

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1333

Short Title: Child Care Subsidy Funds.

(Public)

Sponsors: Senators Martin of Guilford; Soles, Parnell, and Sherron.

Referred to: Appropriations.

May 27, 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
- (3) When a child with no income is living with someone other than the child's biological or adoptive parent or is living with someone who does not have court-ordered financial responsibility.

(b) The amount of the fees charged to the client shall be in accordance with the fee determination process established schedules adopted by the Social Services Commission and published by the Division of Child Development. Fees shall be

1 established based on a percent of gross family income and adjusted for family size.
2 Fees shall be determined as follows:

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

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

- 10 (1) Provision of payment rates for child care that are tied to the provider's
11 regulatory status as follows:
- 12 a. Registered homes and "A"licensed centers receive the market
13 rate or the rate they charge their full fee-paying parents,
14 whichever is lower;
 - 15 b. "AA"licensed centers receive one hundred ten percent (110%)
16 of the market rate or the rate they charge their full fee-paying
17 parents, whichever is lower; and
 - 18 c. Unregistered providers receive fifty percent (50%) of the
19 market rate or the rate they charge their full fee-paying parents,
20 whichever is lower.
- 21 (2) Provision of payment rates for child care providers in counties who do
22 not have at least 75 children in each age group for center-based and
23 home-based care as follows:
- 24 a. Payment rates shall be set at the statewide market rate for
25 registered homes and "A"licensed centers.
 - 26 b. If it can be demonstrated that the application of the statewide
27 market rate to a county with fewer than 75 children in each age
28 group is lower than the county market rate and would inhibit the
29 ability of the county to purchase child care for low-income
30 children, then the county market rate may be applied.

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

36 Sec. 5. There is appropriated from the General Fund to the Department of
37 Human Resources, Division of Child Development, the sum of five million dollars
38 (\$5,000,000) for the 1996-97 fiscal year to be allocated to counties for child care
39 subsidies pursuant to this act.

40 Sec. 6. This act becomes effective July 1, 1996.