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To: Chairman Gopal and Members of the Senate Education Committee

From: Althea Ford, Vice President, Government Affairs

Date: June 3, 2024

Re: Preschool Mixed Delivery Testimony

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On behalf of our member companies that make the New Jersey Business & Industry Association the largest, most impactful statewide association representing New Jersey businesses, I thank you for the opportunity to offer our perspective on the importance, challenges, and opportunities of the preschool mixed delivery system.

Our membership includes several early childhood education providers and their experiences with the preschool mixed delivery system have been thoroughly expressed by the previous witnesses who provided extensive subject matter expertise concerning early childhood education and the status of private pay and subsidized preschool operations.

The business community has a vested interest in ensuring a robust and diverse early childhood education and childcare system. Childcare providers offer a vital service to working families, ensuring access to quality and reliable care so that working parents can literally show up for work every day and continue to contribute to the state's economic growth. A 2022 report by the Rutgers Center for Women and Work on The Status of Women in New Jersey, noted the changes women have had to make when engaging the workforce in order to respond to childcare disruptions; forgoing full-time employment, higher wages, healthcare and other benefits for the flexibility to care for their young children.

From a business perspective, with a keen eye on operating in efficiencies, I offer the following insights that are vital to the successful execution of this program:

- **Encourage and Incentivize Partnership:** The State will realize significant efficiencies by fully investing in a mixed-delivery model that utilizes the existing infrastructure of licensed childcare providers and community-based providers that are ready and willing to be a part of this early childhood education initiative. Licensed providers and community-based providers offer care that is robust and responsive to the needs of the workforce, with hours extending past the traditional public sector offerings, including holidays, winter and spring breaks and over the summer. State acknowledgment of these providers, financial investment to encourage engagement, and streamlining the regulatory process to ensure all providers have access to participation is imperative to ensuring the program's success.

- **Work with Existing Regulatory Framework:** Licensed childcare providers and family childcare providers are regulated by the Department of Children and Families, Office of Licensing. In order to receive and maintain a license, providers must adhere to the facility and other operational expectations established by DCF. Preschool Expansion is operated by the Department of Education, which has established its own regulations and expectations for facility space and other operational items. The two Department requirements conflict, making provider operations challenging and inconsistent, resulting in contradicting definitions of quality for our early childhood facilities. This also is financially wasteful for both providers who invest thousands of dollars to conform with the DOE's requirements, only for their contracts to be denied or non-renewed, and to the State, which has significant funds in both the GrowNJ program and preschool expansion but are unable to be efficiently utilized due to the bifurcated system of quality metrics. To advance true partnership and to avoid unnecessary regulatory incongruence, we strongly urge the use of DCF's facility requirements as the standard-bearer because it provides consistency across all licensed childcare facilities and does not put any one licensed facility at a deficit because they may not have the financial capital to reconfigure their facility to a standard that is not required by DCF.
- **Do Not Compromise Infant and Toddler Care:** We caution against any plans for continued expansion of the preschool program that are pursued if they compromise the delivery, availability and access to infant and toddler care. The early childhood business model relies on the enrollment of infant, toddler and preschool children. The State cannot ignore the fiscal impact that preschool expansion has on providers caring for infants and toddlers. Continued expansion without some financial consideration for licensed and community providers offering infant and toddler care will render care unaffordable and significantly reduce the number of providers that can afford to offer this care.

The State's investment in preschool expansion is laudable, and we encourage its implementation in an efficient and effective manner. We look forward to continued collaboration.