



To: Members, Assembly Budget Committee
From: Cecilia Zalkind, Executive Director, Advocates for Children of New Jersey
Cynthia Rice, Senior Policy Analyst
Date: March 9, 2016
RE: ACNJ Testimony on the Proposed FY 2017 State Budget

Advocates for Children of New Jersey (ACNJ) appreciates the opportunity to provide the following comments on New Jersey's proposed FY 2017 State Budget.

Preschool

The proposed budget includes no new dollars for New Jersey's state-funded preschool. Even during the last few years, when our state was feeling the worst of the difficult economic times, there was additional funding for increased enrollment. It is uncertain as to whether there will be a decrease in preschool enrollment for FY 2017, as the proposed budget's evaluation data lumps preschool and kindergarten enrollment together. Regardless of enrollment figures, the state's choice to flat-fund this program over multiple years has had and continues to have significant consequences on the quality of a program that was once touted as the highest quality state-funded preschool in the nation. More importantly, it is ultimately impacting the experiences of the children attending those classrooms. With no new dollars to address quality, the state is chipping away at one program that clearly provides young children from low-income families with the best chance of realizing educational success.

When the proposed budget was released, ACNJ reached out to early childhood stakeholders from school districts and private providers throughout the state to ask how flat funding is impacting their programs and the educational experiences of their young students. The response was resounding: the impact is significant.

Most stated that they continue to make cuts in classroom supplies and technology and have either done away with or extremely limit field trips. One provider said that her district allows \$800 per classroom per year for supplies, approximately three months' worth of funding needed to supply a quality preschool classroom. Others reduced family worker and administrative staff hours. One provider said that he is resorting to paying for things out of his own pocket, because there were things that the children needed but there was no money to pay for them. Others said that they are being told to find the money "within" their budgets, but several said that they felt as if they were "robbing Peter to pay Paul." "Quality is a luxury that is simply not achievable. We try to do the basics to keep the kids safe," stated another provider.

The biggest problem for providers, is holding on to teachers. All teachers, regardless of whether they work in a public preschool, private provider or Head Start classroom, are supposed to receive "comparable" salaries. In both the Abbott preschool decisions and in state regulations, "comparable" salaries are required, regardless of auspice, in order to ensure a stable workforce. A consistent cadre of caring adults, is a prime indicator of the quality of a child's early learning experience.

Providers are either having great difficulty or are no longer able to meet the "comparable" standard so important to quality. Unlike the public schools, that must abide by their contractual employment obligations, the providers' salary slice of the same-sized funding pie is getting smaller each year, as they need the funds to pay for their increasing expenses, such as utilities and measures to ensure children's safety. As a result, teachers are leaving the provider classrooms and either going to the public schools, where they will be assured of receiving an annual pay increase or leaving education all together. For three-and four-year olds, to experience multiple teachers in a given year is a giant step away from quality. This is particularly sad, as the majority of the preschoolers in our state-funded preschool attend classrooms in those affected programs.

As two preschool expansion bills have recently been released in both the Senate and Assembly, it is clear that New Jersey legislators recognize the importance preschool. This is one of the best ways to ensure that children have the skills to be ready for kindergarten and eventually realize educational success. Whether it's to ensure quality in existing programs or to expand to those children who continue to lack access to such quality, adequate funding is key.

Child Care

ACNJ was happy to see an increase of \$3 million in the Child Care Assistance Program. Average monthly accounts are also projected to increase, meaning that about 1,000 more working poor families will be able to access subsidized care.

However, ACNJ has concerns as to whether the proposed budget provides adequate funding to support the changes that will now be required by the reauthorization of the Child Care Development Block Grant, signed into law by President Obama in November 2014. Specifically, there are provisions now required in every state plan that coincide with this budget cycle. One of the most significant funding issues is addressing the child care reimbursement rate. In developing its federal child care and development plan, the Department of Human Services (DHS) was supposed to certify by March 1, 2016, that payment rates for subsidized care are sufficient to ensure equal access to care for families receiving subsidies. DHS was unable to provide that information because of insufficient price market data. Regardless of "insufficient data," the reality is that center-based providers who accept subsidy payments have not received an increase since 2008, making our state, according to data from the National Women's Law Center, among the worst in nation at paying for child care.

The existing state-subsidy payments of \$34.75 per day for an infant and \$28.65 for a preschooler are often the sole source of income for these providers and these dollars cannot support increases in business costs, such as salaries, rent, food, supplies and increased security. As a result, raising program quality must take a back-seat in some cases, and in others, keeping program doors open is becoming more and more difficult.

With more than 500,000 New Jersey children under the age of five spending a portion of their week in one or more child care settings, the need for quality has never been more important because of its impact on children's overall development and school readiness. For eight years, DHS has not made the reimbursement issue a priority. As New Jersey is one of the most expensive states in the nation to live and work, the lack of a reimbursement increase is taking its tolls on programs that allow parents to go to work and for children to participate in quality early learning experiences. ACNJ urges you to provide funding that would support increasing the child care reimbursement rate.

Childhood Lead Poisoning

ACNJ requests that the Assembly Budget Committee take whatever action is necessary to:

1. Restore funds to the Lead Hazard Control Assistance Fund, which was created by statute to provide a funding source for loans and grants to help with costs of home lead abatements. Over the last few years, these funds, have been removed and transferred to the General Treasury; and
2. Require that these funds be left alone so that they can be used for their intended purpose.

Once in the body, lead is a powerful toxin. It can cause developmental delays, learning disabilities, behavioral problems, hyperactivity, and in some cases, convulsions, coma and death. Children six years old and younger are particularly vulnerable to the damaging effects of lead because their central nervous systems are not fully developed and their bodies absorb and retain it to a greater extent than do the bodies of adults. Because there are no safe blood levels for children, the Centers for Disease Control and Prevention (CDC) has recently lowered its lead benchmarks for when response is necessary, and legislation was recently introduced to make New Jersey's standards consistent with the CDC recommendations.

According to 2014 Department of Health data, there were 5,185 children under 17 years old, living in every New Jersey county who had elevated lead levels, meeting the current CDC benchmark for lead poisoning. Under current New Jersey law, 837 required action by local health departments. Local boards of health reporting the highest percentages of new cases of children with elevated blood lead levels are Newark, Jersey City, Irvington, Camden, Paterson, Trenton, East Orange and Passaic.

Childhood lead poisoning is entirely preventable, if sufficient resources are allocated to the problem. The best way to prevent lead poisoning is to control or eliminate lead exposures.

The Lead Hazard Control Assistance Fund was created by statute in 2004 to provide a dedicated funding source for loans and grants to help with the costs of abatement. The statute designated a portion of sales tax revenue generated by the retail sales of paint and surface coating materials to be earmarked for the Fund. These funds are meant to help families who otherwise could not afford to abate their properties.

While these funds are being collected they have not been used to address childhood lead poisoning pursuant to the statute. Instead, the funding over the last few years has been transferred to the General Treasury. In the meantime, children live in homes that continue to place them at-risk to the toxins of lead.

This is unacceptable, as a dedicated funding source already exists to assist with abatement costs and consequently, protect children from lead. ACNJ urges this Committee to provide funding to address this issue and to make sure that those dollars are used as they were intended.

ACNJ acknowledges the significance of the existing state issues. But these are adult problems that are having a tremendous impact on children. We have a choice. We can chip away at our model preschools, ignore the need to support quality child care and place young children at-risk of lead poisoning, or we can choose to make children a top priority. Families put their children first. So should our state.

We will pay one way or another -- through increased special education costs, lower high school graduation rates, increased youth involvement in the criminal justice system, and increased health and education related-costs due to lead poisoning. There is just as much urgency for children as there is for pension reform and transportation issues. Our children are growing up. They won't have a second chance. It is time for children's issues to be the emergency.