



State of New Jersey

Department of Human Services
Division of Family Development
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June 16, 2014

**TO: CHILD CARE RESOURCE AND REFERRAL (CCR&R) DIRECTORS
COUNTY WELFARE AGENCY DIRECTORS**

**SUBJECT: CHILD CARE POLICY REGARDING DISQUALIFICATION OF SERVICES
FOR PARENTS**

DFD Instruction No. 14-06-03

Rescission of: DFDI 12-10-04

**Regulatory References: N.J.A.C. 10:15-6.14; N.J.A.C. 10:15-6.15; N.J.A.C. 10:15-9;
N.J.A.C. 10:15-10.4**

This instruction will impact all DFD Child Care Programs.

PURPOSE

To provide guidance and clarification to the CCR&Rs regarding the disqualification of child care services for parents policy.

BACKGROUND

Parents/applicants are required, at all times, to comply with New Jersey's subsidized child care program regulations and policies.

Any type of program violation will subject a parent/applicant to penalties that may include disqualification, termination, denial at time of application or reapplication, criminal investigation and/or recoupment of payment, if the parent/applicant is found by the CCR&R or DHS/DFD to be in violation of New Jersey's subsidized child care program regulations and policies.

DISQUALIFICATION PROCESS

A case of program violation can be brought to the Department of Human Services, Division of Family Development's (DFD) and/or CCR&R's attention through a variety of means, such as a phone call, letter, e-mail, newspaper article, television news broadcast, personal knowledge, or state databases used during the normal applicant eligibility determination and redetermination process. The CCR&R will then conduct an investigation to determine whether or not the program violation is substantiated. The CCR&R shall seek DFD guidance on cases in which clarification is required.

A substantiated case of program violation will result in the suspension or disqualification of child care subsidy and make the parent/applicant ineligible to apply/reapply for and/or receive subsidized child care for a specified period of time depending upon the number and type of violations.

A parent or applicant may appeal the decision to suspend or terminate the child care subsidy.

The steps to take to suspend or disqualify a parent/applicant child care subsidy for various violations are outlined below.

General Program Violations

Program violations that may result in suspension or disqualification include but are not limited to the following:

- (1) Failure to report within ten (10) calendar days any change in family size/composition, family income or any other **circumstances that change eligibility**, such as work/school/training status or income that exceeds program specific Federal Poverty Level (FPL) requirements, etc.
- (2) Failure to accurately report all sources of income. Examples include, but are not limited to, not reporting multiple sources of income (multiple employers), or an increase or decrease in wage/salary, child support payments, or alimony, unemployment, workman's compensation, pension, supplemental security income (SSI), social security disability income (SSDI), survivor benefits or any other income.
- (3) Failure to accurately report the amount of income. Examples include, but are not limited to, not reporting the accurate amount(s) of income from self-employment, rent from property ownership, or changing or altering pay stub information.
- (4) Failure to accurately report the number of household members who are required to be counted to determine family or household composition. Examples include, but are not limited to, failing to report that a spouse or another parent/guardian is living in the household.

ECC – Program Violation

Failure to comply with the E-Child Care Parent/Provider Responsibilities and Agreement may result in a warning notice, suspension or disqualification.

PENALTIES/PROCEDURES

Warning Notice (applicable only to ECC specific violations)

Upon evidence of an E-Child Care program violation, the CCR&R has seven (7) calendar days to send a warning letter (see attached) to the parents and offer training. CCR&Rs are required to provide written notification of parental warning to providers. For WFNJ cases, copies of all notices must also be sent to the County Welfare Agency (CWA). The parent/applicant will have up to two weeks (14 days) from the date of the warning letter to attend training and remedy the action by demonstrating consistent use of ECC. To document compliance or noncompliance, the CCR&Rs must print out the transaction report for that two-week period once the 14-day back swipe period has closed.

General Program and ECC Violations Penalties

First Violation (except fraud) – One (1) month disqualification

Upon completion of the one month disqualification, if the case is eligible, redetermination rules will apply. The eligibility threshold is 250% of the Federal Poverty Level (FPL) or below (350%-500% FPL for Kinship). WFNJ cases will require written notice to the CWA and verification that the CWA was informed of the disqualification.

Second Violation (except fraud) – Three (3) months disqualification

Upon completion of the three month disqualification, if the case is eligible, redetermination rules will apply. The eligibility threshold is 200% FPL or below (350%-500% FPL for Kinship). WFNJ cases will require written notice to the CWA and verification that the CWA was informed of the disqualification.

Third Violation and/or Fraud – Termination for up to twelve (12) months and/or permanent disqualification

If the violation has not resulted in permanent disqualification, parent could be subject to up to a twelve (12) month termination, after which the parent/applicant must reapply with the eligibility threshold being at 200% FPL or below.

Fraud or program violations that may be subject to up to a twelve (12) month termination include the following:

- (1) Failure to provide, or provision of, false or misleading or deliberate misrepresentation of, required information in connection with a new application or current child care subsidy case. (This may also result in the denial of any subsidy, and referral to federal, state or local agencies for criminal or civil court action, garnishment of wages or tax intercept, as well as private claims collection agencies for claims action involving repayment and recovery of funds.)
- (2) Reporting child(ren) present in attendance when child(ren) were not in attendance.
- (3) Repeated misuse of the ECC card resulting in multiple violations.
- (4) Repeated general program violation resulting in multiple violations.

WFNJ cases will require written notice to the CWA and verification that the CWA was informed of the termination for up to twelve (12) months.

Appeal Procedures:

It is the right of every parent who receives a disqualification notice from the CCR&R to request a review of his/her case by the CCR&R and/or DFD. The CCR&R must inform the parent of his/her right to request a review. A timely request must be made within ten (10) days of the date of the disqualification notice. See attached information on appeal rights.

FISCAL

The CCR&R must establish a Child Care Services Repayment Agreement with the parent, if it is discovered that an overpayment occurred as a result of a program violation or fraud. The CCR&R must maintain a copy of the Child Care Services Repayment Agreement in the family case record.

The CCR&R will collect and deposit in a bank all collections for overpayments received from the parent during the month. At the end of the month the CCR&R will write one check for the collections received during the prior month from the clients. The check should be made payable to "Treasurer State of New Jersey" and mailed to the Division of Family Development, Attention: Robert Hughes, Financial Reporting Unit. The CCR&R will also send a detailed report along with the check identifying the client, the amount, and the specific contract component (funding stream) for which the reimbursement applies. See attached report template.

TRAINING

DFD will continuously meet with the CCR&Rs and their policy staff to ensure that this policy is clear and understood.

OUTREACH AND NOTIFICATION

CCR&Rs are required to inform families in writing of this policy. CCR&Rs are required to ensure families have received written notification. Written verification must be placed in the case file prior to taking any adverse actions. WFNJ cases require written notification and verification that the CWA was informed prior to any adverse action.

REPORTING

The CCR&R shall monitor and track all parents/applicants who have had their child care subsidies either suspended or terminated as result of program violation, and submit quarterly reports to the Child Care Specialist and report designee.

Sincerely,

SIGNED

Jeanette Page-Hawkins
Director

Attachments:

Child Care Services Repayment Agreement ECC-155(Rev06/14)
Warning Letter for Failure to Use or Misuse of ECC-161(New06/14)
Parent Disqualification Notice CC-171(Rev06/14)
Parent Repayment Fiscal Tracker CC-181(New06/14)

JPH:MM

Cc: Dr. Allison Blake, Commissioner
Department of Children and Families

Lisa Von Pier, Assistant Commissioner
Department of Children and Families

Valerie J. Harr, Director
Division of Medical Assistance and Health Services

Warning Letter for Failure to Use or Misuse of E-Child Care

Applicant Name _____
Family ID# _____
WFNJ# _____
EPPIC ID# _____

Date: _____

Dear Parent/Guardian:

This letter shall serve as written warning for Failure to Use or Misuse of Electronic-Child Care (ECC).

All parents/guardians who are receiving child care subsidies **are required** to use ECC daily. This is the way child care providers receive payment for providing child care services to your child(ren).

In the ECC Parent/Provider Agreement you signed, you agreed to all of the ECC requirements, and were informed that failure to comply could result in loss of your child care subsidy. Therefore, within two weeks from the date of this letter, you must attend training and use ECC every day in order to avoid losing your child care subsidy. If you do not do this within two weeks from the date of this letter, we will begin the process to stop your subsidy.

The following date and time, _____, has been scheduled for you to receive mandatory training on the proper use of ECC at _____.

If you require further assistance, you can contact the Child Care Resource and Referral Agency (CCR&R) in your county.

Please note that any subsequent violations of the ECC policy could result in disqualification from the child care subsidy program.

Sincerely,

CCR&R Agency Name

cc: Provider
Case File

**Notice of Parent Disqualification or Termination
from New Jersey Child Care Subsidy Program**

Date: _____

Family ID Number: _____

WFNJ Case Number: _____

Parent/Applicant Name: _____

Dear Parent/Applicant:

This letter shall serve as written notice of disqualification from the New Jersey Child Care Subsidy Program. **You are being disqualified from the program, beginning _____ for the following reason(s):**

_____ Income in excess of program Federal Poverty Level (FPL) requirement.

_____ Failure to report within ten (10) calendar days any change in family size/household composition, family income or any other circumstances that change eligibility, such as work/school/training status or income that exceeds program specific FPL requirements, etc.

_____ Providing false or misleading information and/or documentation in connection with a new application or current child care subsidy.

_____ Failure to comply with E-Child Care Parent/Provider Responsibilities and Agreement after Warning Letter, training and technical assistance were offered.

All parents/applicants are required, at all times, to comply with New Jersey's subsidized child care program regulations and policies. **The following penalty will be imposed as a result of the violation(s) noted above:**

_____ First Violation, disqualification for 1 month, the eligibility threshold is 250% FPL or below (350%-500% FPL Kinship Program)

_____ Second Violation, disqualification for 3 months, the eligibility threshold is at 200% FPL or below (350%-500% FPL Kinship Program)

_____ Fraud, disqualification for up to 12 months, the eligibility threshold is at 200% FPL or below.

Sincerely,

CCR&R Agency Name

cc: County CWA (if applicable)
Case File

**New Jersey Department of Human Services
Division of Family Development
Child Care Services Subsidy Repayment Agreement**

Date: _____
RE: Family ID/Case # _____ Family Name: _____
TO: _____ Provider/Vendor #: _____

An overpayment has been discovered regarding child care benefits issued for the following child(ren):

The overpayment in the amount of \$ _____, for the period of _____
to _____, occurred because: _____

Therefore, you must repay this amount in accordance with the following terms:

<p>Installment: _____ You are required to repay \$ _____ every month for _____ months. Repayment shall begin on _____ and is scheduled to end _____.</p> <p>Lump Sum: _____ You are required to repay the entire amount of \$ _____ by _____.</p> <p>_____ Child Care Agency Representative _____ Date</p>
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<p>I agree to the overpayment amount and the repayment terms indicated above. I understand that failure to comply with the terms of this agreement may result in termination of subsidy, denial of any future subsidy under this program and/or possible legal action.</p> <p>I also understand that if I fail to sign this agreement or to make payments as agreed herein, the total or balance due shall be sent to the Set Off Individual Liability (SOIL) system and will result in loss of state income tax refunds, rebates and lottery winnings.</p> <p>If this overpayment occurred as a result of an Intentional Program Violation (IPV), continued receipt of child care subsidy is contingent upon the IPV regulations. However, repayment is still required.</p> <p>_____ Signature of Parent/Applicant/Provider _____ Date</p>

Please sign and return this form to the agency listed below by _____
All checks or money orders must be made payable and mailed to:

Agency: _____
Address _____
City: _____ State: _____ Zip: _____
Phone _____ Fax: _____

CHILD CARE PROGRAM APPEAL RIGHTS

1. Case review conducted by the county CCR&R Agency

In the event you wish to have the action or amount in question reviewed by the county CCR&R responsible for the decision, you must make this request in writing within ten (10) days of the effective date of the adverse decision. Requests should be addressed to the agency on the front side of this notice.

You will be notified of the date and time of the review and you may appear with or without legal representation or may be represented by a friend or other spokesperson. Only those persons directly involved with the issue will be permitted to attend any review proceedings. You will also be given an opportunity to view all pertinent documents prior to the review date.

2. Administrative review conducted by the Division of Family Development

You may also have an adverse decision reviewed by the Division of Family Development (DFD) in place of, or in addition to, the case review conducted by the county CCR&R. A request for an administrative review from DFD may be made by calling the Bureau of Administrative Review and Appeals (BARA) at 1-800-792-9774.

You will be required to submit the following to BARA:

- A written statement indicating the request for a review and the reason for your disagreement;
- All documents verifying eligibility and justifying your case;
- Any other relevant documents which you believe the county CCR&R or child care provider may not have considered.

This DFD review must be requested within 90 days of the date of the original notice of adverse action. All materials should be mailed to BARA at:

Bureau of Administrative Review and Appeals
Division of Family Development
P.O. Box 716
Trenton, NJ 08625-0716
1-800-792-9774

County:				Payment Month/Year:
Parent Repayment Fiscal Tracker				
Program (Eligibility Type)	Case #	Parent	Child	Amount of Payment
Totals:				