

**ASSEMBLY, No. 4176**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED JUNE 2, 2022

**Sponsored by:**

**Assemblywoman ELLEN J. PARK**

**District 37 (Bergen)**

**Assemblywoman SADAF F. JAFFER**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblywoman ANGELICA M. JIMENEZ**

**District 32 (Bergen and Hudson)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Co-Sponsored by:**

**Assemblywomen McKnight and Jasey**

**SYNOPSIS**

Extends child care subsidies to families earning up to 300 percent of federal poverty level and establishes “Child Care Tuition Assistance Program.”

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/9/2022)**

1 AN ACT concerning child care services and supplementing P.L.1993,  
2 c.46 (C.30:5B-31).

3

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

6

7 1. As used in this act:

8 “Child care services” means those services provided to eligible  
9 children for which the Division of Family Development in the  
10 Department of Human Services receives and administers State and  
11 federal funding to provide subsidy payments to licensed child care  
12 providers.

13 “Child Care Tuition Assistance Program” means the program,  
14 established by the Division of Family Development in the  
15 Department of Human Services, which makes direct payments to a  
16 licensed child care provider for care provided to an enrolled child,  
17 ages birth through 13 years, from a qualifying family. The State  
18 provides tuition assistance payments on a sliding scale, based on  
19 annual income, for a child from a qualifying family.

20 “Full time child care” means child care services provided for a  
21 minimum of 6.25 hours of care per day, and a maximum of ten hours  
22 per day for a child enrolled with a licensed child care provider.

23 “Part time child care” means child care services provided for a  
24 maximum of six hours of care per day for a child enrolled with a  
25 licensed child care provider.

26 “School-aged child” means a child, ages five through 13 years,  
27 who is enrolled in public, private, or parochial school.

28 “Qualifying family” means a family, consisting of at least one  
29 child, aged 13 years or younger, and the child’s parent or legal  
30 guardian, that earns an annual gross family income of up to \$175,000,  
31 and meets all other eligibility criteria for the Child Care Tuition  
32 Assistance Program, as established by the Commissioner of Human  
33 Services pursuant to this act.

34

35 2. a. Notwithstanding any law, rule, or regulation to the  
36 contrary, the Division of Family Development in the Department of  
37 Human Services shall provide child care services through the State’s  
38 subsidized child care assistance program for a family with a  
39 maximum annual gross family income, when adjusted for family size,  
40 that is at or below 300 percent of the Federal Poverty Level.

41 b. The Commissioner of Human Services shall establish and  
42 utilize no less than four tiers, with the highest income tier being 300  
43 percent of the Federal Poverty Level, to determine initial income  
44 eligibility and subsequent redetermination, as well as placement on  
45 the division’s co-payment schedule regarding child care services  
46 provided under the State’s subsidized child care assistance program.

47 c. The provisions of this section shall not preclude the  
48 Commissioner from establishing a tier that provides for a maximum

1 income prior to exit from the State's subsidized child care assistance  
2 program in which a family's maximum annual gross family income,  
3 when adjusted for family size, is permitted to be higher than 300  
4 percent of the Federal Poverty Level.

5  
6 3. a. Notwithstanding any law, rule, or regulation to the  
7 contrary, and in accordance with federal statute and regulations  
8 concerning state expenditure of federal funds, the Commissioner of  
9 Human Services shall establish the Child Care Tuition Assistance  
10 Program, under which the State shall provide tuition payments to a  
11 licensed child care provider for full-time or part-time care provided  
12 to the child, ages birth through 13 years, of a qualifying family.

13 b. The amount of tuition assistance payments issued to a child  
14 care provider, pursuant to subsection a. of this section, shall be  
15 determined on a sliding scale, based on the annual gross family  
16 income of the qualifying family.

17 c. Tuition assistance payments may be made for the school-aged  
18 child of a qualifying family for child care provided before the start  
19 of the school day, after the end of the school day, and for any week  
20 day during which the child's school is closed.

21 d. Under no circumstances shall the tuition assistance payment  
22 rates, provided under this program for full-time or part-time child  
23 care, be lower than the rates paid under the provisional program,  
24 operated under the Department of Human Services between  
25 September 2020 and June 2021, to provide tuition assistance for child  
26 care for a school-aged child during periods of school closure or  
27 remote instruction due to the coronavirus disease 2019 pandemic.

28  
29 4. There are hereby appropriated such sums as necessary for the  
30 implementation of the provisions of this act, as determined by the  
31 Commissioner of Human Services. The appropriated amounts shall  
32 first be provided from assistance provided by the federal government  
33 for response to the coronavirus disease 2019 pandemic, to the extent  
34 not prohibited by federal law, and subsequently from State  
35 appropriations.

36  
37 5. The Commissioner of Human Services shall apply for such  
38 State plan amendments or waivers as may be necessary to implement  
39 the provisions of this act and to continue to secure any available  
40 federal financial participation for the applicable child care programs.

41  
42 6. The Commissioner of Human Services, pursuant to the  
43 "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1 et  
44 seq.), shall adopt rules and regulations necessary to effectuate the  
45 purposes of this act.

46  
47 7. This act shall take effect immediately.

## STATEMENT

This bill revises the criteria for determining income eligibility under the State's subsidized child care assistance program, and codifies the "Child Care Tuition Assistance Program," which operated on a provisional basis between September 2020 and June 2021. It is the intent of the bill's sponsor to make essential child care services more affordable for New Jersey's working families as they struggle to recover from the social and economic impact of the coronavirus disease 2019 (COVID-19) pandemic.

Currently, initial eligibility determination in the State's subsidized child care assistance program is limited to families that report a maximum annual gross family income of 200 percent of the Federal Poverty Level (FPL), which is \$55,500 for a family of four in 2022. However, according to the most recent ALICE Report by the United Ways of New Jersey, the average ALICE – Asset Limited, Income Constrained, Employed – Household Survival Budget in the State was \$88,224 for a family of four in 2018. In 2018, 37 percent of New Jersey's 3.2 million households struggled to make ends meet, with 27 percent of these households categorized as ALICE households.

As such, the current income eligibility criteria for the State's subsidized child care assistance program do not accurately reflect the economic need of New Jersey families, particularly in the aftermath of the COVID-19 pandemic. This bill raises the maximum initial income eligibility, and subsequent redetermination income eligibility, for the State's subsidized child care assistance program to 300 percent of the FPL, which is \$83,250 for a family of four in 2022.

The bill additionally codifies the "Child Care Tuition Assistance Program," which operated on a provisional basis between September 2020 and June 2021. This provisional program provided up to \$1,900 in direct payments to licensed child care providers that cared for the school-aged children of eligible families during school closures or periods of remote instruction due to the COVID-19 pandemic. Initially, eligibility for the provisional program was limited to families with an annual income at, or below, \$75,000 and who did not otherwise qualify for the State's subsidized child care assistance program; however, the Department of Human Services expanded program eligibility to families with an annual income of \$150,000 or less. This bill expands eligibility for the Child Care Tuition Assistance Program to families that document an annual gross family income of \$175,000 or less.

The bill appropriates such sums as may be necessary to implement the requirements therein, and stipulates that federal funds, allocated pursuant to the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) of 2021, are to be the primary source of funds; State appropriations would be provided only after federal COVID assistance funds had been exhausted.