

ASSEMBLY, No. 5621

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 12, 2021

Sponsored by:

Assemblywoman AURA K. DUNN

District 25 (Morris and Somerset)

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District 37 (Bergen)

SYNOPSIS

“New Jersey COVID-19 Working Families Childcare Access Act”; temporarily revises criteria to determine applicant income eligibility regarding child care subsidies.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/9/2021)

1 AN ACT concerning income eligibility requirements for the
2 subsidized child care assistance program.

3

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

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7 1. This act shall be known and may be cited as the “New Jersey
8 COVID-19 Working Families Childcare Access Act.”

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

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16 3. a. Notwithstanding any law, rule, or regulation to the
17 contrary and commencing upon the effective date of this act and
18 expiring 60 days following the termination of the Public Health
19 Emergency and State of Emergency declared by the Governor in
20 Executive Order 103 of 2020 concerning the coronavirus disease
21 2019 pandemic, the Division of Family Development in the
22 Department of Human Services shall utilize the following tiers to
23 determine an applicant’s initial income eligibility and subsequent
24 placement on the department’s co-payment schedule regarding child
25 care services:

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

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

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

36 b. An applicant who has been initially determined as eligible to
37 receive subsidized child care services pursuant to subsection a. of this
38 section, or a tier structure imposed by the division prior to the effective
39 date of this act, shall remain income eligible and be allowed to
40 continue to receive such services, under Tier D, until the annual gross
41 family income, when adjusted for family size, exceeds 375 percent of
42 FPL.

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44 4. There are hereby appropriated such sums as necessary for
45 the implementation of this act, as determined by the Commissioner
46 of Human Services. The amounts appropriated shall be funded
47 from assistance provided from the federal government for response

1 to the coronavirus disease 2019 pandemic, to the extent not
2 prohibited by federal law.

3

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

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10 6. This act shall take effect immediately and expire 60 days
11 following the termination of the Public Health Emergency and State
12 of Emergency declared by the Governor in Executive Order 103 of
13 2020 concerning the coronavirus disease 2019 pandemic.

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STATEMENT

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18 This bill temporarily revises the criteria to determine applicant
19 income eligibility regarding child care services. In doing so, the
20 bill allows more low-income families to qualify for childcare
21 subsidies, from the bill's effective date until 6 months after the
22 termination of the of the Public Health Emergency and State of
23 Emergency declared by the Governor in Executive Order 103 of
24 2020 concerning the coronavirus disease 2019 (COVID-19)
25 pandemic. As defined under the bill, "child care services" means
26 those services provided to eligible children for which the Division
27 of Family Development in the Department of Human Services
28 receives and administers State and federal funding to provide
29 subsidy payments to licensed child care providers.

30 Financial hardships caused by the COVID-19 pandemic have
31 threatened the health and well-being of low-income families across
32 the State. Parents reported coping with the pandemic's economic
33 impacts by cutting back spending on food, reducing savings, and going
34 into debt. Furthermore, low-income parents are less likely to be
35 able to work from home and more likely to have difficulty
36 arranging child care than higher-income parents.

37 Even absent the pandemic, according to the most recent ALICE
38 Report by the United Ways of New Jersey, the average ALICE -
39 Asset Limited, Income Constrained, Employed - Household
40 Survival Budget in New Jersey was \$88,224 for a family of four in
41 2018 — significantly more than the Federal Poverty Level of
42 \$25,100 for a family of four. In the same year, 37 percent of New
43 Jersey's 3,248,970 households still struggled to make ends meet,
44 with 27 percent being ALICE households.

45 As such, the current criteria to determine applicant income
46 eligibility for child care services does not reflect the needs of New
47 Jersey's families, particularly with the added impacts of the
48 COVID-19 pandemic. It is the sponsor's intent to temporarily

1 adjust these standards to provide much needed support to this
2 population through the remainder of the public health crisis.

3 Specifically, the bill directs the division to utilize the following
4 tiers, which mirrors the current structure used by the division, to
5 determine an applicant's initial income eligibility and subsequent
6 placement on the department's co-payment schedule regarding child
7 care services:

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

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

13 3) Tier C: annual gross family income, when adjusted for the
14 family size, is between 276 percent and 300 percent of FPL. An
15 applicant is to be initially determined to be income ineligible for child
16 care services if the applicant's annual gross family income, when
17 adjusted for the family size, is above 300 percent of FPL.

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

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

32 The bill also appropriates such amounts as are necessary for the
33 implementation of the bill, as determined by the Commissioner of
34 Human Services. The amounts appropriated are to be funded from
35 assistance provided from the federal government to the extent not
36 prohibited by federal law, such as those funds provided to the State
37 via the "American Rescue Plan Act of 2021."