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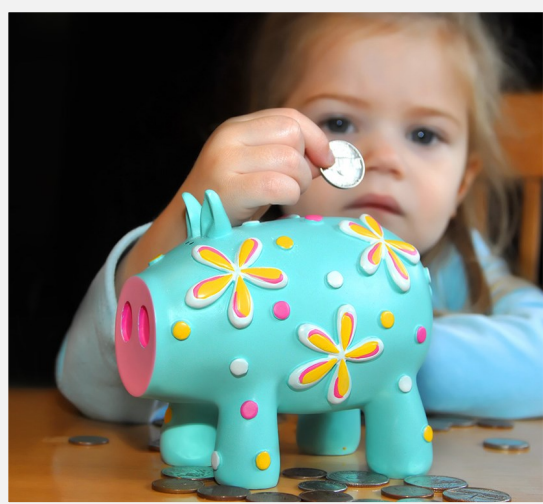
THE NEW JERSEY STATE BUDGET: HOW IT AFFECTS CHILDREN AND FAMILIES

State Fiscal Year 2015

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The Fiscal Year 2015 proposed state budget provides funding to continue most programs for children and families at current levels with no expansion of services. The proposed budget includes funding for crucial services for children and families – a \$21 million increase for children enrolled in NJ FamilyCare, which provides free- or low-cost health coverage to thousands of children, and a \$4.7 million increase to support rising preschool enrollments in New Jersey’s nationally- recognized preschool program. In addition, Governor Christie is continuing to expand health care coverage through enhancements to the state Medicaid program.



These are positive proposals. However, these budget items represent only small steps toward meeting the needs of children and families across New Jersey, so that all children grow up safe, healthy and educated.

The state Legislature has until June 30 to approve the proposed spending plan when the governor, by law, must sign the budget. Negotiations will continue over the next several months and the governor has the power to veto any specific spending changes made by the Legislature. The state fiscal year runs from July 1 to June 30.

The following provides more details on the budget proposal as it relates to New Jersey’s children and families.

Preschool/ Education

Preschool aid would increase \$4.7 million for districts currently providing full-day classes. However, last year’s budget provided an additional \$14.4 million— nearly three times more funding— to districts with existing preschools. Quality preschool— so critical to young children’s school success— cannot be sustained without adequate increases to support New Jersey’s nationally recognized preschool model.

Moreover, six years after the existing school funding formula became law, the promise of preschool remains out-of-reach for thousands of 3- and 4-year olds throughout our state. Previous budgets have supported existing preschools, but only four districts have received funding to expand preschool, as mandated by the funding formula.

As a result, thousands of children enter kindergarten without the skills necessary to be successful on that first day of kindergarten and beyond. In many districts, the reading proficiency skills reflect that lack of a foundation. In 2013, more than one-third of New Jersey 3rd graders were not reading on grade level.

Giving Every Child A Chance

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Child Care Safety

In New Jersey, roughly 400,000 New Jersey children live in families where both parents work and use some type of care. While the FY 2015 budget maintains child care provided by the Department of Human Services at current levels, New Jersey is behind the curve when it comes to ensuring safety in child care settings.

The state does not currently post child care reports online so parents can see violations or other issues at a center or family child care home, nor does it require registered home-based child care providers to undergo criminal background checks, including fingerprinting.

In addition, the state inspectors charged with ensuring that child care centers meet state health and safety regulations each juggle roughly 100 centers – more than twice the nationally-recommended 50 centers.

To strengthen safety for young children in child care centers across the state, ACNJ is asking the state Legislature, the Commissioner of the Department of Children and Families and the Governor to take the following steps.

- **Institute fingerprinting and criminal background checks for family child care providers and those living in the home.**
Currently, people offering child care in their own homes who register with the state are not required to submit to criminal background checks. This is a basic safety issue. Legislation is pending that would require this (S-1689). The Office of Legislative Services estimates that this would cost \$270,000 per year — a small price to strengthen child safety.
- **Post child care inspection and violation reports online in a way that parents can easily access and search these records.**
New Jersey requires nearly all child care centers to be licensed and inspected annually. While this is positive, it is difficult to access the inspection reports from the New Jersey Office of Licensing, located in Trenton.
The state does require centers to have copies of inspection and violation reports on-hand and



provide them to parents upon request, but it is unclear how many parents are aware these reports exist or whether centers routinely alert parents to the fact that they are entitled to review these records.

In the fall of 2013, New Jersey's child care inspectors began using electronic inspection forms. Once the department has a full contingency of electronic forms for all centers across the state, they should be posted online and child care providers should be required to notify parents about these online reports. This will provide parents with easy access to critical information to make informed decisions about who will care for their child.

- **Hire more inspectors to enforce health, safety and other requirements in licensed child care centers.**
With a staff of 38 inspectors responsible for oversight of roughly 4,000 centers statewide, the Office of Licensing inspectors each juggle more than 100 centers over the course of one year. That is more than twice the 50 centers recommended by Child Care Aware of America.

To bring New Jersey in line with national standards, the state should hire an estimated 38 inspectors and six supervisors. Total cost, including non-salary costs such as fringe benefits, space and transportation, would be an estimated \$3.5 million – a small price tag to ensure the safety of our youngest children.

School Breakfast

New Jersey school districts are expected to receive an additional \$21 million in federal funding to feed breakfast to hungry students. In FY 2012, New Jersey collected almost \$56 million in federal funds for school breakfast. That is expected to increase to \$77 million in the coming fiscal year – a 38 percent increase.

This is the result of schools serving more children that all-important morning meal. ACNJ has co-lead the NJ Food for Thought School Breakfast Campaign, which has succeeded in convincing more districts to serve breakfast during the first

few minutes of the school day, rather than before school when students have not yet arrived.

Known as “breakfast after the bell,” this approach significantly increases student participation in this federally-funded child nutrition program. This is great news for New Jersey students, schools and the communities they serve. And it means that New Jersey is bringing back more of the federal dollars we already send to Washington, while addressing childhood hunger—a major barrier to learning.

Despite these gains, only 35 percent of New Jersey’s eligible children received school breakfast. The NJ Food for Thought School Breakfast Campaign is requesting the state create an incentive fund for certain districts that serve “breakfast after the bell.” This fund would provide a 10-cent per breakfast supplement to existing federal reimbursements.

Increasing school breakfast participation would yield millions more in federal funds. This proposal is supported by the NJ Food for Thought School Breakfast Campaign and its many partners, including the New Jersey Anti-Hunger Coalition, New Jersey School Boards Association, the New Jersey Principals and Supervisors Association, the Garden State Coalition, the New Jersey Association of School Administrators, the New Jersey Education Association, the New Jersey School Nurses Associations and the New Jersey School Nutrition Association.

Children’s Health Insurance Grows

The proposed budget continues the expansion of Medicaid for certain parents/caretakers and single adults without children, ages 19 to 64, under NJ FamilyCare, the state’s free or low-cost health insurance program. By choosing to expand Medicaid under the Affordable Care Act, the state is anticipating generating nearly \$227 million in the current budget year and \$389,390 savings in FY 2015. These dollars will cover the anticipated costs of enrolling more parents and children into Medicaid, who were previously eligible but not enrolled.

The number of children enrolled in the non-Medicaid portion of NJ FamilyCare is projected to be 194,000 in the coming budget year – a 30,000



increase over last year’s projection. State funding to provide this coverage would increase by \$21 million because a portion of this coverage is paid for by state dollars.

New Jersey has steadily decreased the rank of uninsured children – a result of a coordinated effort to enroll more children in NJ FamilyCare. This is good news for children, families and the state as a whole. According to ACNJ’s most recent Kid Count data, New Jersey has reduced its uninsured child population to 5 percent.

Earned Income Tax Credit (EITC)

Tax credits are a vital economic support for many low-income, working families, and a boon to New Jersey businesses, as many of these dollars are spent in the communities where these families live. The New Jersey state Earned Income Tax Credit, or EITC, supports welfare reform by rewarding work and increasing take-home pay for parents, making the transition from welfare to work more successful.

Research shows that many EITC recipients use their refunds to make investments that enhance their economic security and promote economic opportunity in their neighborhoods, making them safer and better places to work and live. Despite evidence of the benefits of this valuable tax credit, the state cut \$45 million from the program four years ago and those funds have not been restored.

The EITC is a good investment for New Jersey’s workers, its families and its communities. During these tough fiscal times, it makes sense to restore this valuable support to our low-income working families who struggle each day to make ends meet and provide for their children.