The Child Care & Development Block Grant (CCDBG) is the primary federal grant program that allows states to provide child care assistance to low-income working families with children under age 13. The majority of these funds serve children 6 years or younger, with the remainder supporting care for older children during out-of-school time.

Subsidies help remove barriers to affordable, high-quality child care, whether in center- or home-based settings. They give working parents the ability to access quality care and choose the type of care that works best for them. The majority of funds go directly to providing early learning experiences, but states can also use the funding to:

- Recruit and retain a well-qualified, fairly compensated, and effective workforce
- Support continuous quality improvement
- Meet the child care needs of families working nontraditional hours

**Income Eligibility**

Given CCDBG is a federal block grant, state Lead Agencies have the flexibility to design their own subsidy programs in compliance with established eligibility and quality requirements and may choose to set their own additional requirements.

The Lead Agency in North Dakota is the North Dakota Department of Human Services. Families that meet income eligibility and work/job training/education requirements can apply to the Lead Agency for a subsidy. Many families are required to pay a copay, but states may waive those requirements. Families who receive a subsidy may choose any participating child care provider, including center-based care (including faith-based programs), home-based care, and in-home care.

In North Dakota, eligibility is capped at 60% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make: $3,881 or less per month ($46,572 per year).
Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat. CCDBG was the primary mechanism for providing this relief to child care providers and ensuring access to child care for thousands of working families through CARES, CRRSA, and ARPA.

As of December 31, 2022:

1,015 child care programs in North Dakota received American Rescue Plan Stabilization support, impacting up to 35,800 children.

Providers in 92% of North Dakota counties have received funds, including:

Most common use of funds:
- Personnel costs and keeping programs staffed.
- Rent and mortgage payments, typically their largest operating expense.

American Rescue Plan Act Spending Spotlight

Funds have been used to support and stabilize the workforce, including:
- Increasing compensation;
- Strengthening employee benefits;
- Assisting with rent and utilities;
- Providing scholarships, professional development, and training.

Federal pandemic relief funding, which buttressed an already struggling child care market, expires in September 2024. As this temporary funding expires, Congress must come together to strengthen and invest in our federal early learning and care programs so families can access the reliable, high-quality, affordable child care they depend on.

North Dakota reimburses at the federally recommended reimbursement rate. Higher payment rates are critical in supporting providers to stay financially afloat and provide high-quality learning experiences. They also help low- and middle-income working families afford quality child care.

Provider Reimbursement Rates in North Dakota

In percentiles of market rate

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<thead>
<tr>
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Receiving subsidies results in much lower out-of-pocket costs for families.

In North Dakota, a family receiving a CCDBG subsidy pays between

- $13 out-of-pocket per month
- $272 out-of-pocket per month

Families with very low incomes (defined as families receiving TANF) are exempt from copayments.

For instance, center-based infant care ranges in price from:

- $611 in McHenry County per month
- $1,093 in McKenzie County per month

Families that don't receive subsidies pay significantly higher costs.

Find more information on child care prices by age and care setting in your state or county here.

Provider Reimbursements

ACF recommends that Lead Agencies set provider reimbursement rates at the 75th percentile of the market rate. This is the price the lowest 75% of child care programs included in the market rate survey reported charging.

However, market rates often do not reflect the actual costs of providing high-quality care as programs must charge what families can afford in order to fill slots. Therefore, there is a significant gap between how much providers are reimbursed and how much it costs to provide care. Find answers to the most frequently asked questions about provider reimbursement rates here.

Federal pandemic relief funding, which buttressed an already struggling child care market, expires in September 2024. As this temporary funding expires, Congress must come together to strengthen and invest in our federal early learning and care programs so families can access the reliable, high-quality, affordable child care they depend on.

1. Census
2. Census
3. Office of Child Care (OCC), “FY2020 CCDF Preliminary Data Tables”
5. Office of Child Care (OCC), “FY2019 CCDF Allocations (Based on Appropriations)"
7. Ibid.
8. OCC, “CCDBG Act CCDBG Supplemental Funding Allocations for States and Territories”, FY 2021 CRRSA Supplemental Appropriations Allocations for FY2021
10. OCC, “Child Care and Development Fund (CCDF) National Database of Child Care Prices”
11. ACF, “TANF Financial Data - FY2021”
12. OCC, “FY 2019 Preliminary Data Table 7 - Number of Child Care Providers Receiving CCDF Funds”
13. Ibid.
14. OCC, “FY2021 CCDF Allocations (Based on Appropriations)”
15. Ibid.
16. 100% of the federal poverty level is $23,030 annually
17. United States Women’s Bureau, “National Database of Child Care Prices”
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