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Child Care Aware of New Jersey
NJ FY2019-2021 CCDF State Plan Public Hearing
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Thank you for providing the opportunity for public comment today. My name is Kim Perrelli and I am the Executive Director of Child Care Aware of New Jersey. Throughout the state, our 14 Child Care Resource and Referral Agencies (or CCR&Rs as we call them) administer child care subsidies, provide consumer education materials, and work to support the Division of Family Development and the Office of Child Care Operations to strengthen the quality of child care in every county.

First, I want to thank Natasha Johnson, the Director of the Division of Family Development and Margaret Milliner, the Assistant Director, of the Office of Child Care Operations for all of their efforts to pull together this draft child care state plan for FY2019-2021. I know that this was no easy task and I can only imagine the many, many hours of work that went into completing the child care plan. I want to thank you for your hard work and the work of your staff and commend you for your efforts on this herculean task.

Providing access to high quality care is not easy. And, it's not inexpensive. We know that. I wish we had sufficient funding to meet every family's need and to address the needs of the early childhood workforce so that every community can offer families high-quality care. I am hopeful that the increased federal resources received by the state this year will help support those goals in some manner.

With regard to the draft state plan, I view our partnership with the state as a public-private partnership. CCR&R agencies are community nonprofit organizations for the most part, therefore, I encourage you to mention our partnership under the public private partnership section of the state plan – where it currently says there aren't any. [Section 1.6, page 24]

While there are many sections of the draft plan where CCR&R agencies are mentioned, and I thank you for that, there are two areas where I feel we can provide even greater support. First, with regard to business technical assistance, there really is a great need for both centers and home-based providers to have business TA. What we see on the ground is that many child care providers are steeped in early childhood but not in basic business practices. And, I mean basic. For some, this is about using a spreadsheet or business basics like budgeting, record-keeping, taxes, and a systems approach to operating a business. It's not a checklist- it's one-on-one assistance based on each individual's current practices compared to best practices. I urge you to consider additional funding for CCR&Rs to offer more business TA. [Section 6.2.8, page 157]

Second, I urge that you consider adding family child care networks as a supply-building strategy. CCR&Rs are uniquely positioned to offer supports for home-based providers as a hub of services to link homes in a network. Many families choose home-based providers particularly for infants and toddlers. It is critical that our youngest children have access to high-quality providers and family child care networks are one way to boost the quality of care for these children. [Section 4.6, page 88]

Last, with regard to reimbursement rates or subsidy rates for child care providers, I am hopeful that the increased federal funds the state received this year can, in part, be used to increase subsidy rates. It is clear that rates have been increased this year. However, while the draft state plan lists monthly rates by setting and age of children, it does not specify the percentile of the market rate that those payments represent. The plan explains that rates are tiered for programs participating in Grow NJ Kids, however, the base rate is not put into context. In contrast, the current state plan (for FY2016-2018) lists rates and percentiles. For example, the weekly rate for center-based infant care is listed at \$160 per week which is

at the 19th percentile. I know rates have increased, however, it is not clear what percentile the base rates are currently at.

I mention this because child care is a business. Private pay family fees and state subsidy rates comprise the operating budget for programs. This is the revenue that programs have to hire and pay staff. I'd like to see all programs participate in Grow NJ Kids and benefit from tiered reimbursement, but when the base rate is low, it's hard for many programs to hire and retain high-quality staff, which in turn leads to high-quality programs.

I am hopeful that the final child care state plan will increase rates and give context for those rates so that it is known what percentile of the market families have access to when they depend upon subsidy assistance to access child care programs. [Section 4.3, subsidy rates, page 80; section 4.2.3, page 78 is the , description of the market rate survey, which upon reflection thought you maybe don't want to publicly call them out for]

Thank you for your time today. I know your job is difficult. And, I'm hopeful that CCR&Rs can assist you in making it less so. We share the same goals and look forward to working with you in the weeks and months ahead.