

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4179

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 4179 (1R).

As amended, this bill establishes the “Thriving By Three Act,” which creates grant programs in the Economic Development Authority (EDA) and the Department of Human Services (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.

Specifically, 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. The grants may be used 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, as appropriate. The EDA will be authorized to provide technical assistance to assist providers in meeting the requirements of the grant program.

To be eligible for consideration for a grant award from the EDA, the applicant will be required to: 1) submit an application to the EDA outlining the purposes for which a grant award would be used; 2) comply with the current child care licensing standards for infant and toddler child care, including, but not limited to, class size, child-to-staff ratios, and health and safety standards; and 3) participate or apply to participate in the State’s child care quality rating and improvement system, Grow NJ Kids.

In awarding grants, the EDA is to give preference to providers, programs, schools, and school districts that: 1) are located in communities identified as child care deserts with few or no options for high-quality child care for infants and toddlers; 2) are located in communities with high percentages of low-income families; and 3) can align their infant and toddler child care programs with high-quality preschool programs, support collaborations for shared services, and build upon existing early childhood education services.

With regard to the DHS, 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.

To be eligible for consideration for a grant award from the DHS, a licensed child care provider, registered family day care provider, Head Start program, charter school, renaissance school, or school district will be required to submit an application to the DHS outlining the purposes for which a grant award would be used. Eligible providers will include, but will not be limited to, providers that receive a grant from the EDA under the bill. To be eligible for consideration for a grant award, an applicant will additionally be required to: 1) comply with the current child care licensing standards for infant and toddler child care, including, but not limited to, class size, child-to-staff ratios, and health and safety standards; 2) demonstrate that the grant funding will be used to support the expansion of infant and toddler care capacity; and 3) participate or apply to participate in the State's child care quality rating and improvement system, Grow NJ Kids.

The commissioner will select criteria for the awarding of grant funds under the program. One-time grants will be awarded in an amount to be determined by the commissioner, based upon review of the applications and subject to the availability of funds. In awarding grants, the commissioner is to establish a preference for licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts that: 1) are located in communities with few or no options for high-quality child care for infants and toddlers; 2) are located in communities with high percentages of low-income families; and 3) can align the provider's, program's, or school district's infant and toddler child care programs with high-quality preschool programs, support collaborations for shared services, and build upon existing early childhood education services.

The DHS is to calculate the initial grant award for an eligible recipient based on the number of new infant or toddler child care slots that will be supported through the grant program. Initial grants are to be in an amount that is not less than \$3,000 per new infant or toddler child care slot that will be supported through the grant program.

Additionally, subject to appropriation and the availability of funds, grant recipients not already participating in Grow NJ Kids at the time the grant recipient applied to the DHS for an initial grant award that have applied to participate in Grow NJ Kids as a condition of program eligibility, will be eligible to apply for and receive up to two additional grant awards to allow for time for the recipient to join and become rated

in Grow NJ Kids. No recipient will be eligible for an additional grant award if the recipient has received a Grow NJ Kids rating. Applications for additional grant awards are to outline the purposes for which the grant would be used. Additional grant awards may be used for the same purposes as are authorized for initial grants awarded under the bill. The DHS will calculate an additional grant award for an eligible recipient based on the number of new infant or toddler child care slots that are supported using the recipient's initial grant award. Additional grants are to be in an amount that is not less than \$1,200 per infant or toddler child care slot that will be supported through the grant program. A first additional grant is to be paid on the first day of the 12th month next following the date the initial grant award is paid; and a second additional grant is to be paid on the first day of the 24th month next following the date the initial grant award is paid.

The bill requires the EDA and DHS to publicize the existence of, and encourage licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts to apply to participate in, the grant programs established under the bill; and provide technical assistance to the grant awardees to meet the requirements of the grant program.

Within one year after receiving a grant award under the bill, a licensed child care provider, registered family day care provider, Head Start program, charter school, renaissance school, or school district will be required to submit a report to the agency that awarded the grant containing information on the provider's, program's, school's or school district's use of the grant funds. The report is to include, to the extent relevant, information any new infant and toddler child care capacity, including new slots, created using grant funds, any staff recruitment initiatives supported using grant funds, increases or improvements in the provision of child care services as a result of the grant, and any notable changes in child care enrollment and attendance rates or other measures the provider, program, school, or school district observed since receiving the grant.

The Commissioner of Human Services and the EDA will be required to submit a report to the Governor and to the Legislature, no later than two years after the establishment of the grant programs established under the bill, which reports are to include, but need not be limited to, information on the number of grant applicants, the number and amounts of grants awarded, the purposes for which grant funds were used, the number of additional infant and toddler child care slots created using grant funds, information provided by licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts under section 6 of this act, and any recommendations concerning the continuation or expansion of the grant programs.

As amended, the bill appropriates \$8 million to the EDA and \$20 million to the DHS to implement the provisions of the bill. Of this

amount, no more than five percent may be used by the authority for organizational, administrative and other work and services, including salaries, equipment, services, and materials necessary to administer the activities authorized under the bill.

COMMITTEE AMENDMENTS:

The committee amendments name the bill the “Thriving By Three Program Act.”

The committee amendments create two separate grant programs, with one in the EDA and one in the DHS. The EDA grants may be used to renovate, improve, expand, or reconstruct existing facilities. The DHS grants will comprise an initial grant and two potential additional grants that may be used to purchase equipment, recruit, train, or compensate staff, or for other initiatives to support expanded infant and toddler care capacity. The additional DHS grants may be awarded to recipients of an initial grant that have applied to participate in GROW NJ Kids but were not members at the time of the initial application and have not yet received a GROW NJ Kids rating. A first additional grant may be awarded one year after the initial grant is paid and a second additional grant may be awarded two years after the initial grant is paid.

The committee amendments make various requirements for the DHS under the bill as introduced, including certain reporting requirements, requirements concerning granting a preference to certain applicants, and a requirement to publicize the availability of the grant program, applicable to the EDA as well.

The committee amendments specify that an initial DHS grant is to be in an amount that is not less than \$3,000 per new infant or toddler child care slot, and additional grants are to be in an amount that is not less than \$1,200 per new infant or toddler care slot.

The committee amendments revise the appropriation under the bill to remove an appropriation from the “American Rescue Plan Act” and instead provide that \$8 million is to be appropriated from the General Fund to the EDA and \$20 million is to be appropriated to the DHS from the General Fund to implement the provisions of the bill.

The committee amendments revise the title and synopsis of the bill to reflect these changes.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.