



**State of New Jersey**

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF FAMILY DEVELOPMENT  
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**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**ELIZABETH CONNOLLY**  
*Commissioner*

**NATASHA JOHNSON**  
*Director*

December 19, 2017



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**DHS/DFD Child Care Subsidy Provider Licensing Policy Clarification**

As of November 19, 2017, subsidy payments through the Department of Human Services, Division of Family Development's (DHS/DFD) Child Care Subsidy Program can only be authorized for DHS/DFD Approved Homes and licensed or registered providers regulated under:

- New Jersey Administrative Code (N.J.A.C.) 3A:52 (Manual of Requirements for Child Care Centers);
- New Jersey Administrative Code (N.J.A.C.) 3A:54 (Manual of Requirements for Family Child Care Registration); and
- New Jersey Administrative Code (N.J.A.C.) 8:25 (New Jersey Youth Camp Safety Standards).

This new policy was implemented because the federal Child Care Development Block Grant (CCDBG) Act was reauthorized on November 19, 2014. The law authorizes the Child Care Development Fund (CCDF) and provides grants to States to administer the Child Care Subsidy Program.

The CCDBG law outlines health and safety standards applicable to all child care providers, child care staff, and individuals that have supervised and unsupervised access to children in child care settings. These new CCDBG health and safety standards were designed to meet certain minimum health and safety requirements, regardless of a state's licensing rules and regulations. See 42 USCS § 9858c. The Federal law requires states to enforce the health and safety standards outlined in the CCDBG law. The law also requires states to certify that licensing exemptions do not endanger the health, safety, or development of children.

DHS/DFD as the Lead Agency for federal Child Care Development Fund (CCDF) program does not have the capacity to certify that a licensing exemption would not endanger the health, safety, or development of children who are cared for by license exempt providers. Therefore, requiring all providers to be either licensed, registered or DHS/DFD approved before they are eligible to receive funds is the most reliable way to assure that children are in healthy and safe environments.

To help providers meet these basic health and safety requirements outlined in the CCDBG law, various provisions of the law were phased-in over the last 18 months. Information was disseminated outlining the critical health and safety requirements and associated timelines. Additionally, information sessions were held statewide informing license-exempt providers of the new DHS/DFD imposed uniform standards for all providers that accept a subsidy payment.

The Federal law allows DHS/DFD to impose standards and licensing or regulatory requirements on child care providers that accept a subsidy payment that are more stringent than the standards that need to be met by providers that *do not* receive subsidy payments. This means that if a child care provider serves subsidy children, DHS/DFD can require the provider to become licensed, registered or approved before the provider can accept the subsidy, even if the provider can typically be license-exempt under State law. See 45 C.F.R. 98.40(b)(1).

Through the licensing, registration and approval process, DHS/DFD can most confidently certify to the Federal government that a child care setting is safe because they will be subject to State enforcement that promotes a secure environment, proper ratios, unannounced inspections, completion of age-appropriate health and safety trainings and comprehensive background checks.

Department of Human Services  
Division of Family Development  
Office of Policy and Standards Development

