

ASSEMBLY, No. 4714

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 21, 2020

Sponsored by:
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)

SYNOPSIS

Revises criteria to determine provider subsidy payments and applicant income eligibility regarding child care services for 2020-2021 school year.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the subsidized child care assistance program.

2

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

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6 1. As used in this act, “child care services” means those
7 services provided to eligible children for which the Division of
8 Family Development in the Department of Human Services receives
9 and administers State and federal funding to provide subsidy
10 payments to licensed child care providers.

11

12 2. Notwithstanding any law, rule, or regulation to the contrary
13 and commencing upon the effective date of this act and expiring on
14 June 30, 2021, the Division of Family Development in the
15 Department of Human Services shall ensure that all subsidy
16 payments issued to a licensed child care provider over the period of
17 a calendar month for child care services shall be equal to, at a
18 minimum, the aggregate monthly subsidy payment issued to the
19 provider in February 2020. Nothing in this section shall be
20 construed to prohibit the division from issuing a monthly subsidy
21 payment in a larger amount, provided that the child care provider
22 delivered such child care services to warrant the payment.

23

24 3. a. Notwithstanding any law, rule, or regulation to the
25 contrary and commencing upon the effective date of this act and
26 expiring on June 30, 2021, the Division of Family Development in
27 the Department of Human Services shall utilize the following tiers to
28 determine an applicant’s initial income eligibility and subsequent
29 placement on the department’s co-payment schedule regarding child
30 care services:

31 (1) Tier A: annual gross family income, when adjusted for the
32 family size, is at or below 250 percent of the Federal Poverty Level
33 (FPL);

34 (2) Tier B: annual gross family income, when adjusted for the
35 family size, is between 251 percent and 275 percent of FPL; and

36 (3) Tier C: annual gross family income, when adjusted for the
37 family size, is between 276 percent and 300 percent of FPL. An
38 applicant shall be initially determined to be income ineligible for child
39 care services if the applicant’s annual gross family income, when
40 adjusted for the family size, is above 300 percent of FPL.

41 b. An applicant who has been initially determined as eligible to
42 receive subsidized child care services pursuant to subsection a. of this
43 section shall remain income eligible and be allowed to continue to
44 receive such services, under Tier D, until the annual gross family
45 income, when adjusted for family size, exceeds 375 percent of FPL.

46

47 4. There are hereby appropriated such sums as necessary for
48 the implementation of this act, as determined by the Commissioner

1 of Human Services. The amounts appropriated shall be funded first
2 from assistance provided from the federal government to the extent
3 not prohibited by federal law. The remaining amounts necessary to
4 fund the provisions of this act shall be appropriated from the
5 General Fund.

6
7 5. The Commissioner of Human Services shall apply for such
8 State plan amendments or waivers as may be necessary to
9 implement the provisions of this section and to continue to secure
10 any available federal financial participation for the applicable child
11 care programs.

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13 6. This act shall take effect immediately and shall expire on
14 June 30, 2021.

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17 STATEMENT

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19 This bill revises criteria to determine provider subsidy payments
20 and applicant income eligibility regarding child care services for the
21 2020-2021 school year. As defined under the bill, “child care
22 services” means those services provided to eligible children for
23 which the Division of Family Development in the Department of
24 Human Services receives and administers State and federal funding
25 to provide subsidy payments to licensed child care providers.

26 The effects of the coronavirus 2019 pandemic have caused
27 hardship for the entire child care system. Providers face soaring
28 overhead costs associated with smaller class sizes, new cleaning
29 protocols, and mandates for personal protective equipment for child
30 care staff, while working families of school-aged children struggle
31 to afford unexpected child care expenses in the face of remote and
32 hybrid learning. It is the sponsor’s intent to provide financial relief
33 to both providers and families and to help stabilize the child care
34 system.

35 Specifically, the bill directs the Division of Family Development
36 in the Department of Human Services to ensure that all subsidy
37 payments issued to a licensed child care provider over the period of
38 a calendar month for child care services are equal to, at a minimum,
39 the aggregate monthly subsidy payment issued to the provider in
40 February 2020. As such, under the bill, subsidy payments to child
41 care providers will be equivalent to pre-pandemic payments. The
42 bill explicitly states that its provisions are not to prohibit the
43 division from issuing a monthly subsidy payment in a larger
44 amount, provided that the child care provider delivered such child
45 care services to warrant the payment.

46 The bill also directs the division to utilize the following tiers,
47 which mirrors the current structure used by the division, to
48 determine an applicant’s initial income eligibility and subsequent

1 placement on the department's co-payment schedule regarding child
2 care services:

3 1) Tier A: annual gross family income, when adjusted for the
4 family size, is at or below 250 percent of the Federal Poverty Level
5 (FPL);

6 2) Tier B: annual gross family income, when adjusted for the
7 family size, is between 251 percent and 275 percent of FPL; and

8 3) Tier C: annual gross family income, when adjusted for the
9 family size, is between 276 percent and 300 percent of FPL. An
10 applicant is to be initially determined to be income ineligible for child
11 care services if the applicant's annual gross family income, when
12 adjusted for the family size, is above 300 percent of FPL.

13 Under the bill, a child who has been initially determined as eligible
14 to receive subsidized child care services is to remain income eligible
15 and be allowed to continue to receive such services, under Tier D, until
16 the annual gross family income, when adjusted for family size,
17 exceeds 375 percent of FPL.

18 In doing so, this bill increases the FPL thresholds for each
19 existing Tier of income eligibility; thereby providing more low-
20 income families with access to subsidized child care. For example, a
21 family of four would currently qualify for the subsidized child care
22 program in Tier A, which offers the lowest co-payment amounts for
23 families, with an annual gross income of \$39,300 or less. Under the
24 bill, this amount would increase to \$65,500. Tier C, the highest tier
25 for initial eligibility into the program, would increase from \$52,500
26 to \$78,600 for a family of four.

27 The bill also appropriates such amounts as are necessary for the
28 implementation of the bill, as determined by the Commissioner of
29 Human Services. The amounts appropriated are to be funded first
30 from assistance provided from the federal government to the extent
31 not prohibited by federal law, such as those funds provided to the
32 State via the Coronavirus Relief Fund established pursuant to the
33 federal "Coronavirus Aid, Relief, and Economic Security Act," also
34 known as the CARES Act. The remaining amounts necessary to
35 fund the provisions of the bill are to be appropriated from the
36 General Fund.

37 The provisions of the bill take effect immediately and expire on
38 June 30, 2021, thereby applying to the entire 2020-2021 school
39 year.