

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## ASSEMBLY, No. 4177

with committee amendments

# STATE OF NEW JERSEY

DATED: MAY 18, 2023

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. A4177 (1R).

As amended by the committee, this bill extends the applicability of P.L.2021, c.324, which requires that subsidy payments to licensed child care providers be based on enrollment of students who are eligible for child care services, rather than on attendance, to provide that the provisions of the law continue for an additional three years, instead of expiring on June 30, 2022 as provided for in existing law.

The bill, as amended by the committee, requires the Division of Family Development in the Department of Human Services to submit a report to the Governor and the Legislature on the study conducted under the provisions of P.L.2021, c.324 within 12 months following the effective date of P.L.2021, c.324.

### COMMITTEE AMENDMENTS:

The committee amendments remove a requirement that the Division of Family Development in the Department of Human Services submit a final report on the study conducted under the provisions of P.L.2021, c.324, within three years following the effective date of this bill, as originally provided in the bill.

The committee amendments also make technical corrections to remove references to an initial report to be issued by the Division of Family Development in the Department of Human Services.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in the in an indeterminate increase in State costs for the Child Care Subsidy Program due to the continuance of an enrollment-based payment system beyond June 30, 2022, the expiration date for the existing policy codified in law, through June 30, 2025. The OLS notes that in May of 2022, the Department of Human Services announced the continuation of this policy, absent of a legislative mandate and upon the identification of additional discretion funds,

through August of 2022. As such, the bill will result in additional State costs from September 1, 2022 through June 30, 2025 – a 34-month period.

The OLS lacks the data to quantify this increase but notes that the distribution of ages of children served under the Child Care Subsidy Program will be a significant cost-driver in this initiative, as infants generally receive the highest subsidy payment and school-aged children receive the lowest subsidy payment. To the extent that the department uses federal COVID-19 assistance fund to implement this policy, the costs incurred by the bill will be reduced.

The OLS notes that P.L.2021, c.324 appropriated \$400,000 to complete the initial study required pursuant to that law.