

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 136

STATE OF NEW JERSEY

DATED: OCTOBER 31, 2022

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 136.

This bill stipulates that, on or after the effective date of the bill, the terms of a contract entered into between the Department of Children and Families (DCF) and a children, youth, and family organization are to include an annual increase in the cost of living adjustment received by the organization.

The cost of living adjustment would be based on the Consumer Price Index for the previous 12-month period beginning October 1 and ending September 30, as published by the United States Department of Labor, and DCF would be required to announce the rate of the increase on October 1 of each year.

As used in the bill, a “children, youth, and family organization” means an organization that provides programs and services to children, youth, and families through contracts entered into with DCF including, but not limited to, programs partially or fully funded by the State Medicaid program.

DCF contracts with children, youth, and family organizations to provide child protective and treatment services through a competitive bidding process whereby a fixed rate is established for the provision of services. The fixed rate includes all the costs associated with the delivery of services including, but not limited to, salary, wages, and compensation for the staff of the organizations who provide the direct services to children, youth, and families. Such staff members continually face increases in their living expenses, but the rates provided to children, youth, and family organizations contracted with DCF are not automatically adjusted for cost of living increases.

This bill would establish a statutory mechanism for providing annual cost of living adjustments to children, youth, and family organizations contracted with DCF.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.