



To: The Honorable Paul Sarlo, Chair, Senate Budget Committee
Members, Senate Budget Committee

From: Cecilia Zalkind, CEO-President, Advocates for Children of New Jersey
Cynthia Rice, Senior Policy Analyst, Advocates for Children of New Jersey

Date: March 22, 2018

RE: ACNJ's Testimony on New Jersey's Proposed FY 2019 Budget

Advocates for Children of New Jersey (ACNJ) appreciates the opportunity to provide the following comments on New Jersey's proposed FY 2019 State Budget.

In his move towards making New Jersey "stronger and fairer," Governor Murphy's priorities outlined in the FY 2019 budget clearly demonstrate his commitment to working families, including increases in the Earned Income Tax Credit and the minimum wage and pursuing tuition free community colleges. All of these are positive steps in moving our state budget to one that is more "fiscally and morally" responsible.

Similarly, his support for increased funding to expand our state's national preschool model will ensure thousands of additional 3- and 4-year olds will have access to a quality program that will provide them with the educational foundation necessary to be successful in kindergarten and beyond.

The Governor's budget remains silent, however, on one issue that is so significant, that its absence in the budget will affect all of the other priorities that will help parents go to work and ensure that their children are in safe, nurturing environments. State supports to help low-income families pay for child care, particularly for families with infants, is the lynchpin to making successful the Governor's priorities to support working families. Without addressing the significant issues around child care access, quality and affordability, all the other family-driven supports will come up short.

- Except for a very small increase last year of approximately \$1 per child, per day, the child care subsidy reimbursement rate has remained flat for the past 10 years. The lack of any real funding increase has completely ignored the needs of the parents of nearly 44,000 New Jersey children who rely on subsidy child care assistance in order to go to work as well as those businesses trying to provide quality care for young children.
- While the reimbursement rate is too low for all age categories, there is no category more affected by the low rate than infants. Of the 44,000 children whose families rely on the subsidy, approximately 5,000 are infants between the ages of birth – 18 months.
- The subsidy rate for caring for infants is currently \$165 per week, or slightly more than \$4.00 per hour for a 40-hour work-week, and \$3.30 per hour for a 50-hour work week. According to the National Women's Law Center, when comparing the state's current subsidy rate with federal guidelines, New Jersey has the worst infant rate in the nation.

- Increasing the minimum wage without adjusting the state's investments in child care subsidies will have dramatic consequences for child care centers serving low-income children. They will have to charge tuition to parents who can barely get by already, cut costs in other areas or close their doors.

Our youngest children deserve better.

If we want to close New Jersey's public school achievement gap and improve the odds for children in our most disadvantaged communities, Trenton needs to invest more in child care, starting with infants. In the FY 2019 budget, Governor Murphy and the Legislature can take a giant first-step in addressing this issue by providing additional dollars to increase the child care subsidy rate for our youngest children. Access to quality child care is not only essential for low-income families so they can work, but the biggest education returns will come when those investments are made in our youngest children.

Our children and families have waited long enough.