



HOUSE BILL 259: 2023 Appropriations Act, Sec. 9D.3: Child Care Subsidy Rates

2023-2024 General Assembly

Committee:		Date:	December 5, 2023
Introduced by:		Prepared by:	Debbie Griffiths Staff Attorney
Analysis of:	Sec. 9D.3 of S.L. 2023-134		

OVERVIEW: *Section 9D.3 of S.L. 2023-134 establishes the requirements and rules regarding child care subsidy rates including the following:*

- *The maximum gross annual income for initial eligibility for subsidized child care services must be on an income percentage of the federal poverty level as follows:*
 - *200% for children aged zero to five years.*
 - *133% for children aged 6-12.*
 - *200% for any child with special needs.*
- *Establishes maximum fees a family pays if they are required to share in the cost of child-care.*
- *Purchase of child care services for low-income families must meet the following requirements:*
 - *Religious sponsored facilities and licensed child care centers and homes meeting the minimum licensing requirements must be paid the one-star county market rate or the rate they charge private pay parents unless otherwise prohibited by this section.*
 - *Licensed centers and homes rated with two or more stars must receive the market rate for the age group.*
 - *Payments for transportation provided by the child care center or home must not be made.*
 - *Postsecondary education child care payments are limited to a maximum of 20 months enrollment which does not start until the family's recertification.*
 - *Department of Health and Human Services is required to restructure services, including targeting benefits to employment, and implement rules necessary to do so.*
- *Establishes payment rates for counties with fewer than 50 children in each age group for center and home-based child care.*
- *Requires the calculation of market rates for child care for each county and each age group which is representative of fees charged to parents privately paying for child care.*
- *The Division of Child Development and Early Education (DCDEE) must continue implementation of policies that improve the quality of child care for subsidized children to include a policy in which the subsidies are paid for higher quality centers and home, where possible. DCDEE must define higher quality and not pay subsidies to one- and two-star centers and homes. For counties with insufficient four- and five-star centers, the subsidies can continue to be paid while the centers and homes work to increase their star ratings. Exemptions can be*

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allowed in counties with inadequate four- and five-star facilities for non-rated programs such as religious programs.

- *Payments for subsidized child care made with funds from the Temporary Assistance for Needy Families (TANF) block grant must comply with all regulations and policies issued by DCDEE for the subsidized child care program.*
- *Noncitizen families residing in the State legally must be eligible for subsidized child care payments if all other eligibility requirements are met. Noncitizen families residing in the State illegally are eligible for child care subsidies if all other eligibility requirements are met and at least one of the following is met:*
 - *The child for whom the subsidy is sought is receiving child protective or foster care services.*
 - *The child for whom the subsidy is sought is developmentally delayed or is at risk of developmental delay.*
 - *The child for whom the subsidy is sought is a citizen of the United States.*
- *Any forms used to determine eligibility for a subsidy must include whether the family seeking the subsidy is receiving assistance through NC Pre-K or Head Start.*
- *Department of Defense (DOD) certified child care facilities can participate in this subsidy program with the state subsidy supplementing other funds received by the DOD facility.*

This section became effective July 1, 2023.