

**2019 HOUSE HUMAN SERVICES**

**HB 1540**

# 2019 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

HB 1540  
2/4/2019  
32090

- Subcommittee  
 Conference Committee

Committee Clerk Signature Nicole Klamann

## Explanation or reason for introduction of bill/resolution:

Child care assistance program

## Minutes:

2

Chairman Weisz: Opened hearing.

Representative Ruby Buffalo: 04:18 Seeks to provide apportion to the Child Care Assistance program, increase the child care assistance criteria to 80% of the state median income, see **attachment 1**  
(0:04:18)

Chairman Weisz: Is the 8 Million based on what the cut back saved?

Rep. Buffalo: That number was worked by LC. But in a meeting with the Director of economics program, she stated that seems high.

Representative Clayton Fegley: Why did you pick 80% when use to be 85?

Rep. Buffalo: Typo on my part

Chairman Weisz: Further testimony?

Mason Sisk, Economic Development Association: See **attachment 2**

Opposition: None

Chairman Weisz: Anyone here from the Department that can answer a question?

Michelle Gee: Director of Economics Assistance Policy Division for Dept

Chairman Weisz: When we cut it what was that number 85% to 60% what was the dollar amount of that cut back?

Michelle: We are still working on the budget estimate for that cut, so I don't have that info but I can provide it once available.

Chairman Weisz: What is in the Governor's budget right now, 60%?

Michelle: Yes, the governor's budget does provide support up to 60%.

Chairman Weisz: Any change in Federal Funding for this program?

Michelle: We did have a small increase in the discretionary funding. We can provide that as well.

Representative Bill Tveit: Where do the dollars come from in its entirety? No fiscal provided

Michelle: Approximately 10% grants paid to families is general, remainder is federal and other funds.

Representative Mary Schneider: How much federal money lost from 85-60%

Michelle: We didn't lose federal funding, we just reduced our spending.

Rep. Schneider: If there's a federal match to it and we cut the grant, we would have lost the federal match, right?

Michelle: We would not have lost any federal match. Any money would have been carried over into future fiscal years. No loss

Rep. Schneider: I'm not understanding. We use to have 85%, for economic assistance which was Federal Money. Now cut to 60%. I'm guessing we lost federal money? How much was that loss?

Michelle: Prior to April 2018 when we were serving households up to the 85% of SMI the majority of that funding was state general funds.

Rep. Schneider: Can you get me the funding amount between 85% and 60%?

Michelle: Yes I will provide that

Chairman Weisz: When did we bump it up to 85%

Michelle: I will provide the date. I will provide the date we increased it and we decreased it April 2016

Chairman Weisz: Currently 90% is federal funds?

Michelle: Yes

Chairman Weisz: If we increase this from 60 to 85%. Will we change the federal grant amount?

Michelle: It is a fixed amount so it will not change.

Chairman Weisz: You don't have the numbers when we decreased it from 85% to 60% or how much money the department saved. You are stating at that time it was Federal Funds or General Funds?

Let me clarify; You said 90% was federal, 10% was general. Was that prior to going to 60% or after? Right now, 10% is general fund. And the Federal Grant did increase somewhat?

Michelle: That is our current funding. Yes, discretionary funding

Chairman Weisz: So approx. right now, at 60%-10% is general fund.

Michelle: That is correct.

Chairman Weisz: And the Federal Grant did increase somewhat?

Michelle: Yes with the childcare development reauthorization they did increase discretionary funding for states

Chairman Weisz: How much did we get increased?

Michelle: Between 2017 and 2018 fiscal year, we received 3.7 million in additional federal funds

Chairman Weisz: 2018 total Federal Funding for Childcare assistance program?

Michelle: 19 million dollars.

Chairman Weisz: Has the department changed the payment rate per child?

Michelle: No we have not changed the payment rate it since the increases provided at last legislation.

Chairman Weisz: What is the total budget currently?

Michelle: State and Federal Funding is at 21 million dollars.

Representative Kathy Skroch: Is there a cap on the reimbursement? In order to have bumped it from the 60% to the 85% we had to kick in state dollars to do that?

Michelle: Correct, The increase to 85% majority was general fund

Rep. Tveit: Total increase you are asking for would come out of state general fund.

Michelle: We aren't asking for an increase. However, yes it would be general fund.

Chairman Weisz: Data, when you dropped from 85-60% how many children lost coverage?

Michelle: Approximately 850 children lost coverage.

Chairman Weisz: closed hearing

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Human Service Committee**  
Fort Union Room, State Capitol

HB 1540  
2/6/2019  
32325

- Subcommittee  
 Conference Committee

Committee Clerk Signature Nicole Klamann

## **Explanation or reason for introduction of bill/resolution:**

Child Care Program

## **Minutes:**

Chairman Weisz: opened meeting

Chairman Weisz: Fiscal note of 8 million. I at one time, 2009, when we moved it up to 85% with all federal funding. At that point it didn't cost the state anything. When they did they allotment they brought it back down to 60%, this bill will take it back up.

Representative Bill Tveit: I would move a Do Not Pass, knowing it's all coming out of state funds. I feel we assist enough in this area.

Representative Todd Porter: Second

Representative Mary Schneider: I must be missing something. If it's a 90% Federal match, how is it all state funds? Or are you just looking at state funds.

Chairman Weisz: They were able to find federal funding to pay for us to go to 85%. Currently 10% of the money is state funds. If we increase it, isn't any more federal funds to support that. We are granted a fixed amount of federal funds, which won't increase. So it would be all state funds supporting the 60 to 85% increase this is requesting.

Roll Call Vote:      Yes 11      No 2      Absent 1

Motion carries, Do not pass

Representative Bill Tveit: Carrier

Date: 2-6-19  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1540

House Human Services Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Tveit Seconded By Rep. Porter

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

Total (Yes) 11 No 2

Absent 1

Floor Assignment Rep. Tveit

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

**REPORT OF STANDING COMMITTEE**

**HB 1540: Human Services Committee (Rep. Weisz, Chairman)** recommends **DO NOT PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1540 was placed on the Eleventh order on the calendar.



**2019 TESTIMONY**

**HB 1540**

#1  
HB 1540  
2/4/19  
pg. 1

**House Bill 1540**  
**Testimony**  
**Representative Ruth Buffalo**  
**District 27**

House Bill 1540 seeks to provide an appropriation to the department of human services for the child care assistance program. HB 1540 will increase the child care assistance criteria to 80 percent of the state median income.

This past summer, in going door to door visiting with constituents in District 27, I heard from so many throughout my campaign about the cost of child care.

The current eligibility rate for the child care assistance program is 60 percent of state median income. The rate was reduced from 85 percent to 60 percent as part of the budget reductions during the 2015-17 biennium.

In April 2016, State Median Income for the Child Care Assistance Program was reduced from 85 percent to 60 percent. As a result, we saw a reduction of approximately 850 children.

In order to qualify for the Child Care Assistance Program, caretakers must be in an allowable activity. Allowable activities include:

- Paid employment
- Self-employment
- Post-secondary education-individuals pursuing a certification, Associate's degree or Bachelor's degree provided the individual has not already earned a Bachelor's degree.

In 2018, 2,541 children used Economic Assistance Program; Child Care Assistance Program (CCAP), \$384 average cost per child, 1,658 households and \$589 average payment per household.

We know access to child care also means access to the workforce for so many working families. This bill would create opportunities for our working families to achieve their American dream.

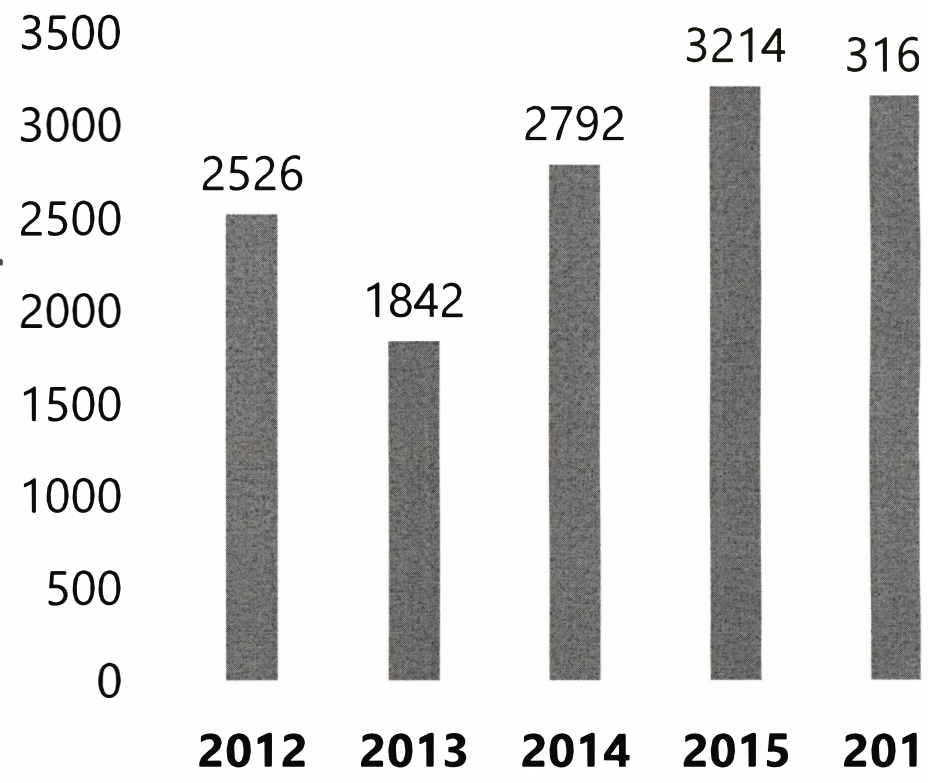
I thank you for the opportunity to stand before you to introduce and discuss a bill that would help remove barriers in access to the workforce for our families. Our working families deserve the support when they need it. Please consider a do pass recommendation to strengthen and support our communities, families, and individuals. We want an economy that works for all, we need to make sure our working families are strong and healthy.

#1  
HB 1540  
2/4/19  
P. 2

# SFY 2018 CCAP MONTHLY AVERAGES

- 2,541 Children
- \$384 Average Cost per Child
- 1,658 Households
- \$589 Average Payment per Household

Number of Children  
Monthly Average



#1  
HB 1540  
2/4/19  
Pg. 8

#1  
HB 1540

Child Care Assistance Program Sliding Fee Schedule  
North Dakota Department of Human Services  
DN 241 (10-2018)

**North Dakota Child Care Assistance Program  
Sliding Fee Schedule  
Effective October 1, 2018**

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

HH Size	Level 1 (10% of SMI)			Level 2 (20% SMI)			Level 3 (30% SMI)			Level 4 (40% SMI)			Level 5 (50% SMI)			Level 6 (60% SMI)			Level 7 (85% SMI) Applicable Only in Ongoing Cases and at Review			HH Size
	LL	UL	Copay (2.0%)	LL	UL	Copay (3.0%)	LL	UL	Copay (4.0%)	LL	UL	Copay (6.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	LL	UL	Copay (7.0%)	
1	\$0	\$400	\$8	\$401	\$801	\$25	\$802	\$1,201	\$49	\$1,202	\$1,602	\$97	\$1,603	\$2,002	\$141	\$2,003	\$2,402	\$169	\$2,403	\$3,403	\$239	1
2	\$0	\$524	\$11	\$525	\$1,047	\$32	\$1,048	\$1,571	\$63	\$1,572	\$2,094	\$126	\$2,095	\$2,618	\$184	\$2,619	\$3,142	\$220	\$3,143	\$4,451	\$312	2
3	\$0	\$647	\$13	\$648	\$1,294	\$39	\$1,295	\$1,940	\$78	\$1,941	\$2,587	\$156	\$2,588	\$3,234	\$227	\$3,235	\$3,881	\$272	\$3,882	\$5,498	\$385	3
4	\$0	\$770	\$16	\$771	\$1,540	\$47	\$1,541	\$2,310	\$93	\$2,311	\$3,080	\$185	\$3,081	\$3,851	\$270	\$3,852	\$4,621	\$324	\$4,622	\$6,546	\$459	4
5	\$0	\$893	\$18	\$894	\$1,787	\$54	\$1,788	\$2,680	\$108	\$2,681	\$3,573	\$215	\$3,574	\$4,467	\$313	\$4,468	\$5,360	\$376	\$5,361	\$7,593	\$532	5
6	\$0	\$1,017	\$21	\$1,018	\$2,033	\$61	\$2,034	\$3,050	\$122	\$3,051	\$4,066	\$244	\$4,067	\$5,083	\$356	\$5,084	\$6,099	\$427	\$6,100	\$8,640	\$605	6
7	\$0	\$1,040	\$21	\$1,041	\$2,079	\$63	\$2,080	\$3,119	\$125	\$3,120	\$4,158	\$250	\$4,159	\$5,198	\$364	\$5,199	\$6,238	\$437	\$6,239	\$8,837	\$619	7
8	\$0	\$1,063	\$22	\$1,064	\$2,125	\$64	\$2,126	\$3,188	\$128	\$3,189	\$4,251	\$256	\$4,252	\$5,314	\$372	\$5,315	\$6,376	\$447	\$6,377	\$9,033	\$633	8

**State Provider Rates**

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

Provider Type Provider Codes	Infant (Birth to 1)	Toddler (1-2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>CENTER</b> C, E, K, M	<b>\$840.00</b> \$210.00 (weekly)	<b>\$790.00</b> \$197.50 (weekly)	<b>\$720.00</b> \$180.00 (weekly)	<b>\$660.00</b> \$165.00 (weekly)
<b>LICENSED FAMILY/GROUP</b> F, G, H	<b>\$640.00</b> \$160.00 (weekly)	<b>\$620.00</b> \$155.00 (weekly)	<b>\$600.00</b> \$150.00 (weekly)	<b>\$600.00</b> \$150.00 (weekly)
<b>SELF-CERT. FAMILY/ REGISTERED</b> S, R, I	<b>\$420.00</b> \$105.00 (weekly)	<b>\$390.00</b> \$97.50 (weekly)	<b>\$382.00</b> \$95.50 (weekly)	<b>\$370.00</b> \$92.50 (weekly)
<b>APPROVED RELATIVE</b> Q, I	<b>\$350.00</b> \$87.50 (weekly)	<b>\$330.00</b> \$82.50 (weekly)	<b>\$322.00</b> \$80.50 (weekly)	<b>\$310.00</b> \$77.50 (weekly)

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

Infant (Birth to 1)	Toddler (1-2 years)	Preschool (3-5 years)	Other (6 up to 13)
<b>\$805.00</b> \$201.25 (weekly)	<b>\$740.00</b> \$185.00 (weekly)	<b>\$555.00</b> \$138.75 (weekly)	<b>\$477.60</b> \$119.40 (weekly)
<b>\$560.00</b> \$140.00 (weekly)	<b>\$540.00</b> \$135.00 (weekly)	<b>\$540.00</b> \$135.00 (weekly)	<b>\$500.00</b> \$125.00 (weekly)
<b>\$252.00</b> \$63.00 (weekly)	<b>\$234.00</b> \$58.50 (weekly)	<b>\$229.20</b> \$57.30 (weekly)	<b>\$222.00</b> \$55.50 (weekly)
<b>\$210.00</b> \$52.50 (weekly)	<b>\$198.00</b> \$49.50 (weekly)	<b>\$193.20</b> \$48.30 (weekly)	<b>\$186.00</b> \$46.50 (weekly)

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



#2  
HB 1540  
2/4/19  
pg. 1

**Testimony of Mason Sisk**

**Economic Development Association of North Dakota (EDND)**

**In Support of HB 1540**

**February 4, 2019**

Chairman Weisz and members of the House Human Services Committee:

My name is Mason Sisk and I am testifying on behalf of the Economic Development Association of North Dakota in support of HB 1540.

EDND represents large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's companies.

Childcare availability and cost are major issues facing young families making up North Dakota's potential workforce pool. Childcare expenses can result in fewer workers, detracting from the state's productivity and ability to attract new talent into the state. According to Childcare Aware, the average cost of sending an infant to a daycare center in North Dakota is more than \$9,000 per year, with some centers charging up to \$16,640 per year.

Thank you for the opportunity to address the committee and express support for this bill and for your continued commitment to working together to address North Dakota's workforce needs.