



New Jersey Economic Development Authority (NJEDA) **New Jersey Child Care Facility Improvement Program** ***Notice of Funding Availability***

The New Jersey Economic Development Authority (NJEDA or Authority) expects to launch an online application for the *NJ Child Care Facilities Improvement Program – Phase 1* at 10 a.m. on November 15, 2022 at <https://www.njeda.com/child-care-improvement-program>. NJEDA will begin the review process for applications on a first come, first reviewed basis from when they are initially submitted, beginning from the date and time the program application is open to the public and until all funding is committed, or three (3) years after the date of application launch, whichever is sooner. Applications will move through several stages of review with ongoing communication between NJEDA staff and the applicant on a rolling basis.

Purpose

The *NJ Child Care Facilities Improvement Program – Phase 1* provides grants between \$50,000 and \$200,000 to licensed New Jersey child care centers for facilities improvements that will contribute to high quality early childhood learning environments. Child care providers may propose interior and exterior facility improvements to enhance the quality of their program and receive funding to cover the full costs of the project.

Overview

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.

In July 2021, the legislature passed and Governor Murphy signed S3990 into law as P.L. 2021, c. 114, which appropriated \$100 million of federal American Rescue Plan (ARP) State and Local Fiscal Recovery Funds (SLFRF) funds to support child care providers and the child care workforce through a number of initiatives, including providing grants for facilities improvements, technical assistance, workforce development supports, and a study of the child care landscape in the state. NJEDA received \$54.5 million for grants for facility improvements and to provide technical assistance to child care providers. This program will also use \$4.45 million in state funds appropriated in the fiscal year 2022 budget to support child care facility improvements. In Phase 1 of the Child Care Facilities Improvement Program, \$14.45 million of combined state and federal funds is available with the ability to increase up to \$24.45 million based on demand.

Program Details

The grants in Phase 1 are to help licensed child care centers create high-quality learning environments by covering the full costs of interior or exterior improvements. The funding for Phase 1 is only open to licensed child care centers. Registered family child care providers (FCCs), also known as family child care homes, are not eligible for funding in Phase 1.

In line with Governor Murphy's commitment to the child care sector, the purpose of the grant is to support New Jersey child care providers to make improvements to their child care facility in order to:

- Support child care businesses – including many minority- and women-owned businesses and those in Opportunity Zone eligible census tracts – that normally don't have access to funding for facility improvements and allow providers to free up funds otherwise dedicated to facilities for other uses.
- 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 support from the Child Care Assistance Program.
- Promote developmentally- and age-appropriate environments, and support providers impacted by the COVID-19 pandemic to remain viable and available to serve families and children.
- Engage providers to participate in Grow NJ Kids (GNJK), New Jersey's Quality Rating and Improvement System (QRIS) to potentially increase reimbursement rates for subsidy-eligible children.

Up to 40 percent of total grant funding made available in Phase 1 of the Program will be reserved for eligible applicants in Opportunity Zone eligible census tracts.

Eligibility

During Phase 1, only licensed child care centers are eligible. Applicants must meet the following criteria:

- Be child care centers licensed by the New Jersey Department of Children and Families (DCF) as of June 4, 2021 and offer full-time care for six hours or more per day for at least 10 months of the year.
 - Applicants may be for-profit businesses or non-profit organizations.
- Applicants may own or lease their space.
- Currently enroll, or have enrolled in the 12 months prior to the date of application, at least one child receiving support through the New Jersey Department of Human Services (DHS) Child Care Assistance Program (CCAP).
- Be in good standing with the New Jersey Departments of:
 - Labor and Workforce Development
 - Environmental Protection
 - Treasury (Division of Taxation)
 - Children and Families
 - Human Services.
- Not be debarred from receiving federal funds as indicated through the federal System for Award Management (SAM).
- If not already enrolled in Grow NJ Kids (GNJK), the NJ Quality Rating and Improvement System, applicants must commit to enroll within one year of executing a grant agreement with the NJEDA.
- Commit to maintaining their license with the Department of Children and Families (DCF) to provide care at the location of the facility improvement project for at least four years following the execution of a grant agreement with the NJEDA.

- Applications will be limited to 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).

Eligible Uses

Under the *NJ Child Care Facility Improvement Program – Phase 1*, grants may be used for prospective hard costs, soft costs, and/or furniture, fixtures, and equipment (FFE) associated with eligible facilities improvements. Projects may include interior and exterior improvements and a complete list of eligible uses can be found [here](#). No more than 20 percent of a grant may be used to support soft costs, which for this program are limited to architect fees, permit fees, construction management, freight and shipping delivery, and environmental assessment.

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.

All facility improvement projects must be conducted by New Jersey Department of Labor Registered Public Works Contractors, which must abide by state prevailing wage and affirmative action requirements and be registered at SAM.gov.

Grant Amounts

The minimum grant amount is \$50,000 with a maximum award of \$200,000 per Department of Children and Families licensed child care center, plus an additional 15 percent, which the grantee may use, upon request and NJEDA verification, for unanticipated cost overruns.

Application Process

Online 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 years after the date of application launch, whichever is sooner.

Fees

Due to financial hardship 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, no fees will be collected by the Authority for this program.

Additional Information

Comprehensive information about the *NJ Child Care Facilities Improvement Program – Phase 1* is available at www.njeda.com/child-care-improvement-program.