

HB 1540 Implementation Update

December 18, 2023

Interim Human Services Committee | Representative Matt Ruby, Chairman
Presented by: Jessica Thomasson, Executive Director, Human Services, NDHHS



House Bill 1540 ND Child Care Initiative

A strategy of both comprehensive and targeted investment



Target investments to ages 0-3

- ✓ Age of highest developmental return for children
- ✓ Period of greatest economic pressure for most young families
- ✓ Critical decision point for individual-level decisions about how/if to rejoin the labor force
- ✓ Focus on working families employed in occupations where compensation doesn't offset the cost of child care needed to enable work



Embrace an all-of-the-above approach to child care

- ✓ Quality early experiences can happen anywhere.
- ✓ Working families should have meaningful choices about child care.
- ✓ Principles of quality are knowable and transferrable to any setting.
- ✓ Sustainable child care businesses will support more sustainability within the workforce.



Help working parents provide for their families by supporting employment, training and education goals

- ✓ Benefits are scaled to family need.
- ✓ Employers have meaningful vehicles to remediate child care as a barrier to work.
- ✓ There are opportunities for children who are least likely to have access to quality early childhood experiences.

Child care is a workforce solution that can make a difference for ND employers



Affordability

Connect more working families to child care assistance to keep the cost of child care within 7% of household income

\$32.8 million | Helping lower income working parents with child care costs | Public private cost share for employer-provided child care benefit for employees



Availability

Make it easier for working families to find child care when and where they need it

\$24.8 million | Payments for Infant and Toddler care | Supporting more sustainable operations for child care entrepreneurs | Care during non-traditional hours | Child care worker career pathways | Criminal background checks



Quality

Help kids realize their potential by supporting quality early childhood experiences

\$8 million | Scholarships and Incentives for child care worker professional development | Connecting child care payments to quality

Supporting Working Families | Strengthening our Workforce

ND Child Care Initiative

House Bill 1540, 68th Legislative Assembly

1. Conduct annual child care rate study including both market and cost base (Sec 1)
2. Reduce max household income for CCAP from 85% to 75% SMI (Sec 3; impl July 1 2025)
3. Invest in the Child Care Assistance Program (\$22M) (Sec 5.1)
4. Increase provider payments for infant and toddler care (\$15M) (Sec 5.2)
5. Establish quality-based tiers in the CCAP payment schedule (\$3M) (Sec 5.3)
6. Eliminate CCAP family co-pay when income <30% SMI (\$2.3M) (Sec 2 and Sec 5.4)
7. CCAP application assistance and outreach (\$500k) (Sec 5.5)
8. Extend ND's employer-led child care cost sharing program (\$5M) (Sec 5.6)
9. Support child care providers with grants and shared services (\$7M) (Sec 5.7)
10. Partnerships for care provided during non-traditional hours (\$1.8M) (Sec 5.8)
11. Stipends for workers who complete above-and-beyond training (\$2M) (Sec 5.9)
12. Quality infrastructure to support excellence in service delivery (\$3M) (Sec 5.10)
13. Streamline and automate background check process (\$1M) (Sec 5.11)
14. State of ND participation in matching employee child care benefit (\$3M) (Sec 6)



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Last updated December 2023

- ✓ Child Care Assistance (CCAP) - **operating**
- ✓ CCAP Infant/Toddler Payment Boost – **Aug 2023**
- ✓ CCAP 0% co-pay for households <30% SMI – **Jul 2023**
- ✓ CCAP Quality Tiers in CCAP – **Dec 2023**
- ✓ Working Parent Child Care Relief employer-led cost share program (WPCCR) – **operating**
- ✓ WPCCR opt-in for State of ND as employer – **Aug 2023**

Affordability



- ✓ Grants for Health/Safety and Inclusion – **Oct 2023**
- ✓ Start-up / Expansion Grants – **Oct 2023**
- ✓ Shared Service Alliance – **Oct 2023**
- ✓ Demonstration projects for care during non-traditional hours – **Q2 24 (est)**

Availability



- ✓ CC worker training stipends – **operating**
- ✓ Annual quality grant awards for all QRIS-rated programs – **Sept 2023**
- ✓ Best in Class and Waterford Upstart – **Aug 2023** start for 23-24 year awards / enrollment

Quality



- ✓ Background check automation – in progress; anticipate roll out **Q4 2024 (est)**
- ✓ Fingerprint stations – fully implemented **Jan 2024 (est)**
- ✓ Increased capacity for QRIS cohorts – **Aug 2023**
- ✓ Improvements to parent CCAP experience – **Q1 2024 (est)**
- ✓ Coaching capacity for licensed programs – **Aug 2023**

Infrastructure



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Affordability - in progress	Availability - in progress	Quality - in progress	Infrastructure - in progress
Affordability - milestone	Availability - milestone	Quality - milestone	Infrastructure - milestone
COVID-funded Affordability	COVID-funded Availability	COVID-funded Quality	COVID-funded Infrastructure

21-23 Biennium									23-25 Biennium									
2021		2022				2023				2024				2025				
Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	
New HHS Early Childhood section (July)		ND Child Care Initiative announcement				23-25 Legislative Session		★ HB 1540	Biennium Start Date				25-27 Legislative Session		Biennium Start Date			

Initiative	HB 1540	Appropriation	Implementation Progress																			
1 Conduct annual study of child care rates incl both market and cost base	Section 1		CCDF Plan						Survey Data Collection		Survey Results		CCDF Plan		New CCAP Rates Oct 1; Survey Data Collection		Survey Results		New CCAP Rates Oct 1; Survey Data Collection			
2 Reduce max household income for CCAP from 85% to 75% SMI	Section 3																					
3 Invest in the Child Care Assistance Program	Section 5.1	\$22,000,000																				
4 Increase provider payments for infant and toddler care	Section 5.2	\$15,000,000					Implement Infant/Toddler pmt Aug 1		Implement Infant/Toddler boost													
5 Establish quality-based tiers in the CCAP payment schedule	Section 5.3	\$3,000,000																				
6 Eliminate requirement for family co-pay when income <30% SMI	Section 2 & Section 5.4	\$2,300,000					Eliminate co-pay for <30% SMI															
7 CCAP application assistance and outreach	Section 5.5	\$500,000							HCD/Ux for SSP/WP begins		Notice/Nudge redesign begins		Outreach and marketing begins		18 mo renew, Catex (prog & CC); homeless verif, 30 day pend				Notice Nudge proj complete			
8 Extend ND’s employer-led child care cost sharing program	Section 5.6	\$5,000,000					Launch WPCCR Pilot Mar 2023															
9 Support child care providers with grants and shared services	Section 5.7	\$7,000,000					Launch shared service alliance		Open inclusion, quality, facility & start-up grants													
10 Partnerships for care provided during non-traditional hours	Section 5.8	\$1,800,000					Consider proposals															
11 Stipends for workers who complete above-and-beyond training	Section 5.9	\$2,000,000					Launch worker training stipends															
12 Quality infrastructure to support excellence in service delivery	Section 5.10	\$3,000,000																				
13 Streamline and automate background check process	Section 5.11	\$1,000,000					Project planning				Procurement				Anticipated Go Live							
14 State of ND participation in matching employee child care benefit	Section 8	\$3,000,000					Announce WPCCR to State employees															
		\$65,600,000																				



For more information

<https://www.hhs.nd.gov/childcare>

<https://www.hhs.nd.gov/applyforhelp/ccap>

<https://www.hhs.nd.gov/wpccr>

<https://ndchildcare.org>

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