



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT
PO BOX 716
TRENTON, NJ 08625-0716

PHILIP D. MURPHY
Governor

SARAH ADELMAN
Commissioner

TAHESHA L. WAY
Lt. Governor

NATASHA JOHNSON
Assistant Commissioner

Header banner with logo and 'DIVISION OF FAMILY DEVELOPMENT' text. Below is a table with 'PROGRAM INSTRUCTION' and details: SUBJECT: Updated Rates for Licensed Centers, Family Child Care Providers, and Summer Youth Camps; ISSUE DATE: July 24, 2024; DFDI No.: 24-07-03; IMPACTED PROGRAMS: Child Care Assistance Program; HISTORY: Rescinds DFDI Nos.: 20-10-01; 21-02-01; 21-03-01; 21-07-02; 21-08-01; 22-01-01; and 24-02-04; and IT No.: 23-11.

I. PURPOSE

The purpose of this Instruction is to implement increases in the Child Care Assistance Program (CCAP) maximum child care payment rates for toddlers and preschool-age children enrolled at licensed child care centers, and to make permanent the additional amounts paid as temporary differential payments since the COVID-19 pandemic for licensed child care centers, Family Child Care (FCC) providers, and summer youth camps. Both of these changes will be effective August 1, 2024.

This DFDI rescinds and replaces DFDI Nos.: 20-10-01; 21-02-01; 21-03-01; 21-07-02; 21-08-01; 22-01-01; and 24-02-04; and IT No.: 23-11.

II. AUTHORITY

The "Child Care and Development Block Grant Act of 1990" (CCDBG Act), 42 U.S.C. §§ 9857 et seq.; 45 C.F.R. Part 98; N.J.A.C. 10:15-2.2(a)(4); and N.J.A.C. 10:15-10.1(c).

III. OVERVIEW

The federal CCDBG Act authorizes the Child Care and Development Fund (CCDF), which is the primary funding source for CCAP. The CCDBG Act and its implementing regulations require that CCDF payment rates are sufficient to ensure that CCDF-eligible families have equal access to child care services comparable to those provided to ineligible families. These laws require states to conduct a market rate survey to help determine adequate rates that meet this equal access standard.

In furtherance of this requirement, on August 1, 2024, the CCAP provider baseline payment rates for toddlers and preschool-age children at licensed child care centers will be increased to align with the 50th percentile of rates for those categories according to the most recent market rate survey. The new rate increases will be reflected beginning with the August 27, 2024 direct deposit date.

In addition, the additional amounts paid as Temporary COVID-19 Family Differential Payments since the COVID-19 pandemic will be incorporated into the baseline CCAP payment rates moving forward.

IV. DEFINITIONS

N/A

V. POLICY

A. Effective August 1, 2024, the Department of Human Services, Division of Family Development's Office of Child Care (DFD/OCC) shall pay child care providers in accordance with the attached CC-230: Maximum Child Care Payment Rates Charts (and CC-230s for the Spanish version).

1. The CC-230/CC-230s includes new increased baseline rates for toddlers and preschool-age children enrolled at licensed child care centers.
2. The CC-230/CC-230s also reflects that the additional amounts provided in the form of Temporary COVID-19 Family Differential Payments are now permanently incorporated into the baseline payment rates for licensed child care centers, FCCs, and summer youth camps.

B. Effective August 1, 2024, the Temporary COVID-19 Family Differential Payments will be discontinued and become part of the baseline payment rates for licensed child care centers, FCCs, and summer youth camps. Accordingly, the additional \$300 for full-time care or \$150 for part-time care, per eligible child per month, will no longer be treated as a separate, additional amount paid to providers.

- All Temporary COVID-19 Family Differential Payments policies and procedures, including use of the COVID-19 Family Differential Payment Acknowledgement Form, shall be discontinued effective August 1, 2024.

C. The Child Care Resource & Referral Agencies (CCR&Rs) shall immediately send providers the CC-231: August 2024 Payment Rate Update Notice (or the CC-231s for the Spanish version) to inform affected providers of the updated payment rates.

VI. PROCEDURES

Effective immediately, the CCR&Rs shall publish the attached CC-230/CC-230s to their agency websites, and distribute the CC-231/CC-231s to licensed child care centers, FCCs, and summer youth camps that receive CCAP payments through DFD/OCC.

VII. FISCAL

N/A

VIII. SYSTEMS

On or about August 16, 2024, the Child Care Automated Resource and Eligibility System (CARES) will undergo an automated mass change to ensure that all new and existing child care assistance agreements reflect the new payment rates for toddlers and preschool-age children at licensed child care centers that will begin on August 1, 2024. The rate increase shall be displayed on affected Parent/Applicant and Provider Agreements (PAPAs) immediately after the mass change.

Providers will begin to see these changes displayed in the provider portal beginning late August and will receive DFD/OCC payments, less any copayments owed, beginning with the August 27, 2024 direct deposit date.

IX. FORMS AND ATTACHMENTS

- Maximum Child Care Payment Rates Charts (CC-230) (English)
- Maximum Child Care Payment Rates Charts (CC-230s) (Spanish)
- August 2024 Payment Rate Update Notice (CC-231) (English)
- August 2024 Payment Rate Update Notice (CC-231s) (Spanish)

If you need additional guidance, please contact your Child Care Supervisor assigned to your county.

Sincerely,

Natasha Johnson

Natasha Johnson
Assistant Commissioner