SENATE, No. 4192

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 22, 2021

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Requires DHS to develop incentives to encourage private investment in child care deserts.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 12/2/2021)

AN ACT concerning financial incentives for private investment in New Jersey's child care deserts and supplementing P.L.2019, c.426.

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

1. As used in section 2 of this act:

"Child care desert" means a community or a geographic area in which demand for quality child care services surpasses the available supply of such services, as determined by the Commissioner of Human Services.

"Child care facility" means a child care provider that is either licensed or registered with the State Office of Licensing, or has been evaluated and approved by the Division of Family Development in the Department of Human Services, to care for one or more children for fewer than 24 hours of care per day.

"Child care subsidy program" means the voucher program, jointly funded by the State and the federal government, that helps eligible low-to-moderate income families afford high-quality child care services.

2. a. Notwithstanding the provisions of any other law to the contrary, the Commissioner of Human Services, in coordination with the Commissioner of Community Affairs, the Chief Executive Officer of the New Jersey Economic Development Authority, the Director of the Division of Taxation in the Department of the Treasury and the Commissioner of Children and Families, shall establish a program of financial incentives to encourage private investment in child care facilities located in the State's identified child care deserts, provided that the program shall be implemented no later than 90 days after the effective date of this act.

b. The financial incentives to be considered by the commissioner shall include, but shall not be limited to:

(1) tax credits;

(2) tax exemptions;

(3) loan guarantees; and,

(4) assistance with recruiting, hiring and training employees.

c. The commissioner shall apply for such State plan amendments or waivers as may be necessary to implement the program of financial incentives 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.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

3. The Commissioner of Human Services, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and in consultation with the Commissioner of Community Affairs, the Chief Executive Officer of the New Jersey Economic Development Authority, the State Treasurer, and the Commissioner of Children and Families, shall adopt such rules and regulations as necessary to implement the provisions of this act.

4. This act shall take effect take effect immediately.

STATEMENT

This bill requires the Commissioner of Human Services to develop financial incentives, to be implemented within 90 days of the effective date of this bill, to encourage private investment in child care facilities located in New Jersey's identified child care deserts. The bill defines a "child care desert" as a community or geographic area in which the demand for quality child care services surpasses the available supply of such services, as determined by the Commissioner of Human Services.

The bill directs the Commissioner of Human Services to develop the program of financial incentives in conjunction with the Commissioner of Community Affairs, the Chief Executive Officer of the New Jersey Economic Development Authority, the Director of the Division of Taxation in the Department of the Treasury, and the Commissioner of Children and Families. Moreover, the commissioner is required to consider a variety of potential incentives to encourage private investment in child care facilities, including, but not limited to: tax credits, tax exemptions, loan guarantees, and assistance with recruiting, hiring and training new employees.

The Commissioner of Human Services is required to apply for any State plan amendments or federal waivers needed to ensure continued federal financial participation for the State's subsidized child care program. The provisions of this bill will take effect immediately.

It is the intent of the bill's sponsors to employ financial incentives to increase the availability of licensed child care facilities in the low-to-moderate income communities that largely constitute New Jersey's child care deserts. Such a program could build upon or be incorporated into existing programs, administered through the New Jersey Economic Development Authority and the Department of Community Affairs, to spur private investment in the State's food deserts and Urban Enterprise Zones.

According to the Advocates for Children of New Jersey (ACNJ), approximately 40 percent of New Jersey municipalities are classified as child care deserts; of these, the majority are urban or

rural communities. The lack of quality child care options in the State's child care deserts has become particularly acute during the COVID-19 pandemic, as many child care providers face economic hardship due to reduced student enrollment and higher operating costs associated with enhanced cleaning protocols and mandated personal protective equipment for facility staff. If New Jersey's economy is to re-open after the COVID-19 pandemic, the State's working families, many of whom are essential workers, need access to affordable, high-quality child care options in their communities.