

# SENATE, No. 3947

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 15, 2021

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**SYNOPSIS**

Requires that certain provider subsidy payments for child care services be based on enrollment.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning State subsidies to child care providers and  
2 supplementing chapter 5B of Title 30 of the Revised Statutes.

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

6  
7 1. a. Notwithstanding any law, rule, or regulation to the  
8 contrary and in addition to any other criteria set forth by the  
9 Division of Family Development in the Department of Human  
10 Services to determine a provider's subsidy payment for child care  
11 services, the division shall determine the subsidy payment for child  
12 care services issued to a licensed child care provider shall be based  
13 on the number of children enrolled with the provider who are  
14 eligible for child care services. At no time shall a subsidy payment  
15 for child care services issued to a licensed child care provider be  
16 based on the attendance of eligible children for child care services.

17 b. A licensed child care provider for which the subsidy  
18 payment is based on enrollment of children who are eligible for  
19 child care services shall comply at all times with requirements  
20 concerning the ratio of staff to enrolled children, as established  
21 pursuant to regulation by the Office of Licensing in the Department  
22 of Children and Families. At no time shall this ratio be based on  
23 the attendance of children eligible for child care services.

24 c. Within 24 months following the effective date of this act, the  
25 division shall submit a written report to the Governor and, pursuant  
26 to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature  
27 comparing the costs of basing child care provider subsidy payments  
28 on the number of children eligible for child care services enrolled  
29 with the provider and basing such subsidy payments on the  
30 attendance of children eligible for child care services.

31 d. The Commissioner of Human Services shall apply for such  
32 State plan amendments or waivers as may be necessary to  
33 implement the provisions of this section and to continue to secure  
34 any available federal financial participation for the applicable child  
35 care programs.

36 e. As used in this section, "child care services" means those  
37 services provided to eligible children, as certified by the Division of  
38 Family Development within the Department of Human Services, for  
39 which the division receives and administers State and federal  
40 funding to provide subsidy payments to licensed child care  
41 providers.

42  
43 2. The Commissioner of Human Services, pursuant to the  
44 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
45 1 et seq.) shall adopt rules and regulations necessary to implement  
46 the provisions of this act.

1       3. This act shall take effect immediately and shall expire two  
2 years after the federal government approves the State's application for  
3 a State plan amendment or waiver, pursuant to section 1 of this act, or  
4 the division implements the revised child care subsidy payment rates,  
5 whichever occurs earlier.

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8                               STATEMENT

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10       This bill requires that subsidy payments to licensed child care  
11 providers be based on enrollment of students who are eligible for child  
12 care services, rather than on attendance. Under the bill, "child care  
13 services" means those services provided to eligible children, as  
14 certified by the Division of Family Development within the  
15 Department of Human Services, for which the division receives and  
16 administers State and federal funding to provide subsidy payments to  
17 licensed child care providers.

18       Under the bill, in addition to any other criteria set forth by the  
19 Division of Family Development in the Department of Human  
20 Services to determine a provider's subsidy payment for child care  
21 services, the division is required to determine the subsidy payment for  
22 child care services issued to a licensed child care provider based on the  
23 number of children enrolled with the provider who are eligible for  
24 child care services. The bill stipulates that at no time is a subsidy  
25 payment for child care services issued to a licensed child care provider  
26 to be based on attendance of eligible children for child care services.  
27 Currently, the division determines subsidy payments to all providers  
28 based on the attendance, age, and disability-status of eligible children.

29       The bill additionally stipulates that any licensed child care provider  
30 for which subsidy payments are based on enrollment of children who  
31 are eligible for child care services are to comply at all times with  
32 requirements regarding the ratio of staff to enrolled children, as  
33 established by the Office of Licensing in the Department of Children  
34 and Families. Such licensed child care providers are specifically  
35 prohibited from revising this staff to child ratio in response to  
36 fluctuations in attendance by subsidy-eligible students.

37       The provisions of the bill require that the division, within 24  
38 months following the effective date of the legislation, submit a written  
39 report to the Governor and to the Legislature comparing the costs of  
40 basing provider subsidy payments on the number of children  
41 eligible for child care services enrolled with the provider versus  
42 basing such subsidy payments on the attendance of children eligible  
43 for child care services.

44       The bill also directs the Commissioner of Human Services to apply  
45 for such State plan amendments or waivers as may be necessary to  
46 implement the provisions of this section and to continue to secure any

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1 available federal financial participation for the applicable child care  
2 programs.

3 The provisions of the bill are to take effect immediately, and expire  
4 two years after the earlier of federal approval of the State's waiver or  
5 State plan amendment application, or departmental implementation of  
6 the revised child care subsidy rates for qualified providers.