

SENATE, No. 1933

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:
Senator PATRICK J. DIEGNAN, JR.
District 18 (Middlesex)

SYNOPSIS

Establishes annual cost of living adjustment based on Consumer Price Index for certain children, youth, and family services organizations.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain children, youth, and family services
2 organizations and supplementing Chapter 4C of Title 30 of the
3 Revised Statutes.

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

7
8 1. The Legislature finds and declares that:

9 a. It is in the public interest that the health, safety, and welfare
10 of children, youth and families are of paramount concern to the
11 State.

12 b. The Department of Children and Families was created in
13 July of 2006 as the State's first Cabinet level agency exclusively
14 devoted to safeguarding and providing services to children and
15 families. The department collaborates with federal, State, and local
16 agencies and organizations to maximize resources and provide an
17 array of high-quality, child protective and treatment services to
18 children, youth, and families.

19 c. The department contracts with State and local governmental
20 and community-based social services organizations to provide these
21 services through a competitive bidding process, whereby a rate is
22 established for the provision of services.

23 d. The rate established is fixed, and includes all the costs
24 associated with the delivery of services including, but not limited
25 to, salary, wages, and compensation for the staff of the social
26 service organizations who provide direct services to children, youth,
27 and families.

28 e. The staff members of social service organizations
29 continually face increases in their living expenses, including rent,
30 utilities, food, and health insurance. However, the rates provided to
31 the social services organizations contracted with the department are
32 not adjusted for cost of living increases.

33 f. The Legislature has provided one-time cost of living
34 adjustments for rates paid to such social services organizations.
35 These adjustments, however, when provided, do not keep pace with
36 rising costs and inflation.

37 g. Therefore, it is the obligation of the Legislature to promote
38 the health, safety, and welfare of children, youth, and families of
39 the State through the establishment of a statutory mechanism for
40 providing annual cost of living adjustments to social services
41 agencies contracted with the Department of Children and Families.
42 The mechanism would ensure that the provision of essential
43 services are fully funded and sustainable, and the staff providing
44 such services are appropriately compensated.

45
46 2. a. Notwithstanding any other provision of law to the
47 contrary, the terms of a contract entered into between the
48 Department of Children and Families and a children, youth, and

1 family organization on or after the effective date of this act shall
2 include an annual increase in the cost of living adjustment received
3 by the organization. The cost of living adjustment shall be based on
4 the Consumer Price Index for the previous 12-month period
5 beginning October 1 and ending September 30, as published by the
6 United States Department of Labor.

7 b. On October 1 of each year, the department shall announce
8 the rate of the increase in the cost of living adjustment received by a
9 children, youth, and family organization pursuant to subsection a. of
10 this section.

11 c. As used in this section, "children, youth, and family
12 organization" means an organization that provides programs and
13 services to children, youth, and families through contracts entered
14 into with the Department of Children and Families including, but
15 not limited to, programs partially or fully funded by the State
16 Medicaid program established pursuant to P.L.1968, c.413
17 (C.30:4D-1 et seq.).

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19 3. The Commissioner of Children and Families, pursuant to the
20 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
21 seq.), shall adopt rules and regulations to effectuate the purposes of
22 this act.

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24 4. This act shall take effect immediately.

25 26 27 STATEMENT

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

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

39 As used in the bill, a "children, youth, and family organization"
40 means an organization that provides programs and services to
41 children, youth, and families through contracts entered into with
42 DCF including, but not limited to, programs partially or fully
43 funded by the State Medicaid program established pursuant to
44 P.L.1968, c.413 (C.30:4D-1 et seq.).

45 DCF contracts with children, youth, and family organizations to
46 provide child protective and treatment services through a
47 competitive bidding process whereby a fixed rate is established for
48 the provision of services.

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1 The fixed rate includes all the costs associated with the delivery
2 of services including, but not limited to, salary, wages, and
3 compensation for the staff of the organizations who provide the
4 direct services to children, youth, and families.

5 Such staff members continually face increases in their living
6 expenses, but the rates provided to children, youth, and family
7 organizations contracted with DCF are not adjusted for cost of
8 living increases. One-time cost of living adjustments provided to
9 the organizations by the Legislature do not keep pace with rising
10 costs and inflation.

11 This bill would establish a statutory mechanism for providing
12 annual cost of living adjustments to children, youth, and family
13 organizations contracted with DCF to ensure that the provision of
14 essential services are fully funded and sustainable, and the staff
15 providing such services are appropriately compensated.