

SENATE BILL NO. 364—SENATORS KIHUEN, FORD, WOODHOUSE,
PARKS; ATKINSON, DENIS, MANENDO AND SPEARMAN

MARCH 16, 2015

Referred to Committee on Health and Human Services

SUMMARY—Establishes a pilot program to provide financial assistance to certain persons to pay the cost of child care. (BDR S-880)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Contains Appropriation not included in Executive Budget.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to child care; requiring the establishment of a pilot program to provide financial assistance to pay the cost of child care to certain eligible parents; creating the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care within the State General Fund for grants to counties participating in the pilot program; providing requirements for counties which receive grants pursuant to the pilot program; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill establishes a 2-year pilot program to provide additional financial assistance to certain working parents who, under any local, state or federal program, receive financial assistance to pay a portion of the cost of child care and who receive an increase in income that makes the parents ineligible for the financial assistance but does not cover the costs to the working parents for the child care.

Section 7 of this bill requires the Department of Health and Human Services to establish and oversee the pilot program. The Department may select not more than five counties to participate in the pilot program, and must ensure the counties selected have populations that represent the geographic and ethnic diversity of this State. The Department also must consider whether there will be enough participants in the pilot program in each selected county for researchers to evaluate the effectiveness of the pilot program.

Section 8 of this bill creates the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care within the State General Fund for grants to be provided to counties for the implementation of the pilot program. **Section 9** of this



bill authorizes a county selected by the Department to participate in the pilot program to apply for a grant from the Fund.

Under **section 10** of this bill, counties participating in the pilot program may provide financial assistance to working parents for the cost of child care. Each county must require each parent who is receiving assistance to pay for a portion of the cost of child care in increasing increments based on a schedule determined by the county. Each parent also must report to the county any change in income, and the county may adjust the schedule of increased payments accordingly. Each county may limit participation in the pilot program to a certain percentage of parents that are eligible to participate or to parents with children who are not older than an age determined by the Department. **Section 10** also requires each county participating in the pilot program to spend a portion of each grant, as determined by the Department, to pay for healthy meals at child care facilities.

Section 11 of this bill requires the Department to submit a report on the pilot program to the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature.

Section 13 of this bill makes an appropriation from the State General Fund for the implementation of the pilot program in the amounts of \$1,200,000 for each of Fiscal Years 2015-2016 and 2016-2017.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. As used in this act, the words and terms defined in sections 2 to 5, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 2. "Cliff effect" means the circumstance of a working parent who:

1. Is a recipient of financial assistance to pay all or a portion of the cost of child care pursuant to a local, state or federal program; and

2. Receives an increase in income that:

(a) Makes the working parent ineligible to continue receiving financial assistance pursuant to the program; and

(b) Does not cover the additional cost to the working parent for child care.

Sec. 3. "Department" means the Department of Health and Human Services.

Sec. 4. "Fund" means the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care created by section 8 of this act.

Sec. 5. "Pilot program" means the program established pursuant to section 7 of this act.

Sec. 6. 1. The Legislature hereby finds and declares that:

(a) The cliff effect creates disincentives for families to achieve self-sufficiency.



(b) Allowing working parents to continue to receive financial assistance to pay for child care through the pilot program will be beneficial to:

(1) Children who would be able to continue in a stable day care environment;

(2) Working parents who would be able to continue to work and advance in their employment and become more self-sufficient; and

(3) Employers who will have a workforce that is more stable because their employees have consistent child care arrangements and an incentive to stay with and advance in the same employment.

2. The Legislature hereby encourages each county which participates in the pilot program to create effective public and private partnerships with nonprofit organizations and businesses to find additional, innovative ways to provide financial assistance to pay for child care for working parents.

Sec. 7. 1. Except as otherwise provided in section 12 of this act, the Department shall establish and oversee a pilot program to mitigate the cliff effect in this State by providing financial assistance to pay the cost of child care. The Department is not subject to the provisions of NRS 233B.040 to 233B.120, inclusive, in establishing the pilot program.

2. In the manner set forth by the Department, any county may apply to the Department to participate in the pilot program.

3. The Department may select not more than five counties to participate in the pilot program. In selecting the counties that may participate in the pilot program, the Department shall:

(a) Ensure the counties selected have populations that represent the geographic and ethnic diversity of this State; and

(b) Consider whether there will be enough participants in the pilot program from each county that is selected to enable researchers to evaluate whether the strategies used in the pilot program have mitigated the cliff effect in this State.

4. If a county is selected by the Department to participate in the pilot program, the county must enter into a memorandum of understanding with the Department that provides for the implementation of the pilot program in the county before the county may receive money from the Fund. The memorandum must include, without limitation, a description of the process and criteria that the county must use when awarding financial assistance to pay for child care pursuant to the pilot program.

Sec. 8. 1. There is hereby created in the State General Fund the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care.



2. All money received by the Department to carry out the provisions of sections 1 to 12, inclusive, of this act must be deposited in the Fund. Interest and income earned on the money in the Fund must be credited to the Fund.

3. Any money remaining in the Fund at the end of the 2015-2016 Fiscal Year does not revert to the State General Fund, and the balance in the Fund must be carried forward to the 2016-2017 Fiscal Year.

4. Money in the Fund may be used only to carry out the provisions of sections 1 to 12, inclusive, of this act.

Sec. 9. 1. A county selected to participate in the pilot program may apply to the Department for a grant from the Fund.

2. A county may use money received as a grant from the Fund to pay the administrative costs of the county for participating in the pilot program. The Department may not make the receipt of a grant from the Fund contingent on the county appropriating money from any other source for the pilot program.

Sec. 10. Except as otherwise provided in section 12 of this act and subject to the limitations and requirements of any federal law regarding the receipt by this State or any county of this State of federal money:

1. A county selected for participation in the pilot program shall provide financial assistance to working parents who:

(a) Previously have been the recipients of financial assistance to pay all or a portion of the cost of child care pursuant to a local, state or federal program; and

(b) Received an increase in income that:

(1) Makes the working parents ineligible for financial assistance pursuant to the program; and

(2) Does not cover the additional cost to the working parents for child care.

2. A county providing financial assistance pursuant to the pilot program:

(a) Shall require a parent who is receiving financial assistance pursuant to the pilot program to:

(1) Pay for a portion of the cost of child care in increasing increments based on a schedule determined by the county; and

(2) Report to the county each change in income during the period in which the parent is receiving assistance pursuant to the pilot program.

(b) May adjust the schedule of a parent required by subparagraph (1) of paragraph (a) to account for any changes in income reported by the parent pursuant to subparagraph (2) of paragraph (a).



(c) May limit participation in the pilot program to a certain percentage of parents in the county that are eligible to participate in the pilot program or to parents with children who are not older than an age determined by the county.

3. A county described in subsection 1 shall spend an amount of each grant from the Fund as determined by the Department, to pay for healthy meals at child care facilities. As used in this subsection, "child care facility" has the meaning ascribed to it in NRS 432A.024.

Sec. 11. 1. Every county that participates in the pilot program shall submit to the Department any report or information requested by the Department.

2. On or before January 1, 2017, the Department shall submit a report on the pilot program to the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature.

3. The report required pursuant to subsection 2 must include, without limitation:

(a) The number of parents who participated in the pilot program, statewide and in each county.

(b) The number of months that each parent participated in the pilot program, statewide and in each county.

(c) An analysis of instances in which parents, at any point, stopped participating in the pilot program, including, without limitation, an explanation of why the parents stopped participating.

4. The Department shall make the report required pursuant to subsection 2 available on the Internet website of the Department.

Sec. 12. The provisions of this act do not require or authorize any action by the Department that would prevent this State from receiving federal money or by any county that would prevent the county from receiving federal money.

Sec. 13. There is hereby appropriated from the State General Fund to the Fund for the Mitigation of the Cliff Effect on Financial Assistance for Child Care for the award of grants pursuant to the pilot program:

For the Fiscal Year 2015-2016..... \$1,200,000

For the Fiscal Year 2016-2017..... \$1,200,000

Sec. 14. The sums appropriated by section 13 of this act are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2017, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 15, 2017, by either the entity to which the money was appropriated or the



1 entity to which the money was subsequently granted or transferred,
2 and must be reverted to the State General Fund on or before
3 September 15, 2017.

4 **Sec. 15.** 1. This act becomes effective:

5 (a) Upon passage and approval for the purpose of performing
6 any preparatory administrative tasks necessary to carry out the
7 provisions of this act; and

8 (b) On July 1, 2015, for all other purposes.

9 2. This act expires by limitation on June 30, 2017.

