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UNDERSTANDING THE EARLY CHILD CARE LANDSCAPE IN NEW JERSEY

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New Jersey Community Capital

New Jersey Community Capital (NJCC) is a nonprofit community development financial institution (CDFI) based in New Brunswick, New Jersey. NJCC supports communities of various sizes and demographic compositions across the state. The CDFI adopts a multi-faceted approach to neighborhood revitalization and economic development, which includes the provision of financing, investment, and financial knowledge. As a result of its efforts, NJCC seeks to "expand opportunities and promote economic growth to strengthen neighborhoods, improve individual and community health and well-being, and ensure that underserved communities thrive."

Throughout the past three decades, NJCC's neighborhood revitalization initiatives and programs have achieved numerous successes. One of the hallmarks of the organization's community interventions is its lending service. NJCC lends to organizations and projects that support local economies and create generational wealth, such as affordable housing projects, early child care organizations, and high-quality job programs. The CDFI provides bridge loans and financially supports a multitude of activities and goals, including acquisition, construction, rehabilitation, and improvement. According to NJCC, these services establish the organization as "a vehicle for supporting residents and the creation of healthy and livable neighborhoods for all." In addition to lending to local organizations and programs, NJCC financially supports New Jersey communities by investing in sustainable, inclusive neighborhoods. One of the CDFI's major projects, ReStart, aims to prevent home foreclosure and facilitate home ownership. Meanwhile, the Garden State Relief Fund provides capital for small businesses and nonprofits affected by the COVID-19 pandemic. Amid this ongoing public health crisis—which has exacerbated the financial obstacles faced by local organizations, businesses, and residents across the state—NJCC seeks to devote special attention to the capacity of the state's early child care landscape.[1]

[1] All information about NJCC was found on its website: https://www.newjerseycommunitycapital.org.

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The Edward J. Bloustein School of Planning and Public Policy within Rutgers University is located in New Brunswick, New Jersey. A five-minute walk separates NJCC and the Bloustein School. Established in 1992, the Bloustein School is committed to fostering "just, socially inclusive, environmentally sustainable and healthy local, national, and global communities." It undertakes this mission according to a three-pronged approach, which underscores the importance and interdependence of education, research, and service. The Bloustein School is globally renowned for its contributions to research in public policy and planning and serves both undergraduate and graduate students at Rutgers University, New Brunswick.

Various organizations have attested to the quality of the Bloustein School's graduate programs, which consistently rank among the top national and international institutions. In 2017, Planetizen, an informational resource for planning practitioners and enthusiasts, ranked the Bloustein School's Urban Planning program fifth in the nation. The Public Policy program claimed third place nationally, according to graduateprograms.com, a website that rates graduate programs based on feedback from tens of thousands of students and alumni. The Master of Public Policy program is also accredited by the National Association of Public Administration and Affairs.

In addition to academic programming, the Bloustein School houses several research centers and initiatives, many of which boast national recognition. These innovative organizations include the John. J. Heldrich Center for Workforce Development, Bloustein Center for Survey Research, Alan M. Voorhees Transportation Center, and Center for Negotiation and Conflict Resolution. At these centers, decorated thought leaders and experts produce cutting-edge research in the fields of community development, neighborhood revitalization, transportation, workforce development, health, local government, environmental policy, and more. Despite the Bloustein School's national accolades and international reach, its students and faculty have never lost sight of the local community it calls home. At the Bloustein School, every idea, experiment, and challenge begins in the state of New Jersey.[2]

[2] All information about the Bloustein School was found on its website: https://bloustein.rutgers.edu.

PRACTICUM PURPOSE

As a core component of the Bloustein School's Master of Public Policy program, students must engage in a group research project, or "practicum," in which they identify and analyze challenging contemporary policy issues. This project, typically undertaken during students' final semester, acts as a "capstone" that provides participants with an opportunity to apply the extensive knowledge and skills they have gained at the Bloustein School. Public and nonprofit agencies or organizations, such as NJCC, partner with the Bloustein School to offer students an assortment of practicum opportunities.

During the 2020-2021 academic year, NJCC presented a proposal for an investigation of New Jersey's early child care landscape. Because our academic interests include both education policy and social policy, we perceived this project as an opportunity to apply our studies to the issues of educational equity and social justice in our home state. NJCC's proposal for this project resonated with our belief in the power of research, analysis, and policy as tools to effect social change. The ongoing partnership between the Bloustein School and NJCC reminds us that, despite ongoing public health and climate crises, collaboration between mission-driven institutions can continue to make a difference in our local communities.

ACKNOWLEDGMENTS

Since the outset of our project, our team has benefitted from the guidance and suggestions of several mentors. Our team would first like to thank Leah Apgar, Peter Grof, Joseph Palazzolo, and Annette Ritchie from NJCC. The resources and direction provided by NJCC staff members were pivotal to the success of this crucial project.

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Finally, our team would like to express its gratitude for the insightful information provided by staff at the New Jersey Department of Human Services and the New Jersey Department of Children and Families, as well as early child care staff members. The contributions of Katherine Molina-Powell from Acelero Learning, Angelina Crispin from Precious Time Child Development Center, and Rose Cushing, President and CEO of the Metuchen, Edison, Woodbridge and South Amboy (MEWSA) YMCA, helped inform our analysis of one of New Jersey's most pressing current policy issues.

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LIST OF ACRONYMS

ACE: Adverse Childhood Experience

ACS: American Community Survey

ACS 2019: American Community Survey 2019 5-Year Estimates

AFDC: Aid to Families with Dependent Children

ARP: American Rescue Plan

BPC: Bipartisan Policy Center

CARES: Coronavirus Aid, Relief, and Economic Security

CCAMPIS: Child Care Access Means Parents in School

CCANJ: Child Care Aware of New Jersey

CCAoA: Child Care Aware of America

CCDBG: Child Care Development Block Grant

CCM: County College of Morris

CCR&R: Child Care Resource and Referral Agency

CDFI: Community Development Financial Institution

CITE: Coalition of Infant/Toddler Educators

ECPA: Early Childhood Program Aid

ELLI: Early Launch to Learning Initiative

FPL: Federal Poverty Level

FY: Fiscal Year

GDP: Gross Domestic Product

IDEA: Individuals with Disabilities Act

LIIF: Low Income Investment Fund

MPS: Maximum Potential Service

NCTSI: National Child Traumatic Stress Initiative

NIEER: National Institute for Early Education Research

NJAEYC: New Jersey Association for the Education of Young Children

NJCC: New Jersey Community Capital

NJ DCF: New Jersey Department of Children and Families

NJ DFD: New Jersey Division of Family Development

NJ DHS: New Jersey Department of Human Services

NJ DOE: New Jersey Department of Education

NJPP: New Jersey Policy Perspective

NJSC: New Jersey Supreme Court

NSECE: National Survey of Early Care and Education

PDG: Preschool Development Grant

PDG B-5: Preschool Development Grant Birth-Five

PEA: Preschool Education Aid

PEEA: Preschool Education Expansion Aid

PEG: Preschool Education Grant

SES: Socioeconomic Status

TANF: Temporary Assistance to Needy Families

UCEDC: Union County Economic Development Corporation

US DOE: United States Department of Education

US HHS: United States Department of Health and Human Services

EXECUTIVE SUMMARY

Importance of Early Childhood Care

Access to early child care is beneficial for children, parents, caregivers, and society as a whole. For children - and particularly low-income children - quality early care can foster cognitive, academic, and socioemotional development. Such care can also mitigate academic achievement gaps between low-income and more affluent students. Access to early care services enables parents, especially mothers, to increase their labor force participation—promoting familial economic stability and/or growth. Early care is associated with improved health outcomes, a decreased need for specialized education services later in life, and reduced criminal activity. These advantages benefit society on an economic level as well by reducing the costs imposed by the healthcare, education, and criminal justice systems.

The Landscape

Both federal and state government spending on early care has not kept pace with demand for services. Additionally, disparities persist in the accessibility and quality of care. Low-income children, children of color, and children living in rural areas disproportionately experience systemic barriers that prevent their families from accessing early care services. Moreover, centers with flexible schedules and payment plans that accommodate working parents tend to be of lower quality in terms of staff experience, education, and professional development. Additional discrepancies exist by age, especially among three- and four-year-old children. New Jersey spends more on and enrolls a greater number of three-year-olds than the national average but ranks 23rd in the country for state preschool access for four-year-olds. Finally, advocacy and professional organizations have identified infants and toddlers as a priority population both in New Jersey and across the country. These organizations, such as Child Care Aware of NJ (CCANJ) and the Coalition of Infant/Toddler Educators (CITE), emphasize the benefits of early care and offer training for early care educators, respectively. Meanwhile, our findings indicate a need for *increased* activity among community development financial institutions (CDFIs) in the early care ecosystem. In fact, CDFI investment is most lacking in counties with the lowest maximum potential service (MPS) rates, according to our data analysis.

To examine the New Jersey landscape in greater detail, our team utilized licensed child care center data from the New Jersey Department of Children and Families and socioeconomic data from the U.S. Census Bureau's American Community Survey 2019 Five-Year Estimates. We found that the number of child care centers in the state decreased by 67 centers (1.61%) from 2019 to 2021, while early care centers, which exclude facilities serving only ages 6-13, decreased by 20 centers (0.64%) from 2019 to 2021, despite an increase in child care funding in the 2020 state budget. There was, however, variation among counties, with some counties increasing the number of their early care centers. We then calculated the ability of the state and each county to serve families who may need care services. Using a ratio of supply (defined as the

capacity of early care centers) to potential need (defined as the number of children under age six with all parents in the labor force), we produced MPS rates for the state and all twenty-one counties. We determined that New Jersey's early care centers had the ability to serve approximately 69 percent of children who may need services. MPS rates ranged from about 40 percent in Ocean County to over 100 percent in Somerset County. Southern New Jersey counties in particular tended to have lower MPS rates. Comparing MPS rates with socioeconomic characteristics, we found that counties with lower MPS rates tended to have higher rates of family poverty and lower median family incomes, relative to the state. In terms of race and ethnicity, counties with higher-than-state-average non-Hispanic Asian populations tended to have higher MPS rates, while counties with higher-than-state-average proportions of non-Hispanic Black and African American and non-Hispanic white persons tended to have lower MPS rates. Findings were evenly split for counties with higher-than-state-average Hispanic and Latinx populations; half of these counties had lower MPS rates, while half had higher MPS rates.

It is important to acknowledge the impact that the COVID-19 pandemic continues to have on New Jersey's early care industry. Child care centers across the state were ordered to close in early April 2020, with limited exceptions. Centers were unable to reopen until June 2020. Those that did reopen were required to operate under strict pandemic-related protocols, including capacity caps. Care costs for early care providers sharply rose, due to the state's new restrictions. In a ten-person room, it costs an average of an additional $77.33 per week per child enrolled in early care. In a 15-person room, the average cost is an additional $53 per week per child. Despite the reopening, some families opted to keep their children out of these facilities. Centers are struggling financially from the combination of long-term closures, decreased enrollment, and increased operational costs.

Funding and Partnerships

Several funding mechanisms at the federal and state levels have been established to support the operation and expansion of early care centers. To fund their programs, early care centers may partner with school districts, Child Care Resource and Referral Agencies (CCR&Rs), or both types of entities. The type of partnership, as well as the town in which the center is located, dictates the funding mechanisms available to a center. Interview respondents from early care centers emphasize the importance of these collaborative relationships, as well as the utilization of multiple funding sources.

Recommendations

Based on our findings, we make several recommendations throughout this report, and then summarize and add additional suggestions at its conclusion. As outlined by our scope of work, recommendations focus on finding strategies for NJCC regarding to whom and where, what, and how funding is targeted. These recommendations are outlined below:

Regarding to whom and where NJCC should provide financial support, we recommend targeting outreach to counties with low MPS rates, which tend to be based in southern New Jersey. In terms of socioeconomic characteristics, we extend our outreach recommendation to counties with high rates of family poverty and low family income, as well as to counties with higher-than-state-average populations of Hispanic and Latinx and Black and African American persons. Previous literature indicates that systemic barriers may prevent these communities from accessing quality early child care, and these counties (except for those with higher Hispanic and Latinx populations which were evenly split) tended to have lower MPS rates. We recommend targeting investment in the following counties based on:

- low MPS rate – Ocean, Salem, Atlantic, Cape May, and Sussex
- low MPS rate and high family poverty rate – Ocean, Salem, Atlantic, Cape May, and Camden
- low MPS rate and low median family income – Ocean, Salem, Atlantic, Cape May, and Camden
- low MPS rate and higher-than-average Hispanic/Latinx population – Union, Middlesex, and Passaic
- low MPS rate and higher-than-average Black/African American population – Salem, Atlantic, Camden, Burlington, and Union[3]

We suggest funding two types of centers: (1) early care centers not attached to school districts, as these centers may have access to fewer funding streams or (2) private centers contracted with a Preschool Education Grant, Preschool Education Expansion Aid, or Preschool Education Aid (PEG/PEEA/PEA) district, as they may have greater funding needs, due to strict state regulations. Overall, infant and toddler care require a great deal of financial support, due to cost of care.

Regarding what activities NJCC should financially support, financing would be best targeted toward the physical improvement and expansion of early care facilities. Centers often allocate their resources to care and education, rather than building maintenance, and the pandemic may have exacerbated this trend. The physical structure of facilities is important to maintaining quality of care, and loans provided to centers for this purpose may enable them to concentrate spending on other necessary program elements.

Regarding how NJCC should provide financial support, as well as which partnerships may prove most effective, we recommend identifying repayment sources other than the business cash flows of early care centers. Partnerships with public agencies and government entities, as well as private foundations and early care advocacy organizations, will enhance NJCC's impact in early care investing.

[3] Counties listed in order of lowest to highest MPS rate.

Finally, we suggest that NJCC utilize reports from the Grow NJ Kids system to locate centers that may require financial assistance. In conducting future research, we recommend including driving radius and access to public transportation in MPS rate calculations, because parents may utilize child care centers outside their home counties. Updating metrics in our research is crucial to understanding the New Jersey early care system's evolving needs as it moves forward during and beyond the COVID-19 pandemic.

METHODOLOGY

To compile this report, we adopted a mixed methods approach. We utilized a combination of qualitative document analysis, interviews and personal emails, and quantitative research. By employing different methods, we were able to discern the overall landscape of early care in New Jersey and use specific personal examples to show how providers engage in the provision of early care, as well as how they are being affected by the COVID-19 pandemic.

Findings from document analysis are fundamental to this report. The Importance of Child Care and Funding and Partnerships sections, as well as the National Child Care Landscape subsection, are all driven by document analysis. By analyzing dozens of reports, articles, and state and federal documents, we were able to identify and analyze the current child care landscape.

In the Landscape of Early Care in New Jersey subsection, we integrate quantitative research. Using data from the New Jersey Department of Children and Families, we determined how child care and early care center numbers have changed from 2019 to 2021. Incorporating data from the U.S. Census Bureau's American Community Survey 2019 Five-Year Estimates, we calculated the extent to which the state and each county could serve its population of children who may require early care services. We additionally utilized socioeconomic data to examine any disparities in the availability of services.

Personal communication with early care stakeholders in New Jersey were valuable in developing this report and recommendations. In the Funding and Partnerships section, we outline our use of interviewing techniques, primarily virtual interviewing via emails and phone calls, to gather firsthand accounts of existing child care funding sources, partnerships, and the effects of COVID-19. We further incorporate information from a personal meeting with staff from the New Jersey Department of Human Services and New Jersey Department of Children and Families. Their insights have helped inform our composition of the Recommendations section. The identification of specific examples helped to reaffirm our document analysis, humanize New Jersey's child care industry, and better understand the landscape.

CHAPTER 1:

THE IMPORTANCE OF CHILD CARE

Importance of Quality Child Care for Children

Quality child care is important for children's development; experiences during the formative ages of zero through four set the foundation for the beginning of formal schooling, and preparation for kindergarten can make a significant difference in educational outcomes. Kindergarten is often when a student learns to read and begins basic math; if a student enters kindergarten unequipped to learn, it will likely set them behind.[4] Once a child is behind, it can be difficult to catch up, especially in under-resourced school districts. Quality child care can help close achievement and opportunity gaps, insofar as it provides children the opportunity for kindergarten preparation.[5] Although this is true for all young children, it is especially true for low-income and middle-income children. Achievement gaps observed in kindergarten often persist through twelfth grade.[6] As household income increases, so does academic achievement. This trend holds true when comparing income quartiles and social skills.[7]

When comparing low-income children to children across all household incomes, low-income students have noticeable cognitive and noncognitive differences, likely resulting from their lack of access to resources. Recent research has found that the average Black child is considerably behind the average white child in terms of reading and math school performance, likely owing to the increased likelihood of living in poverty among Black children.[8] Children living in poverty are less likely to be read to by their parents, less likely to have as many words spoken to them, more likely to live in neighborhoods characterized by concentrated poverty, and more likely to experience adverse childhood experiences (ACEs) and trauma.[9] Consequently, by the time children in poverty enter kindergarten, they can be 12-18 months behind children from more affluent families academically, socially, and emotionally.[10] Early language and math skills, which can be shaped by a child's language exposure and ACEs, are closely linked to achievement in elementary school and high school.[11,12] Since the achievement gap widens early, we must be prepared to close it from the outset of young children's lives.

Quality child care can help mitigate developmental gaps. High standards for learning, highly educated and skilled teachers, on-site supervision and coaching for teachers, a curriculum replete with learning opportunities and play, and small classes all contribute to high-quality care.[13] For example, state-funded preschools in New Jersey's poorest districts require the main teacher to have a college degree and for class sizes to cap at fifteen students.[14] Those preschools

[4] Barnett & Lamy, 2013
[5] Ibid.
[6] Ibid.
[7] Ibid.
[8] Buchinal et al. (2011)
[9] Barnett & Lamy, 2013
[10] Dickinson, 2011
[11] Buchinal et al., 2011
[12] Dickinson, 2011
[13] Barnett & Lamy, 2013
[14] Friedman-Krauss, 2020

also have strict assessments to measure the achievement of quality standards.[15] For any child—but especially children who are already falling behind their peers—having a structured and educational environment can help prepare them for kindergarten academically, socially, and emotionally.

Academically, promoting language development can prove very impactful. A child whose family receives public assistance is more likely to have heard considerably fewer words than a child whose family does not receive public assistance.[16,17,18] To combat this disparity, Union City, New Jersey, for example, has encouraged early child care settings (especially preschools) to include an extensive amount of linguistic and vocabulary instruction. Because most toddlers in Union City come from families that speak Spanish, Union City has made it imperative that child care settings nourish children's natural language abilities—in both Spanish and English—especially if Spanish is their first language.[19] The city distributed books to child care centers with the promise that the centers would have at least one "read aloud" session per day.[20]

Social development encompasses self-control and the ability to follow instructions, attention, and self-regulation (behavioral and emotional management).[21] Returning to the example of Union City, the city has encouraged its centers to incorporate activities in which children can learn to work and play together. They learn how to share and wait their turn, in addition to other demonstrations of social etiquette.[22] Without self-regulation skills, being in a structured kindergarten class would be more difficult. Such skills directly feed into students' kindergarten academic progress.[23]

Lastly, studies emphasize the importance of a focus on emotional development in early child care, with respect to whole child development. Part of emotional development is directly tied into social development, but another dimension encapsulates a child's psychological well-being. As documented in various studies, trauma can considerably impact achievement.[24,25,26] If a center has the necessary personnel and/or referral system, it can identify children experiencing ACEs/trauma and assist those children before the problem becomes further exacerbated in

[15] Friedman-Krauss, 2020
[16] Hart & Risley, 2003
[17] Kamenetz, 2018
[18] The original hypothesized number was about 30 million (Hart & Risley, 1995), but recent studies have found the number to be closer to 4 million (Kamenetz, 2018). There seems to be a sizable difference in vocabulary acquisition, though, even if it is not as much as originally believed.
[19] Kirp, 2013
[20] MacInnes, 2009, p. 36
[21] Rice, 2017
[22] Kirp, 2013
[23] Rice, 2017
[24] Ratner et al., 2006
[25] Delaney-Black et al., 2005
[26] Saigh et al., 2006

kindergarten and later grades. New Jersey recently received the Preschool Development Grant B-5, a federal grant that will be described in more depth later in this report. Among other initiatives, New Jersey is planning to use part of its grant money to incorporate trauma-informed approaches in the early care system to counter the impact of trauma and ACEs. Concrete examples of this initiative include additional screening, referral systems, coaching, and more.[27] Helping children during child care years can decrease the possibility of ACEs affecting academic achievement and emotional well-being upon entering kindergarten.

By focusing on academic, social, and emotional development early, child care addresses the "whole child."[28] According to Barnett and Lamy, center-based care (as opposed to home-based care) has the highest likelihood of offering high-quality instruction. Access is by no means equal—attendance rates remain the highest among wealthy children (90%) and the lowest among poor children (65%). Middle-income children fare only slightly better than poor children, in terms of attendance rates.[29] The children who need high-quality early care the most are often the children who receive it the least, which explains the multiple initiatives by the United States and New Jersey to confront this problem.[30] The *Abbott v. Burke* decision, handed down by the New Jersey Supreme Court, catalyzed the state's efforts by mandating access to preschool for every low-income child. Other state initiatives have aimed to expand the ruling to more students.[31] By narrowing the opportunity gap between low-income children and their more affluent peers, we can work to close the achievement gap.

Importance of Quality Child Care for Parents

The most common reason parents seek child care is employment.[32] Seventy percent of parents engaged in the labor force work full-time throughout the calendar year.[33] Child care services act as a support for working parents, enabling them to balance their roles as employees and caregivers for their children. With access to affordable child care, parents can continue working if they choose or need to. Studies indicate that working parents who are able to obtain child care experience increased employment and earnings, which in turn benefit the whole family unit, including children.[34] Child care is particularly crucial to mothers' abilities to participate in the paid workforce. Mothers with access to child care have significantly greater employment rates and incomes, which also improves children's outcomes. When members of this group can

[27] Ruiz-Negron et al., 2019
[28] Rice, 2017
[29] Barnett & Lamy, 2013
[30] This is addressed later in the report, starting on page 45.
[31] McInnes, 2009
[32] National Survey of Early Care and Education, 2014
[33] Baldiga et al., 2019
[34] Council of Economic Advisors, 2015

utilize affordable and accessible child care, the results may include reductions in the gender wage gap and a decreased likelihood of reliance on public assistance programs.[35]

Nonetheless, child care is often inaccessible for those who need it most. High costs prevent low-income parents in particular from utilizing early child care. As previously mentioned, 70 percent of parents work full-time throughout the full calendar year. Within this group, approximately one in five individuals qualify as low-income. Child care access varies by race, as well. Black and Hispanic or Latinx parents working full-time are more than two times as likely to be classified as low-income, in comparison to non-Hispanic white and Asian or Pacific Islander parents who work full-time.[36] When discussing the benefits of early child care, it is crucial that these severe disparities in access are not overlooked.

Importance of Quality Child Care for Society

Positive long- and short-term outcomes associated with quality child care benefit not just children and parents, but society as a whole. Early care and education are associated with reduced crime rates and lower expenditures in both the primary education and health care sectors. Studies indicate that early care is correlated with reductions in criminal activity, which decreases costs incurred as a result of victimization and incarceration. Additionally, early care is linked to decreased public school expenditures, in part due to a lesser likelihood of a need for specialized services. Finally, early care may improve health outcomes, which translates to decreased stress on health care systems.[37]

[35] Glynn, 2013
[36] Baldiga et al., 2019
[37] Council of Economic Advisors, 2015

CHAPTER II:

THE LANDSCAPE

The National Early Care Landscape

In a 2020 report titled "Picking up the Pieces," Child Care Aware of America (CCAoA) declared a national crisis with respect to the crumbling early care landscape.[38] According to CCAoA, the nation's "already fragile" early care system reached a tipping point in 2020. As a result of the ongoing COVID-19 pandemic, the "inequitable," "inaccessible," and "underfunded" early care system "shattered."[39] National think tanks and early care advocacy groups acknowledge that government institutions alone will be unable to rebuild the U.S. early care landscape to the extent necessary for the optimization of developmental and socioeconomic benefits. Before determining how CDFIs can most effectively address the early care crisis, it is crucial to first identify and analyze the shortcomings of the national and state landscapes.

Preschool enrollment rates for three-year-olds and four-year-olds are indicative of the national landscape's overall lack of capacity and accessibility. In 2018-2019, only 70 percent of all four-year-olds and 50 percent of all three-year-olds were enrolled in center-based preschool programs.[40] Government spending at both the state and federal levels has failed to keep pace with increasing demand for early care services. In fact, according to the National Institute for Early Education Research (NIEER), the long-term growth rate of state-funded preschool remains lower than before the Great Recession.[41] If states maintain such anemic growth, early care advocates fear that "it will be centuries before the United States reaches levels of preschool attendance now common in other high income nations."[42]

Severe socioeconomic disparities in early care accessibility and quality persist within this underfunded system. In other words, while early care funding is insufficient in terms of quantity, it also remains inequitably and inefficiently targeted. For this reason, the Brookings Institution has declared that "*all* [our italics] new [government] money should be invested in poor and low-income families."[43] According to NIEER, in 2019 approximately 40 percent of children from families with incomes less than $10,000 did not attend any center-based program prior to kindergarten, while children from low- and moderate-income families reported similarly limited participation rates.[44] Systemic barriers within the national early care system may contribute to such low participation rates among poor and low-income children. For example, only nine percent of centers provide care during evenings, weekends, or overnight, effectively excluding a significant population of working-class parents from accessing early care services.[45] On average, staff at early care centers that offer flexible schedules or payment plans possess less experience

[38] CCAoA, 2020
[39] Ibid., 4
[40] Friedman-Krauss et al., 2020
[41] Ibid.
[42] Ibid., p. 6
[43] Philips et al., 2017, p. 91
[44] Friedman-Krauss et al., 2020
[45] Greenberg et al., 2018

and education.[46] Furthermore, staff at such facilities participate in professional development activities at lower rates than staff at less flexible centers.[47] These disparities are especially troubling, given the abundance of evidence indicating greater preschool benefits for children from low-income or low socioeconomic status (SES) families, relative to children from high-SES families.[48] Children of color and children from families living in rural areas experience similar disparities in terms of early care accessibility and quality.[49]

Early care enrollment and quality vary considerably among age groups, as well. In 2018, for example, only 3 percent of early care centers surveyed by the Urban Institute exclusively served infants and toddlers.[50, 51] Like staff at centers offering flexible schedules or payment plans, staff at centers that exclusively serve infants and toddlers are typically less experienced, less educated, and less likely to engage in professional development activities.[52] While this trend persists, research continues to suggest that, despite "public underinvestment," early care for infants and toddlers "may have larger and longer-lasting effects on children's cognitive and behavioral development than care for preschoolers."[53]

At the state level, New Jersey early care advocates have identified the expanded provision of infant and toddler care as a foremost priority. As a result of the plethora of "Infant/Toddler deserts"[54] across the state, only "12 percent of infants and toddlers attend a regulated child care program," according to CCANJ.[55] However, organizations like CCANJ, as well as the New Jersey Association for the Education of Young Children (NJAEYC) and CITE, recognize that expanding the supply or capacity of infant and toddler care centers will not be enough to fill this gap. NJAEYC's "infant and toddler tool kit," for example, reflects the importance of *quality* care, which can be achieved through the specialized training and professional development of early care providers and educators.[56] Likewise, CCANJ has acknowledged the lack of "adequate training" among caregivers of infants and toddlers, which precludes the optimization of infant and toddler learning.[57] In fact, CCANJ acknowledges that the dearth of "well-trained, credentialed professionals" is characteristic of both infant and toddler care and the broader New Jersey early care landscape, as a whole.[58] CITE, a volunteer nonprofit organization founded in 1985, seeks to mitigate this ongoing crisis by providing infant and

[46] Greenberg et al., 2018
[47] Ibid.
[48] Philips et al., 2017
[49] CCAoA, 2020
[50] Greenberg et al., 2018
[51] The Urban Institute's findings are based on the National Survey of Early Care and Education (NSECE), a "nationally representative" study conducted in 2012.
[52] Ibid.
[53] Ibid., p. 29
[54] NJAEYC, 2019, p. 5
[55] "Advocacy Issues & Recommendations," CCANJ website, n.p.
[56] NJAEYC, 2019, p. 5
[57] "Advocacy Issues & Recommendations," CCANJ website, n.p.
[58] "Advocacy Issues & Recommendations," CCANJ website, n.p.

toddler educators with opportunities to engage in professional development at conferences and workshops, as well as through college courses and informational publications.[59] Given the acute need for improved infant and toddler care, as well as the campaigns and resources devoted to the issue by the aforementioned organizations, this particular facet of the early care landscape constitutes a strategically effective prospect for CDFI funding.

Additionally, there remain considerable differences in enrollment between three and four-year-olds across the U.S. These disparities are especially substantial in state-funded programs, which continue to grow "at a snail's pace."[60] Nationwide enrollment in state-funded preschool among three-year-olds, for instance, increased by just three percentage points between 2002 and 2019.[61] According to NIEER, while "some states serve most or all 4-year-old children," three-year-olds are "largely unserved except by a very few states."[62] New Jersey, in fact, serves three-year-olds in state-funded early care centers at one of the highest rates in the country.[63] The Garden State also ranks second in the U.S. in terms of all reported preschool spending per child, spending more than two times the national average per child.[64] Nonetheless, New Jersey's performance is less than exceptional with respect to other metrics. Despite the state's high per-child spending and state-funded enrollment rate among three-year-olds, New Jersey ranks 23rd in the country in terms of state preschool access for four-year-olds.[65] New Jersey's state preschool enrollment rate for four-year-olds (30%) is less than the national average (34%).[66] Thus, while national access to early care (any type) is considerably higher among four-year-olds, state-funded preschool in New Jersey serves a significantly higher percentage of three-year-olds.

The profound gaps in the state's early care ecosystem suggest opportunities for New Jersey CDFIs to respond to such considerable need and emerge as major early care funders. To date, however, CDFI participation in the state's early care ecosystem has been comparatively limited, relative to the overall scope of the organizations' activities. Among NJCC's peers recognized by the CDFI Coalition, in 2021 only one of ten NJ-headquartered CDFIs implements a lending program that explicitly focuses on early care and education. More generally, overall CDFI funding in New Jersey is characterized by unequal distribution across the state. In 2017, for example, the CDFI Coalition indicated considerable geographic disparities in CDFI funding, with limited funding targeted to New Jersey's southernmost and northwestern regions. Importantly, four of the six counties receiving the least CDFI investment (Cape May, Salem, Sussex, and Warren) are counties with MPS rates below the state average, as indicated by our analysis later in this report. Such evidence from these characteristically more rural counties

[59] "About," CITE website
[60] Friedman-Krauss et al., 2020, p. 14
[61] Friedman-Krauss et al., 2020
[62] Ibid., p. 6
[63] Friedman-Krauss et al., 2020
[64] Ibid.
[65] Ibid.
[66] Ibid.

corroborates CCAoA's aforementioned findings, which suggest that families living in rural areas face barriers to accessing affordable, high-quality care.[67]

One New Jersey CDFI, however, may serve as a model for prospective early care funders. The Union County Economic Development Corporation (UCEDC) currently implements the First Steps Childcare Loan Program, which "provides loans to both center- and home-based child care programs, including for-profit centers and centers operated by non-profit organizations."[68] Former and current loan recipients have devoted funds to "new, expanded facilities."[69] In the case of Little Ivy Learning Center in Ridgewood, this expansion has consequently "freed up money"[70] to enhance the capacity and quality of the center's programs, especially for infants.[71] Another UCEDC loan recipient, I Excel Childcare in Perth Amboy,[72] has utilized CDFI support to purchase furniture and materials in a similar effort to improve the center's learning environment and overall quality.[73] New and developing early care loan programs may fund similar facilities expansions or improvements, particularly in the underinvested counties identified above.

Ensuring equitable access to services across age groups and other demographic characteristics is a crucial initiative to which CDFIs may respond. The aforementioned socioeconomic disparities in early care accessibility—which remain prevalent nationally—are similarly severe in New Jersey. The data presented and analyzed in the following section will reflect nationwide socioeconomic and racial disparities in early care access, while indicating a need for increased early care capacity in some of the state's rural regions.

The Landscape of Early Care in New Jersey

Definition of Early Childhood Care in New Jersey

In New Jersey, child care centers are classified as serving ages 0 to 6, 2.5 to 6, 0 to 13, 2.5 to 13, or 6 to 13. These classifications do not overlap. For example, a center classified as serving ages 0 to 6 would not also be classified as serving 2.5 to 6, despite technically serving the latter group.[74] For the purpose of this report, we restrict early care centers to those serving all aforementioned age groups, except the 6 to 13 group. Early care tends to constitute children who are not of school age, so we use this as justification for excluding centers serving ages 6 to 13. We primarily rely on data from the New Jersey Department of Children and Families (NJ DCF)

[67] CCAoA, 2020
[68] UCEDC website, n.p.
[69] Ibid.
[70] Ibid.
[71] Little Ivy Learning Center received a $15,000 loan from UCEDC.
[72] I Excel Childcare has received three microloans from UCEDC, to date. The most recent loan provided by UCEDC is being utilized to train and certify employees, according to UCEDC's website.
[73] UCEDC website
[74] Information per NJ DCF Office of Licensing Child Care Center Portal at https://childcareexplorer.njccis.com/portal/.

with respect to state child care and early care center numbers. NJ DCF only maintains a database of licensed centers; therefore, our quantitative calculations in particular are based exclusively on licensed care facilities. Other types of child care providers in the state include licensed-exempt centers, family care providers, family/friend/neighbor providers, in-home, and youth camps. However, these providers are not formally catalogued in the way licensed centers are listed.[75] We maintain that licensed centers are more conducive to our analyses and are more relevant to the external research we have compiled. We will also primarily refer to general education, with the exception of any notable points related to the inclusion of children with special needs.

Methodology

In understanding the New Jersey landscape, we relied on two primary sources: NJ DCF and the U.S. Census Bureau. New Jersey Policy Perspective (NJPP), a Trenton-based policy think tank, provided another practicum team with an Excel spreadsheet of 2019 child care center data collected by NJ DCF.[76] This spreadsheet was shared with our team. Measures for the 2019 data included address, center name, city, zip code, ages served, capacity, phone number, and county. We obtained 2021 data from the website for NJ DCF's Office of Licensing Child Care Center Portal.[77] The 2021 center data contained all of the measures included in the 2019 data, except for center capacity. Using the ages served measure, we separated early care centers from child care centers overall for both 2019 and 2021.

Using information from 2019 and 2021 was important for multiple reasons. First, 2019 data is pre-2020 governor's budget passage, which included increased allocations toward the state's child care industry. Data from 2021 represents the landscape after the budget's passage. Second, 2019 data was collected before the pandemic, while 2021 data reflects the impacts of COVID-19. We chose not to include 2020 data, due to prolonged temporary closures of most child care centers, and because the pandemic's severity may have skewed data. These comparisons are useful in understanding the effects of the budget and pandemic on New Jersey's licensed early care provision.

We referred to the U.S. Census Bureau's American Community Survey Five-Year Estimates (ACS 2019) to obtain sociodemographic information on the state and its 21 counties. Specifically, we utilized ACS demographic and housing estimates, as well as economics estimates from ACS 2019 Five-Year Data Profiles. Primary variables in our analyses included race,[78] children under the age of six with all parents in the labor force, poverty rates of families with children under the age of five, and median family income.[79]

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[75] DFD, 2020b

[76] The NJPP practicum team conducted their own study of child care in New Jersey. Our team and the NJPP team shared helpful resources when possible. We thank them for their cooperative efforts.

[77] NJ DCF's Office of Licensing Child Care Portal can be accessed at https://childcareexplorer.njccis.com/portal/.

[78] We focus on four major racial or ethnic categories: white, Black or African American, Hispanic or Latino, and Asian. For the white, Black or African American, and Asian categories, we use the ACS measure for members of these racial groups who do not identify as Hispanic or Latino. Therefore, the "non-Hispanic" descriptor is used before mention of any of these racial categories.

[79] A full spreadsheet with cleaned data was included as part of this practicum's deliverables.

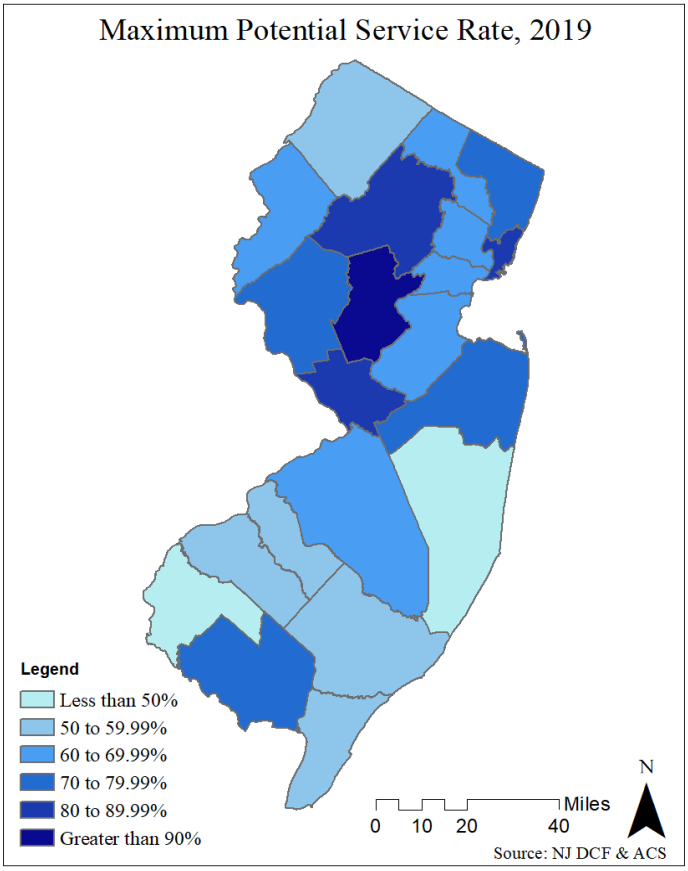
Analysis of the NJ Landscape

Center Numbers. Using a combination of data from NJ DCF and ACS 2019, we examined the landscape of child care—and early care, specifically—in New Jersey. To reiterate, we define child care centers as all licensed child care centers in the state. Early care centers are a subset of child care centers that excludes any centers only serving ages 6 to 13. From 2019 to 2021, the number of child care centers in the state decreased by 67, or 1.61 percent. Early care centers also experienced a net decrease; however, the difference was smaller than the decrease among all centers. In 2019, the state contained 3,131 early care centers, and in 2021, the number of early care centers dropped by 20 to 3,111 (a net decrease of 0.64%). A map of 2021 early care centers is included in Appendix A. It is important to note that the 2020 state budget included an increase in child care funding. We hypothesize that for some centers, it is possible that the increase in funding was not enough to offset the economic toll the pandemic has taken on the child care industry. We must recognize that there is great variation by county regarding change in early care center numbers from 2019 to 2021, which is demonstrated in Table 1. On the lower end of the spectrum, Salem County saw a net decrease of 15.00 percent of early care centers, while on the higher end of the spectrum, Essex County saw a net increase of 7.20 percent of centers. In terms of raw numbers, Middlesex County lost the greatest number of centers at 15, while Essex County experienced the highest increase in centers at 25.

Table 1. County Changes in Early Care Centers from 2019 to 2021
Source: NJ DCF 2019

Early Care Centers in New Jersey				
County	**Centers in 2019**	**Centers in 2021**	**Net Change (count)**	**Net Change (percent)**
Atlantic	87	87	0	---
Bergen	327	322	-5	-1.53%
Burlington	119	110	-9	-7.56%
Camden	165	163	-2	-1.21%
Cape May	29	27	-2	-6.90%
Cumberland	45	48	+3	+6.67%
Essex	347	372	+25	+7.20%
Gloucester	90	85	-5	-5.56%
Hudson	366	374	+8	+2.19%
Hunterdon	39	36	-3	-7.69%
Mercer	152	147	-5	-3.29%
Middlesex	247	232	-15	-6.07%
Monmouth	195	192	-3	-1.54%
Morris	182	193	+11	+6.04%
Ocean	128	122	-6	-4.69%
Passaic	179	184	+5	+2.79%
Salem	20	17	-3	-15.00%
Somerset	128	122	-6	-4.69%
Sussex	46	48	+2	+4.35%
Union	198	193	-5	-2.53%
Warren	42	37	-5	-11.90%

Figure 1. Early Care Maximum Potential Service Rate by County
Source: DCF 2019 and ACS 2019; MPS rates calculated by author; map courtesy of Bloustein MPP student and NJPP practicum team member Kevin Keys.



Maximum Potential Service Rates. The next step in our research on the state landscape included understanding New Jersey's ability to serve families who may need child care. We utilized just the 2019 NJ DCF center data, so as to have a contemporaneous comparison to the most recent ACS data, ACS 2019. Referencing child care research conducted by the Bipartisan Policy Center (BPC), we replicated two concepts: supply and potential need.[80] We define supply as the capacity of early care centers, per NJ DCF, and potential need as the number of children under the age of 6 with all parents in the labor force, per ACS 2019. Using a ratio of supply to potential need, we determined the maximum potential service, or MPS, rate for the state overall, as well as for each of the 21 counties. Results are shown in Figure 1, and a detailed methodology and accompanying graph are included in Appendix B. The MPS rate for New Jersey was 0.694, meaning that the state's early care centers have the capacity to serve about 69 percent of children who may need care services. Regionally, southern New Jersey counties tended to have lower

[80] Smith et al., 2020a

MPS rates, compared to northern and central New Jersey counties[81]. The four counties with the lowest MPS rates—Ocean, Salem, Atlantic, and Cape May—are all located in southern New Jersey. Like center numbers, there were great differences in MPS rates among counties. Ocean County had the lowest MPS rate at 0.3997. Interestingly, Somerset County was the only county where supply exceeded potential need, resulting in an MPS rate of 1.0845. In other words, Ocean County was able to serve about 40 percent of its potential need whereas Somerset County could meet over 100 percent (108.45%) of its potential need.

We acknowledge a few important caveats in our MPS calculations. First, we emphasize that the number of children under 6 with all parents in the labor force measures *potential*, rather than definite need. Parental desires for child care are nuanced. While some families with both parents in the labor force may seek care from the child care industry, others may rely on additional family members for care, and still others may not require care at all due to their work schedules. Furthermore, the early care center capacity numbers we obtained from NJ DCF exclude non-licensed centers. Therefore, our supply measurement does not include the capacity of licensed-exempt centers, family care providers, family/friend/neighbor providers, in-home, and youth camps in the state. Presently, the state does not require family care centers to register, unless they participate in the NJ Child Care Subsidy Program.[82] Therefore, no comprehensive list of these centers exists. Other aforementioned provider types are similarly not catalogued in the way licensed centers are, so there is no extensive system that contains their data. Despite these shortcomings, we are confident that our MPS rate calculations are generally robust and representative of the reality of the state's early care landscape.

MPS Rates and Socioeconomic Trends. After calculating MPS rates, we compared these rates to county socioeconomic characteristics, again relying on ACS 2019 data. We found that counties with lower MPS rates tended to have higher rates of family poverty[83] and lower median family incomes, compared to state levels. This is concerning but not surprising. The finding is concerning because access to child care is critical for the economic stability and growth of low-income families.[84] It is not surprising, though, because low-income families are far less likely to utilize child care centers, often due to financial barriers.[85] The opposite of this trend was also true—counties with higher MPS rates tended to have lower rates of family poverty and higher median family incomes. Data for counties with the five lowest and five highest MPS rates are shown in Tables 2 and 3, respectively. It is worth mentioning that among the counties with the five lowest MPS rates, Sussex is an outlier, as it has a lower poverty rate

[81] We classify Bergen, Essex, Hudson, Morris, Passaic, Sussex, and Warren counties as northern New Jersey counties; Hunterdon, Mercer, Middlesex, Monmouth, Somerset, and Union counties as central New Jersey counties; and Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem counties as southern New Jersey counties.
[82] NJ DFD, 2020
[83] We use the ACS 2019 measurement of family poverty rate for families with children under the age of five.
[84] Rice et al., 2019
[85] Malik, 2019

and higher median family income, relative to state levels. Likewise, among the counties with the five highest MPS rates, Hudson is an outlier, as it has a higher poverty rate and lower median family income, relative to the state levels. Sussex and Hudson demonstrate that the trend between county economic metrics and MPS rates is not perfectly linear. We hypothesize that counties that do not follow these trends may have had greater within-county variation on economic metrics. Nonetheless, the connection between such data is important to ensuring equitable early care
center access throughout the state. Data for all 21 counties can be found in Appendix C.

Table 2. Counties with Five Lowest MPS Rates and Associated Economic Characteristics.
Source: ACS 2019; MPS rates calculated by author using DCF 2019 and ACS 2019 data

County	MPS Rate	Family Poverty Rate	Compared to State	Median Family Income	Compared to State
Ocean	0.3997	12.10%	Higher	$90,024	Lower
Salem	0.4849	20.00%	Higher	$87,294	Lower
Atlantic	0.5145	22.40%	Higher	$78,829	Lower
Cape May	0.5308	10.90%	Higher	$83,695	Lower
Sussex	0.5419	7.90%	Lower	$109,397	Higher
New Jersey	0.6940	9.90%	N/A	$102,260	N/A

Table 3. Counties with Five Highest MPS Rates and Associated Economic Characteristics.
Source: ACS 2019; MPS rates calculated by author using DCF 2019 and ACS 2019 data

County	MPS Rate	Family Poverty Rate	Compared to State	Median Family Income	Compared to State
Somerset	1.0845	5.10%	Lower	$137,981	Higher
Hudson	0.8897	11.60%	Higher	$76,019	Lower
Mercer	0.8656	11.90%	Higher	$105,309	Higher
Morris	0.8278	2.80%	Lower	$141,633	Higher
Bergen	0.7757	6.10%	Lower	$122,981	Higher
New Jersey	0.6940	9.90%	N/A	$102,260	N/A

In terms of race and ethnicity, we found that counties with higher-than-state-average non-Hispanic Asian populations tended to have higher MPS rates. Meanwhile, counties with higher-than-state-average populations of non-Hispanic Black and African American and non-Hispanic white persons tended to have lower MPS rates. Descriptive results were evenly split for Hispanic and Latinx populations: half of counties with higher-than-state-average populations had lower MPS rates, and half had higher MPS rates. Data for all 21 counties can be found in Appendix D. The finding for non-Hispanic white populations may be related to the high proportion of white persons in New Jersey's rural areas, which were more likely to have low MPS rates. Comparing county MPS rates to socioeconomic characteristics is imperative to ensure that early care provision is equitable across the state and accessible for all populations.

Based on our findings, we conclude that financing efforts should target southern New Jersey, where counties tended to have the lowest MPS rates. Specifically, Ocean, Salem, Atlantic, and Cape May counties appear to have the greatest need for investment, based on MPS rates, both regionally and within the state as a whole. We also recommend targeting investment in counties with higher rates of family poverty, relative to the state average, as well as those with higher-than-average populations of Hispanic and Latinx and Black and African American persons. Previous literature confirms that these groups tend to have disproportionately limited access to care services compared to their affluent and white peers,[86] creating disparities in development. Based on combinations of MPS rates and socioeconomic characteristics, we specifically recommend targeting investment in the following locations:

- counties with a low MPS rate and high family poverty rate, including Ocean, Salem, Atlantic, Cape May, and Camden;
- counties with a low MPS rate and low median family income, including Ocean, Salem, Atlantic, Cape May, and Camden;
- counties with a low MPS rate and higher-than-average Hispanic/Latinx population, including Union, Middlesex, and Passaic;
- and counties with a low MPS rate and higher-than-average Black/African American population, including Salem, Atlantic, Camden, Burlington, and Union

The COVID-19 Pandemic's Impact on Early Child Care in New Jersey

The COVID-19 pandemic profoundly impacted the early care industry in New Jersey. In response to the pandemic, Governor Phil Murphy signed an executive order on March 25, 2020, requiring that all child care centers across the state certify that they were operating as emergency care for children of essential workers only. Those who could not certify exclusive care to essential workers' children were ordered to close by April 1, 2020.[87] The closing of centers had

[86] See page 17.
[87] Exec. Order No. 110, 2020

an acute effect on parents' abilities to access care services across the state, while threatening the financial stability of many centers.

On May 30, 2020, Governor Murphy signed another executive order providing for the resumption of child care over the following weeks, although many parents chose to continue keeping their children out of child care centers, due to safety concerns.[88, 89] Despite the reopening of centers providing relief for parents who sent their children back to child care, centers were required to operate under strict pandemic-related protocols. This impacted both the child care industry and its consumers, parents, caregivers, and children. Prior to the pandemic, infant rooms were restricted to 12 infants, while rooms for toddlers, three-year-olds, and four-year-olds were all capped at 20 children. Under initial state guidelines in response to the pandemic, the maximum number of children allowed in any room was ten. However, later in 2020, centers were permitted to have 12 children in an infant room—restoring infant room capacity to pre-pandemic standards—and up to 15 children in rooms for toddlers, three-year-olds, and four-year-olds. These restrictions, compounded by additional cleaning and protective equipment requirements, increased the cost of care for both centers and New Jersey residents with children enrolled in early care centers.[90] Original, pre-pandemic tuition for child care per county is presented in Appendix E. The costs for child care providers to care for infants, toddlers, and preschoolers increased significantly per week, due to the state's new protocols and restrictions. In a ten-person room, it cost an additional 36 dollars per week per infant enrolled, an additional 147 dollars per week per toddler enrolled, and an additional 49 dollars per week per preschooler enrolled. The cost for a child care center also increased by 69 dollars per week per toddler and 37 dollars per week per preschooler in a room with a 15-person capacity.[91] As a result of long-term closures, decreased enrollment, and increased costs for child care providers, centers continue to struggle financially.[92]

The pandemic's effects have induced the federal and state governments to introduce unprecedented initiatives and funding to support the child care industry, as well as those who utilize its services. A prime example of such efforts is enrollment-based funding. As a result of enrollment-based funding, the amount of funding New Jersey allocates to child care providers is dependent on the number of enrolled children in their program who receive state assistance. Enrollment-based funding will continue until at least June 30, 2021.[93] According to NJ DHS staff, continuing to base subsidies on enrollment, rather than attendance, is not feasible without an influx of federal dollars. In the last year, a large amount of federal relief enabled New Jersey to institute enrollment-based subsidies. Therefore, this initiative will most likely remain a short-

[88] Exec. Order No. 149, 2020
[89] Bateman, 2020
[90] Garver, 2020
[91] Garver, 2020
[92] Bateman, 2020
[93] NJ DHS/DFD, 2021

term solution to financially supporting childcare providers.[94] Other funding initiatives will be discussed later in this report.

[94] Personal meeting with NJ DHS and NJ DCF

CHAPTER III:

FUNDING AND PARTNERSHIPS

Federal Child Care Investments

The Coronavirus Aid, Relief, and Economic Security Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a $2.2 trillion federal COVID-19 relief bill.[95] In response to the bill's passage, Governor Murphy created a child care initiative to make child care more accessible and to support the reopening of child care centers. This initiative dedicated $250 million in funding from the CARES Act to provide additional support to families with school-aged children and to help struggling child care providers.[96] This money was used to create a subsidy program to help low-income families in need of child care. This program also supported and assisted families with incomes up to 200 percent of the Federal Poverty Level.[97] New Jersey's allocation of CARES Act funding toward serving low-income families and improving access to child care centers demonstrates that improving child care access is a state priority. Additionally, New Jersey introduced a $150 million program that provides child care support to families with annual incomes below $75,000 who are not eligible for the state Child Care Subsidy Program.[98]

American Rescue Plan Act

A second source of pandemic-related funding comes from the American Rescue Plan Act, which was signed by President Biden on March 11, 2021. This is a $1.9 trillion COVID-19 relief bill meant to help the U.S. recover from the economic and health effects of the COVID-19 pandemic.[99] The legislation's passage allowed for additional support to the child care industry. The American Rescue Plan Act provides over $50 billion in relief funding to the child care sector. Of this money, around $15 billion will go to the Child Care and Development Block Grant to support families that have child care needs, particularly low-income families. An additional $24 billion is meant to assist and stabilize child care centers and providers.[100] The breakdown of the American Rescue Plan Act funding allocation to New Jersey is as follows:

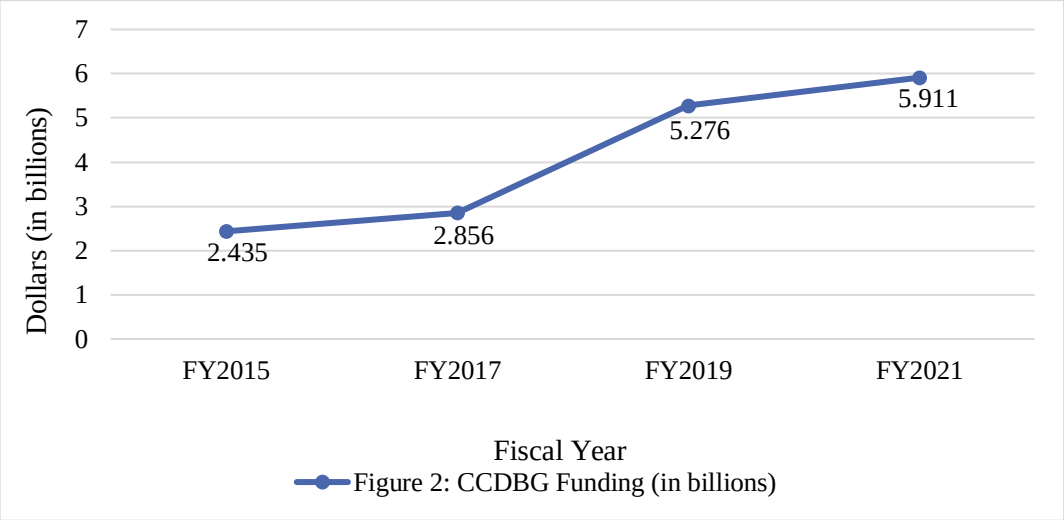
State	Expanded Child Care Assistance	Child Care Stabilization Funds	Total
New Jersey	$267,318,108	$427,548,475	$694,866,584

[95] Committee for a Responsible Federal Budget, 2021
[96] NBC New York, 2021
[97] NJ DHS, 2021
[98] Ibid.
[99] American Rescue Plan Act of 2021
[100] Hardy & Gallagher Robbins, 2021

Child Care Development Block Grant

The Child Care Development Block Grant (CCDBG) is an expansive federal investment in child care. Administered by US HHS, it has two primary purposes: providing subsidies and vouchers for eligible families and improving the quality of existing care.[101, 102] Originating in 1990 and bolstered by the passage of the Personal Responsibility and Work Opportunity Reconciliation Act,[103] the CCDBG received a significant boost in the 2010s. In 2014, the CCDBG was reauthorized, and Congress strengthened health and safety requirements for centers, while providing funding to improve overall center quality.[104] According to the reauthorization, states must use at least 70 percent of the federal funds for direct child care services, and at least 4 percent must go toward educating the public, increasing child care choice, and improving center quality.[105] In FY 2015, over 2.1 million children benefited from child care subsidies and vouchers. Funding has continued to increase each year and experienced a particularly large uptick between FY 2017 and FY 2019 (from $2.856 billion to $5.226 billion), as depicted in Figure 2.[106] For FY 2021, Congress appropriated $5.911 billion.[107]

Figure 2. Child Care Development Block Grant Funding (In Billions)
Source: First Five Years Fund



[101] First Years Fund, 2020
[102] Since tuition is a significant source of funding for private licensed centers, it is important to understand how low-income parents are able to afford child care and pay tuition - even though not all CCDBG funds go directly to centers.
[103] This is the same bill that fulfilled President Clinton's promise to "end welfare as we know it," replacing the Aid to Families with Dependent Children welfare system with the Temporary Aid to Needy Families system.
[104] First Five Years Fund, 2020
[105] Congressional Research Service, 2017
[106] First Years Fund, 2020
[107] Ibid.

In order to qualify for a child care subsidy, families must satisfy eligibility requirements, though a subsidy is not guaranteed. In New Jersey, when receiving a subsidy for the first time, a family's income must be 200 percent or lower than the Federal Poverty Level (FPL),[108] and the family must fall in one of the following categories: working full-time, attending school full-time, or doing both part-time.[109] Starting in 2017-2018, actively searching for a job was considered an approved activity for subsidy eligibility.[110] New Jersey has different priority levels for different groups. The only groups guaranteed a subsidy are families on TANF, families transitioning off TANF, children in Child Protective Services, and children in foster care. Other eligible groups that are a priority but are not guaranteed a subsidy include, but are not limited to, families whose incomes amount to less than 150 percent of the FPL, families at risk of needing TANF, and homeless families.[111]

In order to receive CCDBG funding, each state must have a designated agency to oversee funding. In New Jersey, the Division of Family Development (NJ DFD), housed within the NJ DHS, is the lead agency responsible for administering the CCDBG.[112] To administer the subsidy program, NJ DFD contracts with Child Care Resource and Referral Agencies (CCR&Rs). There is a CCR&R in each county, and the primary roles of these organizations include coordinating the subsidy program, assisting parents in finding child care, and issuing payments to child care providers.[113,114]

Throughout the COVID-19 pandemic, child care centers have been able to use CCDBG funding for minor renovations, but they are not allowed to complete major renovations with CCDBG funds.[115] US HHS (2021) defines major renovations as (1) "structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area" or (2) "structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area."[116]

[108] The number increases to 250 percent to receive additional subsidies after the first year.
[109] Boxer, 2012
[110] Tran, 2019
[111] Ibid.
[112] This paragraph is expanded, starting on page 50.
[113] Examples of CCR&Rs include Program for Parents (Essex County), Burlington County Community Action Program (Burlington County), and Child Care Connection (Mercer County).
[114] Boxer, 2012
[115] US HHS, 2021
[116] We were unable to determine whether centers can use CCDBG funding for facilities improvements during non-pandemic times. A CDFI may be able to help a center make small, minor renovations to continue to accommodate for COVID-19—assuming centers are able to use CCDBG funding to repay a loan. This website helps to explain how CCDBG has changed during the pandemic: https://www.acf.hhs.gov/occ/faq/ccdf-frequently-asked-questions-response-covid-19#5

Preschool Development Grants and Preschool Development Grants Birth-Five

Preschool Development Grants (PDGs), administered by US HHS and US DOE, gave grants to states to either develop or enhance existing preschool systems. A significant part of the fund was designed to go directly to preschool programs. This funding stream existed from 2015 to 2018. In 2019, a new grant called the Preschool Development Grant Birth-Five (PDG B-5) replaced the previous grant. PDG B-5 was designed to fix nuanced issues within state systems.

PDGs. A competitive grant, PDG originated from the Consolidated Appropriations Act (2014).[117] A significant portion of PDG funding was directed towards state preschool programs, serving children 200 percent or below the FPL.[118] Program funding was intended to be delivered through a mixed-delivery preschool system, which includes schools, licensed private centers, Head Start centers, and community-based organizations.[119] PDG-supported preschool systems were intended to serve as models to expand preschool to all four-year-old children from low-income families.[120] Although that part of the grant was directed towards low- and middle-class children, all preschoolers had a chance to benefit from a state receiving a PDG. With PDG funds, states also established (or enhanced) preschool coaching systems, created (or improved) quality rating and improvement systems, and utilized increased child assessment and quality control measures.[121]

States were eligible for either a development grant or an expansion grant, depending on their current preschool system.[122] Given its well-developed preschool infrastructure, New Jersey was awarded an expansion grant and used its grant for two primary purposes: (1) creating and enhancing preschool slots and (2) enhancing its current preschool system infrastructure for more children to receive high-quality preschool services.[123] New Jersey spent an average of $17,352,852 per year.[124] Even though PDG funds ended, New Jersey secured state funding to continue the work that had been started.[125]

In each year of the grant (2015-2018), New Jersey served more than 7,000 children and their families, exceeding the state's own enrollment goals.[126] The sixteen districts that New Jersey focused on were Absecon, Atlantic City, Bellmawr, Berkley, Bound Brook, Clayton, Clifton, Egg Harbor City, Freehold Borough, Galloway, Hamilton (Atlantic County), Lakewood, Mount Holly, Lindenwold, Paulsboro, and Upper Deerfield.[127] New Jersey worked directly with

[117] US HHS & DOE, 2014
[118] Ibid.
[119] Ibid.
[120] US DOE, 2020
[121] US DOE, 2019
[122] US DOE & US HHS, 2014
[123] Rice, 2017
[124] Friedman-Krauss et al., 2020
[125] This is called the Preschool Expansion Grant and will be discussed later in the report on page 47.
[126] US DOE, 2019
[127] Rice, 2017

preschools in those towns so that more children would be able to enroll in preschool, and the state also worked to ensure that those centers were physically improving.[128,129]

New Jersey launched a variety of statewide initiatives with PDG funding. One initiative involved the expansion of Grow NJ Kids, the state's rating system for child care centers.[130] Another initiative prioritized a Birth-Third Grade Continuum, focusing especially on the transition between preschool and kindergarten. Overall goals of the continuum included reducing achievement gaps, facilitating successful transitions between school years, embracing families as partners in the education process, and focusing on whole child development. Specific actions included the encouragement of school districts to hire Kindergarten Specialists, as well as the provision of additional support for teachers and on-site kindergarten coaches.[131] By encouraging a continuum, New Jersey prioritized the prevention of diminishing developmental gains.

PDG B-5. Jointly administered by US HHS and DOE, the PDG B-5 replaced the PDG in 2019. This grant originated in the Every Student Succeeds Act (2015).[132] Rather than providing direct services to preschool students, the PDG B-5 focuses more on state administrative work, system building, the creation of plans, and efforts to fix nuanced issues within the larger preschool system.[133] According to US HHS, states that received the PDG B-5 should utilize funding to improve transitions between preschool and kindergarten, to create better cost efficiencies, and to link families with needed services, among other relevant initiatives.[134]

In FY 2019, New Jersey received the initial PDG B-5 award ($10.62 million), and in FY 2020, the state received a renewal grant ($11.18 million).[135, 136] Throughout the last few years, New Jersey has identified several populations that have been underserved in preschool, including children with disabilities and developmental delays, children in rural areas, children experiencing homelessness, and children that are English language learners. In its PDG B-5 applications, the State mentions that children from underserved populations would be identified as early as possible through screenings, referrals, and connections to services and support.[137] Locating and uplifting these populations is a significant goal, and New Jersey has identified several objectives

[128] NJ DOE, 2018
[129] As described on question E-1 at this link (https://www2.ed.gov/programs/preschooldevelopmentgrants/index.html), PDG funds were not permitted for large-scale renovations, but for minor improvements instead. Given that this federal funding stream no longer exists and was converted to a state fund, more information will be provided in that section.
[130] US DOE, 2019
[131] Ibid.
[132] Ruiz-Negron et al., 2019
[133] Friedman-Krauss et al., 2020
[134] US HHS, 2018
[135] US HHS, 2020
[136] Friedman-Krauss et al., 2020
[137] Ruiz-Negron et al., 2019

in its application that apply to the larger preschool population, as well. The following list is not exhaustive but highlights some of the primary goals:[138]

- Maintain an unduplicated count of children in existing programs and children awaiting services;
- Increase family engagement and family knowledge of child care choice by creating more media campaigns and offering more opportunities for parental feedback through surveys and focus groups;
- Encourage trauma screenings and referrals, while integrating trauma-sensitive approaches into child care and helping providers understand the impact of ACEs; and
- Prioritize high-quality infant and toddler care by increasing subsidy rates and expanding training and professional development for current center staff.

Expanding infant and toddler care is becoming a state priority, as evidenced by New Jersey's PDG B-5 Application. Additionally, in a personal meeting with NJ DHS and NJ DCF, state administrators confirmed that New Jersey intends to have an infant-toddler specialist network in every county to expand infant and toddler programs.[139] Infant and toddler care is expensive; for most counties, infant care costs even more than toddler care, but both are usually more expensive than preschool-age care. The statewide average weekly price of infant care is $306, while toddler care averages $275, and preschool-age care averages $252.[140, 141] Lending to centers that either prioritize infant/toddler care or want to expand to include infant/toddler care would be a strategically important—and timely—investment.

Head Start

Developed as part of President Lyndon B. Johnson's War on Poverty, Head Start provides early childhood education to children in poverty. Administered through US HHS, Head Start promotes school readiness by focusing on developing the whole child's overall well-being, academically, developmentally, and socially.[142] The Head Start Act was last reauthorized in 2007 (Improving Head Start for School Readiness), but funding is appropriated every year. About $10.748 billion was appropriated for FY 2021.[143]

Head Start services can be provided through licensed centers, family child care settings, or a child's own home. Here, we will focus on licensed private centers. To receive Head Start funding, the center must conform to Head Start guidelines and priorities. Head Start centers must

[138] Ruiz-Negron et al., 2019
[139] One of our team members attended a meeting with NJPP practicum team members and staff members from NJ DHS and NJ DCF, which focused on the child care landscape in New Jersey.
[140] Illustrative examples on this can be found in Appendix E.
[141] These numbers reflect how much a center charges for tuition.
[142] Lynch, 2019
[143] US HHS, 2021

prioritize enrolling children whose family incomes fall on or below the FPL, whose families are receiving public assistance, or who are experiencing homelessness. Centers may accept children who fall between 100 and 135 percent of the FPL, while prioritizing children on or below the FPL.[144] Head Start primarily focuses on three- and four-year-old children; however, since 1995, a growing number of infants and toddlers have participated in Early Head Start programs. Out of 887,125 enrollment slots in FY 2018, about 81 percent of funded enrollment slots are for Head Start, and 19 percent are for Early Head Start[145].

Head Start centers conform to established guidelines and curricula, as a condition of funding. Head Start strongly emphasizes family involvement, embracing local communities, and responding to the unique needs of each family and community.[146] Families and parents are imperative to creating an individualized learning plan for each child, especially when focusing on transitioning to kindergarten. Additionally, some centers are offered services that help with family well-being and achievement, by way of housing stability, continued education, and financial security.[147] Children are also academically, developmentally, and socially prepared for kindergarten. The Head Start curriculum includes language and literacy skills, native language heritage, math and science concepts, social skills, emotional well-being, and more. If possible, children learn both indoors and outside.[148] All children receive health screenings, nutritious meals, connections to medical/dental/mental health services, and resilience building.[149]

Child Care Access Means Parents in School and National Child Traumatic Stress Initiative

CCAMPIS. Child Care Access Means Parents in School funding is specifically designed for child care centers on college campuses that support low-income parents currently enrolled in college. Administered by US DOE, funds are primarily used to establish or support child care programs for eligible students. For FY 2021, Congress appropriated $53 million to support this funding source.[150] Grants can also be used for before- or after-care services. Additionally, grants may be used to fulfill child care needs in the communities served by higher education institutions.[151] An example of a college participating in CCAMPIS is the County College of Morris (CCM).[152] Eligible student-parents participate in the CCM Early Childhood Education Program. They receive a subsidy based on their Pell Grant amount, their expected contribution, and how many credits they are taking. After receiving the subsidy, students can use that subsidy at any partnering center, including Kids Connect (Montville), Dover Child Care (Dover), and Parsippany Child Day Care Center (Parsippany). In addition to providing subsidies, CCM uses

[144] Lynch, 2019
[145] Ibid.
[146] Congressional Research Service, 2014
[147] Ibid.
[148] Ibid.
[149] US HHS, 2020
[150] First Five Years Fund, 2020
[151] US DOE, 2021
[152] CCM, n.d.

its CCAMPIS funding to promote student achievement and assist partnering centers with accreditation and their Grow NJ Kids rating.[153,154]

NCTSI. The National Child Traumatic Stress Initiative focuses on children and adolescents that have experienced severe trauma and struggle with behavioral health. Administered by US HHS and authorized as part of the Children's Health Act (2000), the NCTSI seeks to create quality community-based trauma treatment and services, while increasing access to such treatment and services.[155] NCTSI received $69.89 million for FY2021.[156] The NCTSI has many components, including efforts by child care centers to respond to the trauma experienced by families. These centers utilize evidenced-based interventions that help families overcome the impact of traumatic experiences. Center staff and practitioners are trained in trauma-informed approaches and evidence-based treatments.[157] An example of a NCTSI center is the Center for Great Expectations.[158] This center provides high-quality and trauma-informed care for the whole family. Families typically receive public assistance and have experienced trauma, abuse, and/or substance abuse.[159,160]

Individuals with Disabilities Education Act

Originally passed in 1975 as the Education for All Handicapped Children Act, the Individuals with Disabilities Education Act[161] (IDEA) primarily focuses on grants for the education of children, adolescents, and young adults with disabilities. It is administered by the US DOE. In exchange for receiving federal funds, each state must provide a free, quality public education to every eligible individual. IDEA was appropriated approximately $13.45 billion in FY 2019, and New Jersey received about $381.9 million.[162]

IDEA has four primary components. Part A includes general provisions and definitions. Part B, however, is the largest part of the Act: It covers special education for qualified individuals from ages three through 21.[163] Section 611 covers most of the grants, and Section 619 includes supplemental grants designed specifically for preschool programs that serve children with disabilities. Federal funds go to state education agencies, but states must distribute the bulk of the grant award to local education agencies (i.e., local school districts). School districts must identify, locate, and evaluate all children that demonstrate a disability, regardless

[153] CCM, n.d.
[154] Given the structure of a partnership between a child care center and a higher education institution, it is unclear if there is a place for CDFI investment.
[155] US HHS, n.d.
[156] First Five Years Fund, 2020
[157] Ibid.
[158] This center has locations in Somerset and Bridgewater, NJ.
[159] The National Child Traumatic Stress Network, 2021
[160] Note: Given the narrow focus of NCTSI funding, we do not see a place for CDFI investment.
[161] The legislation was renamed in 1990.
[162] Dragoo, 2019
[163] Nearly 95 percent of total IDEA appropriations fund Part B.

of severity. Part C is the second-largest part of IDEA. It authorizes federal funding for early intervention services, before a child would normally start attending preschool. These services focus on infants and toddlers who are either experiencing developmental delay or are at high risk of developing a physical or mental disability. Finally, Part D contains requirements for improving the education of children with disabilities and establishes guidelines for professional and personnel development.[164, 165]

State Child Care Investments[166]

Former Abbott

In the 1990s, the New Jersey Supreme Court (NJSC) issued numerous decisions regarding the education of New Jersey's poorest children. In short, the NJSC found that the state was not providing adequate funding and educational opportunities to poor children. These decisions mandated heavy state involvement in both early childhood education and K-12 education in New Jersey's 31 poorest districts: Asbury Park, Bridgeton, Burlington City, East Orange, Elizabeth, Garfield, Gloucester City, Harrison, Hoboken, Irvington, Jersey City, Keansburg, Long Branch, Millville, Neptune Township, New Brunswick, Newark, Orange, Passaic, Paterson, Pemberton, Perth Amboy, Phillipsburg, Plainfield, Pleasantville, Salem City, Trenton, Union City, Vineland, and West New York.[167] In 1998, the NJSC mandated that every child in those towns must have the opportunity to attend high-quality preschool.[168]

Although originally 31 districts, 112 districts 19% of the state's total districts) now receive Former Abbott[169] funding. This equates to about 46,119 children in the state served by this funding stream (19 percent of total three-year-olds and 25 percent of total four-year-olds).[170] Most of those have been approved in the last three years during New Jersey's preschool expansion initiative.[171] The NJ DOE, which administers this funding source, funds full-day preschool programs for all three- and four-year-olds who live in Former Abbott districts. In 2019, on average, the state spent about $14,492 per child in the Former Abbott program. Due to

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[164] Dragoo, 2019
[165] IDEA funding leans more towards being able to, for example, (1) provide professional development, (2) hire more teachers/staff, (3) fund evidence-based programs and activities for students, etc. It does not seem to be about facilities or buildings, but a comprehensive use of funds guidance can be found here: https://www2.ed.gov/policy/gen/leg/recovery/guidance/idea-b-reform.pdf
[166] The most up-to-date list of districts with state-funded preschool can be found here: https://www.nj.gov/education/ece/psguide/State-Funded%20School%20District%20Preschool%20Programs%20with%20Funding%20Designation%20New%20Jersey%202019-2020%20-%201-1-2020.pdf
[167] Mead, 2009
[168] Ibid
[169] The funding is called Former Abbott because the term "Abbott district" is not used anymore. Now the state has "A" districts, "B" districts, "C" districts, etc. based on a town's socioeconomic composition. Targeted districts still receive the same funding streams as designated by the courts but are now called "Former Abbott districts."
[170] Friedman-Krauss et al., 2020
[171] Ibid.

the requirement of one seat for every child, Former Abbott districts often heavily utilize a mixed-delivery model. In other words, a school district contracts private centers and/or Head Start centers to provide the same quality education. Those centers are held to the same state standards as in-district preschools.[172] For example, Asbury Park has two in-district preschools and also contracts with Acelero Head Start and two private centers.[173] Similar partnerships exist in Camden, East Orange, New Brunswick, and other Former Abbott districts.[174, 175, 176]

Former Abbott preschools, according to the NJSC, must maintain adequate facilities. New Jersey has established space requirements to reflect this dimension of the mandate. There are requirements for both in-district preschools and contracted private centers. For example, a district classroom, as well as a contracted private provider, must contain a minimum of 950 square feet. However, some older centers are allowed to be grandfathered in at 535 square feet.[177] It is unclear whether Former Abbott funding can be used for major structural facility changes, based on guidelines.

Early Childhood Program Aid and Early Launch to Learning Initiative

Around the time of the Abbott decision, New Jersey created two more avenues for low-income children to attend high-quality preschools in other districts. These two opportunities are the Early Childhood Program Aid (ECPA) and Early Launch to Learning Initiative (ELLI), both of which are available in districts in which 20 to 40 percent of children meet the criteria for free-or-reduced-price lunch. Unlike with Abbott districts, the state does not fund the entire preschool program.[178]

ECPA. ECPA was started in 1996. 22 percent of total districts in New Jersey are ECPA districts, and about 5,805 total students are served by this program.[179] It is a partial-day preschool program (Abbott is a full-day program). Districts may also utilize ECPA funds to provide full-day kindergarten or improve early education overall (preschool through third grade).[180] In 2019, the state spent about $3,265 per child in these districts.[181] The following is a sample list of ECPA districts in the state: Deptford, East Newark, Penns Grove, Prospect Park, Roselle Borough, Seaside Heights, and Weehawken.[182]

[172] Friedman-Krauss et al., 2020
[173] Asbury Park School District, 2021
[174] Camden City School District, 2021
[175] East Orange Public Schools, 2021
[176] New Brunswick Public Schools, 2021
[177] NJ DOE 2019
[178] There is limited information regarding what districts can and cannot do with ECPA and ELLI funding.
[179] Friedman-Krauss et al., 2020
[180] Mead, 2009
[181] Friedman-Krauss et al., 2020
[182] NJ DOE, 2020

ELLI. ELLI was established in 2004 as an effort to expand high-quality preschool to all low-income children. About 3 percent of districts are ELLI districts, and the program only serves 329 students.[183] Some districts are classified as both ECPA and ELLI districts, because they receive both funding streams. If a district receives ELLI funding, they may use those funds to create or expand a preschool program to include more low-income children, extend the hours of the program, or improve program quality.[184] In 2019, the state spent $1,735 per child.[185] The following is a sample list of ELLI districts in the state: Cliffside Park, Lawrence Township, Little Ferry, Scotch Plains-Fanwood, South Plainfield, Weehawken, and Woodstown-Pilesgrove.[186]

Preschool Education Grant, Preschool Education Expansion Aid, & Preschool Education Aid

Preschool Education Grant (PEG), Preschool Education Expansion Aid (PEEA), and Preschool Education Aid (PEA) are three funding streams that have emerged since Governor Murphy took office in New Jersey. Governor Murphy is a proponent of preschool expansion and ensuring that every child has the opportunity to attend high-quality preschool, regardless of a child's socioeconomic background. Governor Murphy's first budget proposal, which included an $83 million increase in state preschool spending, testifies to this commitment.[187] PEG, PEEA, and PEA are all administered through NJ DOE. If a PEG/PEEA/PEA district chooses to contract with a private provider or Head Start center, centers in that district may need additional CDFI funding, because they must adhere to strict state standards. They may need to expand to be able to fit 15 children in a class, for example.

PEG. Earlier in the report, we discussed New Jersey's Preschool Development Grant (a federal funding source).[188] At the end of this discussion, we mentioned that New Jersey secured state funding to continue the work that the grant had started. That state funding came in the form of the Preschool Education Grant. In 2017-2018, the PEG continued to help fund high-quality preschool in the aforementioned communities (Absecon, Atlantic City, Bellmawr, Berkley, Bound Brook, Clayton, Clifton, Egg Harbor City, Freehold Borough, Galloway, Hamilton [Atlantic County], Lakewood, Mount Holly, Lindenwold, Paulsboro, and Upper Deerfield).[189] The PEG intends for preschool education to be delivered through a mixed-delivery system, with school districts offering both in-district preschool and contracted preschool through private centers and Head Start centers.[190,191]

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[183] Friedman-Krauss et al., 2020
[184] Mead, 2009
[185] Ibid.
[186] NJ DOE, 2020
[187] National Institute of Early Education Research, 2018
[188] Discussed on page 40.
[189] Rice, 2017
[190] NJ DOE, 2017
[191] It is unclear if PEG funding can be used for facilities (https://www.nj.gov/education/ece/psexpansion/faq.htm). The state says they will "work closely" to find adequate space if in-district classrooms are not sufficient.

PEEA. In 2017-2018 and 2018-2019, ECPA and ELLI districts were offered a funding opportunity called the Preschool Education Expansion Aid. PEEA was designed to provide funds to expand current preschool programs. Specifically, funding must primarily be used to convert half-day preschool programs into full-day programs (both ECPA and ELLI were originally designed to be half-day programs) and to decrease class sizes to 15 students or fewer.[192] Additionally, New Jersey encourages recipient districts to contract with private providers or Head Start centers to achieve these goals. PEEA ended up awarding 26 districts (e.g., Lawrence Township and Rahway) additional funds in 2017-2018, as well as another 33 districts in 2018-2019 (e.g., West Deptford and Roselle Park).[193, 194] As per NJ DOE in 2018, PEEA funding can be used for minor renovations, but not major, structural renovations.

PEA. Districts not previously classified as ECPA or ELLI districts—and in which 20 to 40 percent of students receive free-or-reduced lunch—may apply for the competitive Preschool Education Aid grant. NJ DOE oversees a competitive application process and awards some school districts with additional funding to serve more children (especially those who are considered low-income).[195] In each year of PEA, Governor Murphy has allocated additional funds, and more districts have become eligible. In 2019-2020, the state budget allocated $68 million for the PEA funding stream, and the following sample of districts received funds: Somers Point, Burlington Township, Edgewater Park, Gloucester, Middle Township, Belleville, Glassboro, Kearny, Princeton, Sayreville, Farmingdale, Ocean Township, Dover, Netcong, Tuckerton, and Woodland Park.[196] In 2020-2021, an additional $10 million was allocated to increase the number of districts offering high-quality preschools and to increase the number of children in those preschools.[197] PEA funding may be used to expand preschool in a variety of ways. Districts can use PEA funding to rent a building or contract with a Head Start center or private provider. However, similar to the PEEA funding stream, NJ DOE has specified that PEA funding cannot be used for major structural renovations, only minor projects.

Access to Funding

Access to federal funds—particularly COVID-19 relief bills—constitutes a considerable struggle for child care centers across the country. With respect to the ARP and CARES funding, in some cases money that is meant to be allocated towards the child care sector is not trickling down to the industry. Many public policy advocates in New Jersey have been working with state lawmakers to ensure that child care receives its promised allocation. The President and CEO of the YMCA of MEWSA (Metuchen, Edison, Woodbridge and South Amboy), who is also a member of the state alliance advocating for YMCA child care programs, feels that there are

[192] NJ DOE, 2018
[193] National Institute of Early Education Research, 2018
[194] New Jersey School Boards Association, 2019
[195] Friedman-Krauss, 2021
[196] Adely, 2019
[197] Allen-McMillian, 2020

several reasons that these funds have not been effectively distributed. To begin with, relief funding is earmarked to a variety of organizations, which are supposed to work with local child care centers, but are failing to do so. For example, money had been allocated to local school boards to create a summer learning program. School boards are meant to use that money to work with local child care providers to create a collaborative and mutually beneficial summer program for children. Because the state has cut funding for many school districts, many school boards are creating in-house summer programs and allocating money to address other budget deficiencies. This leaves child care providers, who would benefit from working with the school district, in economic distress. With the recent passage of the ARP Act, child care advocates have been lobbying lawmakers to ensure that access to these funds does not remain a challenge. If the money is earmarked to child care centers directly, access to funds will improve for child care providers across the state. [198]

Partnerships

Some child care centers partner with school districts, while others collaborate with CCR&Rs. Additionally, there is significant overlap between the two types of partnerships; a number of centers are partnered with both a school district and a CCR&R. This section will explain the origins of both partnerships and provide specific examples.

Child Care Centers and School Districts

After the *Abbott* decision, 31 New Jersey towns had to devise a way to provide a preschool seat for every child. Due to 15-student limits per preschool class, school districts had to expand beyond in-district preschool.[199] To conform to the state mandate, school districts began to contract with licensed private centers and Head Start centers, cultivating a mixed-delivery model. In contracting with a local school district, a center (either private or Head Start) must abide by the same quality standards and benchmarks that in-district preschools must follow. While establishing class size and teacher education requirements, these guidelines also prescribe the creation of a literacy-rich environment, the encouragement of family involvement through observation and volunteering, and the development of assessments that cater to each child's individual learning style and family background.[200, 201]

This type of partnership is significantly more prevalent in Abbott districts, but it is not exclusive to Abbott districts. Asbury Park, an Abbott district, has two in-district preschools and has contracted with two private providers and an Acelero Head Start center.[202] An even larger Abbott district, Camden, has 15 in-district schools offering preschool and is contracted with 17 private and Head Start centers. Outside of Abbott districts, districts receiving state funding for

[198] All YMCA information was provided by Rose Cushing, President and CEO of the YMCA of MEWSA.
[199] Friedman-Krauss, 2021
[200] Ibid.
[201] NJ DOE, 2014
[202] Asbury Park Public Schools, 2020

preschool (e.g., ECPA and PEA districts) are encouraged to adopt a mixed-delivery model when expanding preschool programs. Other districts, such as Montclair, also utilize a mixed-delivery model for preschool, despite their absence from lists of state-funded preschools. Montclair Public Schools has an in-district preschool, Developmental Learning Center, and is contracted with Montclair Child Development Center, Montclair Community Pre-K, and Neighborhood Child Care Center.[203]

In a 2013 research practicum collaboration between NJCC and the Bloustein School, student researchers asked in-depth questions about partnerships with local school districts.[204] The responses help clarify the nature of these contracts. Acelero Learning in Perth Amboy, for example, had a $893,194 contract with Perth Amboy Schools. Much of that contract came from Abbott Preschool funding.[205] Second, Agape Children's Academy in Irvington had a $911,000 contract with the Irvington School District—most of which came from the Abbott funding stream. Similarly, both the Ironbound Children's Center and the Vailsburg Child Development Center in Newark had contracts with Newark Public Schools and received the bulk of their funding through the former Abbott source.[206]

As previously mentioned, it does not appear that state funding streams that fund this partnership (Former Abbott, ECPA/ELLI, PEG/PEEA/PEA) support using the funds for major renovation. For some funding streams, it remains unclear, and for others, research confirms that the funding streams cannot be used for major renovation. CDFIs may be able to assist in funding small renovations, though.

Child Care Centers and CCR&Rs

Child care centers across the state also partner with CCR&Rs to access the CCDBG funding sources discussed on pages 38-39. Child care centers partnering with a school district may also partner with a CCR&R; the 2013 practicum reported that Perth Amboy's Acelero Learning, Irvington's Agape Children's Academy, and Newark's Ironbound Children's Center and Vailsburg Child Development Center all engaged in partnerships with a CCR&R, as well as a partnership with a local school district.[207] Many centers, however, do not maintain a partnership with a school district and rely heavily on their partnership with their CCR&R.

When New Jersey receives its CCDBG funding, funds are distributed to NJ DFD. NJ DFD gives a significant portion of the grant to CCR&Rs. Examples of CCR&Rs include Rutgers Southern Regional CCR&R (Atlantic County), Burlington County Community Action Program

[203] Montclair Public Schools, 2020
[204] Covino et al., 2013
[205] New Jersey must help fund private centers contracted with school districts (especially in a former Abbott partnership), but it is unclear whether Abbott funding funds the entire center.
[206] Ibid.
[207] Covino et al., 2013

(Burlington County), Program for Parents (Essex County), Child Care Connection (Mercer County), Child Care Resources of Monmouth County (Monmouth County), and Community Coordinated Child Care (Union County).[208] The management of New Jersey's Child Care Subsidy Program is one of the most significant responsibilities of CCR&Rs.[209] Families apply for a subsidy through CCR&Rs and, if they are eligible, they may receive a subsidy. In addition to operating the subsidy program, CCR&Rs also provide families with information about different types of programs, oversee initiatives designed to improve the quality of child care centers, and provide training and technical assistance to child care providers.[210] They also provide New Jersey Child Care Assistance payments to centers.[211]

Center Interviews

To provide additional examples of partnerships, our team conducted original research with child care centers. Eight centers were identified as interview prospects. Each center was located in a different county, and each maintained a partnership with either a CCR&R or a school district. To locate the centers, we utilized New Jersey's Provider Search.[212] An email was sent to each center with the following question:

- I am trying to understand how centers fund their programming and partnerships that assist in funding. Based on research, I see that you accept _____ funding streams and partner with _____ and that you use those funding streams for your programming. Are there any other funding types and partnerships that I am missing?

Two centers replied: Acelero Learning[213] and Precious Time Child Development Center.[214] Acelero has multiple centers in New Jersey and employs a variety of different partnerships. Many Acelero centers are Head Start centers. Due to New Jersey's ideal mixed-delivery model, some Acelero centers are partnered with school districts (e.g., Asbury Park). By partnering with school districts, Acelero preschool teachers benefit from increased pay, and the centers are able to collaborate more easily with the district. Collaboration is important, because preschool and kindergarten educators can work in tandem to establish a continuum between preschool and kindergarten. Acelero also accepts Child Care Development Block Grant funding for its extended day costs (if the parents need more than six hours of child care).[215] Precious Time

[208] NJ DFD, 2021; a full list of CCR&Rs, and their contact information, can be found at https://www.childcarenj.gov/Parents/CCRR.
[209] NJ DHS/DFD, 2020
[210] Ibid.
[211] Boxer, 2012
[212] New Jersey's Child Care Provider Search can be found at https://www.childcarenj.gov/ProviderSearch.
[213] Although we originally intended to reach out to Acelero Learning in Freehold, NJCC's contact does not work in that specific location. Nevertheless, her insight proved valuable.
[214] Located in Pennsville, NJ (Salem County).
[215] All Acelero information was provided by Katherine Molina-Powell, CFO of Acelero Learning + Shine Early Learning.

Development Center, however, is a private child care center that is not connected to Head Start or a school district. Its funding relies on the tuition paid by families. Precious Time Development Center partners with the local CCR&R, so that families can utilize the center even if they cannot afford full tuition. Some children's tuition is also funded by the Division of Child Protection and Permanency (located within NJ DCF) for families that are "getting back on their feet."[216]

[216] All Precious Time Development Center information was provided by Angelina Crispin, Executive Director.

CHAPTER IV:

RECOMMENDATIONS

Our research included an extensive review of existing literature and policies, communications with stakeholders within New Jersey's government and early care centers, and quantitative analyses of the state's early care availability and need, including comparisons to the socioeconomic characteristics of each county. Based on this research, we offer several recommendations related to NJCC's investment in the state's early childhood care system.

I. To **whom** (or **where**) should NJCC provide financial support?

Based on the outcomes of our quantitative analyses and extensive literature review, we recommend targeting outreach to counties with low MPS rates. The counties with the five lowest MPS rates were Ocean, Salem, Atlantic, Cape May, and Sussex. Regionally, we maintain that southern New Jersey is in the greatest need of financial support for its early care system. Southern New Jersey counties were more likely than northern and central New Jersey counties to have lower MPS rates. Of the five counties with the lowest MPS rates, four were located in southern New Jersey.

Additionally, we recommend targeting outreach to counties with higher rates of family poverty and lower family income, as well as those with higher-than-state-average populations of Hispanic and Latinx and Black and African American persons. Research shows that systematic barriers may prevent these aforementioned communities from accessing child care. Furthermore, these counties, with the exception of those counties with higher Hispanic and Latinx populations that were evenly split, tended to have lower MPS rates. Specific counties for investment include:

- Those with a low MPS rate, including Ocean, Salem, Atlantic, Cape May, and Sussex County;
- Those with a low MPS rate and high family poverty rate, including Ocean, Salem, Atlantic, Cape May, and Camden County;
- Those with a low MPS rate and low median family income, including Ocean, Salem, Atlantic, Cape May, and Camden County;
- Those with a low MPS rate and higher-than-average Hispanic/Latinx population, including Union, Middlesex, and Passaic County; and
- Those with a low MPS rate and higher-than-average Black/African American population, including Salem, Atlantic, Camden, Burlington, and Union County.

We also recommend targeting funding to two types of centers. One type includes centers that are not partnered with school districts but maintain a partnership with their local CCR&R. These centers do not benefit from receiving funding streams, such as the Former Abbott stream. Second, if NJCC chooses to financially support a school-district-partnered center, we recommend choosing a private center that is contracted with a PEG/PEEA/PEA district. These centers may need additional CDFI funding because they must adhere to strict state standards. For example, they may need to expand to be able to fit 15 children in a classroom or may need assistance with other measures to be able to be part of the state preschool system.

One last area in need of financial support is overall infant and toddler care. More attention has recently been devoted to this dimension of the early care system, and NJCC should respond to this trend. For example, New Jersey plans to use part of its PDG B-5 funding to expand infant and toddler care, and NIEER recently opened its Infant and Toddler Policy Research Center. Both actions testify to growing interest and involvement in early care for these age groups. However, infant and toddler care is expensive. As evidenced by Appendix E, infant care almost always costs more than toddler care, which often costs more than preschool-age care. The statewide average weekly price of infant care is $306, while toddler care averages $275, and preschool-age care averages $252.[217, 218] Only 18 percent of subsidy-eligible families actually receive one, and there is often a large gap between tuition and what the subsidy covers (i.e., a large copay for parents).[219] By helping more infants and toddlers receive quality child care, children can experience the myriad benefits of child care as early as possible.

II. **What** specific activities should NJCC financially support?

By financially supporting the physical improvement and expansion of early care facilities, NJCC can effectively support centers serving the populations identified above. Analysis conducted by the Low Income Investment Fund (LIIF), as well as UCEDC's First Steps Childcare Loan Program, demonstrate the benefits of facilities improvement and expansion for financially struggling centers. LIIF explains that, because centers typically devote their "scarce resources to the immediate care and education needs of their students," center administrators often "[leave] little left over for facilities maintenance or improvements."[220] As a result of the ongoing pandemic and economic downturn, centers may be even more likely to neglect their less "immediate" concerns. However, these concerns are by no means insignificant; according to the Children's Investment Fund and LIIF, centers lack funds for roof and boiler repairs, carpeting replacement, and facilities renovation or expansion.[221] As previously discussed, UCEDC's First Steps Childcare Loan Program funded such activities in Ridgewood and Perth Amboy. To reiterate, UCEDC loans were used to fund facilities expansion and the purchase of furniture and materials at centers in Ridgewood and Perth Amboy, respectively. In fact, UCEDC's funding of the Ridgewood center's facilities expansion provided additional, unforeseen benefits. UCEDC's loan "freed up money" for Little Ivy Learning Center, which enabled administrators to increase service for toddlers and provide transportation to and from local public schools.[222]

New Jersey government officials agree that community development organizations can help lead the charge in building and improving facilities. In a meeting with NJ DHS and NJ DCF, staff members acknowledged that much of the funding provided to the state by the federal

[217] Illustrative examples are featured in Appendix E.
[218] These numbers reflect how much a center charges.
[219] Friedman-Krauss et al., 2021
[220] LIIF, 2016, p. 3
[221] LIIF, 2016
[222] UCEDC website, n.p.

government cannot be used for capital improvements. They noted the importance of non-governmental organizations in New Jersey in fulfilling this task.[223]

III. **How** should NJCC provide financial support (which financial products should it utilize)?

According to LIIF, in order to maximize the effectiveness of CDFI loans, repayment sources other than business cash flows must be identified or committed in advance.[224] Given the financial obstacles experienced by early care centers—especially throughout the past year—public subsidies and grants are often crucial for the repayment of loans.[225] LIIF, itself, "provided construction-period loans through the Capacity Fund that were structured as recoverable grants" and "repaid using pre-designated, pre-approved facility grant funds from the City of New York."[226] Indeed, NJCC can significantly enhance the impact of its lending by partnering with not just public agencies and government entities, but private foundations and early care advocacy organizations, as well.

IV. **Suggestions** for future research

Whether conducted by NJCC staff members or a future practicum team, we provide three primary suggestions for future research. First, one resource NJCC should consider utilizing to effectively target financing is the Grow NJ Kids system. Grow NJ Kids rates the quality of child care centers across the state. According to NJ DHS and NJ DCF staff members, centers must wait three years in between rating processes due to the cost factor. Centers receive a rating summary report so that they know where they need to make improvements, in the meantime.[227] These ratings may help NJCC determine which centers need financial assistance most. The Grow NJ Kids system publishes 3- to 5-star ratings and maintains a list of all centers that participate in the rating system, which is currently voluntary.[228] NJCC's investment can prove useful for center scores in Category 1, which is focused on safe, healthy learning environments.[229] Centers in the system without a rating may be interested in receiving funding for Category 1 development to ensure their facilities score well once rated. Those with 3- and 4-star ratings will likely seek to improve their ratings. Funding for indoor and outdoor environmental improvements may be useful for these centers. Five-star centers are likely more established and may be in a better position to expand with the help of facility investments. Regardless of score, centers' voluntary

[223] Personal meeting with NJ DHS and NJ DCF
[224] LIIF, 2016, p. 12
[225] Ibid., 11
[226] Ibid., 12
[227] Personal meeting with NJ DHS and NJ DCF
[228] The Grow NJ Kids system can be accessed at https://www.grownjkids.gov/ParentsFamilies/ProviderSearch, and more information on star ratings can be found at https://www.grownjkids.gov/getattachment/ParentsFamilies/ProviderSearch/GrowNJKidsStars.pdf.aspx.
[229] See https://www.nj.gov/humanservices/dfd/programs/child/grow/Self%20Assessment121814pdf.pdf for the Grow NJ Kids rating assessment tool.

enrollment in the Grow NJ Kids rating system demonstrates an active desire to improve facilities and programs overall.

Next, we recommend including driving radius or access to public transportation in calculations of MPS rates. Time constraints, as well as the level of data used, did not allow for our team to include this information, though it would provide nuance to MPS rates. Parents may not necessarily use child care centers in the same county in which they live. Instead, they may rely on centers in—or close to—the county in which they work. They may also rely on centers in neighboring counties if centers are within a reasonable distance. Regardless of the reason, parents' center choice is not restricted to their home county, and future MPS rate calculations could improve by accounting for this fact. We suggest referring to the BPC's Child Care Mapping Methodology when performing such calculations.[230] Specifically, using block level data from the U.S. Census Bureau as well as BPC data on parental driving ranges based on geographic area (i.e., rural, urban) would be advantageous.

Finally, we recommend periodically updating the data and research we have produced and comparing this research to our data as the world, country, and state move forward during the COVID-19 pandemic. The early care landscape will likely be affected by changes in financial aid, the vaccine rollout, fluctuations in confirmed cases, and numerous additional factors. To understand the needs of the early care industry, it is important to understand how such phenomena impact the early care system. We suggest tracking the following metrics using accompanying resources:

- Number of child care and early care centers in New Jersey (New Jersey Department of Children and Families Office of Licensing Child Care Portal);
- Number of children under age six with all parents in the labor force and socioeconomic characteristics of areas within New Jersey, whether at the county level or deeper (U.S. Census Bureau American Community Survey); and
- Federal and state child care grants, as well as other forms of financial assistance, intended to offset the economic costs of the COVID-19 pandemic, along with annual New Jersey budgetary changes in child care and early care funding.

[230] Smith et al., 2020b

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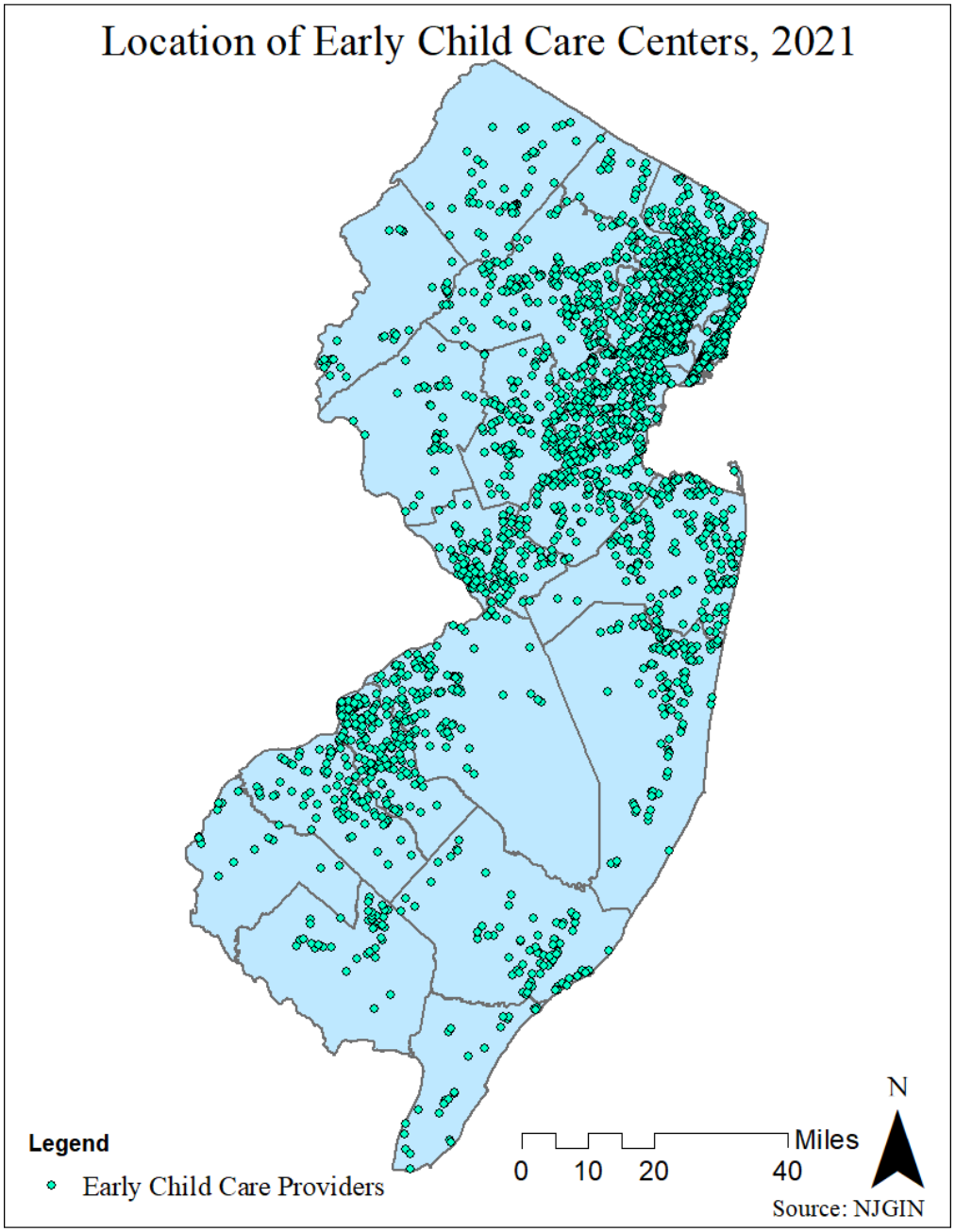
Appendix A

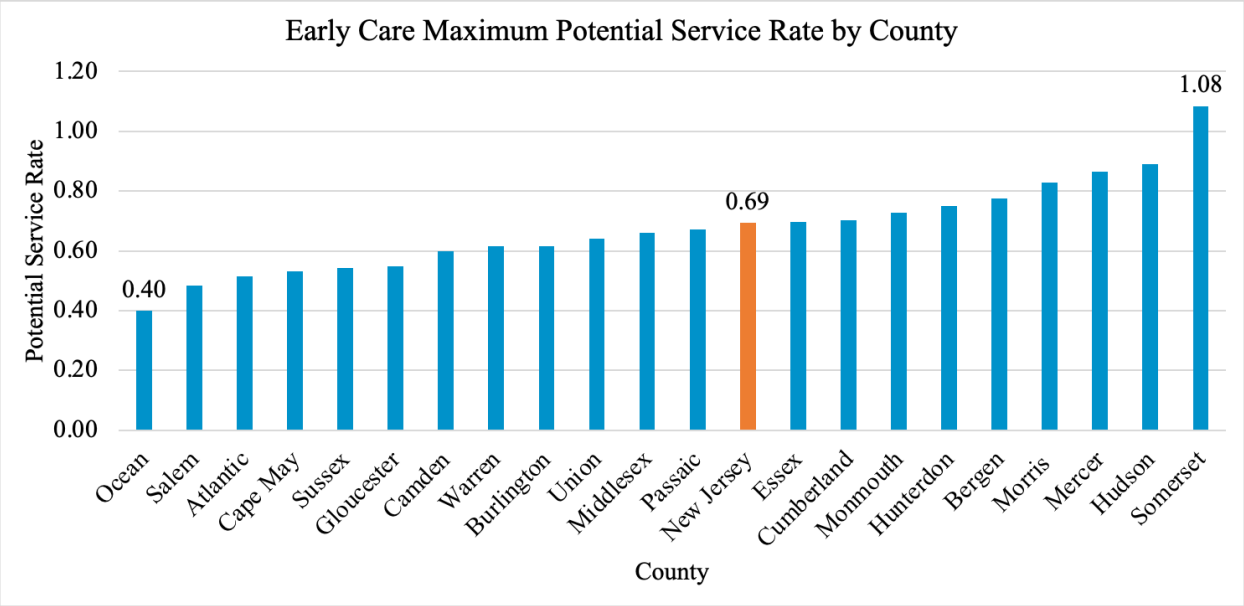


Source: New Jersey Geographic Information Network (NJGIN)[231]; map courtesy of Bloustein MPP student and NJPP practicum team member Kevin Keys

[231] This information was obtained on April 8, 2021. As of this date, there were 3,052 early care providers across the state. The New Jersey Geographic Information Network collects and updates their data on a monthly basis as information on licensed child care centers are updated by NJ DCF's Office of Licensing. See https://njogis-newjersey.opendata.arcgis.com/datasets/0bc9fe070d4c49e1a6555c3fdea15b8a_4?geometry=-81.046%2C38.599%2C-68.433%2C41.541 for updated data.

Appendix B

County Maximum Potential Service Rates			
County	**2019 Early Care Center Capacity**	**Children Under 6 with All Parents in Labor Force**	**MPS Rate**
Atlantic	6,171	11,994	0.5145
Bergen	30,395	39,186	0.7757
Burlington	12,025	19,565	0.6146
Camden	15,841	26,436	0.5992
Cape May	1,898	3,576	0.5308
Cumberland	5,349	7,603	0.7035
Essex	30,829	44,316	0.6957
Gloucester	7,561	13,812	0.5474
Hudson	31,097	34,951	0.8897
Hunterdon	3,603	4,804	0.7500
Mercer	14,460	16,705	0.8656
Middlesex	23,817	36,086	0.6600
Monmouth	18,390	25,280	0.7275
Morris	17,285	20,880	0.8278
Ocean	11,372	28,451	0.3997
Passaic	16,550	24,678	0.6706
Salem	1,255	2,588	0.4849
Somerset	14,636	13,495	1.0845
Sussex	2,736	5,049	0.5419
Union	19,262	30,079	0.6404
Warren	2,503	4,074	0.6144
New Jersey	287,035	413,608	0.6940



Source: DCF 2019 and ACS 2019 data; ACS 2019; MPS rates calculated by author

Appendix C

County MPS Rates and Economic Indicators

County	MPS Rate	Family Poverty Rate	Compared to State	Median Family Income	Compared to State
Atlantic	0.5145	22.40%	Higher	$78,829	Lower
Bergen	0.7757	6.10%	Lower	$122,981	Higher
Burlington	0.6146	5.50%	Lower	$105,488	Higher
Camden	0.5992	14.20%	Higher	$88,575	Lower
Cape May	0.5308	10.90%	Higher	$83,695	Lower
Cumberland	0.7035	15.60%	Higher	$66,085	Lower
Essex	0.6957	17.60%	Higher	$80,523	Lower
Gloucester	0.5474	6.60%	Lower	$105,658	Higher
Hudson	0.8897	11.60%	Higher	$76,019	Lower
Hunterdon	0.7500	4.30%	Lower	$143,105	Higher
Mercer	0.8656	11.90%	Higher	$105,309	Higher
Middlesex	0.6600	6.30%	Lower	$107,149	Higher
Monmouth	0.7275	4.70%	Lower	$124,778	Higher
Morris	0.8278	2.80%	Lower	$141,633	Higher
Ocean	0.3997	12.10%	Higher	$90,024	Lower
Passaic	0.6706	17.50%	Higher	$81,873	Lower
Salem	0.4849	20.00%	Higher	$87,294	Lower
Somerset	1.0845	5.10%	Lower	$137,981	Higher
Sussex	0.5419	7.90%	Lower	$109,397	Higher
Union	0.6404	8.50%	Lower	$94,933	Lower
Warren	0.6144	4.30%	Lower	$100,654	Lower
New Jersey	0.6940	9.90%	N/A	$102,260	N/A

Source: ACS 2019; MPS rates calculated by author using DCF 2019 and ACS 2019 data

County	MPS Rate	Hispanic and Latinx (any race)	Compared to State	White*	Compared to State	Black and African American*	Compared to State	Asian*	Compared to State
Atlantic	0.5145	18.80%	Lower	56.40%	Higher	14.00%	Higher	7.90%	Lower
Bergen	0.7757	19.90%	Lower	56.60%	Higher	5.30%	Lower	16.20%	Higher
Burlington	0.6146	8.00%	Lower	67.40%	Higher	16.00%	Higher	5.00%	Lower
Camden	0.5992	16.80%	Lower	56.70%	Higher	18.30%	Higher	5.70%	Lower
Cape May	0.5308	7.70%	Lower	85.30%	Higher	4.40%	Lower	0.90%	Lower
Cumberland	0.7035	30.70%	Higher	46.40%	Lower	18.10%	Higher	1.30%	Lower
Essex	0.6957	23.00%	Higher	30.50%	Lower	38.40%	Higher	5.30%	Lower
Gloucester	0.5474	6.20%	Lower	78.50%	Higher	9.80%	Lower	3.10%	Lower
Hudson	0.8897	43.10%	Higher	28.80%	Lower	10.50%	Lower	15.00%	Higher
Hunterdon	0.7500	6.50%	Lower	85.50%	Higher	2.40%	Lower	4.10%	Lower
Mercer	0.8656	17.50%	Lower	49.70%	Lower	19.80%	Higher	11.10%	Higher
Middlesex	0.6600	21.20%	Higher	43.10%	Lower	9.50%	Lower	23.90%	Higher
Monmouth	0.7275	10.80%	Lower	75.20%	Higher	6.70%	Lower	5.40%	Lower
Morris	0.8278	13.30%	Lower	71.40%	Higher	3.20%	Lower	10.30%	Higher
Ocean	0.3997	9.20%	Lower	84.70%	Higher	2.80%	Lower	1.80%	Lower
Passaic	0.6706	41.50%	Higher	41.30%	Lower	10.40%	Lower	5.10%	Lower
Salem	0.4849	9.00%	Lower	74.30%	Higher	12.90%	Higher	1.10%	Lower
Somerset	1.0845	14.70%	Lower	56.30%	Higher	9.20%	Lower	17.60%	Higher
Sussex	0.5419	8.20%	Lower	86.30%	Higher	2.10%	Lower	2.00%	Lower
Union	0.6404	31.60%	Higher	39.50%	Lower	20.10%	Higher	5.00%	Lower
Warren	0.6144	9.30%	Lower	81.70%	Higher	4.40%	Lower	2.70%	Lower
New Jersey	0.6940	20.20%	N/A	55.40%	N/A	12.70%	N/A	9.40%	N/A

Note: * indicates non-Hispanic
Source: ACS 2019; MPS rates calculated by authors using DCF 2019 and ACS 2019 data

Hispanic and Latinx Population

Counties with Higher-than-State Average Population: 6

Higher Population-Higher MPS: 3/6

Higher Population-Lower MPS: 3/6

Counties with Lower--than-State Average Population: 15

Lower Population-Higher MPS: 6/15

Lower Population-Lower MPS: 9/15

Non-Hispanic white Population

Counties with Higher-than-State Average Population: 14

Higher Population-Higher MPS: 5/14

Higher Population-Lower MPS: 9/14

Counties with Lower-than-State Average Population: 7

Lower Population-Higher MPS: 3/7

Lower Population-Lower MPS: 4/7

Non-Hispanic Black and African American Population

Counties with Higher-than-State Average Population: 8

Higher Population-Higher MPS: 3/8

Higher Population-Lower MPS: 5/8

Counties with Lower-than-State Average Population: 13

Lower Population-Higher MPS: 6/13

Lower Population-Lower MPS: 7/13

Non-Hispanic Asian Population

Counties with Higher-than-State Average Population: 6

Higher Population-Higher MPS: 5/6

Higher Population-Lower MPS: 1/6

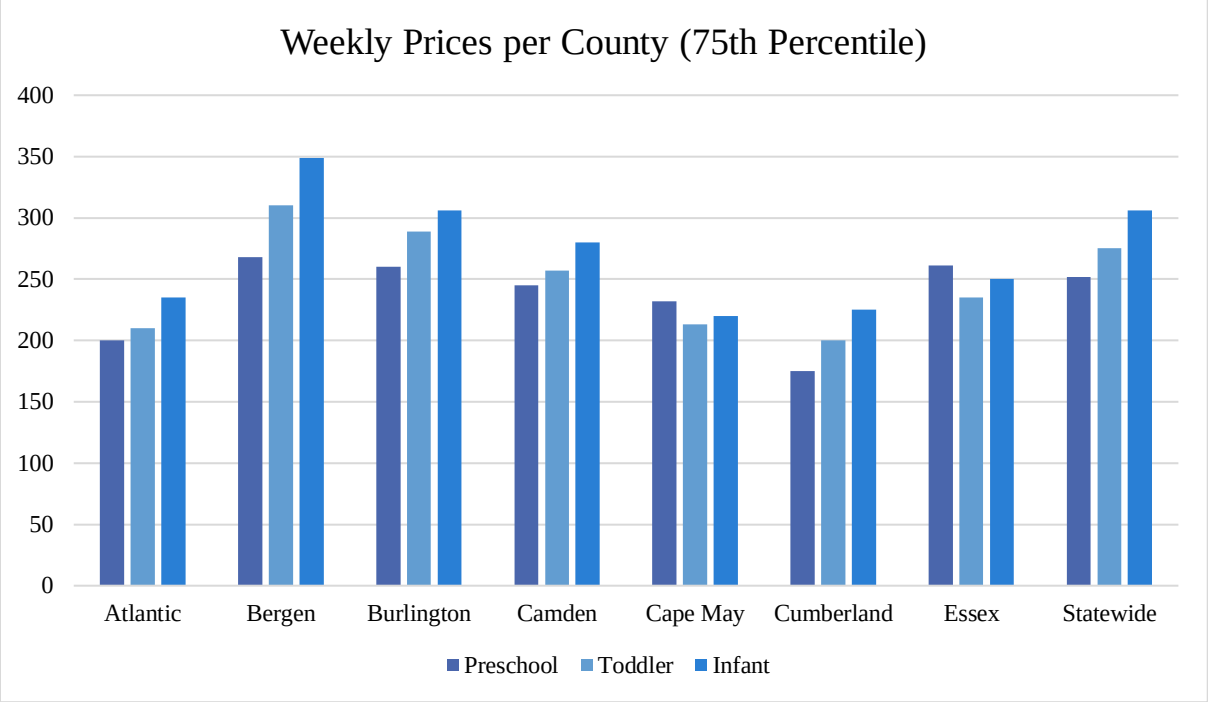
Counties with Lower-than-State Average Population: 15

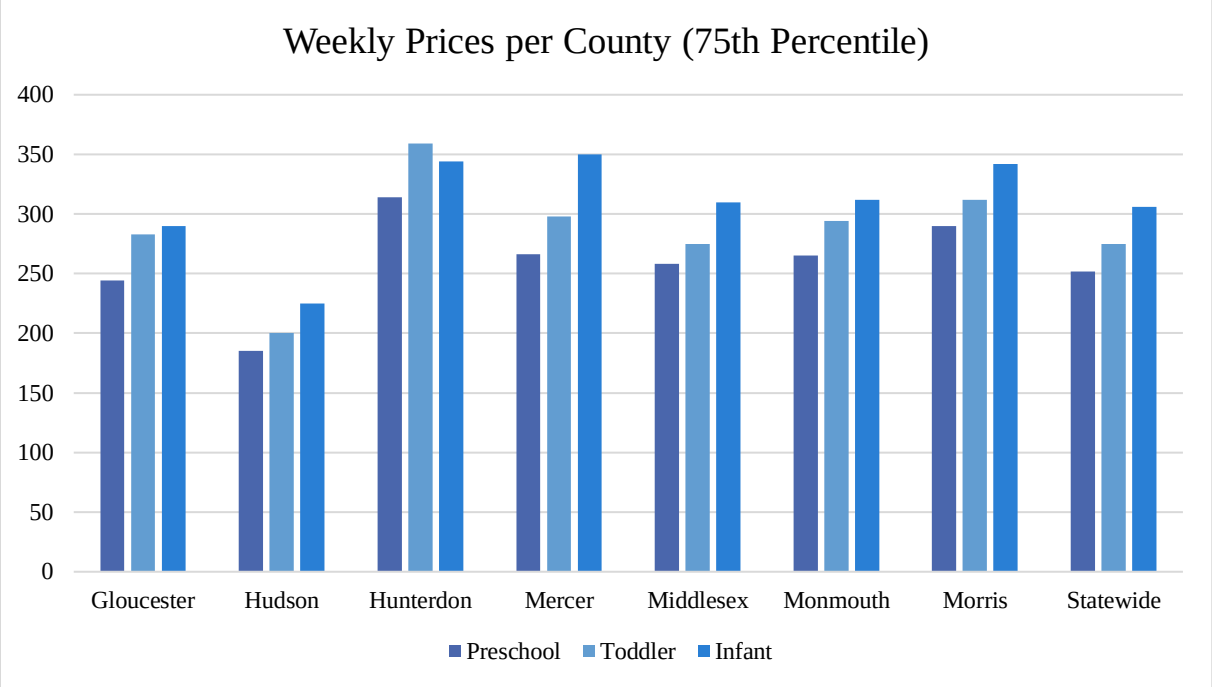
Lower Population-Higher MPS: 4/15

Lower Population-Lower MPS: 11/15

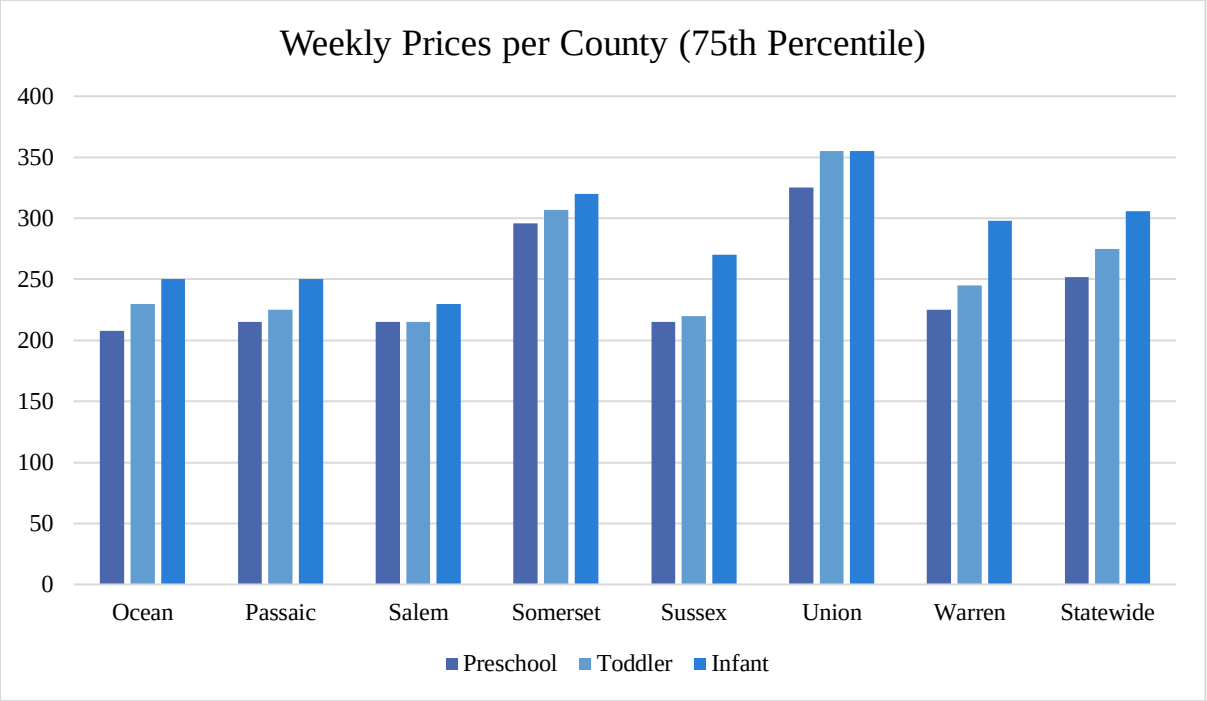
Appendix E

Average Child Care Price Per Age Group Per County (Kim & Joo, 2017)[232]





[232] These numbers reflect how much a center charges.


Weekly Prices per County (75th Percentile)
400
350
300
250
200
150
100
50
0
Ocean
Passaic
Salem
Somerset
Sussex
Union
Warren
Statewide
Preschool
Toddler
Infant