

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1439

Short Title: Child Care Subsidy Funds.

(Public)

Sponsors: Representatives Shubert; and Cummings.

Referred to: Appropriations.

June 3, 1996

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR CHILD CARE FOR LOW-INCOME WORKING FAMILIES.

The General Assembly of North Carolina enacts:

Section 1. The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be seventy-five percent (75%) of the State median income, adjusted for family size.

Sec. 2. (a) Parents who receive child care subsidy to work, look for work, attend work-related training or education activities, or meet the special developmental needs of their child, shall share in the cost of child care. No fees shall be charged to the client when child day care services are provided to the individuals in the following circumstances:

- (1) When children are receiving day care services in conjunction with protective services as described in 10 NCAC 35E.0106, up to a maximum of 12 months from the time protective services are initiated;
- (2) When day care services are provided as a support to a child receiving Child Welfare Services as described in the North Carolina Division of Social Services Family Services Manual, Volume 1, Chapter II; or

1 (3) When a child with no income is living with someone other than the
2 child's biological or adoptive parent or is living with someone who does
3 not have court-ordered financial responsibility.

4 (b) The amount of the fees charged to the client shall be in accordance with the fee
5 determination process established schedules adopted by the Social Services Commission
6 and published by the Division of Child Development. Fees shall be established based on
7 a percent of gross family income and adjusted for family size. Fees shall be determined
8 as follows:

| FAMILY SIZE | PERCENT OF GROSS FAMILY INCOME |
|-------------|--------------------------------|
| 1-3 | 9% |
| 4-5 | 8% |
| 6 or more | 7% |

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13 Sec. 3. The monthly schedule of payments for the purchase of child day care
14 services for low-income children from providers who have fifty percent (50%) or more
15 children receiving child care subsidized with State or federal funds include:

16 (1) Provision of payment rates for child care that are tied to the provider's
17 regulatory status as follows:

- 18 a. Registered homes and "A"licensed centers receive the market
19 rate or the rate they charge their full fee-paying parents,
20 whichever is lower;
- 21 b. "AA"licensed centers receive one hundred ten percent (110%) of
22 the market rate or the rate they charge their full fee-paying
23 parents, whichever is lower; and
- 24 c. Unregistered providers receive fifty percent (50%) of the market
25 rate or the rate they charge their full fee-paying parents,
26 whichever is lower.

27 (2) Provision of payment rates for child care providers in counties who do
28 not have at least 75 children in each age group for center-based and
29 home-based care as follows:

- 30 a. Payment rates shall be set at the statewide market rate for
31 registered homes and "A"licensed centers.
- 32 b. If it can be demonstrated that the application of the statewide
33 market rate to a county with fewer than 75 children in each age
34 group is lower than the county market rate and would inhibit the
35 ability of the county to purchase child care for low-income
36 children, then the county market rate may be applied.

37 Sec. 4. Payment rates described in subdivision (1) of Section 3 of this act shall
38 be applied to all licensed child care centers, including Head Start, that have more than
39 fifty percent (50%) of enrolled children receiving child care subsidies, and to registered
40 family child care homes and unregulated providers that enroll subsidized children.

41 Sec. 5. There is appropriated from the General Fund to the Department of
42 Human Resources, Division of Child Development, the sum of five million dollars

- 1 (\$5,000,000) for the 1996-97 fiscal year to be allocated to counties for child care
- 2 subsidies pursuant to this act.
- 3 Sec. 6. This act becomes effective July 1, 1996.