30:5B-36 to 30:5B-42; Sec.9 Appropriation LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2022 CHAPTER: 25

NJSA: 30:5B-36 to 30:5B-42; Sec.9 Appropriation (Establishes Thriving By Three competitive grant program for infant and toddler child care programs; appropriates \$28 million.)

- BILL NO: S2476 (Substituted for A4179 (2R))
- SPONSOR(S) M. Teresa Ruiz and others

DATE INTRODUCED: 5/9/2022

COMMITTEE: ASSEMBLY:

SENATE: Health, Human Services and Senior Citizens Budget and Appropriations

- AMENDED DURING PASSAGE: Yes
- DATE OF PASSAGE: ASSEMBLY: 6/29/2022

SENATE: 6/29/2022

DATE OF APPROVAL: 6/30/2022

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL	(Third Reprint enacted)) Yes
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S2476

A41

INTRODUCED BILL: (Includes sponsor(s) statement)		Yes	
COMMITTEE STATEMENT:	ASSEMBLY:	No	
	SENATE:	Yes	Health, Human Services

and Senior Citizens

Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

	FLOOR AMENDMENT STATE	MENT:	No	
	LEGISLATIVE FISCAL ESTIM	IATE:	Yes	6/15/2022 7/5/2022
179	9 (2R)			
	INTRODUCED BILL: (Includes	sponsor(s) statement)	Yes	
	COMMITTEE STATEMENT:	ASSEMBLY:	Yes	Women & Children
				Budget
		SENATE:	No	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	6/16/2022 7/5/2022
VETO MESSAGE:	Yes	
GOVERNOR'S PRESS RELEASE ON SIGNING: Yes		
FOLLOWING WERE PRINTED: To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <u>mailto:refdesk@njstatelib.org</u>		
REPORTS:	No	
HEARINGS:	No	
NEWSPAPER ARTICLES:	Yes	

Susan K. Livio nj advance media, "THRIVING BY 3 ACT' ok'ED Guv signs child tax credit bill, more to address poverty', Jersey Journal, The (online), 2 Jul 2022 003

end

§§1-7 C.30:5B-36 to 30:5B-42 §8 Note §9 Approp.

P.L. 2022, CHAPTER 25, *approved June 30, 2022* Senate, No. 2476 (*Third Reprint*)

AN ACT establishing ²[an]² infant and toddler child care grant 1 ²[program] <u>programs</u>², supplementing Title 30 of the New 2 3 Jersey Statutes, and making an appropriation. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 ²[1. a. ¹[There is established in the] <u>The</u>¹ Department of 8 9 Human Services, in coordination with the Department of Education, the Bureau of Licensing in the Department of Children and 10 Families, and the New Jersey Economic Development Authority, 11 ¹shall establish a grant program, which shall be known as ¹ the $\frac{1.1}{1}$ 12 Thriving By Three ¹...¹ grant program ¹, the purpose of which shall 13 14 be¹ to incentivize the development of child care programs for infants and toddlers ¹[and],¹ provide technical assistance to child 15 care services providers for the expansion of child care spaces for 16 ¹[infant] <u>infants</u>¹ and toddlers ¹[. The purpose of the grant 17 program shall be to] <u>1</u> address ¹[the]¹ shortages ¹[of] <u>in the</u> 18 <u>number of</u>¹ regulated child care ¹providers that are available¹ for 19 working families $\frac{1}{2}$ and $\frac{1}{2}$ to $\frac{1}{2}$ support the developmental needs of 20 21 young children. b. ¹[Grants under] <u>Under¹</u> the program ¹, the department¹ shall 22 23 ¹ [be awarded to a licensed child care or registered family day care provider, Head Start program, or school district] award one-time 24 grants,¹ on a competitive basis ¹, to licensed child care providers, 25 26 registered family day care providers, Health Start programs, and 27 school districts that meet the requirements of subsection c. of this section¹. Providers, programs, ¹[or] and¹ school districts that 28 ¹[receive a grant under the program shall use the funds to develop 29 30 or expand quality child care spaces for infant and toddlers, and 31 preference shall be given to providers, programs, or school districts: 32 (1) located in communities identified as child care deserts with 33 little or no child care options for infants and toddlers;

Matter underlined thus is new matter.

¹Senate SHH committee amendments adopted June 6, 2022.

recommendations June 29, 2022.

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 enclosed in superscript numerals has been adopted as follows:

²Senate SBA committee amendments adopted June 27, 2022. ³Senate amendments adopted in accordance with Governor's

1 (2) located in communities with high percentages of low-income 2 families; and 3 (3) that can align their infant and toddler child care programs 4 with high-quality preschool, support collaborations for shared 5 services, and build upon existing early childhood education services meet the requirements of subsection c. of this section 6 shall be eligible for both a one-time grant that may be used to 7 8 renovate, improve, expand, or reconstruct existing facilities to 9 increase the number of infant and toddler child care spaces or 10 classrooms, as appropriate, and for a one-time grant that may be used to recruit staff and provide staff development opportunities. 11 12 One-time grants awarded to increase the number of infant and 13 toddler child care spaces or classrooms and one-time grants 14 awarded to recruit staff and provide staff development opportunities 15 may be awarded to a provider, program, or school district at <u>separate times¹</u>. 16 c. To be eligible for consideration 1 of] for 1 a grant award, a 17 licensed child care ¹[or] <u>provider</u>,¹ registered family day care 18 provider, Head Start program, or school district shall: 19 20 (1) submit an application to the Commissioner of Human 21 Services, in ¹[accordance with application procedures and requirements] a form and manner as shall be¹ prescribed by the 22 commissioner¹, which application shall outline the purposes for 23 24 which a grant award would be used¹; 25 (2) comply with the current child care licensing standards for infant and toddler child care, including $\frac{1}{1}$ but not limited to, class 26 size, ¹[child to staff] child-to-staff¹ ratios, and health and safety 27 28 standards; 29 (3) participate in the State's child care quality rating and 30 improvement system, Grow NJ Kids ¹[(GNJK)]¹; (4) require ¹[classroom teachers] <u>room supervisors</u>¹ to have 31 earned ¹[or to attain]¹ an infant and toddler child development 32 associate (CDA) or equivalent credential ¹or to attain a CDA or 33 equivalent credential¹ within two years of ¹the effective date of this 34 act or within two years of commencing¹ employment ¹with the 35 provider, program, or school, whichever occurs later¹; and 36 37 (5) require that ¹ [classroom teachers with] every six to eight rooms at the provider, program, or school be supervised by at least 38 one individual who holds a¹ bachelor of arts ¹[degrees supervise at 39 least six but no more than eight classrooms or up to] degree and has 40 41 at least two years of early childhood experience, provided that no room supervisor shall be responsible for supervising more than¹ 24 42 43 children at one time. d. $(1)^{1}$ The commissioner shall establish selection criteria for 44 45 the awarding of grant funds under the program. One-time grants 46 shall be awarded ¹, in an amount to be determined by the

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commissioner,¹ based upon review of the applications and subject 1 to the availability of funds ${}^{1}\mathbf{I}$, and shall be used: 2 (1) to expand, renovate, or reconstruct existing facilities to 3 4 increase the number of infant and toddler child care spaces or 5 classrooms, as appropriate; and].¹ (2) ¹ [for staff recruitment and staff development initiatives] In 6 7 awarding grants pursuant to this subsection, the commissioner shall 8 establish a preference for licensed child care providers, registered 9 family day care providers, Head Start programs, and school districts 10 that: 11 (a) are located in communities with few or no child care options 12 for infants and toddlers; 13 (b) are located in communities with high percentages of low-14 income families; and (c) can align the provider's, program's, or school district's 15 16 infant and toddler child care programs with high-quality preschools, 17 support collaborations for shared services, and build upon existing early childhood education services¹. 18 ¹[Additional grants shall be made] (3) In addition to the one-19 20 time grants awarded to increase the number of infant and toddler 21 child care spaces or classrooms and the one-time grants awarded to 22 recruit staff and provide staff development opportunities the commissioner shall make an additional one-time grant¹ available to 23 24 ¹<u>any</u>¹ family day care ¹[providers who meet all the eligibility requirements pursuant to subsection c. of this section to incentivize 25 such providers to register] provider that is registered¹ with the 26 27 Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," ¹[P.L. L. 1987, c. 28 27] P.L.1987, c.27¹ (C.30:5B-16 et seq.). ¹An additional grant 29 30 awarded pursuant to this paragraph may be used to increase the 31 number of infant and toddler child care spaces, to recruit staff and provide staff development opportunities, or both.¹ 32 A licensed child care ¹[or] <u>provider</u>,¹ registered family day 33 e. care provider, Head Start program, or school district receiving a 34 grant under the program 1 [and using] 1 that 1 uses the 1 grant to 35 expand, renovate, or reconstruct existing facilities to increase the 36 number of infant and toddler child care spaces or classrooms, as 37 38 appropriate, shall receive from the Department of Human Services a child care reimbursement rate of \$22,000 per year per child to 39 ¹[cover] <u>help offset the cost of additional</u>¹ staff salaries ¹, which 40 salaries shall be¹ commensurate with the infant and toddler ¹[child 41 development associate (CDA)] <u>CDA¹</u> or ¹[other]¹ equivalent 42 credential ¹<u>held by the additional staff members</u>¹. 43 The commissioner shall ¹[establish the amount for each 44 f. grant that is approved and shall $]^1$: 45

1 (1) publicize the existence of, and encourage licensed child care ¹[or] <u>providers</u>,¹ registered family day care providers, Head Start 2 programs, 1 [or] and 1 school districts 1 [in applying] to apply to 3 participate in, the ¹grant¹ program; and 4 5 (2) provide technical assistance to the grant awardees to meet the requirements of the 1 grant 1 program. 6 7 g. Within one year after receiving a grant award under the 8 program, a licensed child care ¹[or] provider, ¹ registered family day care provider, Head Start program, or school district shall 9 10 submit a report to the Department of Human Services containing 11 information on the provider's, program's, or school district's use of 12 the grant funds. The report shall include, at a minimum, 13 information on the number of additional infant and toddler child 14 care spaces created using grant funds, ¹the number of additional staff hired and any staff development initiatives created using grant 15 funds,¹ increases or improvements in the provision of child care 16 17 services as a result of the grant, and any notable changes in child care enrollment and attendance rates or other measures ¹the 18 provider, program, or school district observed¹ since receiving the 19 grant.]² 20 21 ²1. This act shall be known and may be cited as the "Thriving By 22 Three Act."² 23 24 25 ²<u>2. The purpose of this act shall be to incentivize the expansion of</u> capacity for infants and toddlers, provide technical assistance to child 26 27 care providers for the expansion of child care spaces for infants and 28 toddlers, address shortages in infant and toddler care capacity that is 29 available for working families, and support the developmental needs of young children.² 30 31 32 ²<u>3. a. The New Jersey Economic Development Authority shall</u> 33 award one-time grants, on either a competitive or rolling application basis, to licensed child care providers, registered family day care 34 providers, ³and³ Head Start programs ³[, charter schools, 35 renaissance schools, and school districts]³ that meet the 36 requirements of subsection b. of this section. Providers ³[,] and ³ 37 programs ³[, schools, and school districts]³ that meet the 38 39 requirements of subsection b. of this section shall be eligible for a 40 one-time grant that may be used to renovate, improve, expand, or reconstruct existing facilities in a manner that will have the 41 42 predominant effect of increasing the number of infant and toddler 43 child care slots or classrooms, as appropriate. The authority may 44 provide technical assistance to assist providers in meeting the 45 requirements of the grant program. 46 b. To be eligible for consideration for a grant award under this 47 section, a licensed child care provider, registered family day care

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provider, ³or³ Head Start program ³[, charter school, renaissance 1 2 school, or school district]³ shall: (1) submit an application to the authority, in a form and manner 3 4 as shall be prescribed by the authority and in accordance with 5 criteria established by the authority in consultation with the 6 Commissioner of Human Services, which application shall outline 7 the purposes for which a grant award would be used; 8 (2) comply with the current child care licensing standards for 9 infant and toddler child care, including, but not limited to, class 10 size, child-to-staff ratios, and health and safety standards; and 11 (3) participate or apply to participate in the State's child care 12 quality rating and improvement system, Grow NJ Kids. 13 c. In awarding grants under this section, the authority shall give preference to providers ³[,] and ³ programs ³[, schools, and 14 school districts]³ that: 15 (1) are located in communities identified as child care deserts 16 with few or no options for high-quality child care for infants and 17 18 toddlers; (2) are located in communities with high percentages of low-19 20 income families; and 21 (3) can align their infant and toddler child care programs with 22 high-quality preschool programs, support collaborations for shared 23 services, and build upon existing early childhood education services.² 24 25 ²<u>4. a. The Commissioner of Human Services shall award grants,</u> 26 on a competitive basis pursuant to criteria established by the 27 28 Commissioner of Human Services, to licensed child care ³[centers] providers³, registered family day care providers, ³and³ Head Start 29 programs ³[, and school districts]³ that meet the requirements of 30 subsection b. of this section. Providers ³[,] and ³ programs ³[, 31 schools, and school districts]³ that meet the requirements of 32 subsection b. of this section shall be eligible for a one-time initial 33 grant that may be used to: purchase equipment; recruit, train, or 34 compensate staff for new infant and toddler slots or classrooms; and 35 for other initiatives to support the expansion of infant and toddler 36 37 child care capacity. The Department of Human Services may 38 provide technical assistance to assist providers in meeting the 39 requirements of the grant program. 40 b. To be eligible for consideration for a grant award under this section, a licensed child care provider, registered family day care 41 provider ³[,] or ³ Head Start program ³[, charter school, renaissance 42 school, or school district]³ shall submit an application to the 43 44 Department of Human Services, in a form and manner as shall be 45 prescribed by the Commissioner of Human Services and in 46 accordance with criteria established by the Commissioner of Human 47 Services, which application shall outline the purposes for which a

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1 grant award would be used. Eligible providers shall include, but 2 shall not be limited to, providers that receive a grant from the 3 Economic Development Authority pursuant to section 2 of this act. 4 To be eligible for consideration for a grant award under this section, 5 an applicant shall additionally: (1) comply with the current child care licensing standards for 6 7 infant and toddler child care, including, but not limited to, class 8 size, child-to-staff ratios, and health and safety standards; 9 (2) demonstrate that the grant funding will be used to support the 10 expansion of infant and toddler child care capacity; and 11 (3) participate or apply to participate in the State's child care 12 quality rating and improvement system, Grow NJ Kids. 13 The commissioner shall establish selection criteria for the c. 14 awarding of grant funds under the program. One-time initial grants 15 shall be awarded, in an amount to be determined by the 16 commissioner, based upon review of the applications and subject to 17 the availability of funds. 18 d. The department shall calculate the initial grant award for an 19 eligible recipient based on the number of new infant or toddler child 20 care slots that will be supported through the grant program created 21 pursuant to this section. Initial grants awarded pursuant to this 22 section shall be in an amount that is not less than \$3,000 per new 23 infant or toddler child care slot that will be supported through the 24 grant program. 25 e. (1) Subject to appropriation and the availability of funds, 26 grant recipients not already participating in Grow NJ Kids at the 27 time the grant recipient applied to the department for a grant award 28 under this section, which recipients apply to participate in Grow NJ 29 Kids as a condition of program eligibility, shall be eligible to apply 30 for and receive up to two additional grant awards to allow for time 31 for the recipient to join and become rated under Grow NJ Kids. A 32 recipient shall not be eligible for an additional grant award under 33 this subsection if the recipient has received a Grow NJ Kids rating. 34 (2) A grant recipient shall apply for additional grant awards 35 pursuant to paragraph (1) of this subsection in a form and manner as shall be prescribed by the commissioner. The application for an 36 37 additional grant award shall outline the purposes for which the grant 38 would be used. Additional grant awards may be used for the same purposes as are authorized for grants awarded pursuant to 39 40 subsection a. of this section. 41 (3) The department shall calculate an additional grant award for an eligible recipient based on the number of new infant or toddler 42 43 child care slots that are supported using the recipient's initial grant 44 award. Additional grants awarded pursuant to this subsection shall 45 be in an amount that is not less than \$1,200 per infant or toddler 46 child care slot that will be supported through the grant program. 47 (4) A first additional grant awarded pursuant to this subsection 48 shall be paid on the first day of the 12th month next following the

1 date the initial grant award is paid. A second additional grant awarded pursuant to this subsection shall be paid on the first day of 2 3 the 24th month next following the date the initial grant award is 4 paid. 5 f. In awarding grants under this section, the commissioner shall give preference to providers ³[,] and ³ programs ³[, schools, 6 and school districts]³ that: 7 8 (1) are located in communities identified as child care deserts 9 with few or no options for high-quality child care for infants and 10 toddlers; 11 (2) are located in communities with high percentages of low-12 income families; and 13 (3) can align their infant and toddler child care programs with 14 high-quality preschool programs, support collaborations for shared 15 services, and build upon existing early childhood education services.² 16 17 18 ²5. The Economic Development Authority and the Department of Human Services shall each publicize the existence of, and 19 encourage licensed child care providers, registered family day care 20 providers, ³and³ Head Start programs ³[, charter schools, 21 renaissance schools, and school districts]³ to apply to participate in, 22 23 the grant programs established under this act; and shall provide 24 technical assistance to the grant awardees to meet the requirements of the grant program.² 25 26 27 ²6. Within one year after receiving a grant award under this act, 28 a licensed child care provider, registered family day care provider, ³or³ Head Start program ³[, charter school, renaissance school, or 29 school district]³ shall submit a report to the agency that awarded 30 the grant to the licensed child care provider, registered family day 31 care provider, ³or³ Head Start program ³[, charter school, 32 renaissance school, or school district]³ containing information on 33 the provider's ³[,] or³ program's ³[, school's, or school district's]³ 34 use of the grant funds. The report shall include, to the extent 35 relevant, information any new infant and toddler child care 36 capacity, including new slots, created using grant funds, any staff 37 38 recruitment initiatives supported using grant funds, increases or 39 improvements in the provision of child care services as a result of 40 the grant, and any notable changes in child care enrollment and attendance rates or other measures the provider ³[,] or ³ program ³[, 41 school, or school district]³ observed since receiving the grant.² 42 43 ²[2.] <u>7.</u>² The Commissioner of Human Services ²and the 44 <u>Economic Development Authority</u>² shall 2 each² submit a report to 45 the Governor, and to the Legislature pursuant to section 2 of 46

P.L.1991, c.164 (C.52:14-19.1), no later than two years after the

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establishment of the ²[Thriving By Three infant and toddler child 1 care]² grant ²[program] programs established pursuant to this act². 2 The report shall include, but need not be limited to, information on 3 the number of grant applicants, the number and amounts of ¹[the 4 grant awards grants awarded, the purposes for which grant funds 5 were used¹, the number of additional infant and toddler child care 6 7 spaces created using grant funds, information provided by licensed child care ¹[and] <u>providers</u>, registered¹ family day care providers, 8 ³and³ Head Start programs ³[, ²charter schools, renaissance 9 schools,² and school districts]³ under ²[subsection g. of]² section 10 ²[1] 6² of this act, and any recommendations concerning the 11 continuation or expansion of the grant ²[program] programs². 12 13

²[3.] <u>8.</u>² The ²Economic Development Authority and the² 14 Commissioner of Human Services, in consultation with the 15 Department of Education ²[,] and² the Bureau of Licensing in the 16 Department of Children and Families ²[, and the New Jersey 17 Economic Development Authority]², pursuant to the "Administrative 18 Procedure ¹[Act,"¹ P.L.1968, c.410 (C.52:14B-1 et seq.), 19 ²[shall] may each² adopt such rules and regulations as ¹may be¹ 20 necessary to implement the provisions of this act. 21

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²[4.] <u>9.</u>² There is appropriated ²[to the Department of Human
Services]² ¹the following sums ³[, which shall be used by the
department]³ to effectuate the provisions of this act¹:

²[\$22,000,000] \$8,000,000² from the General Fund ²[from a. 26 the federal "Coronavirus State Fiscal Recovery Fund" established 27 28 pursuant to the federal "American Rescue Plan Act", Pub.L.117-2, 29 which to the ³ Division of Disaster Recovery and Mitigation in the Department of Community Affairs, which sum shall be made 30 available to and used by the]³ Economic Development Authority to 31 effectuate the provisions of section 3 of this act, of which a 32 33 reasonable amount not to exceed five percent may be used by the authority for organizational, administrative and other work and 34 services, including salaries, equipment, services, and materials 35 necessary to administer the activities authorized by this act ³[. The 36 authority shall enter into a memorandum of understanding or grant 37 agreement, as applicable, with the division to effectuate the 38 39 purposes of this subsection, to establish appropriate administrative costs, and to ensure compliance with federal rules and guidance²]³; 40 41 and ²[\$6,000,000] <u>\$20,000,000</u>² ²[federal 42 b. from the

b. ²[\$6,000,000] <u>\$20,000,000</u>² from the ²[federal
"Coronavirus State Fiscal Recovery Fund" established pursuant to
the federal "American Rescue Plan Act", Pub.L.117-2, of which
¹[the following amounts shall be distributed by the authority, on a
one-time basis, to a licensed child care or registered family day care

1 provider, Head Start program, or school district awarded a grant in 2 accordance with section 1 of this act: (1)] <u>amount¹</u> \$5,000,000 ¹<u>shall be dedicated to grants awarded</u>¹ 3 to cover the costs of renovating, improving, expanding, or 4 5 reconstructing existing ¹[child care]¹ facilities ¹[, as appropriate;] 6 to increase the number of infant and toddler child care spaces and classrooms,¹ and 7 ¹[(2)]¹ \$1,000,000 ¹[for] <u>shall be dedicated to grants awarded</u> 8 to cover the costs of¹ staff recruitment initiatives and creating 9 scholarships for staff development and training] General Fund to 10 11 the Department of Human Services to effectuate the provisions of 12 section 4 of this act, of which a reasonable amount not to exceed five percent may be used by the department for organizational, 13 administrative and other work and services, including salaries, 14 15 equipment, services, and materials necessary to administer the activities authorized by this act². 16 17 ²[5.] $10.^{2}$ This act shall take effect ²[on the first day of the sixth 18 month next following enactment] immediately². 19 20 21 22 23 24 Establishes Thriving By Three Act to award competitive grants 25 for infant and toddler child care programs; appropriates \$28 million.

SENATE, No. 2476 STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MAY 9, 2022

Sponsored by: Senator M. TERESA RUIZ District 29 (Essex) Senator JOSEPH F. VITALE District 19 (Middlesex)

Co-Sponsored by: Senators Cruz-Perez, Cryan, Cunningham, Stanfield and Turner

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/16/2022)

AN ACT establishing an infant and toddler child care grant program, 2 supplementing Title 30 of the New Jersey Statutes, and making 3 an appropriation. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey:

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8 There is established in the Department of Human 1. a. 9 Services, in coordination with the Department of Education, the 10 Bureau of Licensing in the Department of Children and Families, 11 and the New Jersey Economic Development Authority, the Thriving 12 By Three grant program to incentivize the development of child 13 care programs for infants and toddlers and provide technical 14 assistance to child care services providers for the expansion of child 15 care spaces for infant and toddlers. The purpose of the grant 16 program shall be to address the shortages of regulated child care for 17 working families and to support the developmental needs of young 18 children.

b. Grants under the program shall be awarded to a licensed 19 20 child care or registered family day care provider, Head Start program, or school district on a competitive basis. 21 Providers, 22 programs, or school districts that receive a grant under the program 23 shall use the funds to develop or expand quality child care spaces for infant and toddlers, and preference shall be given to providers, 24 25 programs, or school districts:

26 (1) located in communities identified as child care deserts with 27 little or no child care options for infants and toddlers;

(2) located in communities with high percentages of low-income 28 29 families; and

(3) that can align their infant and toddler child care programs 30 31 with high-quality preschool, support collaborations for shared services, and build upon existing early childhood education 32 33 services.

34 c. To be eligible for consideration of a grant award, a licensed 35 child care or registered family day care provider, Head Start program, or school district shall: 36

37 (1) submit an application to the Commissioner of Human in accordance with application procedures 38 Services, and 39 requirements prescribed by the commissioner;

40 (2) comply with the current child care licensing standards for 41 infant and toddler child care, including but not limited to, class size, 42 child to staff ratios, and health and safety standards;

43 (3) participate in the State's child care quality rating and 44 improvement system, Grow NJ Kids (GNJK);

45 (4) require classroom teachers to have earned or to attain an 46 infant and toddler child development associate (CDA) or equivalent 47 credential within two years of employment; and

(5) require that classroom teachers with bachelor of arts degrees
 supervise at least six but no more than eight classrooms or up to 24
 children at one time.

d. The commissioner shall establish selection criteria for the
awarding of grant funds under the program. One-time grants shall
be awarded based upon review of the applications and subject to the
availability of funds, and shall be used:

8 (1) to expand, renovate, or reconstruct existing facilities to 9 increase the number of infant and toddler child care spaces or 10 classrooms, as appropriate; and

11 (2) for staff recruitment and staff development initiatives.

Additional grants shall be made available to family day care providers who meet all the eligibility requirements pursuant to subsection c. of this section to incentivize such providers to register with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L. L. 1987, c. 27 (C.30:5B-16 et seq.).

18 A licensed child care or registered family day care provider, e. 19 Head Start program, or school district receiving a grant under the 20 program and using that grant to expand, renovate, or reconstruct 21 existing facilities to increase the number of infant and toddler child 22 care spaces or classrooms, as appropriate, shall receive from the 23 Department of Human Services a child care reimbursement rate of 24 \$22,000 per year per child to cover staff salaries commensurate 25 with the infant and toddler child development associate (CDA) or 26 other equivalent credential.

f. The commissioner shall establish the amount for each grantthat is approved and shall:

(1) publicize the existence of, and encourage licensed child care
or registered family day care providers, Head Start programs, or
school districts in applying to participate in, the program; and

32 (2) provide technical assistance to the grant awardees to meet33 the requirements of the program.

34 g. Within one year after receiving a grant award under the program, a licensed child care or registered family day care 35 provider, Head Start program, or school district shall submit a 36 37 report to the Department of Human Services containing information 38 on the provider's, program's, or school district's use of the grant 39 funds. The report shall include, at a minimum, information on the 40 number of additional infant and toddler child care spaces created 41 using grant funds, increases or improvements in the provision of 42 child care services as a result of the grant, and any notable changes in child care enrollment and attendance rates or other measures 43 44 since receiving the grant.

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2. The Commissioner of Human Services shall submit a report
to the Governor, and to the Legislature pursuant to section 2 of
P.L.1991, c.164 (C.52:14-19.1), no later than two years after the

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1 establishment of the Thriving By Three infant and toddler child care 2 grant program. The report shall include, but need not be limited to, 3 information on the number of grant applicants, the number and 4 amounts of the grant awards, the number of additional infant and 5 toddler child care spaces created using grant funds, information provided by licensed child care and family day care providers, Head 6 7 Start programs, and school districts under subsection g. of section 1 8 of this act, and any recommendations concerning the continuation 9 or expansion of the grant program. 10 11 3. The Commissioner of Human Services, in consultation with 12 the Department of Education, the Bureau of Licensing in the 13 Department of Children and Families, and the New Jersey 14 Economic Development Authority, pursuant to the "Administrative 15 Procedure Act" P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt 16 such rules and regulations as necessary to implement the provisions 17 of this act. 18 19 4. There is appropriated to the Department of Human Services: 20 \$22,000,000 from the General Fund to be used to effectuate a. 21 the purposes of this act; and 22 b. \$6,000,000 from the federal "Coronavirus State Fiscal 23 Recovery Fund" established pursuant to the federal "American 24 Rescue Plan Act", Pub.L.117-2, of which the following amounts 25 shall be distributed by the authority, on a one-time basis, to a 26 licensed child care or registered family day care provider, Head 27 Start program, or school district awarded a grant in accordance with 28 section 1 of this act: 29 (1) \$5,000,000 to cover the costs of renovating, improving, 30 expanding, or reconstructing existing child care facilities, as 31 appropriate; and (2) \$1,000,000 for staff recruitment initiatives and creating 32 33 scholarships for staff development and training. 34 35 5. This act shall take effect on the first day of the sixth month 36 next following enactment. 37 38 39 **STATEMENT** 40 This bill establishes the Thriving By Three grant program to 41 42 incentivize the development of child care programs for infants and 43 toddlers and provide technical assistance to child care services 44 providers for the expansion of infant and toddler child care slots. 45 Specifically, the Department of Human Services (DHS), in 46 consultation with the Department of Education, Office of Licensing 47 in the Department of Children and Families, and the New Jersey 48 Economic Development Authority, is to establish the grant program

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for the purposes of addressing the shortages of regulated child care
 for working families and to support the developmental needs of
 young children.

Grants under the program are to be awarded to a licensed child care or registered family day care provider, Head Start program, or school district on a competitive basis, and a provider, program, or school district that receive a grant under the program are to use the funds to develop or expand quality child care spaces for infant and toddlers. Preference is to be given to providers, programs, or school districts who meet the eligibility criteria listed in the bill.

11 The commissioner of DHS is to establish selection criteria for 12 the awarding of grant funds under the program, and one-time grants 13 are to be awarded based upon review of the applications and subject 14 to the availability of funds. The grants are to be used: (1) to expand, renovate, or reconstruct existing facilities to increase the 15 16 number of infant and toddler child care spaces or classrooms, as 17 appropriate; and (2) for staff recruitment and staff development 18 initiatives.

19 The commissioner is to: (1) establish the amount for each grant 20 that is approved; (2) publicize the existence of, and encourage 21 licensed child care or registered family day care providers, Head 22 Start programs, or school districts in applying to participate in, the 23 program; and (3) provide technical assistance to the grant awardees 24 for to meet the requirements of the program.

The bill provides that additional grants under the program are to be made available to family day care providers who meet all the eligibility requirements pursuant to the bill to incentivize the providers to register with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L. L. 1987, c. 27 (C.30:5B-16 et seq.).

31 The provisions of the bill also stipulate that a licensed child care 32 or registered family day care provider, Head Start program, or 33 school district receiving a grant under the program and using that 34 grant to expand, renovate, or reconstruct existing facilities to 35 increase the number of infant and toddler child care spaces or 36 classrooms, as appropriate, is to receive from the DHS a child care 37 reimbursement rate of \$22,000 per year per child to cover staff 38 salaries commensurate with the infant and toddler child 39 development associate (CDA) or other equivalent credential.

40 The bill requires each licensed child care or registered family 41 day care provider, Head Start program, or school district that 42 receives a grant under the program to submit a report to the DHS 43 within one year after receiving the grant. The report is to include 44 information on the number of additional infant and toddler child 45 care spaces created using grant funds, increases or improvements in 46 the provision of child care services as a result of the grant, and any 47 notable changes in child care enrollment and attendance rates or 48 other measures since receiving the grant.

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1 The bill also requires the commissioner to submit a report to the 2 Governor and the Legislature no later than two years after the 3 establishment of the Thriving By Three grant program including information on: (1) the number of grant applicants; (2) the number 4 5 and amounts of the grant awards; (3) information provided by 6 licensed child care and family day care providers, Head Start 7 programs, and school districts in accordance with the provisions of 8 the bill; (4) the number of additional infant and toddler child care 9 slots created using grant funds; and (5) any recommendations 10 concerning the continuation or expansion of the grant program.

11 The bill appropriates to the DHS: (1) \$22 million from the 12 General fund for purposes of the grant program; and (2) \$6,000,000 13 from the federal "Coronavirus State Fiscal Recovery Fund" 14 established pursuant to the federal "American Rescue Plan Act", 15 Pub.L.117-2, of which the following amounts is to be distributed by 16 the authority, on a one-time basis, to a licensed child care or 17 registered family day care provider, Head Start program, or school 18 district awarded a grant: \$5,000,000 to cover the costs of 19 renovating, improving, expanding, or reconstructing existing child 20 care facilities, as appropriate; and \$1,000,000 for staff recruitment 21 initiatives and creating scholarships for staff development and 22 training.

It is the sponsor's intent to create 1,000 new infant and toddler child care spots to address the issues parents of this State face in accessing high quality child care services or receiving the subsidies to pay for such services, particularly for infants and toddlers.

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 2476

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2022

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2476.

As amended by the committee, this bill establishes the Thriving By Three grant program to incentivize the development of child care programs for infants and toddlers and provide technical assistance to child care services providers for the expansion of infant and toddler child care slots. The purpose of the grant program is to address shortages in the number of regulated child care providers that are available for working families and support the developmental needs of young children. The Department of Human Services (DHS) is to establish the grant program in consultation with the Department of Education, Office of Licensing in the Department of Children and Families, and the New Jersey Economic Development Authority.

Grants under the program are to be awarded to licensed child care providers, registered family day care providers, Head Start programs, and school districts on a competitive basis. The DHS will make separate one-time grants available to: (1) expand, renovate, or reconstruct existing facilities to increase the number of infant and toddler child care spaces and classrooms; and (2) recruit staff and provide staff development opportunities. These one-time grants may be awarded to a provider, program, or school district at separate times. The amount of each one-time grant will be determined by the Commissioner of Human Services, who will additionally establish selection criteria for the grant program. As amended, the bill authorizes an additional, one-time grant for family day care providers who are registered with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L.1987, c.27 (C.30:5B-16 et seq.).

To be eligible for consideration for a grant award, a provider, program, or school district will be required to:

(1) submit an application to the commissioner, in a form and manner prescribed by the commissioner, 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;

(3) participate in the State's child care quality rating and improvement system, Grow NJ Kids;

(4) require room supervisors to have earned an infant and toddler child development associate (CDA) or equivalent credential or to attain a CDA or equivalent credential within two years of the effective date of this act or within two years of commencing employment with the provider, program, or school, whichever occurs later; and

(5) require that every six to eight rooms at the provider, program, or school be supervised by at least one individual who holds a bachelor of arts degree and has at least two years of early childhood experience, provided that no room supervisor will be responsible for supervising more than 24 children at one time.

In awarding grants, the commissioner will be required to establish a preference for providers, programs, and school districts that:

(1) are located in communities with few or no child care options 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 preschools, support collaborations for shared services, and build upon existing early childhood education services.

The commissioner will be required to publicize the existence of, and encourage providers, programs, and school districts to apply to participate in, the grant program and provide technical assistance to the grant awardees.

Within one year after receiving a grant award under the program, a grant awardees will be required to submit a report to the DHS containing information on the provider's, program's, or school district's use of the grant funds. The report is to include, at a minimum, information on the number of additional infant and toddler child care spaces created using grant funds, the number of additional staff hired and any staff development initiatives created 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, or school district observed since receiving the grant.

The bill also requires the commissioner to submit a report to the Governor and the Legislature, no later than two years after establishing the grant program, detailing: the number of grant applicants; the number and amounts of grants awarded; the purposes for which grant funds were used; the information grant awardees are required to report under the bill; the number of additional infant and toddler child care slots created using grant funds; and any recommendations concerning the continuation or expansion of the grant program.

The bill appropriates \$28 million to the DHS to effectuate the provisions of the bill. This appropriation will comprise \$22 million from the General Fund and \$6 million from the federal "Coronavirus State Fiscal Recovery Fund" established pursuant to the federal "American Rescue Plan Act", Pub.L.117-2. Of the \$6 million appropriated in federal funds, \$5 million will be dedicated to grants awarded to cover the costs of renovating, improving, expanding, or reconstructing existing facilities to increase the number of infant and toddler child care spaces and classrooms, and \$1 million will be dedicated to grants awarded to cover the costs of staff recruitment initiatives and creating scholarships for staff development and training.

COMMITTEE AMENDMENTS:

The committee amendments clarify that the grant program will comprise separate one-time grants to expand the number of existing infant and child care spaces and classrooms and one-time grants to cover staff recruitment and development, as well as to clarify that additional one-time grants will be available to family day care providers that are registered with the State. The amendments specify that the various one-time grants may be awarded to providers, programs, and school districts at separate times.

The committee amendments clarify that applications are to be submitted in a form and manner prescribed by the commissioner, and require that applications outline the purposes for which a grant would be used.

The committee amendments replace the term "classroom teacher" with "room supervisor," and clarify the requirements for room supervisors to attain a child development associate or equivalent credential.

The committee amendments revise the reporting requirements for grant awardees to include information on the number of additional staff hired and the staff development initiatives created using grant funds.

The committee amendments revise the reporting requirements for the DHS to include information concerning the purposes for which grant funds were used.

The committee amendments revise the appropriation to clarify how the appropriated amounts are to be used.

The committee amendments make various technical changes to address issues related to grammar and syntax and to reorganize the bill to better clarify how its provisions apply.

LEGISLATIVE FISCAL ESTIMATE [First Reprint] SENATE, No. 2476 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 15, 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.
Agencies Affected:	Department of Human Services.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) determines that the bill would limit the amount of each one-time grant awarded under the Thriving by Three grant program, as established under the bill, to the availability of funds. Therefore, the OLS concludes that the costs incurred by the Department of Human Services (DHS) to award grants through the program will be limited to the \$28 million appropriation under the bill, of which \$22 million would be from the General Fund and \$6 million would be from the federal Coronavirus State Fiscal Recovery Fund.
- The above estimate assumes that the: 1) DHS will award grant amounts that provide the department with sufficient funding to also provide certain grantees with a child care reimbursement rate of \$22,000 per year per child, as provided for under the bill; and 2) enhanced reimbursement rate provided to certain grantees is temporary in nature.
- The OLS further estimates that the DHS may incur certain minimal costs to promote the program, provide technical assistance to grantees, and to comply with the reporting requirements established under the bill. To the extent that the department can utilize existing operating resources, any expenses experienced from these activities will be reduced.



BILL DESCRIPTION

This bill establishes the Thriving By Three grant program. Grants under the program are to be awarded to licensed child care providers, registered family day care providers, Head Start programs, and school districts on a competitive basis based upon selection criteria established by the commissioner. The DHS will make separate one-time grants available to: (1) expand, renovate, or reconstruct existing facilities to increase the number of infant and toddler child care spaces and classrooms; and (2) recruit staff and provide staff development opportunities. The amount of each grant is to be based upon review of the application and subject to the availability of funds.

The bill also stipulates that a licensed child care provider, registered family day care provider, Head Start program, or school district receiving a grant under the program and using that grant to increase the number of infant and toddler child care spaces and classrooms is to receive from the DHS a child care reimbursement rate of \$22,000 per year per child to cover staff salaries commensurate with the infant and toddler child development associate or other equivalent credential.

The DHS will be required to: 1) publicize the grant program and provide technical assistance to the grant awardees; and 2) report to the Governor and the Legislature, no later than two years after establishing the grant program, detailing certain aspects of the program.

The bill appropriates \$28 million to the DHS to effectuate the provisions of the bill. This appropriation will comprise \$22 million from the General Fund and \$6 million from the federal Coronavirus State Fiscal Recovery Fund established pursuant to the federal American Rescue Plan Act.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill would limit the amount of each one-time grant awarded under the Thriving by Three grant program, as established under the bill, to the availability of funds. Therefore, the OLS concludes that the costs incurred by the DHS to award grants through the program will be limited to the \$28 million appropriation under the bill, of which \$22 million would be from the General Fund and \$6 million would be from the federal Coronavirus State Fiscal Recovery Fund. This estimate assumes that the: 1) DHS will award grant amounts that provide the department with sufficient funding to also provide certain grantees with a child care reimbursement rate of \$22,000 per year per child, as provided for under the bill; and 2) enhanced reimbursement rate provided to certain grantees is temporary in nature.

The OLS notes that the highest existing child care reimbursement rate is \$21,229.20 per year for an infant with special needs when provided services by a licensed child care center, while the lowest existing child care reimbursement rate is \$14,043.36 per year for a toddler when provided services by a registered family child care. As such, it will cost the State between \$7,956.64 and \$770.80 per child per year for the enhanced rate provided to certain grantees under the bill. The OLS is unable to quantify the aggregate cost to the State, as the number of providers and children

who will receive the enhanced rate is unpredictable and based upon decisions made by the department during application review.

The OLS further estimates that the DHS may incur certain minimal costs to promote the program, provide technical assistance to grantees, and to comply with the reporting requirements under the bill. To the extent that the department can utilize existing operational resources, any expenses experienced from these activities will be reduced.

Section:	Human Services
Analyst:	Sarah Schmidt Lead Research Analyst
Approved:	Thomas Koenig 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.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint] SENATE, No. 2476

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2476 (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 highquality 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 provide that charter schools and renaissance schools will be eligible for grants under the grant programs.

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.

LEGISLATIVE FISCAL ESTIMATE [Second Reprint] SENATE, No. 2476 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

Office of Legislative Services State House Annex P.O. Box 068 Trenton, New Jersey 08625



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
Analyst:	Sarah Schmidt Lead Research Analyst
Approved:	Thomas Koenig 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.).

ASSEMBLY, No. 4179 STATE OF NEW JERSEY 220th LEGISLATURE

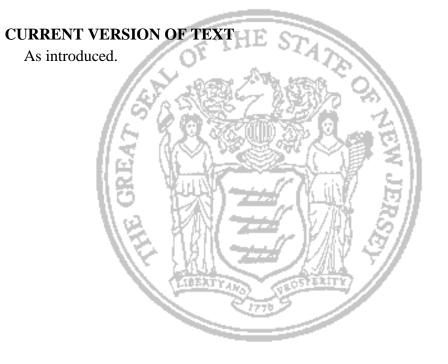
INTRODUCED JUNE 2, 2022

Sponsored by: Assemblyman CRAIG J. COUGHLIN District 19 (Middlesex) Assemblywoman MILA M. JASEY District 27 (Essex and Morris) Assemblywoman SHAVONDA E. SUMTER District 35 (Bergen and Passaic) Assemblywoman ANNETTE QUIJANO District 20 (Union)

Co-Sponsored by: Assemblywoman McKnight

SYNOPSIS

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



(Sponsorship Updated As Of: 6/2/2022)

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AN ACT establishing an infant and toddler child care grant program,
 supplementing Title 30 of the New Jersey Statutes, and making
 an appropriation.

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

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8 1. a. There is established in the Department of Human Services, 9 in coordination with the Department of Education, the Bureau of 10 Licensing in the Department of Children and Families, and the New 11 Jersey Economic Development Authority, the Thriving By Three 12 grant program to incentivize the development of child care 13 programs for infants and toddlers and provide technical assistance to child care services providers for the expansion of child care 14 15 spaces for infant and toddlers. The purpose of the grant program 16 shall be to address the shortages of regulated child care for working 17 families and to support the developmental needs of young children.

b. Grants under the program shall be awarded to a licensed child care or registered family day care provider, Head Start program, or school district on a competitive basis. Providers, programs, or school districts that receive a grant under the program shall use the funds to develop or expand quality child care spaces for infant and toddlers, and preference shall be given to providers, programs, or school districts:

(1) located in communities identified as child care deserts withlittle or no child care options for infants and toddlers;

(2) located in communities with high percentages of low-incomefamilies; and

(3) that can align their infant and toddler child care programs
with high-quality preschool, support collaborations for shared
services, and build upon existing early childhood education
services.

c. To be eligible for consideration of a grant award, a licensed
child care or registered family day care provider, Head Start
program, or school district shall:

36 (1) submit an application to the Commissioner of Human
37 Services, in accordance with application procedures and
38 requirements prescribed by the commissioner;

39 (2) comply with the current child care licensing standards for
40 infant and toddler child care, including but not limited to, class size,
41 child to staff ratios, and health and safety standards;

42 (3) participate in the State's child care quality rating and43 improvement system, Grow NJ Kids (GNJK);

(4) require classroom teachers to have earned or to attain an
infant and toddler child development associate (CDA) or equivalent
credential within two years of employment; and

(5) require that classroom teachers with bachelor of arts degrees
 supervise at least six but no more than eight classrooms or up to 24
 children at one time.

d. The commissioner shall establish selection criteria for the
awarding of grant funds under the program. One-time grants shall
be awarded based upon review of the applications and subject to the
availability of funds, and shall be used:

8 (1) to expand, renovate, or reconstruct existing facilities to 9 increase the number of infant and toddler child care spaces or 10 classrooms, as appropriate; and

11 (2) for staff recruitment and staff development initiatives.

Additional grants shall be made available to family day care providers who meet all the eligibility requirements pursuant to subsection c. of this section to incentivize such providers to register with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L. L. 1987, c. 27 (C.30:5B-16 et seq.).

e. A licensed child care or registered family day care provider, 18 19 Head Start program, or school district receiving a grant under the 20 program and using that grant to expand, renovate, or reconstruct 21 existing facilities to increase the number of infant and toddler child 22 care spaces or classrooms, as appropriate, shall receive from the 23 Department of Human Services a child care reimbursement rate of 24 \$22,000 per year per child to cover staff salaries commensurate 25 with the infant and toddler child development associate (CDA) or 26 other equivalent credential.

f. The commissioner shall establish the amount for each grantthat is approved and shall:

(1) publicize the existence of, and encourage licensed child care
or registered family day care providers, Head Start programs, or
school districts in applying to participate in, the program; and

32 (2) provide technical assistance to the grant awardees to meet the33 requirements of the program.

34 g. Within one year after receiving a grant award under the program, a licensed child care or registered family day care 35 provider, Head Start program, or school district shall submit a 36 37 report to the Department of Human Services containing information 38 on the provider's, program's, or school district's use of the grant 39 funds. The report shall include, at a minimum, information on the 40 number of additional infant and toddler child care spaces created 41 using grant funds, increases or improvements in the provision of 42 child care services as a result of the grant, and any notable changes in child care enrollment and attendance rates or other measures 43 44 since receiving the grant.

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2. The Commissioner of Human Services shall submit a report
to the Governor, and to the Legislature pursuant to section 2 of
P.L.1991, c.164 (C.52:14-19.1), no later than two years after the

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1 establishment of the Thriving By Three infant and toddler child care 2 grant program. The report shall include, but need not be limited to, 3 information on the number of grant applicants, the number and 4 amounts of the grant awards, the number of additional infant and 5 toddler child care spaces created using grant funds, information provided by licensed child care and family day care providers, Head 6 7 Start programs, and school districts under subsection g. of section 1 8 of this act, and any recommendations concerning the continuation 9 or expansion of the grant program. 10 11 3. The Commissioner of Human Services, in consultation with 12 the Department of Education, the Bureau of Licensing in the 13 Department of Children and Families, and the New Jersey 14 Economic Development Authority, pursuant to the "Administrative 15 Procedure Act" P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt 16 such rules and regulations as necessary to implement the provisions 17 of this act. 18 19 4. There is appropriated to the Department of Human Services: 20 \$22,000,000 from the General Fund to be used to effectuate a. 21 the purposes of this act; and 22 b. \$6,000,000 from the federal "Coronavirus State Fiscal 23 Recovery Fund" established pursuant to the federal "American 24 Rescue Plan Act", Pub.L.117-2, of which the following amounts 25 shall be distributed by the authority, on a one-time basis, to a 26 licensed child care or registered family day care provider, Head 27 Start program, or school district awarded a grant in accordance with 28 section 1 of this act: 29 (1) \$5,000,000 to cover the costs of renovating, improving, 30 expanding, or reconstructing existing child care facilities, as 31 appropriate; and 32 (2) \$1,000,000 for staff recruitment initiatives and creating 33 scholarships for staff development and training. 34 35 5. This act shall take effect on the first day of the sixth month 36 next following enactment. 37 38 39 **STATEMENT** 40 This bill establishes the Thriving By Three grant program to 41 42 incentivize the development of child care programs for infants and 43 toddlers and provide technical assistance to child care services 44 providers for the expansion of infant and toddler child care slots. 45 Specifically, the Department of Human Services (DHS), in 46 consultation with the Department of Education, Office of Licensing 47 in the Department of Children and Families, and the New Jersey 48 Economic Development Authority, is to establish the grant program

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for the purposes of addressing the shortages of regulated child care
 for working families and to support the developmental needs of
 young children.

Grants under the program are to be awarded to a licensed child care or registered family day care provider, Head Start program, or school district on a competitive basis, and a provider, program, or school district that receive a grant under the program are to use the funds to develop or expand quality child care spaces for infant and toddlers. Preference is to be given to providers, programs, or school districts who meet the eligibility criteria listed in the bill.

11 The commissioner of DHS is to establish selection criteria for 12 the awarding of grant funds under the program, and one-time grants are to be awarded based upon review of the applications and subject 13 14 to the availability of funds. The grants are to be used: (1) to 15 expand, renovate, or reconstruct existing facilities to increase the 16 number of infant and toddler child care spaces or classrooms, as 17 appropriate; and (2) for staff recruitment and staff development 18 initiatives.

19 The commissioner is to: (1) establish the amount for each grant 20 that is approved; (2) publicize the existence of, and encourage 21 licensed child care or registered family day care providers, Head 22 Start programs, or school districts in applying to participate in, the 23 program; and (3) provide technical assistance to the grant awardees 24 for to meet the requirements of the program.

The bill provides that additional grants under the program are to be made available to family day care providers who meet all the eligibility requirements pursuant to the bill to incentivize the providers to register with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L. L. 1987, c. 27 (C.30:5B-16 et seq.).

31 The provisions of the bill also stipulate that a licensed child care 32 or registered family day care provider, Head Start program, or 33 school district receiving a grant under the program and using that 34 grant to expand, renovate, or reconstruct existing facilities to 35 increase the number of infant and toddler child care spaces or classrooms, as appropriate, is to receive from the DHS a child care 36 37 reimbursement rate of \$22,000 per year per child to cover staff 38 salaries commensurate with the infant and toddler child 39 development associate (CDA) or other equivalent credential.

40 The bill requires each licensed child care or registered family 41 day care provider, Head Start program, or school district that 42 receives a grant under the program to submit a report to the DHS 43 within one year after receiving the grant. The report is to include 44 information on the number of additional infant and toddler child 45 care spaces created using grant funds, increases or improvements in 46 the provision of child care services as a result of the grant, and any 47 notable changes in child care enrollment and attendance rates or 48 other measures since receiving the grant.

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1 The bill also requires the commissioner to submit a report to the 2 Governor and the Legislature no later than two years after the 3 establishment of the Thriving By Three grant program including information on: (1) the number of grant applicants; (2) the number 4 5 and amounts of the grant awards; (3) information provided by 6 licensed child care and family day care providers, Head Start 7 programs, and school districts in accordance with the provisions of 8 the bill; (4) the number of additional infant and toddler child care 9 slots created using grant funds; and (5) any recommendations 10 concerning the continuation or expansion of the grant program.

11 The bill appropriates to the DHS: (1) \$22 million from the 12 General fund for purposes of the grant program; and (2) \$6,000,000 13 from the federal "Coronavirus State Fiscal Recovery Fund" 14 established pursuant to the federal "American Rescue Plan Act", 15 Pub.L.117-2, of which the following amounts is to be distributed by 16 the authority, on a one-time basis, to a licensed child care or 17 registered family day care provider, Head Start program, or school district awarded a grant: \$5,000,000 to cover the costs of 18 19 renovating, improving, expanding, or reconstructing existing child 20 care facilities, as appropriate; and \$1,000,000 for staff recruitment 21 initiatives and creating scholarships for staff development and 22 training.

It is the sponsor's intent to create 1,000 new infant and toddler child care spots to address the issues parents of this State face in accessing high quality child care services or receiving the subsidies to pay for such services, particularly for infants and toddlers.

STATEMENT TO

ASSEMBLY, No. 4179

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2022

The Assembly Women and Children Committee reports favorably Assembly Bill No. 4179, with committee amendments.

As amended by the committee, this bill establishes the "Thriving By Three" grant program to incentivize the development of child care programs for infants and toddlers and provide technical assistance to child care services providers for the expansion of infant and toddler child care slots. The purpose of the grant program is to address shortages in the number of regulated child care providers that are available for working families and support the developmental needs of young children. The Department of Human Services (DHS) is to establish the grant program in consultation with the Department of Education, Office of Licensing in the Department of Children and Families, and the New Jersey Economic Development Authority.

As amended, grants under the program are to be awarded to licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts on a competitive basis. The DHS will make separate one-time grants available to: (1) expand, renovate, or reconstruct existing facilities to increase the number of infant and toddler child care spaces and classrooms; and (2) recruit staff and provide staff development opportunities. These one-time grants may be awarded to a provider, program, school, or school district at separate times. The amount of each one-time grant will be determined by the Commissioner of Human Services, who will additionally establish selection criteria for the grant program. As amended, the bill authorizes an additional, one-time grant for family day care providers who are registered with the Department of Children and Families in accordance with the "Family Day Care Provider Registration Act," P.L.1987, c.27 (C.30:5B-16 et seq.).

To be eligible for consideration for a grant award, a provider, program, school, or school district will be required to:

(1) submit an application to the commissioner, in a form and manner prescribed by the commissioner, 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;

(3) participate in the State's child care quality rating and improvement system, Grow NJ Kids;

(4) require room supervisors to have earned an infant and toddler child development associate (CDA) or equivalent credential or to attain a CDA or equivalent credential within two years of the effective date of this act or within two years of commencing employment with the provider, program, school, or school district, whichever occurs later; and

(5) require that every six to eight rooms at the provider, program, or school be supervised by at least one individual who holds a bachelor of arts degree and has at least two years of early childhood experience, provided that no room supervisor will be responsible for supervising more than 24 children at one time.

In awarding grants, the commissioner will be required to establish a preference for providers, programs, schools, and school districts that:

(1) are located in communities with few or no child care options 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, school's, or school district's infant and toddler child care programs with high-quality preschools, support collaborations for shared services, and build upon existing early childhood education services.

The commissioner will be required to publicize the existence of, and encourage providers, programs, schools, and school districts to apply to participate in, the grant program and provide technical assistance to the grant awardees.

Within one year after receiving a grant award under the program, a grant awardees will be required to submit a report to the DHS containing information on the provider's, program's, school's, or school district's use of the grant funds. The report is to include, at a minimum, information on the number of additional infant and toddler child care spaces created using grant funds, the number of additional staff hired and any staff development initiatives created 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 bill also requires the commissioner to submit a report to the Governor and the Legislature, no later than two years after establishing the grant program, detailing: the number of grant applicants; the number and amounts of grants awarded; the purposes for which grant funds were used; the information grant awardees are required to report under the bill; the number of additional infant and toddler child care slots created using grant funds; and any recommendations concerning the continuation or expansion of the grant program.

The bill appropriates \$28 million to the DHS to effectuate the provisions of the bill. This appropriation will comprise \$22 million from the General Fund and \$6 million from the federal "Coronavirus State Fiscal Recovery Fund" established pursuant to the federal "American Rescue Plan Act", Pub.L.117-2. Of the \$6 million appropriated in federal funds, \$5 million will be dedicated to grants awarded to cover the costs of renovating, improving, expanding, or reconstructing existing facilities to increase the number of infant and toddler child care spaces and classrooms, and \$1 million will be dedicated to grants awarded to cover the costs of staff recruitment initiatives and creating scholarships for staff development and training.

COMMITTEE AMENDMENTS:

The committee amended the bill to require that the grants under the program are to be awarded to charter schools and renaissance schools. Currently, the bill requires that the grants under the program are to be awarded only to licensed child care providers, registered family day care providers, Head Start programs, and school districts.

The committee amendments clarify that the grant program will comprise separate one-time grants to expand the number of existing infant and child care spaces and classrooms and one-time grants to cover staff recruitment and development, as well as to clarify that additional one-time grants will be available to family day care providers that are registered with the State. The amendments specify that the various one-time grants may be awarded to providers, programs, schools, and school districts at separate times.

The committee amendments clarify that applications are to be submitted in a form and manner prescribed by the commissioner, and require that applications outline the purposes for which a grant would be used.

The committee amendments replace the term "classroom teacher" with "room supervisor," and clarify the requirements for room supervisors to attain a child development associate or equivalent credential.

The committee amendments revise the reporting requirements for grant awardees to include information on the number of additional staff hired and the staff development initiatives created using grant funds.

The committee amendments revise the reporting requirements for the DHS to include information concerning the purposes for which grant funds were used.

The committee amendments revise the appropriation to clarify how the appropriated amounts are to be used. The committee amendments make various technical changes to address issues related to grammar and syntax and to reorganize the bill to better clarify how its provisions apply.

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

DATED: JUNE 16, 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.	
Agencies Affected:	Department of Human Services.	

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) determines that the bill would limit the amount of each one-time grant awarded under the Thriving by Three grant program, as established under the bill, to the availability of funds. Therefore, the OLS concludes that the costs incurred by the Department of Human Services (DHS) to award grants through the program will be limited to the \$28 million appropriation under the bill, of which \$22 million would be from the General Fund and \$6 million would be from the federal Coronavirus State Fiscal Recovery Fund.
- The above estimate assumes that the: 1) DHS will award grant amounts that provide the department with sufficient funding to also provide certain grantees with a child care reimbursement rate of \$22,000 per year per child, as provided for under the bill; and 2) enhanced reimbursement rate provided to certain grantees is temporary in nature.
- The OLS further estimates that the DHS may incur certain minimal costs to promote the program, provide technical assistance to grantees, and to comply with the reporting requirements established under the bill. To the extent that the department can utilize existing operating resources, any expenses experienced from these activities will be reduced.



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BILL DESCRIPTION

This bill establishes the Thriving By Three grant program. Grants under the program are to be awarded to licensed child care providers, registered family day care providers, Head Start programs, charter schools, renaissance schools, and school districts on a competitive basis based upon selection criteria established by the commissioner. The DHS will make separate one-time grants available to: (1) expand, renovate, or reconstruct existing facilities to increase the number of infant and toddler child care spaces and classrooms; and (2) recruit staff and provide staff development opportunities. The amount of each grant is to be based upon review of the application and subject to the availability of funds.

The bill also stipulates that a licensed child care provider, registered family day care provider, Head Start program, charter school, renaissance school, or school district receiving a grant under the program and using that grant to increase the number of infant and toddler child care spaces and classrooms is to receive from the DHS a child care reimbursement rate of \$22,000 per year per child to cover staff salaries commensurate with the infant and toddler child development associate or other equivalent credential.

The DHS will be required to: 1) publicize the grant program and provide technical assistance to the grant awardees; and 2) report to the Governor and the Legislature, no later than two years after establishing the grant program, detailing certain aspects of the program.

The bill appropriates \$28 million to the DHS to effectuate the provisions of the bill. This appropriation will comprise \$22 million from the General Fund and \$6 million from the federal Coronavirus State Fiscal Recovery Fund established pursuant to the federal American Rescue Plan Act.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill would limit the amount of each one-time grant awarded under the Thriving by Three grant program, as established under the bill, to the availability of funds. Therefore, the OLS concludes that the costs incurred by the DHS to award grants through the program will be limited to the \$28 million appropriation under the bill, of which \$22 million would be from the General Fund and \$6 million would be from the federal Coronavirus State Fiscal Recovery Fund. This estimate assumes that the: 1) DHS will award grant amounts that provide the department with sufficient funding to also provide certain grantees with a child care reimbursement rate of \$22,000 per year per child, as provided for under the bill; and 2) enhanced reimbursement rate provided to certain grantees is temporary in nature.

The OLS notes that the highest existing child care reimbursement rate is \$21,229.20 per year for an infant with special needs when provided services by a licensed child care center, while the lowest existing child care reimbursement rate is \$14,043.36 per year for a toddler when provided services by a registered family child care. As such, it will cost the State between \$7,956.64 and \$770.80 per child per year for the enhanced rate provided to certain grantees under the bill. The OLS is unable to quantify the aggregate cost to the State, as the number of providers and children

who will receive the enhanced rate is unpredictable and based upon decisions made by the department during application review.

The OLS further estimates that the DHS may incur certain minimal costs to promote the program, provide technical assistance to grantees, and to comply with the reporting requirements under the bill. To the extent that the department can utilize existing operational resources, any expenses experienced from these activities will be reduced.

Section:	Human Services
Analyst:	Sarah Schmidt Lead Research Analyst
Approved:	Thomas Koenig 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.).

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 two years 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.

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
Analyst:	Sarah Schmidt Lead Research Analyst
Approved:	Thomas Koenig 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.).

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2476 (Second Reprint) with my recommendations for reconsideration.

Senate Bill No. 2476 (Second Reprint), the "Thriving By Three Act," establishes two grant programs dedicated to incentivizing the expansion of available quality infant and toddler child care throughout the State. Under the first program, the Economic Development Authority ("EDA") would provide grants to enable the renovation, improvement, expansion, or reconstruction of facilities in order to increase the number of infant and toddler child care slots or classrooms in those facilities. Under the second program, the Department of Human Services ("DHS") would provide grants to help fund and maintain new high-quality infant and toddler child care slots, whether created through the EDA program or by other means. DHS grants would be used primarily to purchase equipment, recruit, pay or train staff, and support other initiatives related to expanding infant and toddler child care capacity. All grantees would have to be participating in, or apply to participate in, the State's child care quality rating and improvement system, Grow NJ Kids.

I commend the bill's sponsors for their dedication to infant and toddler child care. I wholeheartedly agree that the State should prioritize incentivizing the development not only of more infant and toddler child care capacity, but also of more high-quality infant and toddler child care itself. In my view, this is best achieved by focusing funds on those with the most expertise in infant and toddler development: licensed child care providers, registered family day care providers, and Head Start Programs. Accordingly, I suggest amending Senate Bill No. 2476 (Second Reprint) to limit EDA's and DHS's grant programs to licensed child care providers, registered family day care providers, and Head Start Programs. My recommended revisions will ensure that the funds appropriated in this bill are directed where they are needed most and where they will be most effectively utilized.

Therefore, I herewith return Senate Bill No. 2476 (Second Reprint) and recommend that it be amended as follows: Page 5, Section 3, Line 24: After "providers," insert "and" Page 5, Section 3, Lines 24-25: Delete ", charter schools, renaissance schools, and school districts" Page 5, Section 3, Line 26: After "Providers" delete "," and insert "and" Delete ", schools, and school districts" Page 5, Section 3, Line 26: After "provider," insert "or" Page 5, Section 3, Line 36: Delete ", charter school, Page 5, Section 3, Lines 36-37: renaissance school, or school district" After "providers" delete "," and Page 6, Section 3, Line 2: insert "and" Delete ", schools, and school Page 6, Section 3, Line 2: districts" Delete "centers" and insert Page 6, Section 4, Line 13: "providers" Page 6, Section 4, Line 14: After "providers," insert "and" Page 6, Section 4, Lines 14-15: Delete ", and school districts" After "Providers" delete "," and Page 6, Section 4, Line 16: insert "and" Delete ", schools, and school districts" Page 6, Section 4, Line 16: Page 6, Section 4, Line 26: After "provider," insert "or" Delete ", charter school, Page 6, Section 4, Lines 26-27: renaissance school, or school district" After "providers" delete "," and Page 7, Section 4, Line 36: insert "and" Delete ", schools, and school districts" Page 7, Section 4, Line 36: After "day insert "and" Page 7, Section 5, Line 48: "day care providers," Delete ", charter schools, Page 8, Section 5, Lines 1-2: renaissance schools, and school districts" After "day care provider," Page 8, Section 6, Line 7: insert "or"

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Page	8, Section 6, Line 8:	Delete ", charter school, renaissance school, or school district"
Page	8, Section 6, Line 10:	After "day care provider," insert "or"
Page	8, Section 6, Line 11:	Delete ", charter school, renaissance school, or school district"
Page	8, Section 6, Line 12:	After "provider's" delete "," and insert "or"
Page	8, Section 6, Lines 12-13:	Delete ", school's, or school district's"
Page	8, Section 6, Line 19:	After "provider" delete "," and insert "or"
Page	8, Section 6, Lines 19-20:	Delete ", school, or school district"
Page	8, Section 7, Line 33:	After "day care providers," insert "and"
Page	8, Section 7, Lines 33-34:	After "programs" delete ", charter schools, renaissance schools, and school districts"
Page	9, Section 9, Line 2:	Delete ", which shall be used by the department"
Page	9, Section 9, Line 7:	Delete "Division of Disaster Recovery and Mitigation in the"
Page	9, Section 9, Line 8:	Delete in its entirety
Page	9, Section 9, Line 9:	Delete "available to and used by the"
Page	9, Section 9, Line 14:	Delete ". The" and insert ";"
Page	9, Section 9, Lines 15-18:	Delete in their entirety
[seal]		Respectfully,
		/s/ Philip D. Murphy
		Governor

Attest:

/s/ Parimal Garg
Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

06/30/2022

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

2944/A-4162 (Sarlo, Ruiz/Freiman, Mosquera, Jaffer, Moriarty, Tully, Swain) - Credits \$5.2 billion to "New Jersey Debt Defeasance and Prevention Fund"; appropriates \$2.9 billion to NJ Schools Development Authority, NJ DOT, and NJT; and establishes process for authorizing future appropriations for debt defeasance and capital projects

S-1929/A-3668 (Gopal, Pennacchio/McKeon, Tully, Conaway) - Makes FY 2022 supplemental appropriation to provide State military impact aid to certain school districts

A-4403/S-2915 (Pintor Marin, Wimberly/Sarlo, Cunningham) - Makes FY 2022 supplemental appropriations of \$71,786,000

ACS for A-1522/S-2914 (Moriarty, Mosquera, Jaffer, Freiman, Lampitt, Greenwald/Madden, Gopal) - Establishes annual sales tax holiday for certain retail sales of computers, school computer supplies, school supplies, school art supplies, school instructional materials and sport or recreational equipment.

A-4401/S-2860 (Jaffer, Moriarty, Tully/Gopal, Pou) - Provides one-year waiver of certain MVC fees imposed for driver's licenses and non-driver identification cards.

S-2861/A-4400 (Madden, Pou/Mosquera, Swain, Wimberly) - Waives fees for marriage and civil union licenses in Fiscal Year 2023; appropriates \$2 million

S-2523/ACS for A-3852 (Ruiz, Cunningham/Reynolds-Jackson, Freiman, Jaffer, Moriarty, Mosquera, Wimberly) - Provides child tax credit under gross income tax

S-2476wGR/A-4179 (Ruiz, Vitale/Coughlin, Jasey, Sumter, Quijano) - Establishes Thriving By Three Act to award competitive grants for infant and toddler child care programs; appropriates \$28 million

A-2359/S-2034 (Tucker, Moen, Haider/Cruz-Perez, Pou) - Provides for streamlining of SNAP application process and establishes SNAP application call center; appropriates \$750,000

A-2360/S-2035 (Reynolds-Jackson, Mukherji, Speight/Cunningham, Ruiz) - Eliminates requirement that participation in NJ SNAP Employment and Training Program is mandatory for certain recipients

A-2361/S-2016 (Jimenez, Sumter, Timberlake/Zwicker, Ruiz) - Requires DHS to maintain SNAP outreach plan and to conduct additional outreach programs

A-2362/S-2036 (Freiman, Mosquera, Quijano/Johnson, Ruiz) - Requires DHS to submit federal waiver request regarding time limits for certain SNAP recipients under certain circumstances

A-2363/S-2033 (Stanley, Mejia, Lopez/Pou, Ruiz) - Concerns SNAP services provided at county boards of social services and county welfare agencies; appropriates \$250,000

A-2364/S-2017 (Spearman, Pintor Marin, Atkins/Greenstein, Ruiz) - Appropriates \$813,000 to DHS to implement use of electronic benefit transfer cards in Senior Farmers' Market Nutrition Program

A-2366/SCS for S-2156 (McKnight, Carter, Verrelli/Lagana, Pou) - Establishes State SNAP Minimum Benefit Program; appropriates \$18 million to DHS

A-2008/S-352 (Conaway, Verrelli, Benson/Gopal, Madden) - Requires health insurance carriers to provide coverage for treatment of mental health conditions and substance use disorders through collaborative care

S-2872/A-4399 (Scutari, Ruiz/Carter, Reynolds-Jackson, Murphy, Wimberly) - Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million

SCS for S-311/ACS for A-2036 (Vitale, Gopal/Benson, Verrelli, Conaway) - Establishes Statewide behavioral health crisis system of care

SCS for S-722 and 785/ACS for A-998 (Codey, Singleton/Reynolds-Jackson, Stanley, Jaffer) - Codifies and expands ARRIVE Together Pilot Program to make certain mental health services available to police responding to certain emergencies; appropriates \$2 million

S-2909/ACS for A-4374 (Diegnan/Benson, Pintor Marin, McKnight) - Authorizes DOT to compensate contractors and subcontractors affected by supply chain shortages; appropriates \$10 million

A-4405/S-2943 (Benson, Wimberly, Moen/Diegnan) - Concerns New Jersey Transportation Trust Fund Authority; increases Transportation Trust Fund spending limit by \$600 million

A-674/S-1646 (Verrelli, McKnight, McKeon/Ruiz, Pou) - Establishes New Jersey Easy Enrollment Health Insurance Program

A-3733/S-488 (Haider, Stanley, Benson/Scutari, Beach) - Authorizes student attending institution of higher education to earn credit towards graduation for serving as poll worker

ACS for A-3990/SCS for S-2593 (Stanley, Tully, Karabinchak/Diegnan, Corrado) - Provides temporary one-year extension of service life of school buses for 2022-2023 school year; authorizes chief administrator to allow one-year extension in subsequent two school years

A-4208/S-2791 (Pintor Marin, Quijano, Speight/Ruiz, Cruz-Perez) - Provides sales and use tax exemption for certain purchases made by all supermarkets and grocery stores located within urban enterprise zones

A2426/S513 (Wimberly, Reynolds-Jackson, Schaer/Cryan, Turner) - Establishes rebuttable presumption of pretrial detention for defendants who commit certain firearm offenses under Graves Act

A-4385/S-2933 (Conaway/Cryan) - Makes various revisions to law pertaining to electronic medical records and recording patients' demographic information

S-2807/A-246 (Stack, Sacco, Cunningham/McKnight, Sampson, Chaparro) - Establishes Liberty State Park Design Task Force

S-2917/A-4395 (Cruz-Perez, Stack/Pintor Marin, Freiman, Reynolds-Jackson) - Expands allowance for developers to carry forward unused tax credits under New Jersey Aspire Program

S-2921/A-4365 (Zwicker, Pou/Coughlin, Verrelli, Spearman) - Revises various provisions of Food Desert Relief Program

S-2945/ACS for A-4392 (Scutari/Pintor Marin, Sumter, Quijano, McKnight) - Concerns economic incentives for certain cannabis businesses

S-2023/A-4402 (Sarlo, Cunningham/Pintor Marin, Wimberly) - **LINE ITEM** - Appropriates \$50,638,729,000 in State funds and \$24,082,639,850 in federal funds for the State budget for fiscal year 2022-2023

Copy of Statement

Governor Murphy signed the following bills today, which were sent to his desk yesterday, conditionally vetoed, and then passed in concurrence with the Governor's recommendations:

S-2476/A-4179 (Ruiz, Vitale/Coughlin, Jasey, Sumter, Quijano) – CONDITIONAL - Establishes Thriving By Three Act to award competitive grants for infant and toddler child care programs; appropriates \$28 million Copy of Statement

A-4403/S-2915 (Pintor Marin, Wimberly/Sarlo, Cunningham) – CONDITIONAL - Makes FY 2022 supplemental appropriations of \$71,786,000 Copy of Statement