

SENATE, No. 2264

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 17, 1997

By Senator KOSCO

1 AN ACT establishing the Small-Medium Business Child Care
2 Consortium Incentive Demonstration Program.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. The Legislature finds and declares that: the need for quality
8 child care is of vital importance due to the growing number of
9 single-parent households and two-career families; small and medium-
10 sized businesses generally lack adequate resources to provide child
11 care services to their employees; the State can play a useful and
12 important role in the promotion of quality and adequate child care
13 services which will benefit the well-being of children and families; the
14 availability of quality child care allows parents the peace of mind to
15 pursue their careers and lead active, productive, professional lives; and
16 it is, therefore, in the public interest to establish a Small-Medium
17 Business Child Care Consortium Incentive Demonstration Program to
18 assist small and medium-sized businesses in providing child care to the
19 children of their employees, and to expand the family day care model.

20

21 2. As used in this act:

22 "Authority" means the New Jersey Economic Development
23 Authority, established pursuant to section 4 of P.L.1974, c.80
24 (C.34:1B-4);

25 "Consortium" means a cooperative arrangement between two or
26 more small or medium-sized businesses to provide child care for the
27 children of the employees of those businesses entering into the
28 cooperative arrangement;

29 "Director" means the Director of the Division of Youth and Family
30 Services in the Department of Human Services;

31 "Division" means the Division of Youth and Family Services in the
32 Department of Human Services;

33 "Program" means the three-year Small-Medium Business Child Care
34 Consortium Incentive Demonstration Program created by this act; and

35 "Small or medium-sized business" means a business enterprise,
36 which has its principal place of business in this State, with a level of
37 gross income from operations defined by the authority as a small or

1 medium-sized business.

2

3 3. a. The authority shall establish a three-year Small-Medium
4 Business Child Care Consortium Incentive Demonstration Program,
5 hereinafter, the "program," in conjunction with the division.

6 b. The program shall be designed to involve to the greatest extent
7 possible: small or medium-sized businesses interested in establishing
8 cooperative partnerships to develop child care centers; volunteer
9 networks of college students, retired teachers, nurses and other
10 persons qualified to participate in the child care program;
11 neighborhood resources such as religious organizations and schools;
12 community leaders; and active, involved parents of children needing
13 child care services.

14

15 4. a. Within six months of the effective date of this act, the
16 authority, in consultation with the director, shall designate three
17 consortia for the program. The authority, in consultation with the
18 director, shall review child care center proposals submitted by
19 consortia interested in participating in the program. Priority
20 consideration for the selection of the participating consortia shall be
21 given to those proposals which: use a partnership approach; use a
22 large network of volunteers that have social, educational or
23 professional qualifications that will further the goal of expanding child
24 care services; and leverage moneys and in-kind contributions,
25 including, but not limited to, physical space and equipment for the
26 child care centers, from other public or private sources. In selecting
27 the consortia, the authority shall select one consortium located in the
28 southern region, one consortium located in the central region, and one
29 consortium located in the northern region of the State.

30 b. The authority, in consultation with the division, shall actively
31 inform small and medium-sized businesses about the program. The
32 authority shall work, in this regard, with the New Jersey Business and
33 Industry Association, the New Jersey Chamber of Commerce, the
34 National Federation of Independent Businesses, and any other
35 nonprofit groups or any local, state or federal programs that provide
36 advice or services to small and medium-sized businesses.

37 c. A consortium may enter into contracts for child care services
38 with sponsoring organizations including, but not limited to, nonprofit
39 or community-based groups, community colleges, and religious
40 organizations, in order to locate the child care center at a mutually
41 agreed upon site and to assist with obtaining space, personnel,
42 facilities and resources therefor, provided that such entities
43 demonstrate that they have the professional staff with the expertise
44 and skills to provide quality child care services.

45 d. The authority shall use standards developed by the director
46 regarding the physical facility, staffing, record keeping and other

1 administrative requirements for the program that promote regulatory
2 flexibility without jeopardizing the quality and safety of child care.

3
4 5. a. To implement the demonstration program, the authority shall
5 establish and maintain a special revolving fund to be known as the
6 "Small-Medium Business Child Care Consortium Incentive
7 Demonstration Fund," hereinafter the "fund," which shall be credited
8 with monies from any sources of funds or programs administered by
9 the authority, such as the Statewide Loan Pool for Business, which the
10 authority determines is necessary to effectively implement the
11 program.

12 b. The authority shall use the moneys in the fund, within 60 days
13 of the selection of the participating consortia pursuant to section 4 of
14 this act, to award low-interest loans in amounts not to exceed
15 \$100,000 per consortium for child care center physical plant or
16 facilities for the children of employees of the businesses in the
17 consortia.

18 c. Moneys in the fund which are determined by the authority not
19 to be needed for the current responsibilities of the fund may be
20 invested by the authority in any direct obligations as to which the
21 principal and interest thereof are guaranteed by the United States of
22 America or any other obligation deemed appropriate by the authority.
23 The authority may appoint a director to manage the activities
24 associated with the fund. The director shall receive compensation as
25 determined by the authority.

26
27 6. a. The Department of Human Services shall give priority
28 consideration for the awarding of moneys for Mini Child Care Center
29 Project Grants to consortia participating in the program who use a
30 volunteer network in addition to professional child care personnel in
31 the delivery of child care services and demonstrate a need for training.

32 b. The division shall establish a training program for volunteers
33 who shall provide services to the consortia participating in the
34 program.

35
36 7. No later than six months before the expiration of this act, the
37 authority, in consultation with the director, shall report to the
38 Legislature and the Governor on the effectiveness of the program and
39 present recommendations regarding the advisability and feasibility of
40 expanding the program statewide, as appropriate.

41
42 8. The authority shall adopt, pursuant to the "Administrative
43 Procedure Act," P.L. 1968, c.410 (C.52:14B-1 et seq.), any rules and
44 regulations necessary to effectuate the purposes of this act.

45
46 9. This act shall take effect immediately and shall expire on the first

1 day of the 37th month following enactment.

2

3

4

STATEMENT

5

6 This bill establishes a three-year Small-Medium Business Child Care
7 Consortium Incentive Demonstration Program in the New Jersey
8 Economic Development Authority (EDA), in conjunction with the
9 Division of Youth and Family Services in the Department of Human
10 Services. The EDA, in consultation with the Director of the Division
11 of Youth and Family Services, shall designate three consortia for the
12 three-year demonstration program, with one consortium located in the
13 southern region, one consortium located in the central region, and one
14 consortium located in the northern region of the State. Priority
15 consideration for the selection of the participating consortia will be
16 given to those proposals which: use a partnership approach; use a
17 large network of volunteers that have social, educational or
18 professional qualifications that will further the goal of expanding child
19 care services; and leverage moneys and in-kind contributions, such as
20 physical space and equipment for the child care centers, from other
21 public or private sources. The authority is responsible for actively
22 informing small and medium-sized businesses about the program, and
23 shall work in this regard with the New Jersey Business and Industry
24 Association, the New Jersey Chamber of Commerce, the National
25 Federation of Independent Businesses, and any other nonprofit groups
26 or any local, state or federal programs that provide advice or service
27 to small and medium-sized businesses.

28 The bill permits the selected consortia to enter into contracts for
29 child care services with sponsoring organizations including, but not
30 limited to, nonprofit or community-based groups, community colleges,
31 and religious organizations, in order to locate child care centers at
32 mutually agreed upon sites and to assist with obtaining space,
33 personnel, facilities and resources therefor, provided that such entities
34 demonstrate that they have the professional staff with the expertise
35 and skills needed to provide quality child care services.

36 The EDA will award the participating consortia low-interest loans
37 not exceeding \$100,000 per consortium for child care physical plant
38 or facilities for the children of employees of the businesses in the
39 consortia.

40 The Department of Human Services shall give priority consideration
41 for the awarding of moneys for Mini Child Care Center Project Grants
42 to consortia participating in the program who use a volunteer network
43 in addition to professional child care personnel in the delivery of child
44 care services and demonstrate a need for training. In addition, the bill
45 requires the Division of Youth and Family Services to establish a
46 training program for volunteers who provide services to the consortia

1 participating in the program.

2 The bill provides that the program shall expire on the first day of
3 the 37th month following enactment. No later than six months before
4 that expiration date, the EDA, in consultation with the Director of the
5 Division of Youth and Family Services, shall report to the Legislature
6 and the Governor on the effectiveness of the program and present
7 recommendations regarding the advisability and feasibility of
8 expanding the program Statewide, as appropriate.

9 The Legislature recognizes that the EDA has partnered with the
10 Department of Human Services in the past in the provision of child
11 care services. This initiative would specifically provide assistance for
12 small and medium-sized businesses which enter into cooperative
13 arrangements by forming consortia to provide child care to the
14 children of their employees.

15 This bill is part of a package of Legislative initiatives resulting from
16 a series of public hearings on child care issues which were held by the
17 General Assembly Advisory Council on Women in 1996 and 1997.

18

19

20

21

22 Establishes Small-Medium Business Child Care Consortium Incentive
23 Demonstration Program.