



SENATE BILL 105: 2021 Appropriations Act, Sec. 9C.4: Child Care Subsidy Rates

2021-2022 General Assembly

Committee:
Introduced by:
Analysis of: Sec. 9C.4 of S.L. 2021-180

Date: February 25, 2022
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OVERVIEW: *Section 9C.4(a) of S.L. 2021-180 sets the maximum gross annual income for initial eligibility for subsidized child care services. The eligibility for a child aged zero to five is 200% of the federal poverty level and a child ages six to 12 is 133% of the federal poverty level. The eligibility for any child with special needs, including a child who is 13 years of age or older, is 200% of the federal poverty level.*

Section 9C.4(b) of the act specifies that fees for families required to share in the cost of care are established based on 10% of gross family income.

Section 9C.4(c) of the act specifies certain requirements for the payments to purchase child care services for low-income children. Religious sponsored child care facilities and licensed child care centers and homes are paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower. Licensed child care centers and homes with two or more stars receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower. Transportation services are not payable. Payments for subsidized child care services for postsecondary education are limited to a maximum of 20 months of enrollment.

Section 9C.4(d) of the act specifies the payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care.

Section 9C.4(e) of the act directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to calculate a statewide rate, a regional market rate, and a county rate for each rated license level for each age category of enrollees.

Section 9C.4(f) of the act instructs DCDEE to implement policies in which, to the extent possible, child care subsidies are paid for child care in the higher quality centers and homes only. This section outlines a transition period for facilities to receive funds while increasing star ratings and allows for exemptions in cases where there are an inadequate number of higher rated facilities.

Section 9C.4(g) of the act allows licensed child care facilities and religious sponsored child care facilities to participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as noted in Section 9C.4(f) of the act, no separate licensing requirements must be used to select facilities to participate. A provider's failure to comply with requirements cannot be used by county departments of social services as a condition to reduce the provider's subsidized child care rate.

Section 9C.4(h) of the act states Temporary Assistance for Needy Families Block Grant funds used to pay for subsidized child care must comply with all regulations and policies issued by the DCDEE for the subsidized child care program.

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Under Section 9C.4.(i) of the act, noncitizen families residing legally in the State are eligible for child care subsidies if all other eligibility conditions are met. Noncitizen families residing illegally in the State are eligible for child care subsidies if the child is receiving child protective services or foster care services, is developmentally delayed or at risk of being developmentally delayed, or is a citizen of the United States.

Section 9C.4.(j) of the act directs DCDEE to require all county departments of social services to include whether the family is receiving assistance through the NC Pre-K Program or Head Start on any forms used to determine eligibility for child care subsidy.

Section 9C.4.(k) of the act provides for Department of Defense-certified child care facilities to participate in the State-subsidized child care program as long as certain conditions are met.

This section became effective July 1, 2021.