SENATE, No. 2837

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED AUGUST 17, 2020

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex)

SYNOPSIS

Requires monthly subsidy payments to child care providers during COVID-19 pandemic to be equal to monthly subsidy payments prior to pandemic.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning subsidy payments to child care providers.

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

1. a. Commencing upon the effective date of this act and expiring 30 days after the end of the Public Health Emergency and State of Emergency declared by Executive Order No. 103 of 2020 regarding the coronavirus disease 2019, the Division of Family Development in the Department of Human Services shall ensure that all subsidy payments issued to a licensed child care provider over the period of a calendar month for child care services shall be, at a minimum, equal to the average aggregate monthly subsidy payment issued to the provider for the months of October 2019, November 2019, December 2019, and January 2020. Nothing in this section shall be construed to prohibit the division from issuing a monthly subsidy payment in a larger amount, provided that the child care provider delivered such child care services to warrant the payment.

b. 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.

c. As used in this section, "child care services" means those services for which the Department of Human Services receives and administers State and federal funding to provide subsidy payments to licensed child care providers.

2. There are hereby appropriated such sums as necessary for the implementation of this act, as determined by the Commissioner of Human Services. The amounts appropriated shall be funded first from assistance provided from the federal government to the extent not prohibited by federal law. The remaining amounts necessary to fund the provisions of this act shall be appropriated from the General Fund.

3. This act shall take effect immediately and shall expire 30 days after the end of the Public Health Emergency and State of Emergency declared by Executive Order No. 103 of 2020 regarding the coronavirus disease 2019.

STATEMENT

This bill requires that the monthly subsidy payments to child care providers during the coronavirus disease 2019 (COVID-19) pandemic are equal to the monthly subsidy payments prior to the

pandemic. It is the intent of the bill's sponsors to provide relief to financially struggling child care providers by basing subsidy payments on pre-pandemic payments. The provisions of the bill would offer child care providers, who face higher operating costs and reduced enrollment due to the COVID-19 pandemic, with a more reliable source of income.

Specifically, the bill directs the Division of Family Development in the Department of Human Services to ensure that all subsidy payments issued to a licensed child care provider over the period of a calendar month for child care services are, at a minimum, equal to the average aggregate monthly subsidy payment issued to the provider for the months of October 2019, November 2019, December 2019, and January 2020. The bill explicitly states that its provisions are not to prohibit the division from issuing a monthly subsidy payment in a larger amount, provided that the child care provider delivered such child care services to warrant the payment. The bill defines "child care services" to mean those services for which the Department of Human Services receives and administers State and federal funding to provide subsidy payments to licensed child care providers.

Under the bill, the Commissioner of Human Services is required to apply for such State plan amendments or waivers as may be necessary to implement the provisions of the bill and to continue to secure any available federal financial participation for the applicable child care programs.

The bill also appropriates such amounts as are necessary for the implementation of the bill, as determined by the Commissioner of Human Services. The amounts appropriated are to be funded first from assistance provided from the federal government to the extent not prohibited by federal law, such as those funds provided to the State via the Coronavirus Relief Fund established pursuant to the federal "Coronavirus Aid, Relief, and Economic Security Act," also known as the CARES Act. The CARES Act requires that the payments from the Coronavirus Relief Fund are only to be used to cover expenses that: 1) are necessary expenditures incurred due to the public health emergency with respect to COVID–19; 2) were not accounted for in the State budget most recently approved as of March 27, 2020; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The remaining amounts necessary to fund the provisions of the bill are to be appropriated from the General Fund.

The provisions of the bill take effect immediately and expire 30 days after the end of the Public Health Emergency and State of Emergency declared by Executive Order No. 103 of 2020 regarding COVID-19.