



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 11, 2022

**SUBJECT:** Child Care Facilities Improvement Pilot Program – Phase 1

### **Request:**

The Members are asked to approve:

1. Approval to enter into a Memorandum of Understanding with the New Jersey Department of Community Affairs (DCA) whereby the Authority will accept up to \$20,000,000 in American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) appropriated to the Authority pursuant to P.L. 2021, c. 144, to fund the Child Care Facilities Improvement Pilot Program – Phase 1.
2. Approval to enter into a Memorandum of Understanding with the New Jersey Department of Human Services (DHS) whereby the Authority will accept \$4,450,000 to fund the Child Care Facilities Improvement Pilot Program – Phase 1.
3. Creation of the Child Care Facilities Improvement Pilot Program – Phase 1, a grant program to provide funding for licensed child care centers in New Jersey to make facility improvements that will contribute to high quality early childhood learning environments, and the waiver of applicant fees due to financial hardship of program applicants.
4. Utilization of the following funding amounts and sources to capitalize Phase 1 of the Child Care Facilities Improvement Pilot Program:
  - a. \$10,000,000 of funds appropriated to the Authority pursuant to P.L. 2021, c.144, with delegation to the Chief Executive Officer to increase funding to up to \$20,000,000 if demand exceeds the \$10,000,000 in available funding. This request also includes the utilization of up to 2.5% of this funding to support the Authority’s administrative costs associated with operating the program.

- b. \$4,450,000 of funding appropriated to DHS, including the utilization of up to 10% of this funding to support the Authority's administrative costs associated with operating the program.
5. Delegation of authority to the Chief Executive Officer to approve individual applications for the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in this memo and the attached program specifications.
6. Delegated authority to the Chief Executive Officer to decline applications for solely non-discretionary reasons, and to approve Final Administrative Decisions upon recommendations of the Hearing Officer for appeals based on non-discretionary declinations.

### **Background:**

The COVID-19 pandemic has highlighted the importance of the child care sector as a critical enabler of economic activity and recovery. Working families require reliable, safe, affordable, accessible, and quality child care. However, the child care sector – both in New Jersey and across the nation – faces complex challenges as the economy recovers.

To better understand other ways the Authority could provide support for this crucial sector, the Authority, in partnership with the DHS and Department of Children and Families (DCF), issued a Request for Information (RFI) in December 2020 and received nearly three dozen responses. RFI respondents emphasized that providing high quality child care is a necessity to aid in the State's economic recovery as parents return to work and want to ensure their children are in safe, healthy, and enriching learning environments. Respondents stressed that the high cost of upgrading and maintaining child care facilities can prevent child care providers from making critical investments. Due to the high cost of providing care relative to the tuition most parents can reasonably afford, child care providers face razor-thin profit margins, forcing them to forego necessary facilities upgrades, repairs, and maintenance. These slim profit margins and lack of collateral (child care providers often rent, not own, the spaces where they provide care) often prevent child care providers from accessing traditional sources of financing to fund facility repair and improvement costs.

Throughout the pandemic, the Authority provided more than \$23 million in grants to over 1,300 child care providers across the state through the COVID-19 Small Business Emergency Assistance Program, including a dedicated pool of funds set aside for the child care sector in Phase 4 of the program. However, given the centrality of the sector to the economic recovery, more support is needed.

As part of the State's commitment to supporting the child care sector, in June 2021 the New Jersey State Legislature passed and Governor Phil Murphy signed into law (P.L. 2021, c.144) a bill appropriating \$100 million of ARP CSLFRF to DCA to support child care providers and the child care workforce through a number of initiatives, including providing grants for facilities improvements, business technical assistance, workforce development supports, and a study of the child care landscape in the state.

Through the law, DCA will make:

- \$15.5 million available to DCF to create workforce development supports and conduct a child care landscape study;
- \$30 million available to DHS to provide grants to licensed or registered child care providers or their employees for workforce retention and hiring; and
- \$54.5 million available to the Authority to provide technical assistance and grants for facilities improvements to licensed child care providers (i.e., child care centers serving 6 or more children) and registered family child care homes (i.e., home-based child care businesses registered with DHS serving 5 or fewer children).

This is consistent with ARP CSLFRF guidance, which emphasizes that that child care providers serving low-income children receiving subsidies—and the families and children that rely on them—were significantly impacted by COVID. The U.S. Treasury noted that “low-income households are also more likely to lose access to quality childcare. The widespread closure of childcare centers combined with a lack of access to paid family leave means parents in low-income households are more likely to experience a reduction of income or leave their jobs due to a lack of childcare options...Additionally, childcare providers serving primarily low-income families were less likely to remain open during the pandemic because of tighter profit margins and general community financial insecurity, compared to childcare providers serving primarily high-income families.”

### **Program Details:**

Phase 1 of the Child Care Facilities Improvement Pilot Program (“Program”) will provide grants for total project costs between \$50,000 and \$200,000 to licensed child care providers (also referred to as “centers” or “providers”) to make improvements to their child care facility. While the program is intended to have a broader economic benefit as outlined below, these grants are provided as direct benefits to the providers.

In line with the Murphy Administration’s commitment to supporting the child care sector and priorities set forth in ARP CSLFRF final guidance, Phase 1 of the Program will:

- Provide funding to businesses—including many minority- and women-owned businesses and those in Opportunity Zone eligible census tracts—that otherwise may not have access to resources to fund facility improvements.
- Promote healthy childhood environments for children, families, and child care providers that were impacted by the COVID-19 pandemic.
- Support the capacity of child care providers to provide infant and toddler care in tandem with the expansion of Universal Pre-K to serve more 4-year-olds in the state.
- Engage providers to participate in New Jersey’s child care quality improvement rating system, Grow NJ Kids.

- Target resources to communities of greater need due to historic disinvestment, through set-aside for providers located in Opportunity Zones and include the requirement that providers serve low-income children receiving Child Care Assistance subsidies.

*Eligibility:*

P.L. 2021, c.144 directs the Authority to make facility improvement grants available to licensed child care providers and registered family child care homes. For Phase 1 of this program, which the Members are being asked to approve today, the Authority is limiting eligibility to licensed child care providers only. However, the Authority anticipates returning to the Board at a later date with subsequent phases of the program that will expand eligibility to registered family child care homes.

Eligibility for Phase 1 of the Program will be limited to child care centers licensed by DCF to provide full-day child care (6 or more hours per day). For Phase 1, applicants must have been licensed as of June 4, 2021 to qualify for the grant, aligned with the end of the Public Health Emergency under Executive Order 103. Applicants may be for-profit businesses or nonprofit organizations. School districts are not eligible to apply directly for this program.

Applicants may own or lease the space that will be improved using the grant funding. If the space is leased, the applicant must provide a certification from the landlord that they have reviewed and approved the proposed facility improvements. Landlords are not eligible to apply directly for this program.

Applicants must at the time of application currently enroll, or have enrolled in the 12 months prior to the date of application, at least one (1) child receiving support through the DHS Child Care Assistance Program (CCAP). The Authority will confirm enrollment of children receiving CCAP with DHS.

There will be an application limit of one application per DCF-licensed child care center (based on license number, which is licensed at a child care center site location level) and two applications per Employer Identification Number (EIN). This means that an entity operating multiple DCF-licensed child care centers under a single EIN will be limited to a maximum of two applications, each of which must be for a different DCF-licensed child care center. Each application will be considered on its own and must separately meet the requirements of the program.

In addition to the eligibility parameters already stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (DOL), New Jersey Department of Environmental Protection (DEP), DCF, and DHS. Applicants will also be responsible for providing a current Tax Clearance Certificate prior to execution of a grant agreement with EDA to demonstrate proper registered to do business in New Jersey and in substantial good standing with the New Jersey Division of Taxation. Applicants may not be debarred from receiving federal funds.

*Diversity, Equity and Inclusion:*

Up to 40% of total grant funding made available in Phase 1 of the Program will be reserved for eligible applicants in Opportunity Zone eligible census tracts. If the Authority does not receive sufficient eligible applications from applicants in Opportunity Zone eligible census tracts prior to the application deadline, the Authority may use funds for grants to eligible applicants not located in Opportunity Zone eligible census tracts.

In combination with the set-aside funds for Opportunity Zones, the Authority is further ensuring a focus on child care centers that serve low-income children by requiring that eligible applicants must serve at least one child receiving support through CCAP. Families eligible for CCAP must fall below 200% of the federal poverty line (\$55,400 for a family of 4), far below the New Jersey median household income of more than \$85,000. This criterion ensures a targeted focus on centers more likely to serve low-income children that can significantly benefit from facilities improvements and high-quality early childhood learning environments.

In addition to this specific reservation of program funding to eligible Opportunity Zone census tracts, the program more broadly supports diversity and inclusion by allocating funding to the child care sector, under which a high percentage of businesses are owned and staffed by women, particularly women of color. For example, within the Authority's Small Business Emergency Assistance Grant Program, nearly 60% of child care providers self-identified as women-owned and nearly 35% as minority-owned, as compared to other non-child care industries, of which a lower percentage (approximately 30%) identified as women- or minority-owned.

*Eligible Funding Uses:*

Grants will be used for prospective hard and soft costs associated with facilities improvements, where no more than 20% of a grant can be used to support soft costs. Grants will cover the full project cost of the facility improvement(s), with a minimum eligible project cost of \$50,000 and a maximum eligible project cost of \$200,000 per DCF-licensed child care center. Applicants may not use external funding sources to fund the specific project(s) proposed in this application. Grant awards will be calculated based on the quoted project cost of the facility improvement, plus an additional 15 percent which the grantee may use, upon request and NJEDA verification, for unanticipated cost overruns. This means that given the maximum allowable project costs under the program are \$200,000, the maximum grant amount is \$230,000. Consequently, given that the minimum allowable project costs under the program are \$50,000, the minimum grant amount is \$57,500. The Program will not provide reimbursement for costs already incurred prior to award. As required by ARP and the U.S. Treasury CSLFRF final rule, the deadline for incurring (defined as obligating) funds is December 31, 2024 and the deadline for spending federal funds is December 31, 2026.

Eligible hard costs are limited to:

- Labor and materials for *interior* building improvements to:
  - Create additional classroom space in existing location by converting or adapting other rooms to classroom space (e.g., demolition of partitions and infilling existing wall

- construction, modifying existing exits for sufficient egress, installing diaper change area for new infant/toddler classroom)
- Create or improve areas to serve as indoor gross motor and/or multi-purpose space
  - Improve egress and access within the facility (e.g., ramps, sinks with knee clearances) as well as egress and access to the outdoors for children with no or limited mobility
  - Install, repair, replace, and/or improve:
    - Bathrooms with age-appropriate plumbing and child height fixtures (e.g., toilets, sinks) that are in or adjacent to classrooms, including touchless fixtures, toilet partitions and doors, ceiling tiles, light fixtures, flooring, paint
    - Child height handwashing sinks in classrooms, including touchless fixtures
    - Windows in classrooms and common areas (e.g., install child height windows to allow for more natural light, repair window with ventilation issues, replace window that is unable to open, replace windows with energy efficient model, install blinds or glass glazing systems, install banisters or window guards)
    - Flooring (e.g., carpets in poor condition, new flooring for bathrooms)
    - Fire safety and fire protection systems e.g. sprinklers, smoke detectors
    - Indoor air quality systems (e.g., HVAC systems upgrades and maintenance, mechanical air exchange system with individual classroom controls, air purifiers)
    - Doors, entrances and exits including locking mechanisms
    - Remediation of environmental issues (e.g., lead pipes, asbestos, including environmental site and remedial investigation)
    - Diaper changing areas
    - Nurse area, sick child area
    - Electric and lighting systems
    - Security systems including security cameras
    - Furniture, fixtures, and equipment (FFE)
    - Kitchens and food preparation areas
    - Plumbing (e.g., leaking pipes, drainage issues)
    - Acoustics (e.g., absorptive materials, acoustic panels, ceiling tiles)
    - Secure storage areas (e.g., wall cabinets, cubbies, closets, cot storage, storage for hazardous materials)
    - Stable partitions and/or floor-to-ceiling walls to separate classrooms and improve acoustics
  - Labor and materials for *exterior* building improvements to:
    - Install, repair, replace and/or improve equipment to provide children with age-appropriate, safe, engaging outdoor play areas:
      - Climbing structures (e.g., adding more cushioning)
      - Creating a separate space for infants
      - Bollards for parking lots and/or playgrounds
      - Covered enclosures, shade structures, awnings, outdoor furniture, storage shed
    - Increase accessibility or to meet code enforcement requirements, e.g. installing or replacing ramps
    - Address exterior drainage issues
    - Install, repair, replace and/or improve:

- Exterior fencing, including security gates
- Roofing (e.g., addressing leaking or mold)
- Decking (e.g., wood that has been deemed a hazard)
- Sidewalks connecting classrooms
- Parking areas (e.g., short-term parking for drop-off)

Eligible soft costs (capped at up to 20% of total grant) are limited to:

- Architect fees
- Permit fees
- Construction management
- Freight and shipping delivery
- Environmental assessment

Applicants may not use grants through this program to finance new facility construction, construction of additions, nor facility or site acquisition, nor any fines incurred as a result of code or zoning violations during construction project(s) associated with this grant.

*Application Process:*

Applications will be accepted and reviewed on a first-come, first served basis from the date and time the program application is open to the public. Applications will be accepted until all funding is exhausted, or three (3) years after date of application launch, whichever is sooner.

As part of a program application, the Authority will request the following information including, but not limited to:

- A detailed description of proposed project(s), to ensure consistency with eligible uses with proposed project cost between \$50,000 and \$200,000.
- At least one quote per DCF-licensed child care center location that details the full cost of proposed project(s) to occur at that location. All quotes must be from contractors that are registered with DOL as a Public Works Registered Contractor and are consistent with New Jersey state prevailing wage rates.
- If purchasing FFE, quotes for the proposed cost of FFE purchases, which can be a formal bid from a vendor and/or printouts/screenshots with prices from online retailer(s) for item(s) to be purchased.
- Photos of the space(s) where the proposed project(s) will take place.
- If available at the time of application, project design documents (e.g., architectural renderings or drawings made by a contractor).
- If applicants lease space, a copy of their lease and a certification from the landlord that they have reviewed and approved the proposed facility improvement(s).
- If applicants own space, a deed, property tax statement, or proof of mortgage payment.
- Proposed budget and timeline for the facility improvement project

As part of the application process, applicants must provide the following certifications including, but not limited to:

- Applicant must certify that they will utilize only contractors registered as a New Jersey Public Works Contractor with DOL, and that the project will comply with New Jersey prevailing wage requirements and state affirmative action requirements for contractors. Federal Davis-Bacon rules do not apply for this grant.
- Applicant must certify that grant funding will not be used to supplant existing space dedicated to infant and toddler care.
- Applicant must commit to enroll in DHS' Grow NJ Kids Quality Rating Improvement System within one (1) year of the date of grant execution, if not already enrolled, which the Authority will verify with DHS.
- Applicant must maintain licensure with DCF at the location of the facility improvement to provide child care for four (4) years following execution of the grant agreement, which the Authority will verify with DCF.

In addition to providing these certifications at application, these will be included as covenants in a grant agreement with the possibility for repayment by the child care provider if the above certifications are not adhered to, at the discretion of the Authority. The Authority understands that based on the current pandemic and other emergency situations, there may be circumstances that may impact the continuation of child care services. As such, the applicant shall notify the Authority in writing (email or letter) of those circumstances and the Authority shall review and decide whether a grantee shall return or pay the amount of grant fund they received.

Applications will first be reviewed for completeness and evaluated by staff for alignment with the eligible uses as prescribed above. Additionally, a third-party external firm will conduct a review of project costs to assess the cost reasonableness of the project, as defined under federal statute 2 CFR § 200.404. If there are questions about the application, or if an applicant does not submit all required materials, staff will follow up with the applicants and applicants will be given up to 10 business days to respond, clarify, and/or resubmit any needed materials, after which an application may be declined for unresponsiveness to the Authority's request for additional information.

Although applications will be reviewed in the order in which they are received, any approval of funding for a specific application will be based on the Authority's completing its review and verifying that all necessary information has been received and that the applicant and project meet all eligibility criteria.

If an applicant is declined on the basis that the quote provided at the time of application was done by a contractor is not properly registered with NJDOL, but otherwise meets all other eligibility criteria and has exhausted their appeal right, that applicant may be allowed to re-apply with a quote from a properly registered contractor. The new application will be reviewed and considered for funding based on the time of the new submission.

*Delegated Authority:*

The Members are requested to approve delegated authority to approve individual applications to the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in the attached product specifications. These approvals are appropriate for delegated authority because the



maximum financial assistance under this program is comparable to financial assistance amounts approved under delegated authority in other programs and the specifications are generally based on non-discretionary criteria. Additionally, this program is not competitive; each application will be reviewed on its own.

This request also includes the authority to decline for any decisions based solely on non-discretionary reasons. Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend an administrative decision, for which delegated authority is requested to accept the administrative decision of the Hearing Officer for appeals based on solely non-discretionary reasons.

In addition, the Members are requested to approve delegated authority to commit up to an additional \$10 million in ARP CSLFRF funding if the program is oversubscribed.

*Post Approval:*

Following a delegated authority approval, the applicant will be notified of the approval stating the level of funding (as a not to exceed amount) available for the proposed project. After notification is issued, the child care provider will execute an agreement with the EDA. The child care provider will have 90 days from the date of the fully executed agreement with the EDA to enter into a separate agreement with the New Jersey Public Works contractor(s) that provided quote(s) during the application to complete the approved facility improvement project, with possibility for extension at the request of the child care provider and at the discretion of the Authority. If the contractor is no longer able to complete work for the approved project, the child care provider may identify a new contractor for the work, so long as the contractor is a New Jersey Public Works Registered Contractor and is able to complete the work at or below the approved grant amount.

EDA will also schedule a pre-construction meeting with the grantee and their contractor(s) to re-affirm prevailing wage and affirmative action requirements under this grant alongside other monitoring requirements. Although applicants may be nonprofits, the U.S. Treasury final CSLFRF rules explain that nonprofit entities that are direct beneficiaries, as in this program, are not subject to the subrecipient monitoring and reporting requirements in the federal Uniform Guidance, 2 C.F.R. 200, which would include compliance with the federal procurement process.

When required to start construction, EDA will disburse initial deposits for equipment or services to the contractor upon receipt of invoices prior to the start of construction. Payments will be disbursed directly to the contractor upon receipt of invoice that is signed by the child care provider.

EDA will disburse subsequent payments directly to the contractor for the duration of the project upon receipt of invoices that include photos demonstrating construction progress and signature from the child care provider affirming that work has been completed to their satisfaction. Payments will be disbursed periodically no more than once per month per project location. With the exception of the initial deposits, no payment will be disbursed without confirmation that work has been conducted in accordance with prevailing wage and affirmative action requirements. Final payment will be

disbursed upon completion of a site visit by EDA to confirm the work has been completed. EDA reserves the right to also conduct site visits during construction, as deemed appropriate by the Authority, to confirm that work is being completed in accordance with eligible uses for the Program, federal guidelines, and all prevailing wage and affirmative action requirements.

Facility improvement projects must commence within one (1) year of execution of the grant agreement with EDA and be completed within one (1) year of construction start, with possibility for extensions at the request of the child care provider and at the discretion of the Authority.

EDA intends to use a portion of administrative costs allocated to this program (not to exceed \$250,000) to issue a purchase order to Temporary Employment Services in accordance with State Blanket PO# 18-GNSV2-00348. The intent of the State's Blanket P.O. is to provide the State and its Cooperative Purchasing Program participants (the Authority is one of the State's Cooperative Purchasing Program participants) staffing for administrative support functions, which will be needed for this program due to limited staff capacity to review applications.

### **Program Funding**

The Members are requested to approve the utilization of \$10,000,000 of ARP CSLFRF funding allocated to the Authority by P.L. 2021, c.144 to fund the Child Care Facilities Improvement Pilot Program – Phase 1, with delegated authority to the Chief Executive Officer to increase funding by up to an additional \$10,000,000 if the program is oversubscribed.

Given that the program will provide grants to child care providers to make improvements to their facility, in alignment with the goals of the ARP CSLFRF, which specifically cites “promoting healthy childhood environments” as a strategy to build stronger communities as the country emerges from the pandemic, staff believes this program is an appropriate and justified use of ARP CSLFRF funding. Furthermore, the U.S. Department of Treasury also states in the CSLFRF final rule that “improvements to or new construction of childcare, daycare, and early learning facilities are eligible capital expenditures” under this use.<sup>1</sup> Additionally, as explained by U.S. Treasury in its final CSLFRF rule, nonprofit entities that are direct beneficiary

In addition, DHS was appropriated \$4,450,000 for a “Child Care Facility Improvements Pilot Program” to “allow providers to make needed capital improvements to their facilities in exchange for participating in Grow NJ Kids, the State’s child care quality rating and improvement system.”<sup>2</sup> Given the alignment with EDA’s proposed Program, EDA and DHS have collaborated on a Memorandum of Understanding (MOU) for EDA to utilize this state funding toward the Program. Staff are requesting approval to enter into this MOU (Attachment B) to transfer funds from DHS to EDA for the purposes of utilizing these funds for Phase 1 of the Program as outlined in this memorandum.

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<sup>1</sup> Coronavirus State and Local Fiscal Recovery Funds, 87 Fed. Register 4364 (January 27, 2022)

<sup>2</sup> The State of New Jersey Budget in Brief, Fiscal Year 2022, page 39, available at <https://www.state.nj.us/treasury/omb/publications/22bib/BIB.pdf>.

**Fees:**

Due to financial hardships experienced by child care providers during and emerging from the pandemic, as well as in recognition of the fact that the child care industry operates under extremely thin profit margins for which any of the Authority’s conventional fees could restrict the ability of child care facilities to access this funding, Staff is requesting approval from the Members to waive all fees from applicants for this program. The Authority’s administrative costs for operating the program will be supported by utilizing a portion of available program funds for administrative expenses.

**Recommendation:**

The Members are requested to approve: (1) Approval to enter into a Memorandum of Understanding with DCA whereby the Authority will accept \$20,000,000 in ARP CSLFRF funding appropriated to the Authority pursuant to P.L. 2021, c. 144; (2) Approval to enter into a Memorandum of Understanding with the DHS whereby the Authority will accept \$4,500,000 (3) Creation of the Child Care Facilities Improvement Pilot Program – Phase 1, a grant program to provide funding for licensed child care centers in New Jersey to make facility improvements that will contribute to high quality early childhood learning environments; (4a) Utilization of \$10,000,000 of funds appropriated to the Authority pursuant to P.L. 2021, c.144, with delegation to the Chief Executive Officer to increase funding to up to \$20,000,000 if demand exceeds the \$10,000,000 in available funding. This request also includes the utilization of up to 2.5% of this funding to support the Authority’s administrative costs associated with operating the program; (4b ) Utilization of \$4,450,000 of funding appropriated to DHS, including the utilization of up to 10% of this funding to support the Authority’s administrative costs associated with operating the program; and (5) Delegation of authority to the Chief Executive Officer to approve individual applications for the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in this memo and the attached program specifications, and (6) Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons, and to approve Final Administrative Decisions upon recommendations of the Hearing Officer for appeals based on non-discretionary declinations.

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Tim Sullivan  
Chief Executive Officer

Prepared by: Tara Colton, EVP, Economic Security  
Emily Apple, Program Manager, Economic Security

Attachments

Attachment A—Program Specifications

Attachment B—Memorandum of Understanding with the NJ Department of Human Services

**Attachment A**  
**Child Care Facilities Improvement Fund**  
**Program Specifications**  
**May 11, 2022**

<b>Funding Source</b>	<ul style="list-style-type: none"> <li>• Up to \$20,000,000 in American Rescue Plan State and Local Fiscal Recovery Funds (ARP CSFRF)</li> <li>• \$4,450,000 in fiscal year 2022 state funds transferred to EDA via MOU with NJ Department of Human Services (DHS)</li> <li>• 40% of total grant funding made available in Phase 1 of the Program will be reserved for eligible applicants in Opportunity Zones.</li> </ul>
<b>Program Purpose</b>	<p>A program that provides grant funding to licensed child care centers in New Jersey for facilities improvements that will contribute to high quality early childhood learning environments.</p>
<b>Eligible Applicants</b>	<ul style="list-style-type: none"> <li>• Child care centers licensed by the New Jersey Department of Children and Families (DCF) as of June 4, 2021</li> <li>• Applicants must currently enroll, or have enrolled in the 12 months prior to the date of application, at least one (1) child receiving support through DHS’ Child Care Assistance Program</li> <li>• Applicants may be for-profit businesses or non-profit organizations</li> <li>• Can own or lease space <ul style="list-style-type: none"> <li>○ Landlord certification required if leased property (landlords are not eligible to apply directly)</li> <li>○ Deed, property tax statement, or proof of mortgage payment required if property is owned</li> </ul> </li> <li>• Applicants must be in good standing with: <ul style="list-style-type: none"> <li>○ NJ Department of Labor and Workforce Development (DOL)</li> <li>○ NJ Department of Environmental Protection (DEP)</li> <li>○ NJ Division of Taxation, as evidenced by a Tax Clearance Certificate</li> <li>○ DCF</li> <li>○ DHS</li> </ul> </li> </ul>

	<ul style="list-style-type: none"><li>• Applicant must not be debarred from receiving federal funds, as indicated through System for Award Management (SAM)</li><li>• Applicants who are not currently enrolled in DHS’ Grow NJ Kids (GNJK) quality rating system must commit to enroll within one (1) year of executing a grant agreement with the EDA.</li><li>• Grantees must commit to maintaining their licensure with DCF to provide child care for four (4) years following execution of the grant agreement at the location of the facility improvement project.</li><li>• Applicants are limited to one (1) application per DCF-licensed child care center location, and two (2) applications per Employer Identification (EIN).</li><li>• Total project costs must be between \$50,000 and \$200,000. Grant awards will include additional 15% of eligible project costs to account for cost overruns.</li><li>• Contractors conducting facility improvements must be a DOL Public Works Registered Contractor and abide by state prevailing wage and affirmative action requirements.</li><li>• As part of the application, applicants must submit:<ul style="list-style-type: none"><li>○ A detailed description of proposed project(s), to ensure consistency with eligible uses with proposed project cost between \$50,000 and \$200,000.</li><li>○ At least one quote per DCF-licensed child care center location that details the full cost of proposed project(s) to occur at that location. All quotes must be from contractors that are registered with DOL as a Public Works Registered Contractor and are consistent with New Jersey state prevailing wage rates.</li><li>○ If purchasing FFE, quotes for the proposed cost of FFE purchases, which can be a formal bid from a vendor and/or printouts/screenshots with prices from online retailer(s) for item(s) to be purchased.</li><li>○ Photos of the space(s) where the proposed project(s) will take place.</li><li>○ If available at the time of application, project design documents (e.g., architectural renderings or drawings made by a contractor).</li></ul></li></ul>
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	<ul style="list-style-type: none"> <li>○ If applicants lease space, a copy of their lease and a certification from the landlord that they have reviewed and approved the proposed facility improvement(s).</li> <li>○ If applicants own space, a deed, property tax statement, or proof of mortgage payment.</li> <li>○ Proposed budget and timeline for the facility improvement project</li> </ul>
<p><b>Eligible Uses</b></p>	<ul style="list-style-type: none"> <li>● Labor and materials for <i>interior</i> building improvements to: <ul style="list-style-type: none"> <li>○ Create additional classroom space in existing location by converting or adapting other rooms to classroom space (e.g., demolition of partitions and infilling existing wall construction, modifying existing exits for sufficient egress, installing diaper change area for new infant/toddler classroom)</li> <li>○ Create or improve areas to serve as indoor gross motor and/or multi-purpose space</li> <li>○ Improve egress and access within the facility (e.g., ramps, sinks with knee clearances) as well as egress and access to the outdoors for children with no or limited mobility</li> <li>○ Install, repair, replace, and/or improve: <ul style="list-style-type: none"> <li>▪ Bathrooms with age-appropriate plumbing and child height fixtures (e.g., toilets, sinks) that are in or adjacent to classrooms, including touchless fixtures, toilet partitions and doors, ceiling tiles, light fixtures, flooring, paint</li> <li>▪ Child height handwashing sinks in classrooms, including touchless fixtures</li> <li>▪ Windows in classrooms and common areas (e.g., install child height windows to allow for more natural light, repair window with ventilation issues, replace window that is unable to open, replace windows with energy efficient model, install blinds or glass glazing systems, install banisters or window guards)</li> <li>▪ Flooring (e.g., carpets in poor condition, new flooring for bathrooms)</li> <li>▪ Fire safety and fire protection systems e.g. sprinklers, smoke detectors</li> <li>▪ Indoor air quality systems (e.g., HVAC systems upgrades and maintenance, mechanical air exchange system with individual classroom controls, air purifiers)</li> <li>▪ Doors, entrances and exits including locking mechanisms</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Remediation of environmental issues (e.g., lead pipes, asbestos, including environmental site and remedial investigation)</li> <li>▪ Diaper changing areas</li> <li>▪ Nurse area, sick child area</li> <li>▪ Electric and lighting systems</li> <li>▪ Security systems including security cameras</li> <li>▪ Furniture, fixtures, and equipment (FFE)</li> <li>▪ Kitchens and food preparation areas</li> <li>▪ Plumbing (e.g., leaking pipes, drainage issues)</li> <li>▪ Acoustics (e.g., absorptive materials, acoustic panels, ceiling tiles)</li> <li>▪ Secure storage areas (e.g., wall cabinets, cubbies, closets, cot storage, storage for hazardous materials)</li> <li>▪ Stable partitions and/or floor-to-ceiling walls to separate classrooms and improve acoustics</li> </ul> <ul style="list-style-type: none"> <li>• Labor and materials for <i>exterior</i> building improvements to: <ul style="list-style-type: none"> <li>○ Install, repair, replace and/or improve equipment to provide children with age-appropriate, safe, engaging outdoor play areas: <ul style="list-style-type: none"> <li>▪ Climbing structures (e.g., adding more cushioning)</li> <li>▪ Creating a separate space for infants</li> <li>▪ Bollards for parking lots and/or playgrounds</li> <li>▪ Covered enclosures, shade structures, awnings, outdoor furniture, storage shed</li> </ul> </li> <li>○ Increase accessibility or to meet code enforcement requirements, e.g. installing or replacing ramps</li> <li>○ Address exterior drainage issues</li> <li>○ Install, repair, replace and/or improve: <ul style="list-style-type: none"> <li>▪ Exterior fencing, including security gates</li> <li>▪ Roofing (e.g., addressing leaking or mold)</li> <li>▪ Decking (e.g., wood that has been deemed a hazard)</li> <li>▪ Sidewalks connecting classrooms</li> <li>▪ Parking areas (e.g., short-term parking for drop-off)</li> </ul> </li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• Eligible soft costs (capped at up to 20% of total grant) are limited to: <ul style="list-style-type: none"> <li>○ Architect fees</li> <li>○ Permit fees</li> <li>○ Construction management</li> <li>○ Freight and shipping delivery</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ Environmental assessment</li> <li>● All work must be conducted in accordance with NJ prevailing wage and affirmative action requirements.</li> <li>● All proposed projects are subject to third-party review for cost reasonableness.</li> <li>● Facility improvement projects must commence within one (1) year of contract execution and be completed within one (1) year of construction start, with possibility for extension at the request of the child care provider and at the discretion of the Authority.</li> </ul>
<p><b>Application Process and Board Approval/ Delegated Authority</b></p>	<ul style="list-style-type: none"> <li>● Online application. Applications will be reviewed on a rolling basis, based on the availability of funding, until all funds are fully committed.</li> <li>● Delegation to the Chief Executive Officer with authority to subdelegate to staff to approve individual applications to Phase 1 of the Child Care Facilities Improvement Pilot Program that are consistent with the terms set forth in the memo and program specifications. These approvals are appropriate for delegated authority because the maximum financial assistance under this program is comparable to financial assistance amounts approved under delegated authority in other programs and the specifications are generally based on non-discretionary criteria. Additionally, this program is not competitive; each application will be reviewed on its own.</li> <li>● Delegation to the Chief Executive Officer with authority to subdelegate to staff to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to accept and use up to \$20,000,000 in American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that was appropriated pursuant to P.L. 2021, c. 144 for the purposes of funding eligible grant requests under Phase 1 of the Child Care Facilities Improvement Pilot Program, in accordance with federal requirements for the use of those funds;</li> <li>● Delegation to the Chief Executive Officer with authority to subdelegate to staff to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Human Services (DHS) to accept and use \$4,450,000 in state funds allocated in the Fiscal Year 2022 state budget for purposes of facilities improvements for child care providers for Phase 1 of the Child</li> </ul>



	Care Facilities Improvement Pilot Program and for EDA administrative costs related to implementation of the program.
<b>Grant Amounts</b>	<ul style="list-style-type: none"> <li>• Minimum Grant Amount: \$57,500</li> <li>• Maximum Grant Amount: \$ 230,000</li> <li>• Grant awards will include additional 15% of eligible project costs to account for cost overruns.</li> </ul>
<b>Funding Disbursement</b>	<ul style="list-style-type: none"> <li>• EDA will provide notification to approved applicants stating the level of funding available for the proposed project. After notification is issued, the child care provider will execute an agreement with the EDA.</li> <li>• The child care provider will have 90 days from the date of the fully executed agreement with the EDA to enter into a separate agreement with the New Jersey Registered Public Works Contractor(s) that provided quote(s) during the application to complete the approved facility improvement project, with possibility for extension at the request of the child care provider and at the discretion of the Authority. If the contractor is no longer able to complete work for the approved project, the child care provider may identify a new contractor for the work, so long as the contractor is a New Jersey Public Works Registered Contractor and is able to complete the work at or below the approved grant amount.</li> <li>• When necessary to start construction, EDA will disburse deposits prior to the start of construction to the contractor directly upon receipt of invoices signed by the child care provider.</li> <li>• Prior to the start of construction, EDA will schedule a pre-construction meeting with the grantee and their contractor to re-affirm prevailing wage and affirmative action requirements, among other requirements, under this grant.</li> <li>• EDA will disburse subsequent payments directly to the contractor for the duration of the project upon receipt of invoices that include photos demonstrating construction progress and signature from the child care provider affirming that work has been completed to their satisfaction. Payments will be disbursed no more than once per month per location.</li> <li>• With the exception of the initial deposits, no payment will be disbursed without confirmation that work has been conducted in</li> </ul>

	<p>accordance with prevailing wage and affirmative action requirements.</p> <ul style="list-style-type: none"> <li>• Final payment will not be disbursed until EDA has conducted a site visit to confirm the work has been completed and is in compliance with prevailing wage and affirmative action requirements.</li> <li>• EDA reserves the right to also conduct site visits during construction to confirm that work is being completed in accordance with eligible uses for the Program, federal guidelines, and all prevailing wage and affirmative action requirements.</li> </ul>
<b>Fees</b>	<p>Due to financial hardship experienced by child care providers during the pandemic, the Authority will collect no fees from the applicant for this program.</p>
<b>Appeal Process</b>	<p>Applicants whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. For appeals based on non-discretionary declines, Director, Legal Affairs, will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued, by staff in accordance with delegated authority.</p> <p>For declines based on discretionary reasons, Director, Legal Affairs, will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information and prepare a Recommendation to the Board. The Board is the final decision-maker for discretionary appeals.</p>

**Attachment B**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**AND**

**NEW JERSEY DEPARTMENT OF HUMAN SERVICES**  
**DIVISION OF FAMILY DEVELOPMENT**

**FOR**

**CHILD CARE FACILITY IMPROVEMENT PILOT PROGRAM**

This **Memorandum of Understanding** (“MOU” or “Agreement”) made this 2<sup>nd</sup> day of May, 2022 by and between the New Jersey Economic Development Authority (“EDA”) and the New Jersey Department of Human Services (“DHS”) (collectively referred to as the “Parties” and individually referred to as the “Party”);

**WHEREAS**, EDA is an independent state agency, in but not of the Department of Treasury, that serves as the state’s principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy;

**WHEREAS**, DHS is the state’s largest agency serving about 2.1 million New Jerseyans, including older New Jerseyans; individuals and families with low incomes; people with developmental disabilities, or late-onset disabilities; people who are blind, visually impaired, deaf, hard of hearing, or deaf-blind; parents needing child care services, child support and/or healthcare for their children; people who are dealing with addiction and mental health issues; and families facing catastrophic medical expenses for their children. Through DHS’ eight divisions, it provides numerous programs and services designed to give eligible individuals and families the help they need for economic and health challenges;

**WHEREAS**, DHS, Division of Family Development (“DFD”) provides leadership and supervision to the public and non-profit agencies that deliver financial assistance and critical safety net services to individuals and families in New Jersey, including child care providers;

**WHEREAS**, the New Jersey Fiscal Year 2022 (“SFY2022”) state budget appropriates \$4,450,000 in Grants-in-Aid to DFD for a “Child Care Facility Improvements Pilot Program” that was described in the Budget in Brief as a program to “allow providers to make needed capital improvements to their facilities in exchange for participating in Grow NJ Kids, the State’s child care quality rating and improvement system”;

**WHEREAS**, the EDA is seeking to establish—upon approval by the members of the EDA (“Board”) the Child Care Facilities Improvement Pilot Program (“Program”), as initially authorized by the Section 2 of P.L. 2021, c. 144, to provide grants to licensed child care centers and registered family child care homes in New Jersey to make facilities improvements that will contribute to further developing high quality early childhood learning environments and propose a requirement that grant recipient facilities participate in the Grow NJ Kids quality rating improvement system within 1 year of receiving a grant from the Program;

**WHEREAS**, in anticipation of the establishment of the Program, EDA and DHS do not wish to create competing or duplicative programs;

**WHEREAS**, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter agreements to provide assistance to each other.

**NOW, THEREFORE**, the Parties acknowledge and agree as follows:

## **I. DUTIES OF THE PARTIES**

- a. Upon execution of this MOU, DHS will provide to the EDA \$4,450,000 as originally appropriated to DFD in SFY2022 budget for the “Child Care Facility Improvements Pilot Program.”
- b. EDA will dedicate 90% of transferred funds (\$4,005,000) for grants to licensed child care centers through Phase 1 of the Program, based on the program specifications approved by the Board. The remaining 10% of funds (\$445,000) will be used to support EDA administrative expenses related to implementation of the Program.
- c. DHS will assist the EDA to promote the Program to licensed child care centers once applications are open for the Program.
- d. EDA will share data with DHS on a quarterly basis which shall include:
  - i. List of approved child care provider applicants;
  - ii. Summary of the approved project(s); and
  - iii. Location of approved child care providers.
- e. The Parties will have regular check-ins, at a frequency to be determined by the Parties, during which EDA will provide updates on the implementation of the program.
- f. EDA shall maintain all records and make such records available to DHS for a period of seven (7) years after this MOU has expired or been terminated.

## **II. GENERAL PROVISIONS**

- A. This Agreement is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.
- B. The Parties agree that they are not relying upon any promises, understanding, warranties, circumstances, conduct, negotiations, expectations, representations, or agreements, oral or written, express or implied, other than those expressly set forth herein; that this Agreement is a complete integration and constitutes the entire agreement of the Parties with respect to the subject matter hereof; that this entire Agreement has been bargained for and negotiated; and the Parties have read, understood and approved this Agreement in its entirety.
- C. This MOU represents the entire and integrated understanding between the Parties and supersedes any and all prior understandings. This MOU may be amended by written agreement of the Parties.
- D. The Parties agree that electronic communication via email is the preferred method for the exchange of correspondence, deliverables, invoices, etc., for this Agreement unless stated otherwise herein.
- E. The Parties agree to comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following: State and local laws relating to licensure; federal and State laws relating to safeguarding of confidential information, including HIPAA, 42 C.F.R. Part 2, N.J.S.A. 30:4-24.3, and N.J.S.A. 26:5C-1 et seq.; the federal Civil Rights Act of 1964 (as amended); P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) and associated executive orders pertaining to affirmative action and nondiscrimination in public contracts; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to non-discrimination on the basis of handicap, and regulations thereunder; the Americans With Disabilities Act, 42 U.S.C. 12101 et seq.

If any provision of this Agreement conflicts with any federal or State law(s) or has the effect of causing the State to be ineligible for federal financial participation in payment for services, the specific provision shall be considered amended or nullified to conform to such law(s). All other Agreement provisions shall remain unchanged and shall continue in full force and effect.

- F. In the event that a dispute arises between the Parties as to the duties under the Agreement, the Party alleging the dispute shall provide written notice to the other. Upon receipt of the notice, the Parties shall meet and confer for a period of thirty (30) calendar days in a good faith effort to resolve the matter. The 30-day period may be extended upon the agreement of both Parties. The exercise of this dispute resolution process shall not relieve either Party of its duties and/or rights to file notice or actions in accordance with the law. Notwithstanding the preceding sentence, the Parties acknowledge that as State entities, neither Party will bring any legal action in court against the other Party.

- G. Except as specifically provided in this Agreement, the Parties hereto may not assign their rights, duties or obligations under this Agreement, either in whole or in part, without receiving the prior written consent of the other Party. Any assignment made without consent of the other Party shall be void and the non-assigning Party shall not recognize any such assignment.
- H. To the extent subcontracting is authorized under this Agreement, EDA must obtain pre-approval in writing from DHS of the subcontractor.
- I. The laws of the State of New Jersey shall govern this Agreement.
- J. EDA shall permit DHS access during business hours (8 A.M. to 5 P.M.) to all program-related records and data of EDA to effectuate DHS' right to audit all accounts and records maintained by EDA relevant to the activities under this MOU. The provisions of this subsection shall continue for a period of seven (7) years after the submission and acceptance of all services, deliverables and payments provided for and described by this MOU, or the end of the MOU term, whichever occurs later.
- K. Each Party, subject to the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.) and availability of appropriated funds, shall be responsible for, and shall at its own expense, defend itself against any and all suits, claims, losses, demands or damages of whatsoever kind or nature, arising out of or in connection with any act of omission of its employees, agents or contractors, in the performance of the duties assumed by the Party pursuant to this Agreement. DHS is subject to the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.). Each Party is hereby released from any and all liabilities, claims, losses, costs, expenses and demands of any kind or nature whatsoever, arising under State or Federal law, solely out of or in connection with the other Party's performance of the duties assumed pursuant to this Agreement.
- L. Any and all publicity and/or public announcements relating to this Agreement or the work products of this Agreement shall be reviewed and approved in writing by both Parties prior to release or distribution. Both Parties must be in agreement prior to any release or distribution unless required as part of a legal proceeding.
- M. All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the execution and administration of the Program, including but not limited to, all papers, reports, surveys, plans, charts, records, analyses or publications produced for, or as a result of, this Agreement (hereinafter "Work Product") shall bear an acknowledgement of DHS' support and shall be the Property of the DHS. EDA shall submit any such Work Product to DHS sixty (60) days prior to the publication or presentation. DHS shall have sixty (60) days from the date the document is delivered to review. The Parties agree to abide by the policies of the applicable journals and presentations organizers

as to such matter as the public release or availability of data related to the publication or presentation (including poster presentations) (collectively "Publications"). The Parties shall mutually agree to resolve any difference which may arise during the review of a Publication. Authorship of Publications of the research results will be determined in accordance with appropriate scientific and academic standards and customs. Proper acknowledgements will be made for the contribution of each Party to the research. Due consideration shall be given to the scheduling of any Publication to allow time to: (a) seek protection of any intellectual property which may be developed by one of the Parties, such period not to exceed thirty (30) days; and (b) identify confidential information which one Party may wish to delete. It is recognized that due to the nature of this Agreement, articles may be jointly authored and such joint authorship shall be so recognized where appropriate. No Work Product produced utilizing funds or data obtained under this Agreement shall be released to the public without the prior written consent of DHS. DHS shall have the right to edit said Work Product and shall further have the right to add co-authorship or disclaimers as it, in its sole discretion, deems appropriate.

- N. DHS reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, the Work Product developed pursuant to this Agreement.
- O. Both Parties represent that no fee, commission, compensation, gifts or gratuity was paid or received regarding the solicitation of this Agreement, in contravention to N.J.S.A. 52:13D-13 et seq.
- P. Each of the Parties is an independent entity and neither Party shall hold itself out as an agent or representative of the other.
- Q. Each Party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. §1320a-7b(b) ("Anti-Kickback Statute"), or the federal prohibition against physician self-referrals, set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its duties under this Agreement.
- R. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by any electronic means, each of which shall be deemed an original but all of which together shall constitute the Agreement.
- S. Third-Party Beneficiaries. This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status.

### III. COMMENCEMENT AND TERMINATION

- A. Term. This MOU shall become effective on the date it is fully executed by the Parties and shall continue for a period of three (3) years. This MOU may be extended or renewed for an additional term(s) at the end of the 3-year term only by prior written agreement by the Parties if the program funding has not been exhausted or if additional funding becomes available. No later than thirty (30) days prior to the expiration of this Agreement, each Party shall so advise the other Party in writing as to whether they intend to extend or renew this Agreement for an additional term. At the expiration of the MOU, EDA will return any unused DHS funds remaining after all costs, direct or indirect, incurred by EDA have been paid.
- B. Termination.
1. Either Party may terminate this MOU upon service on the other Party of written notice giving at least ninety (90) days' written notice of such intention to terminate. In the event of termination, the Parties agree to conduct a final accounting within 90 days of the termination effective date.
  2. This Agreement may be terminated by mutual agreement in writing by both Parties or upon ninety (90) days written notice by either Party. Either Party may terminate this Agreement for cause as of the date specified in a written notice upon the occurrence of any of the following events:
    - a. Either Party's duties under this Agreement are prohibited under the laws, regulations or other rulings of the United States, the State of New Jersey or government department or agency thereof, or any Court of competent jurisdiction;
    - b. Either Party has made a determination, upon advice of legal counsel, that it is prohibited from or will be penalized for proceeding with its duties under this Agreement as a result of any likely proceedings of any governmental agency.
  3. Notice of termination shall be delivered via U.S. Postal Service, return receipt requested. Notice must be sent to the Parties identified herein.

In the event Party does not fulfill its duties under this Agreement, the other Party shall provide written notice of the default to the defaulting Party. The noticed Party shall have thirty (30) days to fulfill its duties ("cure period"). If the duty is not fulfilled to the satisfaction of the other Party, this Agreement may be terminated as of the date the cure period ends.

- C. If this Agreement is terminated prior to the end of its planned term, EDA shall be entitled to the funds for Program grants approved or Program grant applications subject to EDA's internal appeal process as of the termination date and for administrative expenses associated with such Program grants. In the event a Program grant application appeal is denied after the termination of this Agreement, any DHS funds allocated and maintained by EDA in anticipation of a Program grant award shall be immediately returned to DHS.



D. Notice of termination shall prompt immediate return to DHS of all unexpended funds appropriated by DHS to EDA and not subject to D above without further assessment or expenditure.

**IV. NOTICE**

All correspondence and notices to DHS regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Natasha Johnson  
Assistant Commissioner, Division of Family Development  
New Jersey Department of Human Services  
P.O. Box 716  
Trenton, NJ 08625-0716

All correspondence and notices to the EDA regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Tara Colton  
Executive Vice President, Economic Security  
New Jersey Economic Development Authority  
One Gateway Center, Suite 1410, Newark, NJ 07102

**IN WITNESS HEREOF**, the Parties have executed this MOU as of the date first written above.

Signature:

\_\_\_\_\_  
Sarah Adelman, Commissioner  
NJ Department of Human Services

Date: \_\_\_\_\_

\_\_\_\_\_  
Tim Sullivan, Chief Executive Officer  
NJ Economic Development Authority

Date: \_\_\_\_\_