



Engrossed HB1012 Overview – Early Childhood

Senate Appropriations | Human Resources Division

Senator Dick Dever, Chairman

March 25, 2025, Kay Larson | Director, Early Childhood Section

NORTH
Dakota
Be Legendary.

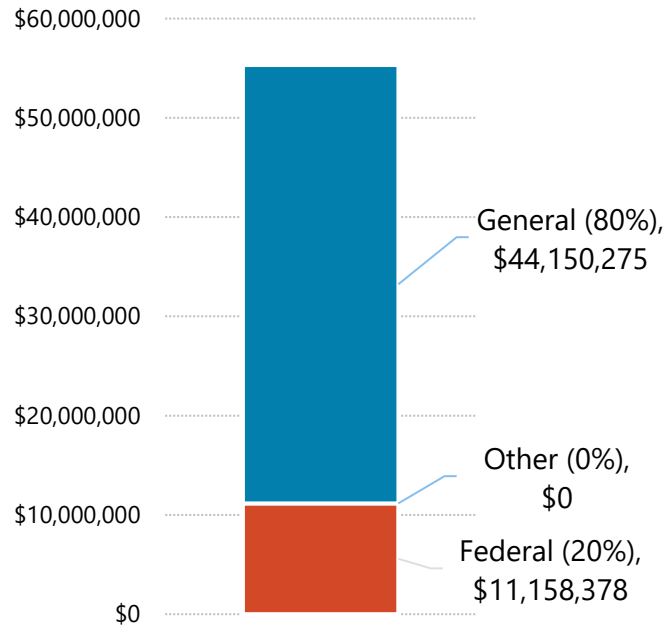
Health & Human Services

Budget Overview

Early Childhood: \$55.3 million total budget

- Primary federal funding source is the Child Care Development Block Grant (CCDBG / CCDF) through the Administration for Children and Families (ACF) at the Department of Health and Human Services
 - CCDBG funds delivery of required quality and licensing functions, resource and referral, and provider support
 - Head Start and Part B 619 grants support coordination and collaboration between partners
- 76% of the Early Childhood budget is either paid directly to providers or for direct service
- Majority of child care licensing related expenses are in the HSZ Operations budget

25-27 EBR – Early Childhood



0.8%
total HHS Budget

HB 1540 created resources for child care providers.

- **Grants** for Quality, Facilities, Start-up/Expansion, Inclusion & non-traditional hrs care
- **Shared Service** supports (business mgmt training and operational software, curriculum resources)
- Increased access to **Quality cohorts** and business **coaches**
- **Worker incentives** for above and beyond training

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

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 = \$23,580,222 Total State = \$5,768,485 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>

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



Infants
0 – 17 months



Toddlers
17 – 35 months



Preschoolers
36 months to Kindergarten



School Agers
Kindergarten through
11 years old

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"> • Early Childhood • 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

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

Child Care Licensing

Calendar Year 2024 Statistics

178 new licenses issued – Gain of 5,129 slots

ND child care licensing specialists process an average of 15 new licenses and 61 license renewals every month

211 licenses closed – Loss of 5,144 slots

260 correction orders issued

Most often for **staff requirements** (background checks, pediatric first aid and CPR, training) and **supervision**/staying in ratio

8 mobile fingerprint units purchased

12 staff trained, 23 printing sessions conducted in February

Did you know?

Seven team members have earned a national credential designed to recognize the competencies of professionals in the human care licensing field?



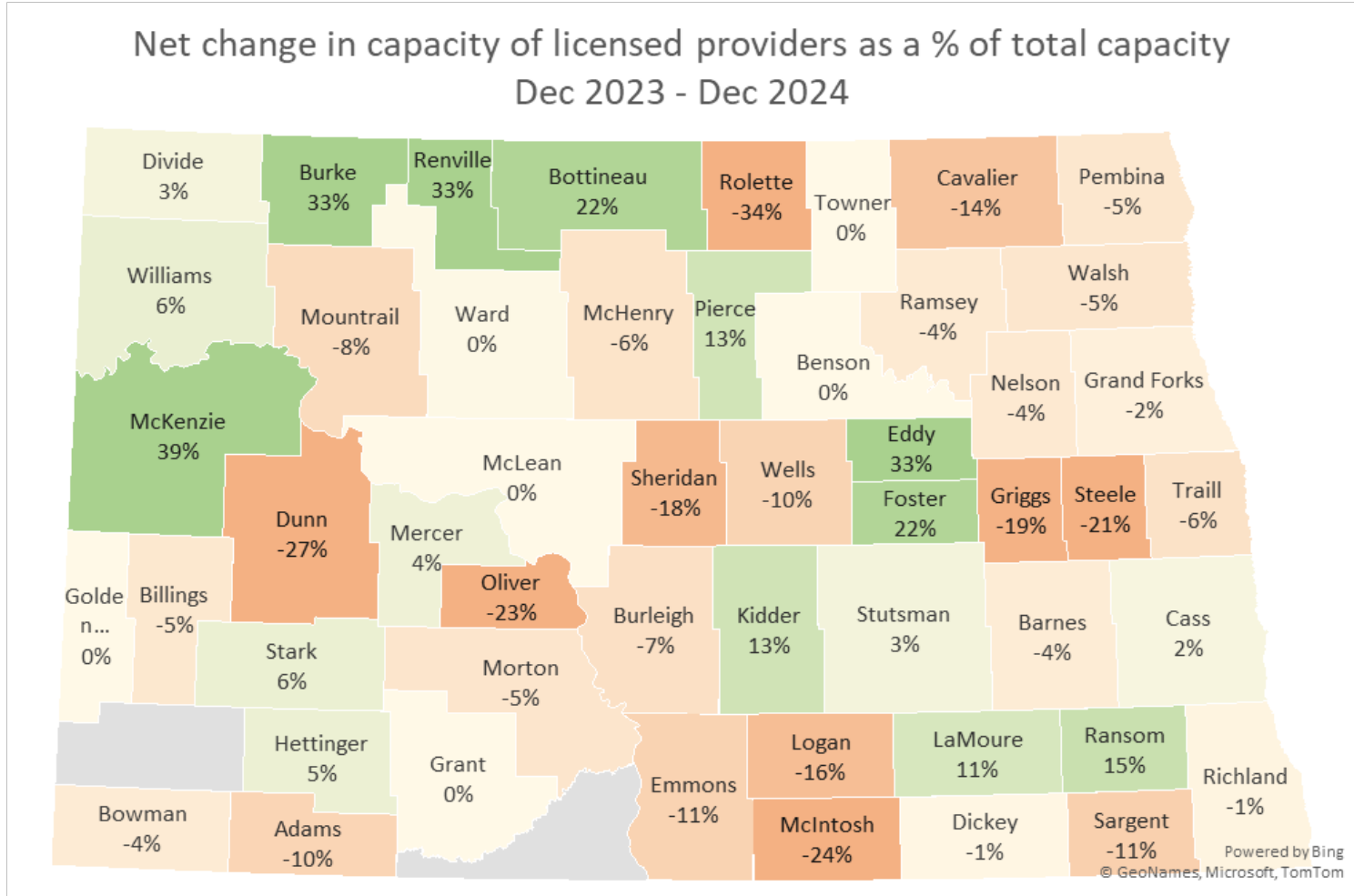
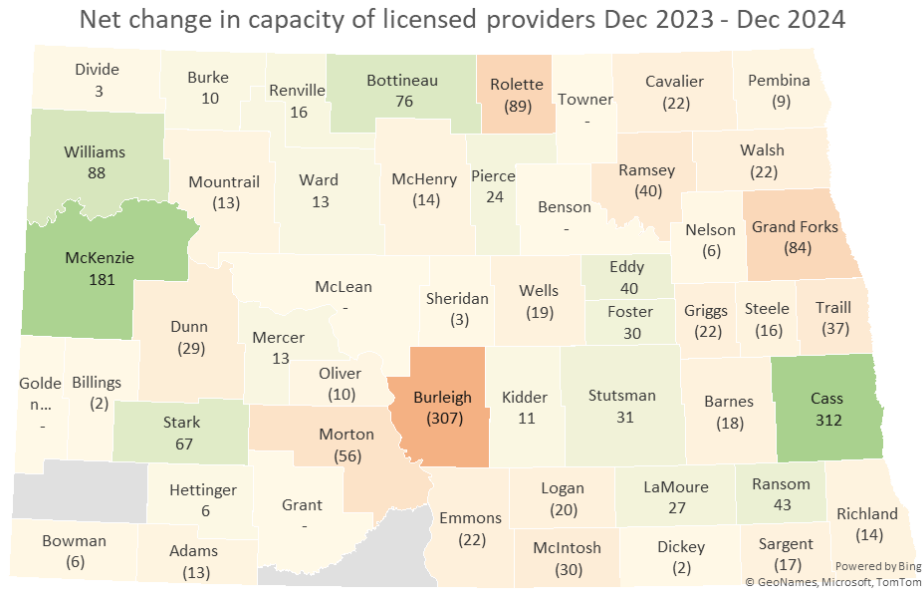
HHS will launch three new courses this spring to help providers better understand child care licensing, regulations, and compliance.



Key Indicator: Child Care Availability | Net Change

While statewide capacity as a whole was stable in 2024, geographic fluctuations show gains and losses

December 2023 – December 2024



Key Indicator: Child Care Availability | Net Change

Net change in capacity of licensed child care

December 2023 – December 2024

County	Net change in Lic Providers	Net change as % of total providers	Net change in Lic Capacity	Net change as % of total capacity
Adams	-1	-16.7%	-13	-10%
Barnes	-1	-8.3%	-18	-4%
Benson	0	0.0%	0	0%
Billings	0	0.0%	-2	-5%
Bottineau	0	0.0%	76	22%
Bowman	0	0.0%	-6	-4%
Burke	1	100.0%	10	33%
Burleigh	-13	-10.0%	-307	-7%
Cass	7	2.1%	312	2%
Cavalier	-2	-33.3%	-22	-14%
Dickey	-1	-8.3%	-2	-1%
Divide	0	0.0%	3	3%
Dunn	-1	-25.0%	-29	-27%
Eddy	0	0.0%	40	33%
Emmons	-2	-18.2%	-22	-11%
Foster	0	0.0%	30	22%
Golden Valley	0	0.0%	0	0%

County	Net change in Lic Providers	Net change as % of total providers	Net change in Lic Capacity	Net change as % of total capacity
Grand Fork	-1	-1.0%	-84	-2%
Grant	0	0.0%	0	0%
Griggs	-2	-33.3%	-22	-19%
Hettinger	0	0.0%	6	5%
Kidder	0	0.0%	11	13%
LaMoure	-1	-9.1%	27	11%
Logan	-1	-20.0%	-20	-16%
McHenry	-1	-11.1%	-14	-6%
McIntosh	-1	-20.0%	-30	-24%
McKenzie	0	0.0%	181	39%
McLean	0	0.0%	0	0%
Mercer	1	9.1%	13	4%
Morton	-2	-3.9%	-56	-5%
Mountrail	-1	-12.5%	-13	-8%
Nelson	0	0.0%	-6	-4%
Oliver	-1	-33.3%	-10	-23%
Pembina	0	0.0%	-9	-5%

County	Net change in Lic Providers	Net change as % of total providers	Net change in Lic Capacity	Net change as % of total capacity
Pierce	0	0.0%	24	13%
Ramsey	-1	-3.7%	-40	-4%
Ransom	0	0.0%	43	15%
Renville	1	50.0%	16	33%
Richland	-1	-2.4%	-14	-1%
Rolette	-2	-18.2%	-89	-34%
Sargent	-1	-20.0%	-17	-11%
Sheridan	-1	-100.0%	-3	-18%
Stark	-4	-8.7%	67	6%
Steele	0	0.0%	-16	-21%
Stutsman	0	0.0%	31	3%
Towner	0	0.0%	0	0%
Traill	-1	-6.3%	-37	-6%
Walsh	0	0.0%	-22	-5%
Ward	1	1.0%	13	0%
Wells	-3	-37.5%	-19	-10%
Williams	-12	-27.3%	88	6%

2024 = Stable

Net change of +49 licensed spaces statewide

Net change of -47 providers statewide

Key Indicator: Child Care Availability | Licensed Capacity

Licensed Child Care capacity by county

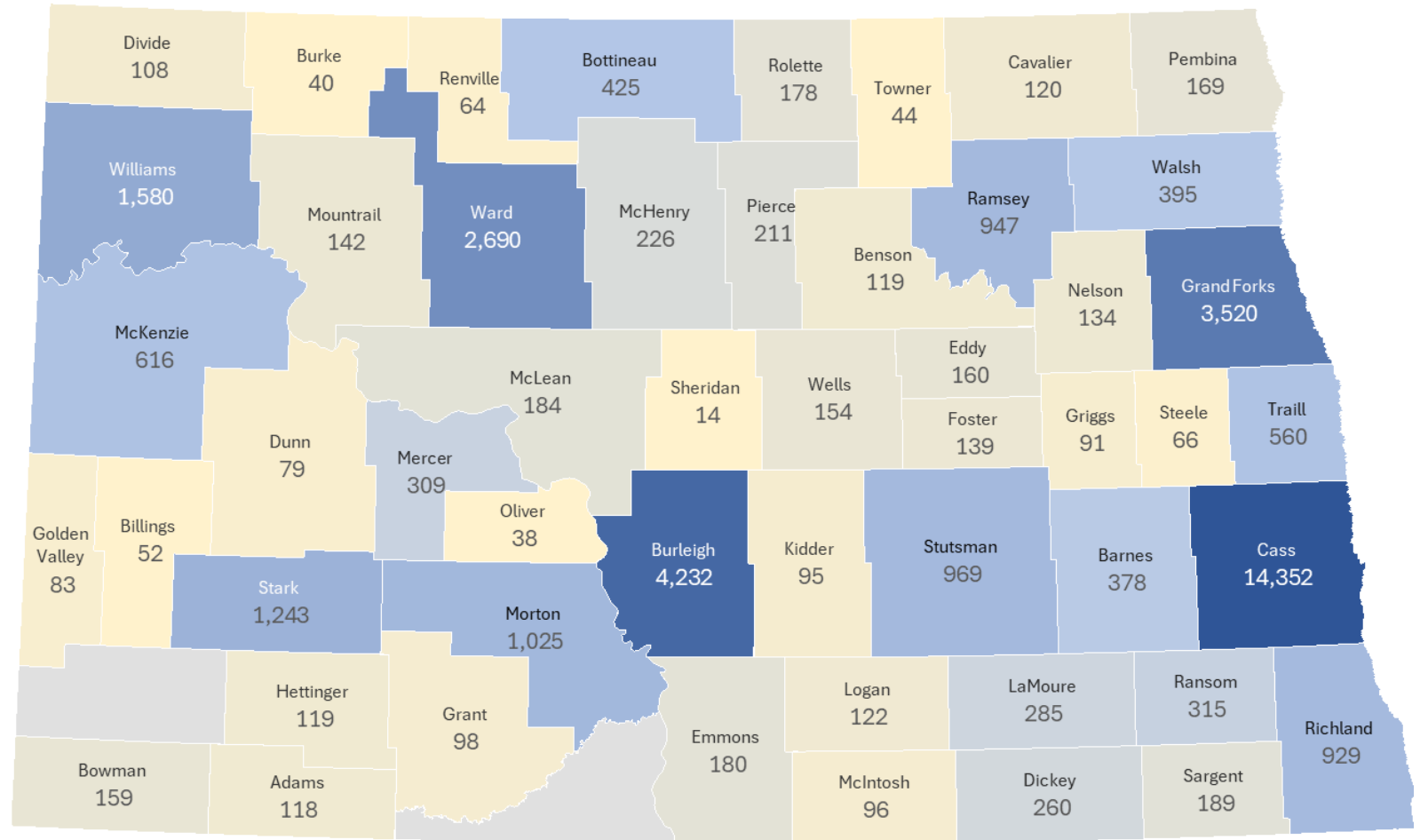
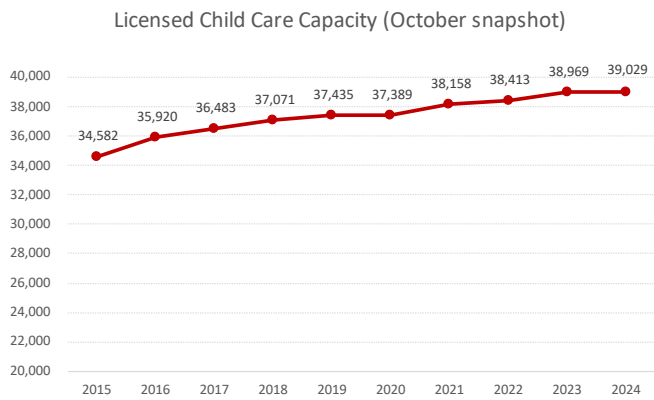
1,122

licensed providers are approved to provide child care for

38,821

children ages 0-12

Last updated: Dec 2024



*Source: WLS; excludes Tribally licensed providers, Head Start programs (not state licensed), School-based Pre-K programs

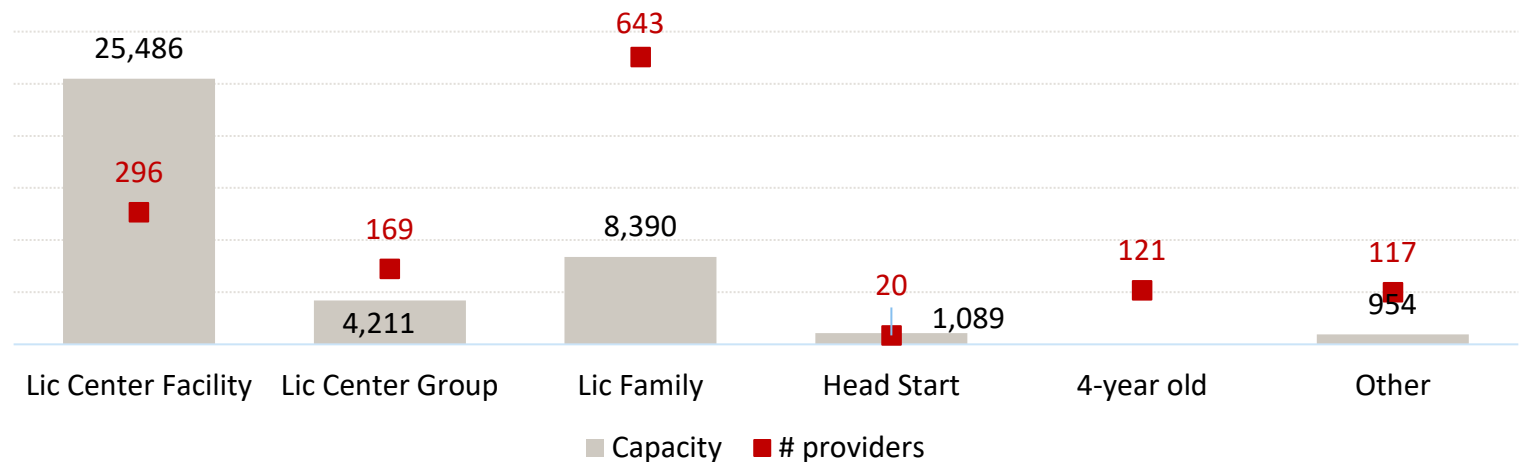
Key Indicator: Child Care Availability | Mixed Delivery

Child Care capacity by type of provider

1,366
 providers are
 approved to
 provide child care
 for
40,490
 children ages 0-12

Last updated: Dec 2024

	# providers	Capacity
Licensed CC – Center Facility (CEKM)	296	25,846
Licensed CC – Center Group (H)	169	4,211
Licensed CC – Family (FG)	643	8,390
Head Start	20	1,089
4-year old program	121	
Other (ex. non-lic after school)	117	954



State-licensed early childhood programs are only one part of the early childhood mixed delivery system

North Dakota early childhood options as of December 2024



606

Pregnant women and children served in Early Head Start

4

Tribal Head Start Grantees

9

Non-Tribal Head Start Grantees

1,566

Children ages three to five years old served in Head Start

3,405

Children supported by IDEA Part C Early Intervention



Individuals with Disabilities Education Act

1,754

Children receiving IDEA Part B 619 services provided by 32 Early Childhood Special Education Units serving LEAs across ND

103

Schools with Four-Year-Old Program Approval

1,066

Waterford Upstart households using interactive learning program to build skills in reading, math, and science at home in the year before kindergarten



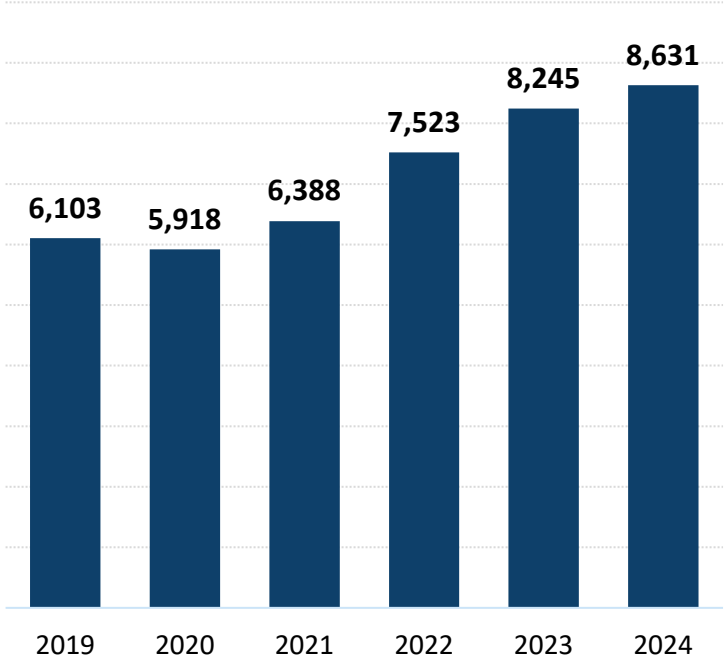
Since 2020, the number of child care workers in the workforce & training registry has grown by 46%

Career Pathway Category	Registry Members	Description
A	5,454	Entry level and paraprofessional
B	339	
C	97	
D	115	
E	227	Child development credential
F	20	Center director credential
G	255	Associate's degree in early childhood education or child development
H	205	Bachelor's degree in early childhood education or child development
I	32	Master's degree in early childhood or child development
J	2	Doctoral degree in early childhood or child development
Not placed	1,885	
TOTAL	8,631	

Meets "center director" qualification



Early Childhood Workforce Registry Membership



Key Indicator: Child Care Availability | Staffing

Child Care worker pay is relatively consistent across the state

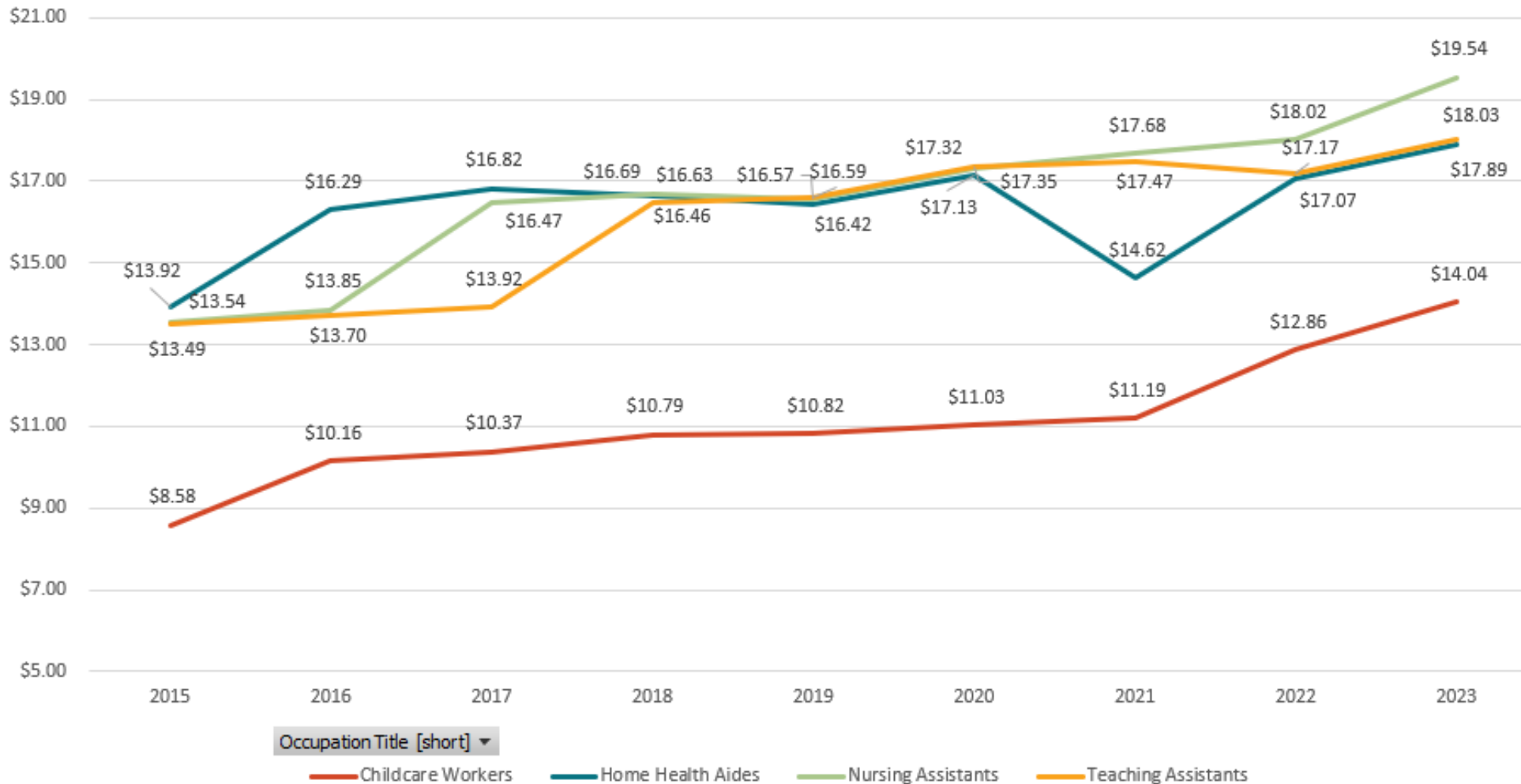
ND **Median** Wage for Select Occupations | JSND Labor Market Information | Employment and Wage by Occupation **2023**

	# of workers	Statewide wage	Reg 1 (Williston)	Reg 2 (Minot)	Reg 3 (Devils Lake)	Reg 4 (Grand Forks)	Reg 5 (Fargo)	Reg 6 (Jamestown)	Reg 7 (Bismarck)	Reg 8 (Dickinson)
Child Care worker	3,380	\$14.05	\$14.84	\$14.24	\$13.88	\$13.59	\$14.15	\$13.83	\$14.03	\$13.88
Teacher's Assistant	5,880	\$18.03	\$17.83	\$19.02	\$17.59	\$17.47	\$17.27	\$15.97	\$19.31	\$18.37
Nursing Assistant	8,630	\$19.54	\$18.96	\$18.70	\$20.95	\$20.91	\$19.21	\$21.20	\$20.70	\$21.71
Home Health Aide	6,720	\$17.89	\$19.61	\$17.76	\$18.13	\$18.89	\$18.32	\$18.74	\$17.66	\$17.76
Preschool Teachers, Except Special Education	570	\$18.87	\$22.38	\$22.11	\$19.69	\$19.63	\$17.08	\$22.05	\$18.30	\$22.05
Education & Childcare Administrators, Preschool & Daycare	250	\$29.59	n/a	\$21.81	\$21.95	\$51.92	\$29.01	\$21.76	\$31.11	n/a
Kindergarten teacher	580	\$25.97	\$29.44	\$30.66	\$25.04	\$24.27	\$25.29	\$23.90	\$30.04	\$26.13

Key Indicator: Child Care Availability | Staffing

Child care worker wages rising but not closing the gap

ND **Median** Wage for Select Occupations | JSND Labor Market Information | Employment & Wage by Occupation **2015-23**



Included in Executive Budget Request

Investing in early childhood infrastructure supports

The added investment in infrastructure capacity allows HHS and its partners to better support both new and existing child care providers across North Dakota. For example:

- The number of programs actively pursuing the "next " quality step has **doubled** in the last year, with each cohort full to capacity. The waiting list to participate in QRIS has been eliminated; any provider who wants to join a quality cohort has been able to do so.
- 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.
- Infrastructure supports impact the majority of licensed providers in some way, whether through a quality cohort, business coaching, support with licensing, or training resources.

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)
Health & Human Services



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.



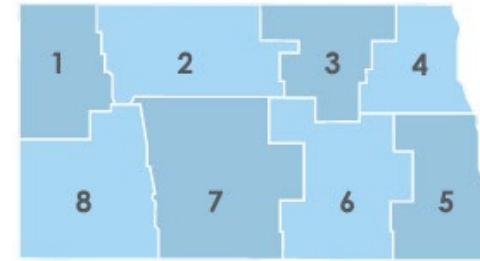
Training and Professional Development

1540

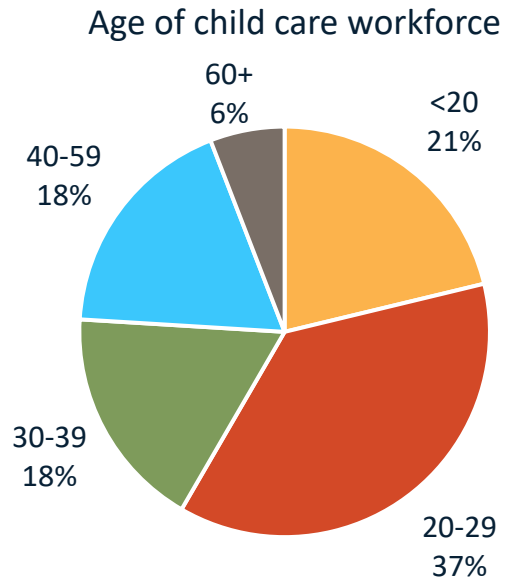
Quality

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
1,597 training stipends paid
- Costs and benefits: \$748k (2024-25)
- Measurable outcomes: 10201 unique individuals completed Registry approved training in 2024



6,368
Employment Positions



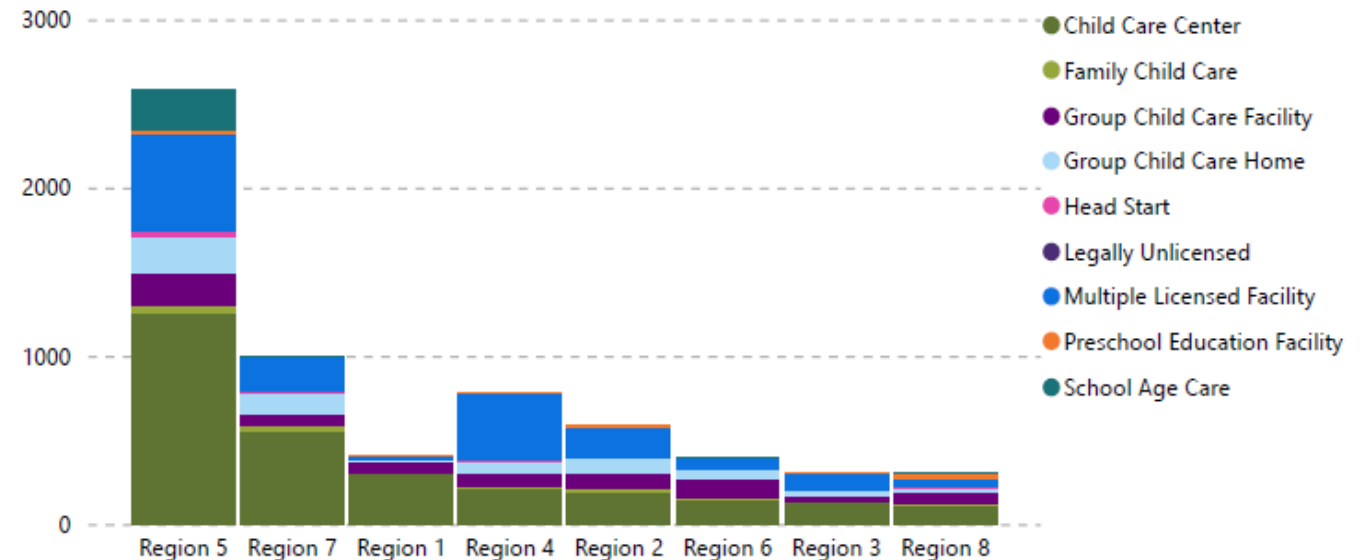
Q4 2024

4,214
Clock Hours

915
Training Events

38
Training Sponsors

Employees by Program License Type per Employer Region



Child Care Coaching, Resource and Referral

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)



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).

Getting Started

- Finding a Location**
Things to keep in mind when looking for a property
 - Budget
 - Square footage requirements
 - City zoning regulations
- Contact Your County Licensing Specialist**
- Complete the Licensing Process**
- Contracts & Policies**
 - Licensing requires written policies for all licensed child care programs.
 - Contact a Child Care Aware Start-Up Coordinator at startchildcare@ndchildcare.org to request contract & policy templates.
- Setting Up Your Environment and Choosing Materials**
 - Your Child Care Aware Start-Up Coordinator can help you in planning your room arrangements.
 - Choosing Materials guide
- Budgeting**
For help creating a budget reach out to:
 - Child Care Aware at startchildcare@ndchildcare.org
 - [Small Business Development Center](#)
 - [The Women's Business Center](#)
- Ratios and Group Sizes**
The number of children a provider can care for is determined by their license type, the size of their facility, and the ages of the children.
 - Ratio Guide
- Staff Management**
[Staff Management Tools](#)

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: 914 providers participating in QRIS

Expenditures: 303 quality grant awards - \$836,375* (2023-2025)
\$2.7 million for QRIS coaching supports (2023-25)

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

- 41 - Step 2 (environment)
- 36 - Step 3 (activities)
- 14 - Step 4 (interactions)

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



*Includes ARPA funding July-Sept 2023

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).

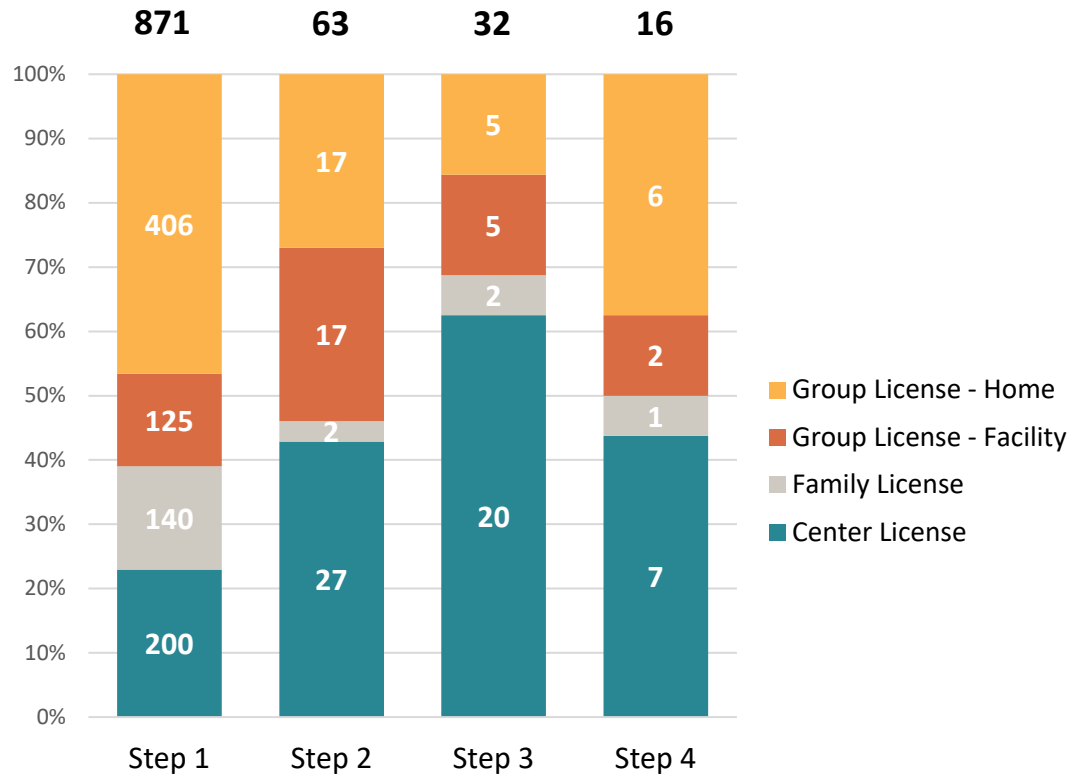
Total	General	Federal	Other
\$100,000	\$100,000	\$0	\$0

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

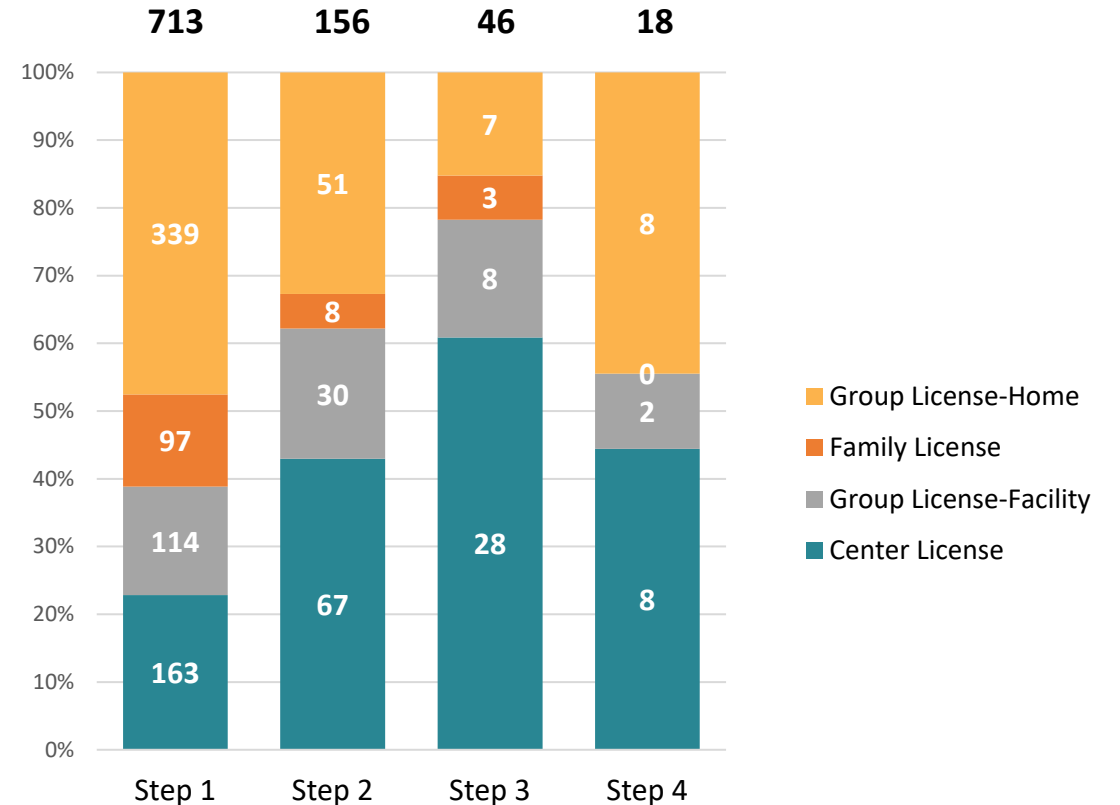
Key Indicator: Child Care Quality | Expanding Access

98% increase in the number of licensed providers with a Step 2, 3 or 4 quality rating

of licensed providers by QRIS rating | July 1 2023 and Feb 1 2025



July 1, 2023
111 programs
 Step 2, 3, 4
(982 total)



February 1, 2025
220 programs
 Step 2, 3, 4
(933 total)

Key Indicator: Child Care Quality | Expanding Access

Quality

13 additional counties now have at least one quality-rated program

July 2023 – February 2025 | Step 2, 3 4 QRIS providers and capacity by county

County	# providers w/ Step 2, 3, 4 QRIS		
	7/1/2023	2/1/2025	Net change
Adams	0	1	1
Barnes	2	3	1
Billings	0	1	1
Bottineau	0	1	1
Bowman	0	1	1
Burleigh	9	16	7
Cass	31	50	19
Cavalier	0	1	1
Dickey	1	3	2
Divide	0	1	1
Dunn	0	1	1
Eddy	0	1	1
Emmons	1	4	3
Foster	2	2	0
Grand Forks	15	25	10
Griggs	0	1	1
Hettinger	1	1	0
LaMoure	1	1	0
McHenry	3	3	0
McIntosh	0	1	1
McKenzie	1	4	3

County	Lic capacity of Step 2, 3, 4 QRIS		
	7/1/2023	2/1/2025	Net change
Adams	-	20	20
Barnes	160	220	60
Billings	-	30	30
Bottineau	-	16	16
Bowman	-	15	15
Burleigh	1,015	1,334	319
Cass	2,373	4,024	1,651
Cavalier	-	86	86
Dickey	30	68	38
Divide	-	96	96
Dunn	-	30	30
Eddy	-	70	70
Emmons	18	83	65
Foster	42	42	-
Grand Forks	1,185	1,659	474
Griggs	-	36	36
Hettinger	30	30	-
LaMoure	9	9	-
McHenry	77	77	-
McIntosh	-	25	25
McKenzie	17	255	238

County	# providers w/ Step 2, 3, 4 QRIS		
	7/1/2023	2/1/2025	Net change
McLean	0	1	1
Mercer	3	3	0
Morton	2	6	4
Mountrail	1	1	0
Nelson	2	3	1
Pierce	2	3	1
Ramsey	2	7	5
Ransom	1	1	0
Richland	1	4	3
Rolette	1	2	1
Sargent	1	3	2
Stark	0	3	3
Steele	0	2	2
Stutsman	5	11	6
Towner	1	1	0
Trail	3	7	4
Walsh	3	4	1
Ward	7	22	15
Wells	1	1	0
Williams	3	13	10
TOTAL	106	220	114

County	Lic capacity of Step 2, 3, 4 QRIS		
	7/1/2023	2/1/2025	Net change
McLean	-	28	28
Mercer	137	137	-
Morton	92	172	80
Mountrail	30	30	-
Nelson	80	110	30
Pierce	58	70	12
Ramsey	199	497	298
Ransom	55	55	-
Richland	149	231	82
Rolette	20	38	18
Sargent	30	177	147
Stark	-	87	87
Steele	-	50	50
Stutsman	185	280	95
Towner	26	26	-
Trail	79	278	199
Walsh	120	142	22
Ward	394	1,033	639
Wells	17	17	-
Williams	134	713	579
TOTAL	6,761	12,396	5,635



QRIS participation continues to grow

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."

Included in Executive Budget Request

Best in Class program expansion

- This request would allow more programs to apply to become Best in Class sites.
- Depending on the make-up of applicants, with this additional investment, Best in Class participation could be estimated to grow by another 10 sites each year hosting an additional 25-30 groups of children (approx. 300-400 children).
- This request represents an expanded investment of \$6 M in state funds.

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

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



Year Before Kindergarten

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: 1,164 (2024-25)

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

Costs and benefits: \$6.2 M (2024-25)

Measurable outcomes: Fall/Winter/Spring progress checks



Rugby Best in Class

Best in Class is a targeted investment in the year before kindergarten that includes:

- Award (to help offset expenses)
- Play-based curriculum and assessment
- Early Childhood coach
- Health and Safety coach
- Professional Development

2021-22	2022-23	2023-24	2024-25	2025-26 (EBR)	2025-26 (+unmet demand)
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	67 programs *18 small groups *83 large groups	+3 programs *3 small groups *5 large groups
371 children \$2.2M grants*	546 children \$2M grants*	878 children \$4.9M grants*	1,164 children \$6.2M grants*	1,425 children \$8M grants*	+110 children +\$780k grants*

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

Child outcomes associated with early childhood investments are closely linked with program quality.

Objective 17: Demonstrates knowledge of print and its uses.
 A. Uses and appreciates books and other texts

Not Yet	1	2	3	4	5	6	7	8	9		
	<p>Shows interest in books</p> <ul style="list-style-type: none"> Gazes at the pages of a book Brings book to adult to read 		<p>Orients book correctly; turns pages from the front of the book to the back; recognizes familiar books by their covers</p> <ul style="list-style-type: none"> Hands teacher book and says, "Let's read <i>Corduroy!</i>" 		<p>Knows some features of a book (e.g., title, author, illustrator, front and back covers); connects specific books to authors</p> <ul style="list-style-type: none"> Says, "I want to read this Dr. Seuss book today." Says, "Eric Carle wrote this book. He is the author." Selects a book in the library and talks to the librarian about the front and back cover; points out the title page when prompted 		<p>Uses various types of books for their intended purposes</p> <ul style="list-style-type: none"> Selects a nonfiction book about insects to identify the butterfly seen on the playground 				
	0 – 1 yrs		1 – 2 yrs		2 – 3 yrs		3 yrs		4 yrs		Kindergarten

What are Widely Held Expectations?

Widely-Held Expectations describe the **range of knowledge, skills, and abilities** that children of a particular age typically demonstrate over a year of life.

These expectations are based on the latest research in early childhood and are **frames of reference** that help parents and teachers **focus on the development of the individual child.**

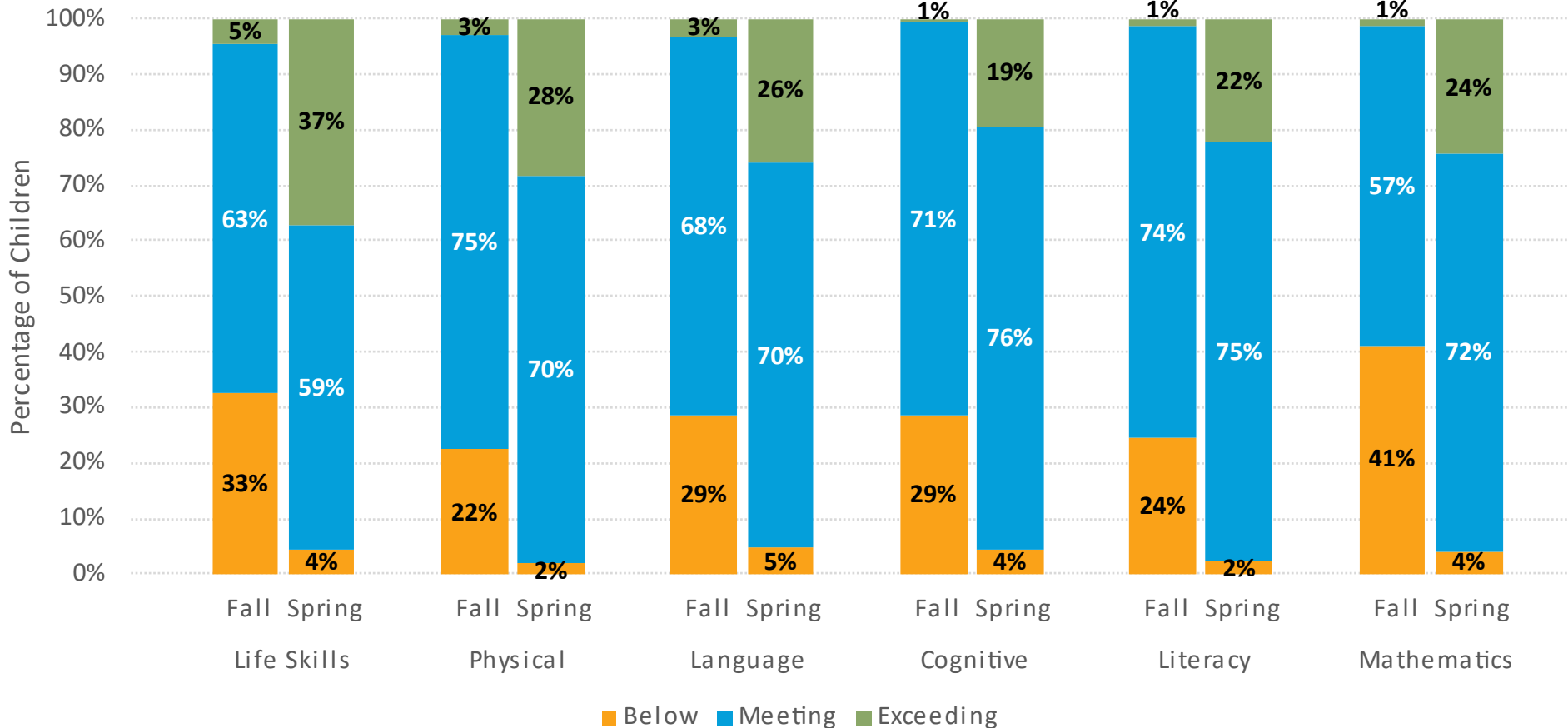
- ✓ Unique to each child
- ✓ Observation based
- ✓ Inter-rater reliability
- ✓ Benchmarks
- ✓ Supporting materials

Key Indicator: Child Care Quality | WHE

All Best in Class programs utilize a validated tool to measure progress for each child

Quality

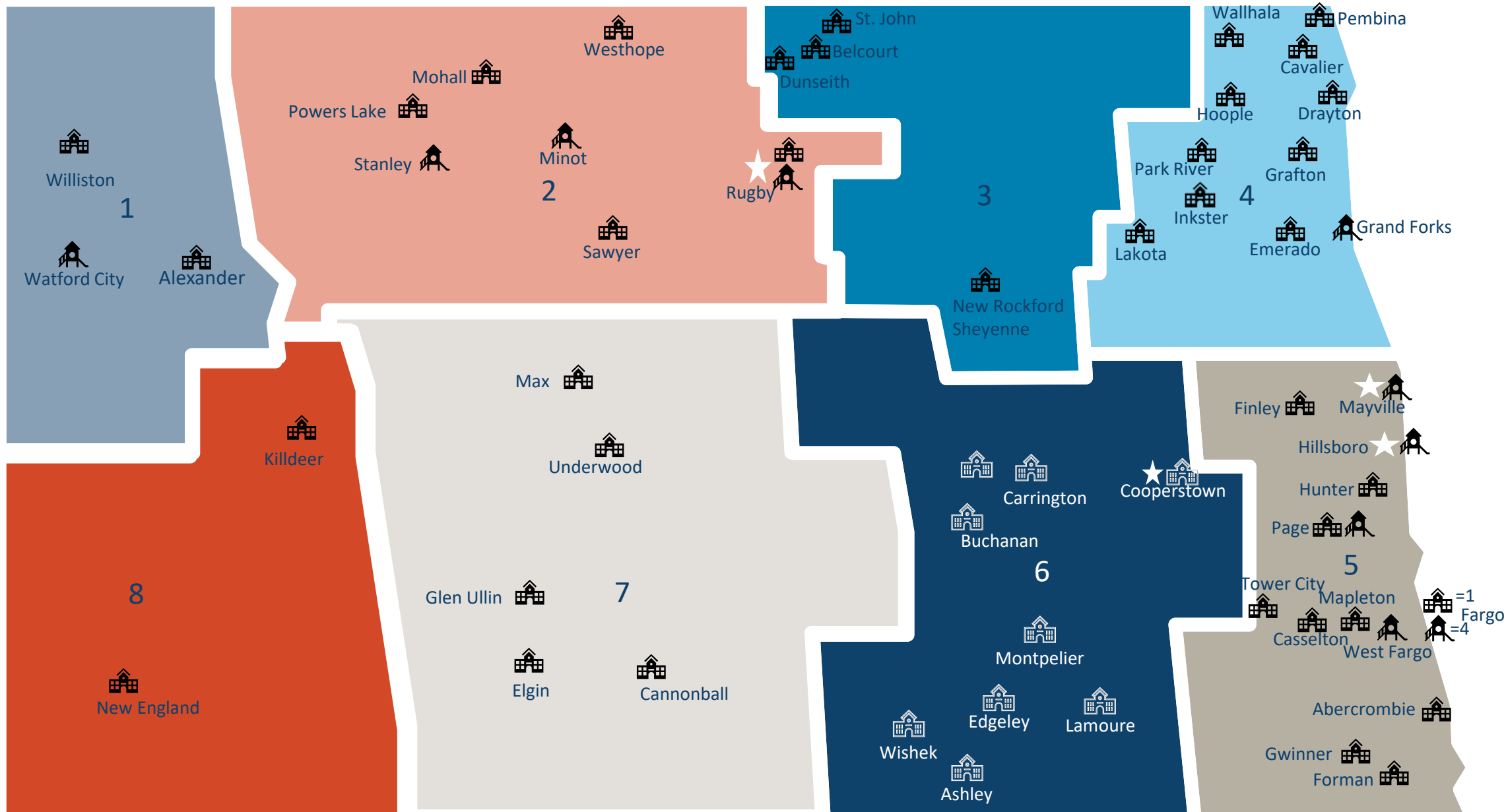
2023-2024 Fall and Spring Widely Held Expectations Breakdown by Area



The *Teaching Strategies GOLD* framework expects kids to progress as they get older, based on expected developmental gains.

The **gains** noted from fall to spring in this chart **represent a true change** in the # of kids who are meeting widely held expectations after participating in Best in Class.

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

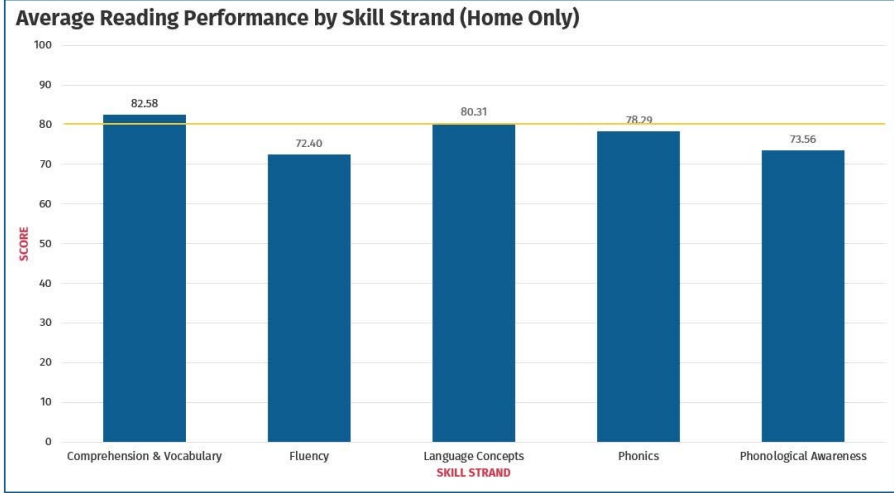
Year Before Kindergarten

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.



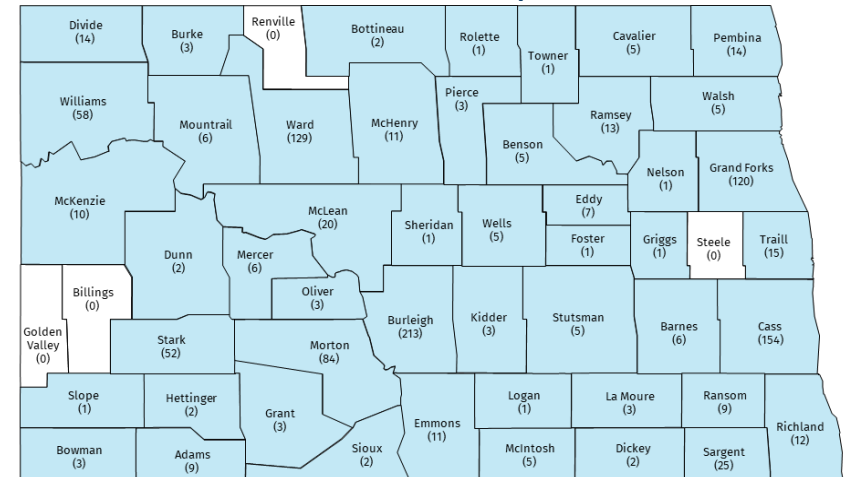
Agree Disagree

In general, did your child enjoy the Reading program?



Yes No

2024-2025 Participation



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 offer a targeted number of grants to providers, including things like new program start-ups and existing program expansions, preservation of programs at risk of closure through transition/transfer, quality grants, inclusion support for children with special needs, and facility improvements. .

Note: Engrossed HB 1012 reduced to \$2,500,000

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)



Key Indicator: Child Care Capacity

Grants available to support child care operations

	HHS					Commerce
	Facility	Grow	Quality	Non-Trad Hrs	Inclusion	RWIP
Dollars available	\$3.1 million	\$1.3 million	\$1.1 million	\$1.8 million	\$2.3 million	\$7.73 million
# awards made	318	33	290	4	79	21
Max award amt	\$20,000	\$100,000	\$12,000	\$500,000	\$10,000 env. mods \$1,500 equipment \$500/quarter/child	\$500,000
Avg award amt	\$7,900	\$28,000	\$3,800	\$450,000	\$29,100	\$368,150 match requirement 25%
Impact	Awardees licensed to serve 15,863 children	824 newly available child care spaces (136 infant, 160 toddler, 528 desert)	42% increase in programs using data to inform qual impr; 30% of all licensed spaces are now in Step 2, 3 or 4 rated programs	Increasing child care spaces outside the hours of 7:30 a.m.- 5:30 p.m.	Care maintained in 97% of cases; 47% increase in programs served	521 newly available child care spaces (6 new programs (272 spaces), 5 facility updates (0 new spaces), 10 expansions (249 new spaces))

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 and above and beyond training

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



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)



Child Care Inclusion

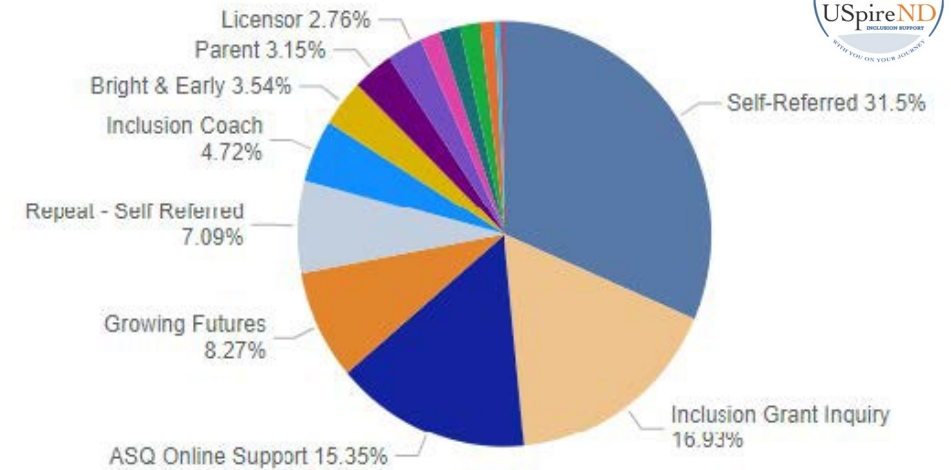
1540

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%)

Incoming Referrals 2024



"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."

Working Parents Child Care Relief

1540

Affordability

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

of employers participating:

48 currently participating

of working parents supported:

437 parents working for 53 businesses in 29 communities

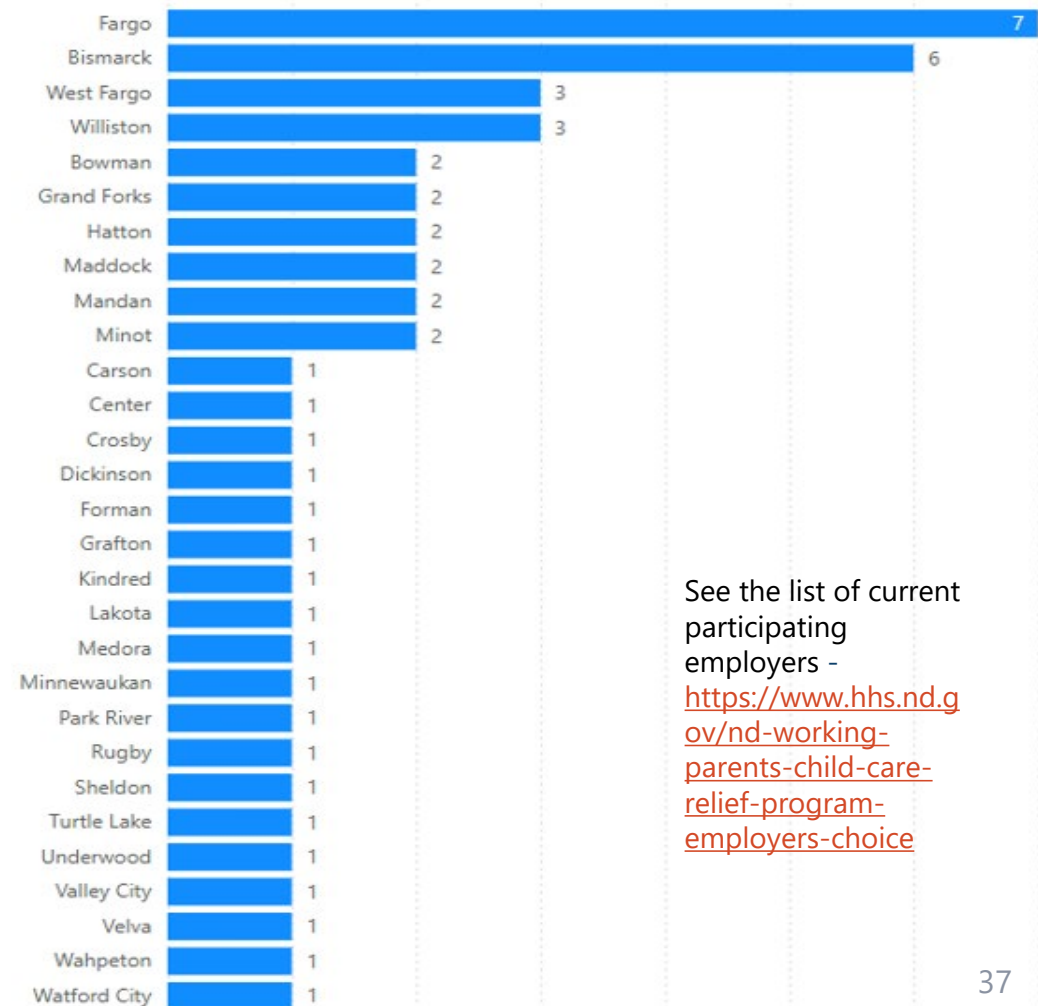
Costs and benefits:

\$1,218,150

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>

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 at hhs.nd.gov/childcare.

OPT IN NOW



HOW CAN EMPLOYERS BEGIN OFFERING THIS BENEFIT?
Visit hhs.nd.gov/wpccr/employers.

ND Health and Human Services
1,048 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](#)

KEEP YOUR TOP WORKERS. BOOST YOUR BOTTOM LINE.

- INCREASE RETENTION
- BOOST PRODUCTIVITY
- REDUCE ABSENTEEISM
- ATTRACT WORKFORCE

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.

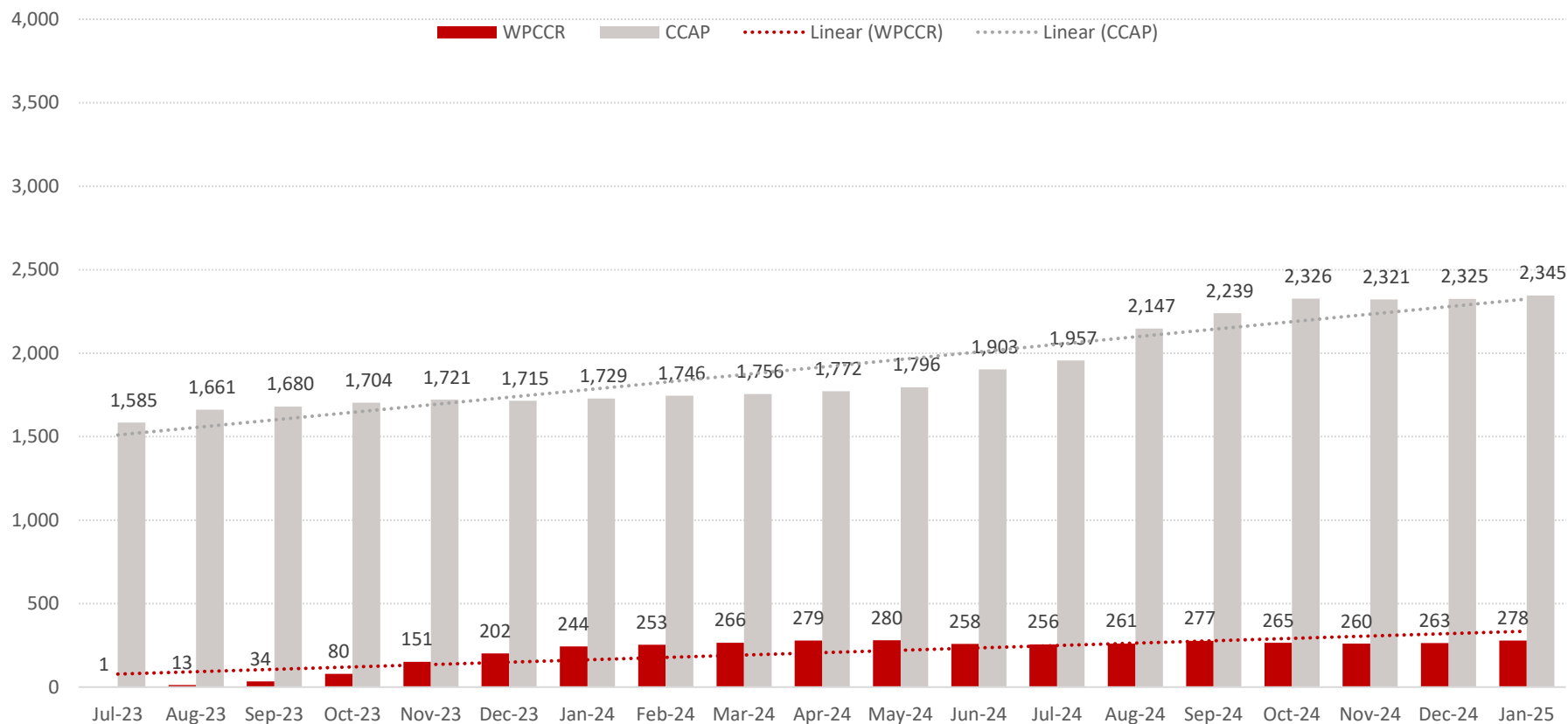
Questions? Visit hhs.nd.gov/childcare or call 701.328.2115, 711 (TTS) and press 7 to speak to a Working Parents Child Care Relief specialist.

Dakota Health & Human Services

Key Indicator: Child Care Affordability | WPCCR

Working Parent Child Care Relief has grown to serve 11-12% of the total number of infants and toddlers who benefit from CCAP

WPCCR and CCAP - Children ages 0-3
July 2023 - Jan 2025

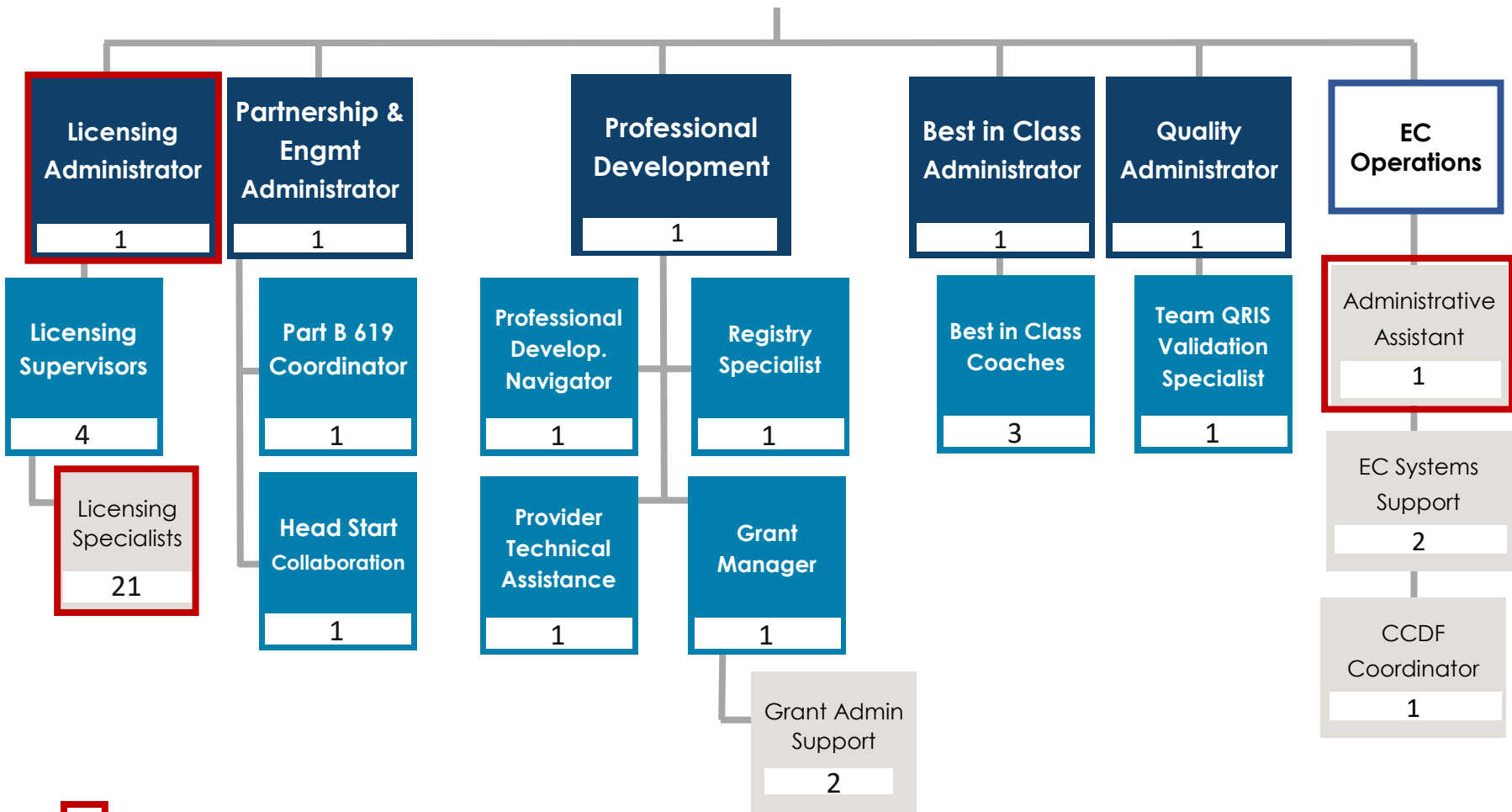


How it works

1. Employer opts in
2. Employee applies
3. HHS reviews/approves
4. Employer and state each send employee \$300/mo (or \$150/mo, depending on employer's benefit level)
5. Employee pays child care provider

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*
*numbers as of 12/1/2024			
**24 positions funded via the HSZ Ops budget			
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 Major Expense

DESCRIPTION	2023-25 LEGISLATIVE BASE	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012
Salaries & Benefits	\$ 4,120,692	\$ 1,048,515	\$ 5,169,207	\$ (200,967)	\$ 4,968,240
Operating	24,092,653	853,644	24,946,297	(650,000)	24,296,297
IT Services	-	1,650,872	1,650,872	-	1,650,872
Grants	28,216,994	(4,674,717)	23,542,277	(2,500,000)	21,042,277
Total	\$ 56,430,339	\$ (1,121,686)	\$ 55,308,653	\$ (3,350,967)	\$ 51,957,686
General Fund	\$ 28,111,417	\$ 16,038,858	\$ 44,150,275	\$ (3,350,967)	\$ 40,799,308
Federal Funds	28,318,922	(17,160,544)	11,158,378	-	11,158,378
Other Funds	-	-	-	-	-
Total Funds	\$ 56,430,339	\$ (1,121,686)	\$ 55,308,653	\$ (3,350,967)	\$ 51,957,686

Early Childhood Budget as % of HHS Budget

- 0.8%

Budget by Funding Source

- 79% General
- 21% Federal
- 0% Other

Budget by Pass Through

- 21.0% Paid to Private Providers
- 65.7% Direct Service
- 10.1% Admin
- 3.2% IT

Comparison of budget expenditures and projections

By Program

PROGRAMS	2023-25 LEGISLATIVE BASE	ONE-TIME / CARRYOVER	2023-25 EXPENSES THROUGH DECEMBER	2023-25 PROJECTED EXPENDITURES	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012	GENERAL	FEDERAL	OTHER
EC ADMIN, RELATED PROGRAMS	\$ 2,394,131	\$ -	\$ 1,405,110	\$ 2,059,365	\$ 2,900,631	\$ (98,967)	\$ 2,801,664	\$ 1,131,677	\$ 1,669,988	\$ -
EARLY CHILDHOOD IT	-	-	-	-	1,650,872	-	1,650,872	1,051,011	599,861	-
CHILD CARE LICENSING (PARTIAL)	1,101,875	-	733,036	1,050,499	1,383,447	-	1,383,447	15,660	1,367,787	-
PROVIDER GRANTS, PROF DEV & QUALITY	17,643,165	22,100,000	23,198,700	30,893,248	27,173,703	(3,252,000)	23,921,703	18,200,945	5,720,758	-
YEAR BEFORE KINDERGARTEN PROGRAMS	14,400,000	1,800,000	11,703,896	16,671,282	20,400,000	-	20,400,000	20,400,000	-	-
PRESCHOOL DEVELOPMENT GRANT	20,891,168	-	1,111,890	9,588,140	1,800,000	-	1,800,000	-	1,800,000	-
TOTAL	\$ 56,430,339	\$ 23,900,000	\$ 38,152,632	\$ 60,262,534	\$ 55,308,653	\$ (3,350,967)	\$ 51,957,686	\$ 40,799,293	\$ 11,158,393	\$ -

23-25 Carryover/One-Time = \$22,100,000

- One-time: ARPA Early Childhood Funds - \$ 7,100,000
- One-time: HB 1540 (grants, quality infrastructure, Working Parent Child Care Relief) - \$15,000,000
- One-time: ESSER Best in Class - \$1,800,000

Changes to Base Budget

By Ongoing, One-Time and Funding Source

BASE BUDGET CHANGES	DESCRIPTION	2025-27 EXECUTIVE BUDGET		ENGROSSED HB 1012	
		GENERAL	OTHER	GENERAL	OTHER
Child Care	Best in Class program expansion - One Time	\$6,000,000		\$6,000,000	
Child Care	Childcare grants, resources and shared services (conversion of HB1540 one-time funding) - One Time	\$5,000,000		\$2,500,000	
Child Care	Contracts and systems supporting quality infrastructure for child care programs	\$3,000,000		\$3,000,000	
Child Care	Maintaining expanded inclusion support for child care / children with special needs - One Time	\$172,500		\$172,500	
Child Care	Offer quality rated child care programs access to Teaching Strategies outcomes measurement system - One Time	\$100,000		\$100,000	
FTE Block Grant Reduction	FTE Block Grant Reduction			-\$200,967	
Operating Reduction	Operating Reduction			-\$650,000	

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

