

SENATE, No. 3808

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 20, 2021

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Requires DHS to establish quality-based reimbursement system for registered family child care providers participating in Grow NJ Kids.

CURRENT VERSION OF TEXT

As introduced.



5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

d. The commissioner shall apply for such State plan amendments or waivers as may be necessary to implement the reimbursement system established pursuant to this section and to continue to secure federal financial participation for subsidized child care programs for qualified low-to-moderate income households.

3. This act shall take effect on the first day of the second month next following the date of enactment, but the Commissioner of Human Services may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

49 This bill permits registered family child care providers that
50 participate in the State's subsidized child care assistance program

1 and in the Grow NJ Kids program to receive enhanced payments
2 under the tiered, quality-based reimbursement system for child care
3 providers, as established pursuant to the Grow NJ Kids program.
4 The bill additionally requires the Commissioner of Human Services
5 to increase state subsidies paid to family child care providers that
6 participate in the Grow NJ Kids program, based upon the quality
7 rating of the provider, by the same percentage as the subsidy
8 increase paid to center-based child care providers with the same
9 Grow NJ Kids quality rating

10 It is the sponsor's belief that family child care is a critical
11 component of New Jersey's child care infrastructure, as it meets
12 families' diverse needs including a home-based setting, flexible
13 schedules for families (evenings, weekends, and nontraditional
14 hours), mixed-aged children in a smaller group, and culturally and
15 linguistically supportive settings. Family child care can be a child
16 care option, particularly for infants and toddlers, in which they are
17 not only cared for, but can thrive in high-quality, accessible, and
18 affordable environments.

19 This specific child care option for families however, is becoming
20 less available. The number of registered family child care homes in
21 New Jersey has decreased significantly, especially in the last
22 decade. In 2017, the Advocates for Children of New Jersey reported
23 that registered family child care homes had declined by 59% over a
24 15-year timespan, falling from 4,689 providers in 2001 to just 1,907
25 in 2016. This decline continues and in November 2020, there were
26 only 1,308 registered family child care homes reported statewide,
27 representing an additional 31% decrease. As the number of
28 registered family child care homes decreases, so does the number of
29 available child care slots. Between January 2020 and November
30 2020, the number of child care slots in registered family child care
31 homes decreased by 890 slots, further reducing options for families.

32 The bill's sponsor believes that low subsidy rates and a lack of
33 financial incentives to improve overall quality have added to the
34 continued decrease in family child care homes. While the base
35 subsidy reimbursement rate for family child care must be increased
36 to reflect the true cost of providing high-quality child care, there is
37 nothing in place to reward those family child care providers who
38 accept child care subsidies to improve their program quality.
39 Currently, family child care providers can work towards such
40 quality improvements by participating in New Jersey's Quality
41 Rating and Improvement System, *Grow NJ Kids*. However, unlike
42 center-based child care programs, family child care providers
43 receive no subsidy increase, or tiered reimbursement, for providing
44 a higher quality program to the children they care for and educate.

45 Higher subsidy reimbursement rates for achieving improved
46 quality will not only incentivize family child care providers to join
47 *Grow NJ Kids*, but will also make becoming a registered family
48 child care provider more attractive.

49 Grow NJ Kids is the State's quality rating and improvement
50 initiative for child care and early learning programs, which

1 reimburses child care providers based on objective quality
2 measures. State-licensed child care centers, school- or center-based
3 preschool programs, Head Start programs, and registered family
4 child care providers may request to be evaluated and rated by Grow
5 NJ Kids, based on the quality of child care services provided for
6 infants, toddlers and preschoolers. Based upon the outcome of this
7 quality review, the Grow NJ Kids program may award the provider
8 a three-, four- or five-star rating.

9 New Jersey's subsidized child care assistance program currently
10 pays a higher rate to child care centers, Head Start programs, and
11 school- or center-based preschool programs that have a Grow NJ
12 Kids three-, four-, or five star rating. In calendar year 2021, tiered
13 incentive payments under the program range from five percent to
14 twenty percent above the base rate, depending upon the age of the
15 child receiving care and the facility's star rating. Although family
16 child care providers can request a Grow NJ Kids evaluation, these
17 providers are currently ineligible for the program's enhanced
18 payments to providers earning a three-, four-, or five-star rating. It
19 is the intent of the bill's sponsor to ensure that registered family
20 child care providers that offer high-quality care are reimbursed on
21 an equal basis as child care centers under the Grow NJ Kids
22 program.