

CHAPTER 324

AN ACT concerning State subsidies to child care providers and making an appropriation.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. For the period beginning on the effective date of P.L.2021, c.324 and ending June 30, 2022, and notwithstanding any law, rule, or regulation to the contrary and in addition to any other criteria set forth by the Division of Family Development in the Department of Human Services to determine a provider's subsidy payment for child care services, the division shall determine the subsidy payment for child care services issued to a licensed child care center or a registered family day care provider based on the number of children enrolled with the provider who are eligible for child care services. At no time during this period shall a subsidy payment for child care services issued to a licensed child care center or a registered family day care provider be based on the attendance of eligible children for child care services.

b. A licensed child care center or a registered family day care provider for which the subsidy payment is based on enrollment of children who are eligible for child care services shall comply at all times with requirements concerning the ratio of staff to enrolled children, as established pursuant to regulation by the Office of Licensing in the Department of Children and Families. At no time shall this ratio be based on the attendance of children eligible for child care services.

c. Within 12 months following the effective date of this act, the division shall conduct a study and submit a written report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature comparing the costs of basing child care provider subsidy payments on the number of children enrolled who are eligible for child care services and basing such subsidy payments on the number of children in attendance who are eligible for child care services. As part of the study and report, the division may consider other measures that may be taken with respect to the payment of subsidies to licensed child care centers and registered family day care providers to ensure stability for providers and best serve families of children eligible for child care services.

d. The Commissioner of Human Services shall apply for such State plan amendments or waivers as may be necessary to implement the provisions of this section and to continue to secure any available federal financial participation for the applicable child care programs.

e. As used in this section, "child care services" means those services provided to eligible children, as certified by the Division of Family Development within the Department of Human Services, for which the division receives and administers State and federal funding to provide subsidy payments to licensed child care centers and registered family day care providers.

2. There is appropriated from the General Fund to the Department of Human Services the sum of \$400,000 to conduct the study and submit the report required pursuant to subsection c. of section 1 of P.L.2021, c.324. The Department is authorized to contract with a third party to conduct the study and submit the report required by that subsection.

3. This act shall take effect immediately.

Approved December 21, 2021.