

EXHIBIT 1
DATE 1-12-07
~~SB~~ HB 120

HB120 Written Testimony

Mr. Chairman, members of the committee, my name is Becky Fleming-Siebenaler. I am the Acting Bureau Chief for the DPHHS Quality Assurance Division, Licensing Bureau. I am also the Program Manager for the Child Care Licensing Program.

You have before you, HB120 which contains proposed changes to the Montana Child Care Act. These proposed changes are referenced in sections 52-2-713, MCA and 52-2-733, MCA.

This bill is intended to allow the Department of Public Health and Human Services— Quality Assurance Bureau and the Early Childhood Services Bureau to make changes to the statutes governing their respective programs; For QAD, the proposed changes will exempt mandatory annual inspections to day care centers who have received an extended license and for ECSB, the legislation if passed, will create flexibility in payment rates paid by the department.

What will this legislation accomplish?

This legislation is two fold and will accomplish the following:

- Exempt day care providers who have received an extended license (2 year or a 3 year license) from having an annual licensing inspection
- Allow the department the flexibility to make payments for eligible children in a manner other than a daily rate as currently specified in statute.

Why is this legislation necessary?

Modifications to 52-2-733, MCA--Extended Licensing

In 1999, the department was successful in passing HB190, which allowed Extended Licensing for day care programs who met or exceeded the minimum licensing regulations. The rationale for Extended Licensing dealt not only with Licensor work load issues, but was also seen as a 'reward' for providers who maintained compliance.

By its very nature, extended licensing allows those facilities that meet or exceed established standards to be exempt from the annual inspection process. In doing so, the department could focus on those providers who are in need of the most attention. Since the passage of HB190, the department has implemented extended licensing, and does not conduct inspections of those facilities that have maintained this status.

However, after the implementation of HB 190, it came to the department's attention that the requirements for annual inspections of day care centers as contained in section 52-2-733 (4) had not been amended in light of HB190. The intent of this current piece of

legislation is to amend 52-2-733, MCA to specify that annual visits to day care centers will only occur when that facility has not been awarded an extended license.

With regard to the *Modifications to 52-2-713, MCA—Payments for Eligible Children*, Ms. Jamie Palagi, the bureau chief from the Early Childhood Services Bureau is here to testify on matters concerning this section.

Mr. Chairman, at this time, I would like to request that Ms. Palagi testify on the payment issues.

Mr. Chairman, Members of the Committee, for the record my name is Jamie Palagi. First, I would like to thank Representative Henry for sponsoring this bill, secondly thank you for the opportunity to testify in support of HB 120.

The proposed changes in this section will allow the department flexibility to make payments for eligible children in a manner other than a daily rate and in accord with general business practices of child care providers. I would refer you to line 14 of HB 120, we are asking for the word "daily" to be stricken from the law to allow for this flexibility.

Under the current law, payment rates for eligible children are specified at a daily rate. The department currently offers hourly and daily rates. The daily rate is applied to children who are in care 6 or more hours per day. The hourly rate is set for children in care under 6 hours per day.

Many child care providers run their business with rates other than daily rates, including hourly, weekly, monthly, and a combination of rate types. The intent of this legislation is to provide flexibility to the department to be more responsive to current business practices that better reflect the market. Thus improving access to care for low-income families and reducing the administrative burden placed on providers who serve these children.

Conclusion:

This legislation will allow the department flexibility in two key areas of child care— (1) in how inspections are conducted for day care centers who have qualified for an extended license, and (2) how the department pays child care providers.

By allowing this flexibility the department is able to continue addressing the workload issues of licensing staff, while maintaining proper standards for the health and safety of children attending center programs, and the legislation allows the department to offer payment which is more in line with day care provider's current business practices, which contributes to their financial stability.

We would ask for a do pass on HB120.