FISCAL NOTE
SENATE BILL NO. 2190
LC# 23.0292.02000
01/18/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$13,259,538		$15,330,642	
Appropriations			$13,259,538		$15,330,642	

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

SB 2190 amends NDCC 50-33-02 to increase the CCAP maximum monthly benefit by 10% annually and to advertise and provide sign up assistance to increase awareness of and enrollment. SB 2190 also amends NDCC 50-33-07, eliminating copays for families with income at or below 41% of state median income.

4 - Fiscal Impact Sections Detail

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

The fiscal note for the proposed change requiring a ten percent annual increase in the maximum monthly benefit rate, assumes a 10% increase in the annual expenditures for direct child care assistance in each year of the biennium.

The fiscal note for the proposed change to advertise the program and provide sign up assistance to increase awareness of and enrollment in the program is based on recent HHS experience for a comparable program. The proposed change for the mandate to provide application assistance assumes an approach targeted to the CCAP (Child Care Assistance Program) audience of working parents; it is based on an estimate that would allow HHS to implement various application assistance technologies to enable 24/7 support options. While HHS does not have a specific scope for the project as contemplated in response to the requirement outlined on page 2 lines 11 and 12 of SB 2190, the estimate is based on recent HHS experience with similar enhancement efforts.

The proposed change to eliminate the family fee or co-pay for families whose income does not exceed forty-one percent of the state median income for a family of the same size assumes approximately 20% of co-pay liabilities are incurred by families in this income range. The estimate is based on the most recent 6-month average monthly CCAP co-pay liability of $657,000 per month. The fiscal note also assumes a 5% increase in utilization during the second year of the biennium, as an anticipated response to the proposed change in co-pay policy.

Of note, family co-pays are based on a sliding fee scale, meaning the co-pays are adjusted depending on an individual's income. Co-pays range from 2% of the family's income for families that are at or below 10% of state median income to 7% of the family's income for families that are at or below 85% of state median income. (Reference: FY22 CCAP sliding fee scale / co-pay schedule).

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

All expenditures will only impact the grant line; no additional operating expenses or FTE are required to implement and manage the proposed change.
The proposals outlined in SB 2190 would require $11,759,538 in direct child care assistance and an additional $1,500,000 in operating funds for marketing and application assistance. The total cost for the 2023-2025 biennium would be $13,259,538.

The proposed change requiring a ten percent annual increase in the maximum monthly benefit rate, utilizing the 2023 program year as the base, requires an additional appropriation of $4,082,520 in the first year of the biennium and $4,444,512 in the second year of the biennium. The total cost of this change in the 2023-2025 biennium would be $8,527,032.

The proposed change to advertise the program and provide sign up assistance to increase awareness of and enrollment in the program would require an additional appropriation of $1,500,000 for the biennium. This would allow for a digital marketing campaign and the addition of 24/7 application assistance using chat bot technology, incorporating video technology assistance into the online application and to better incorporate resources to accommodate non- and limited-English-speaking families.

The proposal eliminating the family fee or co-pay for families whose income does not exceed forty-one percent of the state median income for a family of the same size would require an additional appropriation of $1,576,832 in the first year of the biennium and $1,655,674 in the second year of the biennium, to account for an assumed increase of 5% in the second year of the biennium. The total cost for this change in the 2023-2025 biennium would be $3,232,506.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

The 2021-2023 budget approved by the 67th Legislative Assembly appropriated $34,710,875 for CCAP direct assistance.

The 2023-25 Executive Budget Recommendation is based on a Cost to Continue of $48,319,826, along with an increase of $37,900,000 to fund the child care workforce proposal for a total of $86,219,826.

The 2023-2025 budget for CCAP direct assistance to childcare providers and families would need to be approved at a level of $97,979,364. An additional $1,500,000 in operating funds would also need to be appropriated for marketing and application assistance recommendation.

Contact Information

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Child Care Assistance Program Sliding Fee Schedule
North Dakota Department of Human Services
DN 241 (10-2022)

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

North Dakota Child Care Assistance P
Sliding Fee Schedule
Effective October 1, 2022

	Level 1 (10% of State Median Income)			Level 2 (20% SMI)			Level 3 (30% SMI)			Level 4 (40% SMI)			
HH Size	LL	UL	Copay (2.0%)	LL	UL	Copay (3.0%)	LL	UL	Copay (4.0%)	LL	UL	Copay (6.0%)	LL
1	$0	$464	$10	$465	$928	$28	$929	$1,392	$56	$1,393	$1,856	$112	$1,857
2	$0	$607	$13	$608	$1,214	$37	$1,215	$1,820	$73	$1,821	$2,427	$146	$2,428
3	$0	$750	$15	$751	$1,499	$45	$1,500	$2,249	$90	$2,250	$2,998	$180	$2,999
4	$0	$892	$18	$893	$1,785	$54	$1,786	$2,677	$108	$2,678	$3,569	$215	$3,570
5	$0	$1,035	$21	$1,036	$2,070	$63	$2,071	$3,105	$125	$3,106	$4,140	$249	$4,141
6	$0	$1,178	$24	$1,179	$2,356	$71	$2,357	$3,533	$142	$3,534	$4,711	$283	$4,712
7	$0	$1,205	$25	$1,206	$2,409	$73	$2,410	$3,614	$145	$3,615	$4,818	$290	$4,819
8	$0	$1,231	$25	$1,232	$2,463	$74	$2,464	$3,694	$148	$3,695	$4,926	$296	$4,927

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 17 months)	**Toddler** (18 months to 2 years)	**Preschool** (3-5 years)	**Other** (6 up to 13)	(Birth
CENTER C, E, K, M	**$913.33** $228.33 (weekly)	**$888.00** $222.00 (weekly)	**$811.00** $202.75 (weekly)	**$760.00** $190.00 (weekly)	$225
LICENSED FAMILY/GROUP F, G, H	**$700.00** $175.00 (weekly)	**$700.00** $175.00 (weekly)	**$680.00** $170.00 (weekly)	**$660.00** $165.00 (weekly)	$175
SELF-DECLARED/ TRIBAL REGISTERED S, R	**$462.00** $115.50 (weekly)	**$429.00** $107.25 (weekly)	**$420.20** $105.05 (weekly)	**$407.00** $101.75 (weekly)	$69
APPROVED RELATIVE	**$367.50** $91.87 (weekly)	**$346.50** $86.62 (weekly)	**$338.10** $84.52 (weekly)	**$325.50** $81.37 (weekly)	$55

State provider rates will be rounded down when the rate is not a full d

Allowable Maximum for Registration fees

Provider Type: C, E, K, M, F, G, H - $150 per calendar yea