work directly with 30-40 families/providers over the course of the biennium.

| Total | General | Federal | Other |
|-----------|-----------|---------|-------|
| \$172,500 | \$172,500 | \$0 | \$0 |

This is a one-time funding request. (SIIF)



Included in Executive Budget Request

Investing in early childhood infrastructure supports

The added investment in infrastructure capacity has eliminated the waiting list. Since HB 1540, any provider who wants to join a quality cohort has been able to do so.

- The number of programs actively pursuing the "next " quality step has **doubled** in the last year, with each cohort full to capacity.
 - This means more quality-rated programs were eligible for grant support as well as enhanced CCAP reimbursement based on quality tiers.
 - Children and families have the added benefit of improved quality in their local child care environments.
- Quality infrastructure supports impact the majority of licensed providers in some way, with more intensive supports going to quality cohort participants and providers receiving intensive coaching (estimated 200 providers per biennium)

| Total | General | Federal | Other |
|-------------|-------------|---------|-------|
| \$3,000,000 | \$3,000,000 | \$0 | \$0 |

This is a one-time funding request. (SIIF)

This item was included in 2023-25 HB 1540 as one time funding of \$3 million)



Included in Executive Budget Request **Child Care Provider Grants**

- Grants and resources to child care providers has made possible hundreds of facility, quality and inclusion grants, a brand new shared services infrastructure as well as child care start-ups and expansions.
- The grants and incentives are designed to be flexible and responsive to program needs.
- This request would allow HHS to continue to support not only new program start-ups and existing program expansions, but also preservation of programs at risk of closure through transition/transfer.
- The grant/incentive funding for providers would be expected to impact 400-500 child care programs.

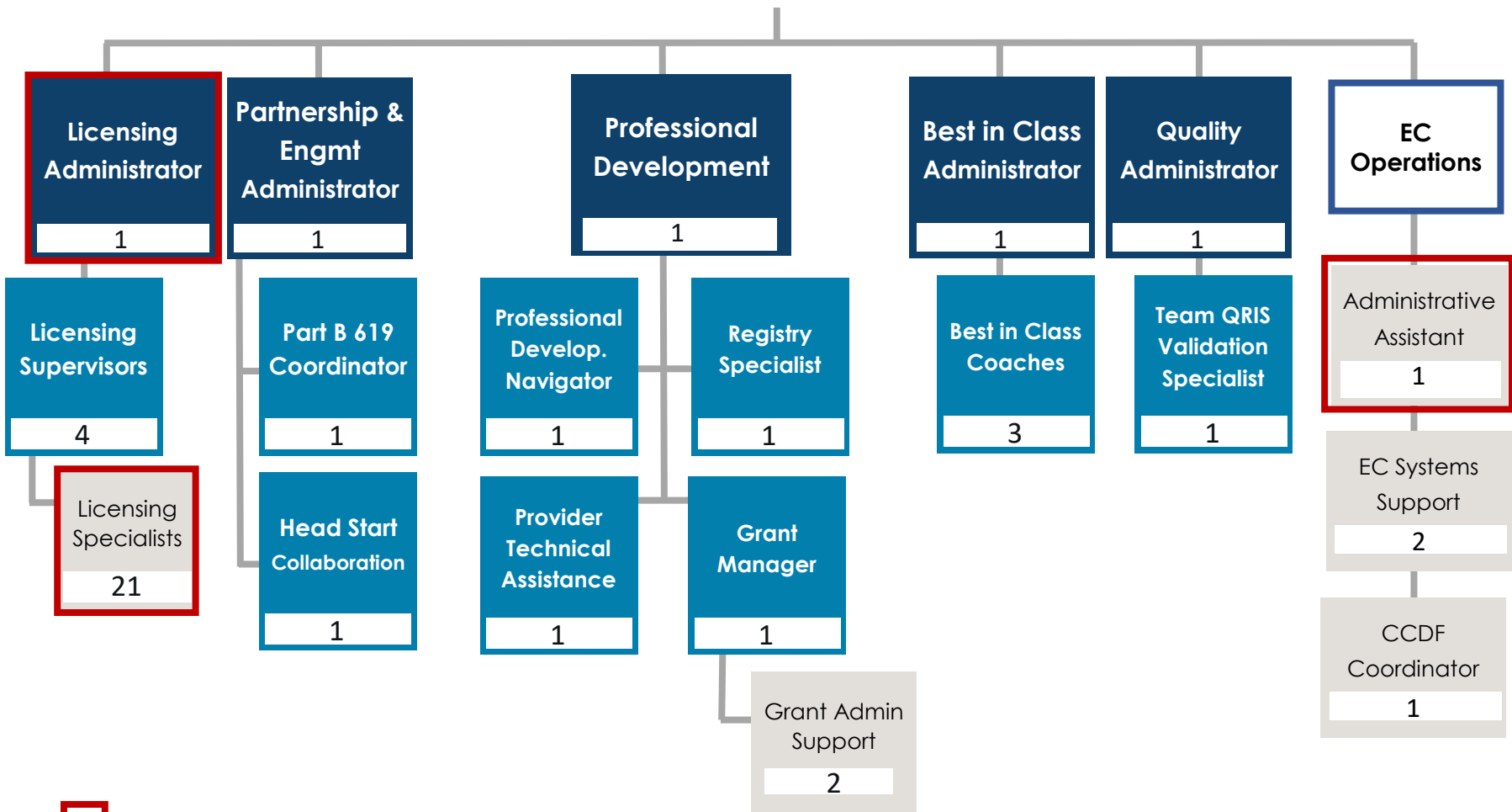
| Total | General | Federal | Other |
|-------------|-------------|---------|-------|
| \$5,000,000 | \$5,000,000 | \$0 | \$0 |

This is a one-time funding request. (SIIF)

This item was included in 2023-25 HB 1540 as one time funding of \$7 million)



Early Childhood Director Kay Larson



= funding included in HSZ Ops budget

| Position Numbers Assigned /Funded | Filled Positions | # of Vacancies | # of Temp Staff |
|---|------------------|----------------|-----------------|
| 47** | 46 | 1* | 1* |
| <i>*numbers as of 12/1/2024</i> | | | |
| <i>**25 positions funded via the HSZ Ops budget</i> | | | |
| Average Age | 48 | | |
| Avg Years of Service | 7.7 | | |
| Retirement Risk | 7% | | |
| Turnover 2021 | 6.25% | | |
| Turnover 2022 | 2% | | |
| Turnover 2023 | 4% | | |
| Turnover 2024 | 8% | | |

Comparison of Budgets and Funding

By Budget Account Code

| DESCRIPTION | 2023-25 LEGISLATIVE BASE | 2025-27 EXECUTIVE BUDGET RECOMMENDATION | INCREASE / (DECREASE) |
|--------------------------------------|--------------------------|---|------------------------|
| 511x Salaries - Regular | \$ 2,630,566 | \$ 3,359,926 | \$ 729,360 |
| 513x Salaries Temp | 176,140 | 123,200 | (52,940) |
| 516x Salaries Benefits | 1,313,986 | 1,686,081 | 372,095 |
| Total Salaries & Benefits | \$ 4,120,692 | \$ 5,169,207 | \$ 1,048,515 |
| 52x Travel | 251,151 | 246,159 | (4,992) |
| 53x Supply | 10,600 | 4,100 | (6,500) |
| 54x Postage & Printing | 6,214 | 2,000 | (4,214) |
| 58x Rent/Leases - Bldg/Equip | - | 3,000 | 3,000 |
| 61x Professional Development | 31,460 | 40,500 | 9,040 |
| 62x Fees - Operating & Professional | 21,393,228 | 24,650,538 | 3,257,310 |
| 60x IT Expenses | - | 1,650,872 | 1,650,872 |
| 71x Grants, Benefits, & Claims | 28,216,994 | 23,542,277 | (4,674,717) |
| Total Operating | \$ 49,909,647 | \$ 50,139,446 | \$ 229,799 |
| Total | \$ 54,030,339 | \$ 55,308,653 | \$ 1,278,314 |
| Total General | \$ 25,711,417 | \$ 44,150,275 | \$ 18,438,858 |
| Total Federal | \$ 28,318,922 | \$ 11,158,378 | \$ (17,160,544) |
| Total Other | \$ - | \$ - | \$ - |

Budget as % of HHS Budget

0.9%

Budget Funding Source

General 73.0%

Federal 27.0%

Other 0.0%

Budget By Pass Through

Paid to Private Providers 44.6%

HHS Direct Service 42.6%

HHS Admin 9.9%

HHS Technology 3.0%

Early Childhood Summary of Federal Funding Sources

| Federal Funding Source | Purpose | Spending Deadline | Grant Year 2024 Deadline | Grant Year 2024 Award |
|--|--|---|--------------------------|--|
| Child Care Development Fund (CCDF) <i>CCDF funds are used in Economic Assistance and Early Childhood</i> | Primary Federal Program specifically devoted to providing families with child care subsidy and funding supports to states to improve quality. Total Federal = \$22,449,928 Total State = \$5,294,582 Requirements: 3% Infant Toddler Quality 9% Quality 5% Admin 70% Direct Service | Discretionary (100% Federal) By end of 3 rd Federal Fiscal Year | 9/30/2026 | \$15,420,486 |
| | | Mandatory (100% Federal) No specific liquidation date requirement. | N/A | \$ 2,506,022 |
| | | Matching – Federal/State Match (based on Federal Medicaid Assistance Percentage) By end of 2 nd Federal Fiscal Year | 9/30/2025 | Federal: \$ 5,653,714 State: \$ 4,751,449 |
| | | Maintenance of Effort (MOE) By end of 1 st Federal Fiscal Year | 9/30/2024 | \$ 1,017,036 |
| Head Start State Collaboration Grant | Facilitate collaboration among Head Start agencies and entities that carry out activities designed to benefit low-income children from birth to school entry, and their families. | 100% Federal Annual awards March 1 – Feb 28 | 2/28/2025 | \$ 125,000 |

Early Childhood Summary of Federal Funding Sources

| Federal Funding Source | Purpose | Spending Deadline | Grant Year 2024 Award |
|--|--|--|-----------------------|
| <p>Office of Special Education Programs (OSEP) Part B Section 619 and Section 611</p> <p><i>HHS interdepartmental billing to ND Department of Public Instruction for joint supervision of state requirement</i></p> | <p>Assist the State in ensuring the oversight and provisions of all requirements under IDEA, including the assurance of a free appropriate public education (FAPE) in the least restrictive environment, are granted to children with disabilities ages 3-5.</p> | <p>Federal allocation is awarded annually to NDDPI. Federal IDEA, Part B-619 funds are directly distributed to the 31 Special Education Units and the ND School for the Deaf. Section 611 Administrative set aside funds the NDHHS 619 Coordinator position.</p> | <p>\$62,675</p> |

Operating Schedule

| DESCRIPTION | 2023-25 BIENNIUM AMOUNT | INCREASE/ (DECREASE) | 2025-27 EXECUTIVE BUDGET RECOMMENDATION | | | |
|--|-------------------------|----------------------|---|--------------|--------------|------------|
| | | | TOTAL | GENERAL FUND | FEDERAL FUND | OTHER FUND |
| Worklife, New World, Braunugh, Level & Other Service Contracts | \$ 192,028 | \$ 2,709,538 | \$ 2,901,566 | \$ 2,093,630 | \$ 807,936 | - |
| Best in Class & Provider Payments | 18,801,200 | 547,772 | 19,348,972 | 19,348,972 | - | - |
| Waterford Contract | 2,400,000 | - | 2,400,000 | 2,400,000 | - | - |

| | | | | | | |
|---------------------|----------------------|---------------------|----------------------|----------------------|-------------------|-------------|
| GENERAL FUND | \$ 21,297,214 | \$ 2,545,388 | \$ 23,842,602 | \$ 23,842,602 | \$ - | \$ - |
| FEDERAL FUND | 96,014 | 711,922 | 807,936 | - | 807,936 | - |
| OTHER FUND | - | - | - | - | - | - |
| GRAND TOTAL | \$ 21,393,228 | \$ 3,257,310 | \$ 24,650,538 | \$ 23,842,602 | \$ 807,936 | - |

Grants Schedule

| DESCRIPTION | 2023-25 BIENNIUM AMOUNT | INCREASE/ (DECREASE) | 2025-27 EXECUTIVE BUDGET RECOMMENDATION | | | |
|--------------------------------------|----------------------------|-------------------------|---|--------------|--------------|------------|
| | | | TOTAL | GENERAL FUND | FEDERAL FUND | OTHER FUND |
| Uspire, SEEC, CAPLP, Other Contracts | \$ 6,451,519 | \$ 4,540,758 | \$ 10,992,277 | \$ 4,396,911 | \$ 6,595,366 | \$ - |
| Provider Grants/Contracts | 21,514,027 | (8,964,027) | 12,550,000 | 12,550,000 | - | - |
| Tribal Program | 251,448 | (251,448) | - | - | - | - |

| | | | | | | |
|---------------------|----------------------|-----------------------|----------------------|----------------------|---------------------|-------------|
| GENERAL FUND | \$ 24,739,787 | \$ (6,693,648) | \$ 12,550,000 | \$ 16,946,911 | \$ - | \$ - |
| FEDERAL FUND | 3,477,208 | 2,018,931 | 10,992,277 | - | 6,595,366 | - |
| OTHER FUND | - | - | - | - | - | - |
| GRAND TOTAL | \$ 28,216,994 | \$ (4,674,717) | \$ 23,542,277 | \$ 16,946,911 | \$ 6,595,366 | \$ - |

Comparison of Budget Expenditures and Projections

By Budget Account Code

| DESCRIPTION | 2023-25 LEGISLATIVE BASE | EXPENDED AS OF 12/31/2024 | PROJECTION THROUGH 6/30/2025 | UNDER / (OVER) BUDGET |
|--------------------------------------|--------------------------|---------------------------|------------------------------|-----------------------|
| 511x Salaries - Regular | \$ 2,630,566 | \$ 2,144,704 | \$ 2,958,383 | \$ (327,817) |
| 513x Salaries Temp | 176,140 | 58,617 | 124,925 | 51,215 |
| 514x Salaries Overtime | - | 1,072 | 1,072 | (1,072) |
| 516x Salaries Benefits | 1,313,986 | 940,450 | 1,323,771 | (9,785) |
| Total Salaries & Benefits | \$ 4,120,692 | \$ 3,144,843 | \$ 4,408,151 | \$ (287,459) |
| 52x Travel | 251,151 | 141,975 | 222,541 | 28,610 |
| 53x Supply | 10,600 | 1,192 | 2,217 | 8,383 |
| 54x Postage & Printing | 6,214 | 2,367 | 3,887 | 2,327 |
| 58x Rent/Leases - Bldg/Equip | - | 1,910 | 1,910 | (1,910) |
| 61x Professional Development | 31,460 | 21,939 | 55,154 | (23,694) |
| 62x Fees - Operating & Professional | 23,793,228 | 25,581,590 | 27,327,391 | (3,534,163) |
| 60x IT Expenses | - | 7,427 | 7,427 | (7,427) |
| 71x Grants, Benefits, & Claims | 28,216,994 | 9,249,389 | 24,738,182 | 3,478,812 |
| Total Operating | \$ 52,309,647 | \$ 35,007,789 | \$ 52,358,709 | \$ (49,062) |
| Total | \$ 56,430,339 | 38,152,632 | \$ 56,766,860 | \$ (336,521) |
| Total General | \$ 25,711,417 | \$ 18,227,687 | \$ 29,876,263 | \$ (4,164,846) |
| Total Federal | \$ 28,318,922 | \$ 19,924,944 | \$ 26,890,597 | \$ 1,428,325 |
| Total Other | \$ - | \$ - | \$ - | \$ - |

Note: Because the projection uses the 2023-25 legislative base as its starting point, one-time funds and carryover are not included. However, expenses associated with those items are included.

For Early Childhood, the Preschool Development Grant (PDG) of \$21,514,027 is not included in this table. Adding \$21,514,027 of PDG to the Operating source line will return the projection to a status of "under budget".

Child Care Initiative Budget/Expenditure Summary

| | Legislative Origin | HHS Budget Section | 23-25 Appropriation | 2023-25 Expended (through Dec 2024) | 25-27 Exec Budget Request (Armstrong Administration) |
|--|--------------------|------------------------|---------------------|-------------------------------------|--|
| Child Care Assistance Enhancements (CCAP) | HB 1540 | Econ Assistance | \$39,300,000 | \$25,773,275 | \$39,300,000 |
| Quality based pmts in CCAP | HB 1540 | Econ Assistance | \$3,000,000* | \$1,155,346 | \$3,000,000* |
| CCAP app outreach & assistance | HB 1540 | Econ Assistance | \$500,000 | \$90,424 | \$500,000 |
| Provider grants & shared svc | HB 1540 | Early Childhood | \$7,000,000* | \$5,293,069 | \$5,000,000* |
| Non-traditional hours grants | HB 1540 | Early Childhood | \$1,800,000 | \$1,300,000 | \$1,800,000 |
| Training / Worker stipends | HB 1540 | Early Childhood | \$2,000,000 | \$1,006,268 | \$2,000,000 |
| Quality infrastructure | HB 1540 | Early Childhood | \$3,000,000* | \$1,335,164 | \$3,000,000* |
| Evidence based programs in Year Before Kindergarten | SB 2012 | Early Childhood | \$14,400,000 | \$10,161,409 | \$20,400,000** |
| Employer-led child care cost sharing program | HB 1540 | Early Childhood | \$5,000,000* | | Carryover request |
| Background Check Automation & State Employer Share WPCCR | HB 1540 | Admin | \$1,000,000* | \$15,220 | Carryover request |
| | | | \$80,000,000 | \$47,620,411 | \$75,000,000 |

* = one-time funding
 ** = partial one-time funding

Note: This summary does not include CCAP base budget / expenditure originating from SB2012

Early Childhood-related Policy Bills with Budget Impact

| | | Federal | General |
|---------|--|---------|-----------------------------------|
| SB 2306 | Child care worker recruitment and retention grants | | \$23,935,162 (fiscal note est) |
| HB 1119 | Potential increase in CCAP reimbursement to child care providers whose license type changes as a result of child care license framework simplification | | \$225,826 (fiscal note est) |



Continued investment in child care makes a difference!

Our goal when children are not with their parents, is that they are in safe and engaging care environments.

State investments in quality, inclusive care, facilities, start up, above and beyond training, infrastructure and shared services make it possible for child care providers to create and sustain nurturing environments for children.



Contact Information

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Child Care Resource and Referral
800-997-8515



Appendix

Early Childhood Timeline
July 2023-Dec 2024



Early Childhood Progress and Accomplishments July 2023 – Dec 2024

July 2023

- Launch of Best in Class '23-'24 cohort (71 sections in 50 programs)
- Tribal CCDF collaboration with Turtle Mountain
- Launched ND Pyramid Model State Leadership Team
- 107 programs, consisting of 352 classrooms, working towards a QRIS Step 2, 3, or 4 Quality Rating
For more info on QRIS: <https://www.hhs.nd.gov/cfs/early-childhood-services/brightnd>

August 2023

- Wrap up COVID-funded child care grants and prepare to launch new round of state-funded grants
- Pipeline to Career presentation at CTE Professional Dev conference
- Conducting statewide survey on transition from Part C to Part B 619 services
- Tribal CCDF Collaboration with Trenton Indian Service Area
- Revised Early Childhood outcomes training for Early Childhood Special Education and posted on DPI PD Hub
- Commissioner Jones moderated a panel and breakout session on Best in Class at the Governor's Summit on Innovative Education
- Completed procurement for Early Childhood Integrated Dataset project; set to kickoff in September

Early Childhood Career Pathway Pipeline Development

HHS Early Childhood is partnering with Department of Career and Technical Education, DPI, and higher ed to improve career pathway opportunities for students interested in pursuing careers in the field – including opportunities that may provide on-the-job training, in partnership with local child care programs.



Team members presented to a room of 75+ family consumer science teachers at the Career and Technical Education Professional Development Conference



Early Childhood Progress and Accomplishments

Sept. 2023

- QRIS cohort began
- Tribal CCDF Consultation with Spirit Lake and Three Affiliated Tribes
- Completed PDG-r Year 2 non-complete continuation application
- Final liquidation of CRRSA and ARPA Stabilization funds

Oct. 2023

- Participating with NDDPI in a national Kindergarten Sturdy Bridge Learning Community
- Launched annual market rate survey
- Shared Services kick off meeting with Child Care Aware of North Dakota
- Additional live scan machines for Cass County and full-time staff person in place

Nov. 2023

- Hosted an Early Childhood Emergency Preparedness Table Top Exercise
- Supported Early Childhood Council Meeting
- Launched CCAP Tiered Quality Based Bonuses for providers participating in North Dakota's Quality Rating and Improvement System

Dec. 2023

- Submitted annual CCDF Quality Progress Report
- Attended PDG B-5 Convening
- Public Hearing for administrative rules

Tribal CCDF Consultation



Re-established relationships with Tribal CCDF Administrators to increase coordination between STATE and tribes in implementing CCDF-funded child care services. Discussed subsidy, background checks, professional development offerings that are accessible to CCDF eligible child care providers, and more.

Criminal Background Check Efficiency



Criminal Background Check Unit increased ability to process and complete background checks in a more timely manner.

New additional live scan machines were installed in Cass County and a full-time staff person was hired at South East Human Service Center to better assist individuals completing the fingerprinting process.

Early Childhood Progress and Accomplishments

Jan. 2024

- Shared the key findings from the North Dakota PDG Needs Assessment
- Campaign to raise awareness of Child Care Assistance
- NDIT and SERVOS Early Childhood Solution Workshop
- QRIS cohort began

Feb. 2024

- Began organizing paper licensing records for digitization and ease of future records retention
- Admins participated in Microsoft Project training and began developing workplans for outstanding PDG activities
- Kicked off writing of CCDF Triennial state plan draft

March 2024

- Attended the Administrative Rules hearing; new rules go into effect April 1
- Completed PDG-r annual report
- Awarded 2024.2025 Best in Class recipients
- Applications rolling in for Facility Grants
- Final preparation for Office of Child Care Triennial monitoring visit in April.



2023 PDG Needs Assessment

See what matters most to families and providers, opportunities, and recommendations at <https://www.hhs.nd.gov/cfs/early-childhood-services/pdgb5>

DON'T MISS YOUR CHANCE TO GET HELP WITH CHILD CARE COSTS.

See if you qualify for North Dakota child care assistance.

NORTH Dakota Be Legendary.
Health & Human Services



Partnering with licensed child care providers to raise awareness of Child Care Assistance Program (CCAP)

Marketing material packages were sent to licensed child care programs to distribute to current and prospective families to help ensure all families have access to resources that support working families and strengthen our workforce.

Early Childhood Progress and Accomplishments

April 2024

- Begin approving Facility Improvement Grants
- Supported the ND Early Childhood Council meeting
- Participated in Office of Child Care onsite monitoring visit

May 2024

- Maxed our initial budget of \$1M for Facility Improvement Grants
- Hosted a public comment period on the CCDF Triennial Plan
- Onsite Kindergarten Sturdy Bridge visit at Grafton Public School

June 2024

- Convened the Professional Development Work Group to update Core Competencies
- Field Trip with Commissioner Salter to highlight supports starting in early childhood through graduation and into adulthood, emphasizing the transformational narrative that emerges when we prioritize comprehensive support from the beginning

July 2024

- Revised grants and resources budget, allocating an additional \$1M to Facility Improvement Grants
- Participated in a panel at the Hunt Institute Legislative Retreat
- Announced first non-traditional hour child care partnership pilot
- Hosted a Professional Development Day for Best in Class teachers to learn about the Creative Curriculum for PreK

Best in Class and Early Childhood Special Education Field Trip Showcase

HHS Early Childhood and HHS Life Skills and Transition Center hosted area legislators for a field trip to see first hand the effective ways Grafton Public Schools, Upper Valley Special Education, NDDPI, and HHS support kids starting in early childhood all the way through graduation. Our first stop was at Grafton Public Schools early childhood wing to learn about the impact Best in Class has had for their community, the growth they've seen in children, the satisfaction of staff participating in Best in Class, successful kindergarten transition and how they transitioned their early childhood special education services for three year olds.



Celebrating Innovation: Non-Traditional Hour Child Care Pilot



Early Childhood Progress and Accomplishments

Aug 2024

- Presented "Serving Children in the Years Before Kindergarten" at Back to School Drill Down for school administrators and leaders
- Launched a data system and workflow to manage Best in Class applications and milestones.
- Promoted Child Care Assistance and the new Employer Toolkit at MainStreet Summit.

Sept 2024

- Presented an Early Childhood Update to the Interim Education Committee as part of ND DPI's PreK-12 Strategic Vision Framework
- Hired a Lead Data Systems Specialist to manage Early Childhood Integrated Data Sets (ECIDS)
- Final liquidation of ARPA CCDF Supplemental funding

Oct 2024

- Selected a vendor for Instructional Design to create our first ever child care licensing courses, early learning standards, principals of adult learning, and update mandated training, to include training available in other languages
- Met with state Head Start directors to learn about the impacts and effects of new performance standards
- Awarded three additional non-traditional hour child care pilot grants and participated in an evening site visit at Gifted Stars in Fargo to see them in action

HHS unveils Employer Toolkit for supporting Working Parents

A quick, easy guide focused on resources and programs employers can use to support working parents and help their business recruit and retain valuable employees, foster a supportive work environment, and position their business as a sought-after employer of choice.

<https://www.hhs.nd.gov/supporting-working-parents>



EMPLOYER TOOLKIT FOR SUPPORTING WORKING PARENTS

EMPLOYER SUPPORT GUIDE FOR WORKING PARENTS

NORTH Dakota Be Legendary. Health & Human Services

Early Childhood Progress and Accomplishments

Nov 2024

- Hosted Early Childhood Special Education unit directors in Fargo
- Preparation for federal Office of Special Education Programs monitoring in January
- Convened the Professional Development Workgroup to continue review and update recommendations for the Core Competencies for Early Childhood Practitioners.

Dec 2024

- Finalized a large IT project and state contract with vendor for Insight Data System Enhancements
- Sneak peek at ECIDS dashboards
- Best in Class tour in child care settings
- Discussed Department Early Childhood policy bill and decoupling training from license renewal with the Early Childhood Services Advisory Board

What's next

- Launch an application for LEAs to participate in a Kindergarten Transition program funded by the PDG grant
- Host an Early Childhood Conference April 11 -12 in conjunction with Week of the Young Child



Best in Class

HHS invited local legislators to join a Best in Class tour of child care settings in Stanley and Rugby.

Both programs have been able to retain and attract staff thanks in part to the Child Care Worker Benefit that launched in July.

This benefit is available to any child care staff working 25+ hrs/week and is equal to Child Care Assistance Program state max rate.

