



New Jersey Economic Development Authority

REQUEST FOR INFORMATION ("RFI")  
2020-RFI-OET-COVID19-116  
for  
Building the Resilience of New Jersey's Child Care Sector

December 11, 2020

**1. INTENT/SUMMARY OF SCOPE**

The New Jersey Economic Development Authority ("NJEDA" or "Authority"), an independent Authority of the State of New Jersey, in conjunction with its state agency partners at the Department of Human Services ("DHS"), Department of Children and Families ("DCF"), and the Office of the Governor, is issuing this Request for Information (RFI) seeking information and ideas to build the business capacity and sustainability of child care providers in New Jersey.

NJEDA is seeking responses from qualified entities ("Respondents") including, but not limited to: child care providers (e.g., licensed child care centers; license-exempt providers; registered family child care providers; home-based providers; and family, friend, neighbor providers); child care technical assistance providers; child care advocacy organizations; business and entrepreneurship support organizations; Child Care Resource & Referral (CCR&R) agencies; Community Development Financial Institutions (CDFIs) providing loans and/or financial support to child care providers; policy and academic researchers; and foundations and philanthropic initiatives that support child care.

This RFI is issued by the Authority to seek information on obstacles and potential disparities in business capacity and sustainability that have been encountered by child care providers of all types. NJEDA also seeks ideas on solutions to such obstacles and disparities, including, but not limited to: training and technical assistance programs for child care providers on business operations; expanded partnerships among providers; and funding sources to support child care operations. The Authority is interested in hearing perspectives from organizations that could potentially deliver technical assistance to child care providers within New Jersey. Finally, the Authority also seeks to gather information on new issues that have emerged due to COVID-19, as well as longstanding challenges that have constrained the sector's growth and sustainability.

These perspectives will help the Authority better understand potential solutions to strengthen New Jersey's child care sector, shoring up a critical resource as the State continues to respond to the COVID-19 pandemic.

The information gathered in this RFI may subsequently be used to help the Authority, its partner agencies, and other concerned entities develop strategies, programs, or other initiatives to help accomplish this goal.

**THIS RFI IS NOT A REQUEST FOR PROPOSAL** and may not result in a subsequent RFP or further action.

## **2. BACKGROUND**

The New Jersey Economic Development Authority serves as the State's principal agency for driving economic growth. The Authority is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the Authority creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

The COVID-19 pandemic has highlighted the importance of the child care sector as a critical enabler of economic activity and recovery. Working families need reliable, safe, affordable, accessible, and quality child care. With changes in work and commuting patterns due to COVID, as well as school closures, many families need care closer to home and synched with new schedules.

However, the child care sector—both in New Jersey and across the nation—faces complex challenges. For example, the health and safety precautions necessary to protect the well-being of child care workers, children, and parents (e.g., Personal Protective Equipment [PPE], sanitization, lowered capacity requirements) impose significant costs on providers.

The State of New Jersey has undertaken a number of initiatives to support the child care sector and families in need of child care assistance in this critical moment, including:

- **Increasing investments in child care**, including more than \$125 million to provide State-subsidized emergency child care for essential workers at the peak of the Spring 2020 COVID-19 surge and providing the State's child care subsidy to centers based on prior enrollment throughout 2020.
- **Providing PPE to emergency child care centers and family child care providers.**
- **Waiving parent co-pays in the State's child care subsidy program** for parents who requested it due to impacts from COVID-19.
- **Offering COVID-19 stabilization grants to child care providers** through DHS' Division of Family Development to help New Jersey licensed child care centers and registered family child care programs meet the increased costs of re-opening and remaining open. The stabilization grants are designed to help providers manage added operational costs due to new COVID-19 health and safety guidelines such as purchasing PPE and other supplies and materials, cleaning and sanitation.
- **Supplemental payments for subsidy providers** to support the reopening and sustainability of child care centers that make it a priority to serve children receiving the

state child care subsidy. DHS is providing supplemental payments for infants, toddlers, and school-age children to providers through the end of the calendar year.

- **General Accommodation Program Supervision Childcare Centers** (“GAP Centers”) were authorized pursuant to a regulatory waiver issued by DCF on October 7, 2020. Under this program, non-traditional child care providers can be licensed to provide care to school-aged children who are learning remotely or in a hybrid model.
- **Tuition support for school-aged supervision** helps parents with incomes of up to \$150,000 to pay for care for school-age children in need of child care as a result of COVID-19 remote and hybrid learning school schedules. Those who are eligible for child care subsidies (income up to 200% of the Federal Poverty Line) may also use state subsidies to pay for care for children between the ages of 5 and 13 through the end of 2020.
- **Grants to child care providers through the NJEDA Small Business Emergency Assistance Grant Program.** More than 600 child care providers received approximately \$6.3 million in grants from NJEDA through Phase 2 and Phase 3 of the COVID-19 Small Business Emergency Assistance Grant Program. Child care providers have also been encouraged to enroll in NJEDA’s PPE Access Program, with discounts of up to 70% on PPE.

Over the past several years, New Jersey’s child care community has also worked with philanthropic partners and the State to launch shared services alliances. These models are intended to reduce costs and strengthen quality by centralizing administrative functions (e.g., payroll, training, food service delivery, teacher substitute pools) across multiple centers. Collectively, they aim to address the ‘Iron Triangle’ of early childhood education finance: full enrollment, full fee collection, and revenue that covers per-child cost.

However, even with these supports, New Jersey’s child care sector faces ongoing challenges. An October 2020 study by the National Institute for Early Education Research found that COVID restrictions on decreased class sizes and increased health and safety measures place significant financial hardships on child care centers because of reduced revenue and increased fixed costs. As of December 2020, nearly 20% of New Jersey’s licensed child care centers remained closed. Even as programs reopen, just 20% report that they will bring back their entire staff, according to a survey by Advocates for Children of New Jersey. The majority of open providers are operating well below their licensed capacity. Some may eventually reopen or increase their capacity, but parts of New Jersey were already considered ‘child care deserts.’

This RFI seeks information to better understand the short- and long-term challenges child care providers are facing in their business operations, including challenges to accessing public resources (e.g., Paycheck Protection Program [PPP], NJEDA Small Business Emergency Assistance Grants, DHS COVID-19 Provider Grants) and private capital. The Authority is interested in identifying creative approaches that can assist New Jersey’s child care providers to weather the current crisis.

### **3. ELIGIBILITY CRITERIA (if applicable)**

This is not applicable to this RFI. All responses are welcomed.

#### **4. RFI RESPONSE QUESTIONS**

Please answer all questions that are relevant to you or your organization, to the best of your ability. The Authority recognizes that respondents may not be able to answer all questions. Answers to these questions are understood to be preliminary and non-binding.

Respondents are free to structure responses as necessary to increase clarity and efficiency of responses.

#### **Description of your role and qualifications related to business capacity and sustainability for child care providers:**

- 1) Please provide information on your organization, group, government entity, or self and your capacity and qualifications as they relate to the business needs of child care providers.
- 2) What is your experience with and understanding of the business capabilities of child care providers, both prior to and during the COVID-19 pandemic?
- 3) Which key areas are you/your organization most qualified to address (choose all that apply)?:
  - a. Business training and technical assistance
  - b. Establishing partnerships between child care providers
  - c. Access to capital (public and/or private) for child care providers
  - d. Other, please explain

#### **Challenges facing New Jersey's child care sector:**

- 4) What are the biggest challenges New Jersey's child care providers face in their business operations and sustainability? Please describe challenges that existed prior to COVID-19, as well as new challenges that emerged due to the pandemic.
- 5) What barriers do child care providers face in accessing public and private capital? Examples of this include state child care subsidies, NJEDA small business grants and loans, Paycheck Protection Program, DHS COVID-19 Provider Grants, and/or private loans through banks or Community Development Financial Institutions (CDFIs).
- 6) Some providers and intermediary agencies throughout New Jersey have established 'shared services' models to consolidate administrative functions. Can you comment on the benefits as well as the challenges of implementing these models, including any barriers that may exist to establishing partnerships between child care providers?

- 7) Can you comment on any specific regulatory barriers that child care providers face, both in starting a new business, as well as expanding their existing operations? How could these be addressed or improved?
- 8) Can you comment on the demand for and barriers to providing child care services during non-traditional hours (i.e., weekends, evenings, overnight)?
- 9) COVID-19 has created significant challenges to child care providers, including increased costs to meet new health and safety guidelines such as purchasing PPE, as well as having to shift to reduced class sizes to meet social distancing, etc. From your experience, how are child care providers addressing these challenges? Can you comment on areas of unmet need?
- 10) Can you comment on the particular business challenges facing different types of child care providers, as well as any targeted strategies that could help address them? These include:
  - a. Family/home-based child care providers
  - b. Center-based child care providers
  - c. Providers in [Opportunity Zone](#) communities
  - d. Providers who speak a language other than English
  - e. Providers with limited computer access, internet connectivity, and/or digital literacy
  - f. Providers that operate independently
  - g. Providers that are part of a chain or network comprising multiple locations
  - h. Providers that offer non-traditional hour services

**Ideas to support the business needs of New Jersey's child care sector:**

- 11) What are specific supports that could help build the business capacity of child care providers? What specific skillsets would be most helpful to offer support on?
- 12) How can NJEDA and its partners help child care providers increase their access to public funding and private capital, including loans?
- 13) What role can the State play in facilitating partnerships between child care providers? Are there strategies that could strengthen partnerships:
  - a. Among center-based child care providers
  - b. Among family/home-based child care providers
  - c. Between the two types of providers (center- and home-based)
- 14) What structure and length of training or technical assistance would be most helpful to bolster the business skillsets of child care providers?
- 15) What strategies should be considered to help child care providers who speak a language other than English to access training and technical assistance opportunities?

16) Are there models from other states or localities that New Jersey should draw from to support the business needs of the child care sector?

## **5. QUESTIONS AND ANSWERS**

All questions concerning this RFI must be submitted in writing no later than 11:59 PM EST, on Wednesday, December 23, 2020 via e-mail to: [childcarerfi@njeda.com](mailto:childcarerfi@njeda.com).

The subject line of the e-mail should state: "QUESTIONS-2020-RFI-OET-COVID19-Childcare-116".

Answers to questions submitted will be publicly posted on the Authority's website on or about Wednesday, December 30, 2020 at: <https://www.njeda.com/Bidding-Opportunities-General/Economic-Transformation-RFIs> as Addendum.

**IT IS THE RESPONDENT'S RESPONSIBILITY TO CHECK THIS URL REGULARLY FOR UPDATES.**

## **6. RESPONSE DETAILS (Info Provided to Respondents Regarding Document Submission)**

All RFI responses must be submitted in writing no later than 11:59 PM EST on Friday, January 8, 2021, via e-mail to: [childcarerfi@njeda.com](mailto:childcarerfi@njeda.com).

The subject line of the e-mail should state: "RFI Response-2020-RFI-OET-COVID19-Childcare-116".

## **7. FOLLOW-UP QUESTIONS (from EDA) / ADDITIONAL INFORMATION**

Respondents may be asked to provide additional information to allow the Authority to better understand the responses or proposed solutions.

## **8. PROPRIETARY AND/OR CONFIDENTIAL INFORMATION**

The Authority reserves the right to copy any information provided by the Respondents. The Authority reserves the right to use ideas that are provided by Respondents, applicants, stakeholders, or vendors. By submitting a Response, the submitter represents that such copying or use of information will not violate any copyrights, licenses, or other agreements with respect to information submitted or product solutions demonstrated, if applicable. Responses must clearly be marked for any information the Respondent deems Proprietary and/or Confidential.

## **9. DISCLAIMER/NO OBLIGATION**

This RFI is not a request for qualification/proposal. It may or may not result in further action.

This RFI is issued solely as a means of gathering information and ideas regarding the Authority's desire to understand strategies to strengthen the child care sector in New Jersey. Interested parties responding to this RFI do so at their own expense. There will be no monetary compensation from the Authority for the time and effort spent in preparing the response to this RFI. All expenses incurred are the sole responsibility of the Respondent.

Should the Authority decide to move forward and issue an RFQ/P or announce a program/product related to this RFI, Respondents need not have submitted a response to this RFI in order to be eligible to respond to the RFP. Should an RFQ/P be issued, responding to this RFI will not affect scoring or consideration for that process.

The Authority is under no obligation to contact Respondents to this RFI.

#### **10. NEW JERSEY OPEN PUBLIC RECORDS ACT**

Respondents should be aware that responses to this RFI are subject to the "New Jersey Open Public Records Act" (N.J.S.A. 47:1A-1 et seq.), as amended and including all applicable regulations and policies and applicable case law, including the New Jersey Right-to-Know law. All information submitted in response to the RFI is considered public information, notwithstanding any disclaimers to the contrary, except as may be exempted from public disclosure by OPRA and the common law.

Any proprietary and/or confidential information submitted in response to this RFI will be redacted by the Authority. A person or entity submitting a response to this RFI may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when such person or entity has a good faith legal and/or factual basis for such assertion (i.e. information that may be included in another ongoing public procurement or solicitation). The Authority reserves the right to make the determination as to what is proprietary or confidential and will advise the person or entity accordingly. The Authority will not honor any attempt to designate the entirety of a submission as proprietary, confidential and/or to claim copyright protection for the entire proposal. In the event of any challenge to the Respondent's assertion of confidentiality with which the Authority does not concur, the Respondent shall be solely responsible for defending its designation.