



Rescuing New Jersey Child Care

The American Rescue Plan can be a game changer for families in need of child care, especially for babies.

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A System in Crisis

While the COVID-19 pandemic has had a substantial impact on most businesses, the child care industry has felt their own set of unique and extraordinary issues. This essential service, critical in supporting the education and care of children, their working parents and the economy, was already operating on razor-thin margins. As businesses reopen and schools return to in-person learning, child care centers are facing a host of other challenges that threaten their futures.

Increased operation costs compounded the already tenuous situation, along with decreased staff, new health and safety regulations and ongoing, existing financing problems. Parents have borne much of the burden of this unstable system, particularly the [2.5 million women nationwide](#), who left the workforce due to the demands of child care and layoffs. Fortunately, new federal funding for child care presents an opportunity to create a more equitable, affordable and accessible child care system for years to come.

New Federal Funding

Since March 2020, the federal government has assisted child care programs and the families they serve through increased federal dollars. In March 2021, President Biden signed into law the American Rescue Plan (ARP), providing the largest investment in child care since World War II. New Jersey will receive approximately \$694 million to be spent over the next two years.

[Combined with the previous federal aid packages from the Coronavirus Aid, Relief, and Economic Security Act](#)

[\(CARES\) and the Coronavirus Response and Relief Supplemental Appropriations Act \(CRRSA\), New Jersey is expected to receive a total of nearly \\$1 billion to address child care.](#)

Using Funding to Make a Meaningful Difference for Families and Providers

With thoughtful planning, the federal funds can be a game changer for families in need of child care, especially for babies. [Forty percent of communities](#) in the Garden State are child care “deserts,” where there isn’t enough high-quality infant and toddler child care to meet families’ needs. And even when finding quality care isn’t a problem, cost frequently is. Teacher-child ratios and group sizes for infants and toddlers are lower than older age groups, requiring more teachers to care for fewer children.

With the infusion of federal funds, we are at a moment in time where we can design child care policies that will not only address the continuing emergencies, but can transform child care into a strong system beginning prenatally through age 5. State plans for funding should design policies to transform child care. They should be child-centered, family-engaged, equity-driven and community-focused.

How these funds are used can make a meaningful difference for families and providers across the state. It is important that their experiences and voices inform key decision makers on how to allocate these resources to best meet the needs of the child care system.

Advocates for Children of New Jersey

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Potential ways the American Rescue Plan (ARP) funds can be used to support families and child care programs

- Expand eligibility for child care tuition assistance so that more families can receive help paying for child care,
- Make it easier for families already receiving help in paying for child care to remain in the program by reducing cumbersome paperwork and reassessment requirements,
- Continue to fund the [COVID-19-related school-age tuition assistance program](#),
- Continue to pay child care programs based on their enrollment, not on the number of children attending—just as it does K-12 schools,
- Provide grants to help with child care personnel costs, including increased compensation and benefits, rent, facility maintenance and improvements, personal protective equipment and COVID-related supplies,
- Develop ways to increase staff compensation and benefits including, requiring applying a portion of state child care assistance to staff, providing bonus pay, or new hire pay,
- Increase the child care assistance rates to help with program operations,
- Connect children and educators to mental health services.

Don't Miss Opportunities For Input

The experiences and voices of families and those who care for their children are vital to inform key decision makers on how to allocate these funds to best meet the needs of the child care system.

The New Jersey, Department of Human Services, Division of Family Development (DHS/DFD) which administers child care funding just conducted a public hearing on the state plan. Parents and providers had an opportunity to provide oral and/or written testimony. [Read ACNJ's testimony.](#)

Stay tuned! The New Jersey State Legislature will be enacting laws, proposing amendments or adopting resolutions that will affect how this money is spent and parent input is invaluable.



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