

LEGISLATIVE FISCAL ESTIMATE
[Second Reprint]
ASSEMBLY, No. 4179
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 5, 2022

SUMMARY

Synopsis: Establishes Thriving By Three competitive grant program for infant and toddler child care programs; appropriates \$28 million.

Type of Impact: State expenditure increase; General Fund.

Agencies Affected: Department of Human Services, Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>One-Time</u>
State Cost Increase	Maximum of \$28 million

- The Office of Legislative Services (OLS) determines that the bill would limit the amount of grant funds awarded by the Department of Human Services (DHS) and the Economic Development Authority (EDA), for the purposes described in the bill, to the availability of funds. Therefore, the OLS concludes that the combined costs incurred by the DHS and the EDA to award grants under each entity’s respective program will be limited to the \$28 million appropriation under the bill. The OLS notes that the bill authorizes the DHS and the EDA to use a maximum of five percent of the appropriation made under this bill for the administrative costs of the distributing the grant initiatives.

BILL DESCRIPTION

This bill creates grant programs in the EDA and the DHS to incentivize the expansion of capacity for infants and toddlers, provide technical assistance to child care providers for the expansion of child care slots for infants and toddlers, address shortages in infant and toddler child care capacity that is available for working families, and support the developmental needs of young children.

The EDA will award one-time grants, on either a competitive or rolling application basis, to licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts to renovate, improve, expand, or reconstruct existing facilities in a manner that will have the predominant effect of increasing the number of

infant and toddler child care slots or classrooms. The EDA will be authorized to provide technical assistance to assist providers in meeting the requirements of the grant program. The bill appropriates \$8 million from the General Fund to the EDA for these purposes.

The Commissioner of Human Services will be required to award grants, on a competitive basis pursuant to criteria established by the commissioner, to licensed child care providers, registered family day care providers, Head Start programs, and school districts. Grants may be used to: purchase equipment; recruit, train, or compensate staff for new infant and toddler slots or classrooms; and for other initiatives to support the expansion of infant and toddler care capacity. The DHS will be authorized to provide technical assistance to assist providers in meeting the requirements of the grant program. The bill appropriates \$20 million from the General Fund to the DHS for these purposes.

The bill requires the EDA and DHS to publicize the existence of, and encourage participation in, the grant programs established under the bill; and provide technical assistance to the grant awardees to meet the requirements of the grant program.

The Commissioner of Human Services and the EDA will be required to submit a report regarding each respective grant initiative to the Governor and to the Legislature, no later than two years after the establishment of the grant programs established under the bill. The report is to include any recommendations concerning the continuation or expansion of the grant programs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill would limit the amount of grant funds awarded by the DHS and the EDA, for the purposes described in the bill, to the availability of funds. Therefore, the OLS concludes that the costs incurred by the DHS and the EDA to award grants through the program will be limited to the \$28 million appropriation under the bill. The OLS notes that the bill authorizes the DHS and the EDA to use a maximum of five percent of the appropriation made under this bill for the administrative costs of the distributing the grant funds.

Section: *Human Services*

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 Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).