

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2908

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2908.

This bill revises the subsidized child care assistance program reimbursement rate for participating licensed child care providers that enroll school-aged children during the 2020-2021 school year, and establishes limits on the number of hours of child care services provided to school-aged children enrolled on a “part-time” and “full-time” basis. Under the bill, providers that enroll school-aged children on a part-time basis would receive \$28.90 per day for providing a maximum of six hours of care. Child care providers enrolling school-aged children on a full-time basis would be reimbursed \$48.80 per day for providing between 6.25 and ten hours of care. In addition, this bill specifies that nothing in the bill should be construed as preventing the Division of Family Development in the Department of Human Services, which administers the subsidized child care assistance program, from paying providers a higher hourly subsidy rate for school-aged children. The bill’s requirements become effective upon enactment and expire on June 30, 2021.

The bill appropriates such amounts as necessary to implement these reimbursement changes to the subsidy program, but notes that the primary source of funding is to be federal funds allocated pursuant to the “Child Care and Development Block Grant of 1990,” Pub.L. 101-508 (42 U.S.C. s.9857 et seq.), to the extent allowed under federal law. Any remaining funding needed to implement the bill’s provisions is to be appropriated from the General Fund. Finally, the bill stipulates that the Commissioner of Human Services is to apply for any State plan amendments or waivers required to ensure continued federal financial participation for the State’s subsidized child care assistance program.

Under current regulation (N.J.A.C. 10:15-3.3 and N.J.A.C. 10:15-10.1), the subsidized child care assistance program limits payment for services provided to school-aged children to three hours during the school year, permitting these providers to offer before- and after school services to school-aged children. Only during the summer months, as well as recognized holidays and vacations during the school year, are providers paid based for a full day of care for school-aged children. Licensed child care providers receive a daily subsidy rate of \$14.65 for school-aged children enrolled on a part-time basis

during the academic year, and \$29.30 for those school-aged children enrolled in full-time care.

To comply with federal and State public health guidelines during the novel coronavirus disease 2019 (COVID-19) pandemic, many New Jersey school districts plan to have some combination of hybrid and remote instruction during the 2020-2021 school year, while other districts plan to provide only remote instruction. In general, the number of hours that a child will be physically present in school will likely be limited to three or four hours per day for two or three days per week. In light of these circumstances, many working parents will need more than the currently-subsidized three hours of care per day for their school-aged children. The changes in the program made under this bill for the 2020-2021 school year reflect the needs of both parents and the child care providers that participate in the State's subsidized child care assistance program.

FISCAL IMPACT:

The Office of Legislative Services lacks the informational basis to quantify the State expenditure increase that would result from temporarily increasing child care subsidy rates paid to child care providers for eligible school-aged children. The higher rates would only apply to child care services provided from the bill's unknown date of enactment through June 30, 2021 and would first be charged to any available federal Child Care and Development Block Grant funds with the State General Fund responsible for any residual amount.