

Testimony
Senate Bill No. 2084
Senate Human Services Committee
Senator Judy Lee, Chairman
January 9, 2023

Chairman Lee and members of the Senate Human Services Committee, I am Michele Gee, Director of the Economic Assistance Section for the Department of Health and Human Services (Department). I am here today to provide testimony in support of Senate Bill 2084 which was introduced on behalf of the Department.

Senate Bill 2084 proposes changes to North Dakota Century Code chapters 50-06 and 50-33 relating to child care assistance payments to providers.

Section 1. The proposed change in Section 1 of this Bill amends section 50-06-06.11 of North Dakota Century Code to remove the phrase “at the election of the early childhood facility”. This change would mean that all Child Care Assistance Program (CCAP) payments will be made directly to early childhood services providers, rather than the current practice which is that providers can elect those payments be issued directly to families.

To help assure timely child care assistance program payments to early childhood services providers, the Department transitioned from a retrospective to a prospective payment model in November 2022. This change allows the Department to pay for child care at the beginning of the month, based on a child’s enrollment in a child care program. Prior to this change, payment was made in the month after care was provided on the basis of attendance records that early childhood services providers were required to submit to Human Service Zones via paper billing forms or electronically through the online provider portal. Once received Human

Service Zone eligibility workers used the billing forms to calculate and authorize a reimbursement payment for child care provided in the prior month.

To make the transition to prospective payment possible, the Department updated its provider portal, which is part of the Self-Service Portal and Combined Eligibility System (SPACES), to allow providers to log in via a computer or mobile device and securely certify a child's enrollment in their program. Once certified, for every child who is eligible, a payment is automatically generated as a direct deposit into the provider's designated account on the 1st of the month. If providers are not able to certify enrollment prior to the 25th of the month, payment will be automatically generated to the provider's designated account within 3-5 business days of certification. Under current law, if a provider elects the payment be made to the family, the Department sends a payment file to the State Treasurer's Office so a paper check can be mailed to the family.

Since changing to the prospective payment process, approximately 2,600 of the 2,700 payments issued by the Department for child care assistance each month are made direct deposit to providers. Removing the election will reduce the burden on families who are eligible for child care assistance while still allowing providers to receive timely payments and streamlining the administration of the child care assistance program payment process.

Section 2. The proposed changes in Section 2 of this Bill amends section 50-33-01 of North Dakota Century Code to align the definition of "human service zone" with chapter 50-35, regarding state-funded human services and adds the definition of "in-home provider", aligned with the definition in section 50-11.1-02 regarding early childhood services.

Section 3. The proposed change in Section 3 of this Bill amends section 50-33-06 of North Dakota Century Code to allow an approved

relative to provide care for no more than five children through the age of twelve or three children under the age of two, including the provider's children. The amendment changes the upper limit from "under the age of twelve" to "through the age of twelve", aligning with the definition of school-age children and early childhood licensing requirements in section 50-11.1-02.1 of the North Dakota Century Code and as is currently proposed to be amended in Senate Bill 2104.

Section 4. The proposed changes in Section 4 of this Bill amends section 50-33-08 of North Dakota Century Code, adding language to clarify that the limitation on in-home child care benefits applies to both in-home providers and also to a child receiving in-home child care.

This concludes my testimony, and I am happy to answer any questions you may have.