



**New Jersey Economic Development Authority
Child Care Facilities Improvement Pilot Program – Phase 2
NOTICE OF FUNDING AVAILABILITY**

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting online applications for Phase 2 of the Child Care Facilities Improvement Pilot Program (“Program”) on September 16, 2024 at 10:00 AM. The application can be accessed at: <https://www.njeda.gov/child-care-facilities-improvement-program-phase-2/>.

The Program will make available grants between \$10,000 and \$20,000 to eligible Family Child Care homes (“FCCs”) registered with the New Jersey Department of Children and Families (“NJ DCF”) for facility improvements that will contribute to the health, safety, accessibility and high-quality early childhood learning environments.

Applications will be accepted on a rolling basis until all funds are exhausted or September 30, 2025, whichever is sooner. Applications will be reviewed and approved as described in the Application Submission and Review Process below.

Purpose and Overview

Working families require reliable, safe, affordable, accessible, and quality child care and ensuring that parents have access to quality child care options that meet their specific needs is vital to contributing to a stronger and fairer economy for all. However, FCCs do not typically have access to the capital they would need to fund facility improvements.

The Program will help registered FCCs create high-quality learning environments by providing funding for furniture, fixtures, and equipment (“FFE”) that improve health, safety, accessibility and quality of the learning environment. The Program will provide direct benefits to the FCC providers and will also have broader economic benefits:

- Provide funding to businesses that otherwise may not have access to resources to fund facility improvements. According to a study of home-based child care ownership nationwide, many are minority- and women-owned businesses.
- Promote healthy childhood environments for children, families, and child care providers.
- Engage FCC 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 a set-aside for FCC providers located in Opportunity Zones and an eligibility requirement that applicants serve low-income children receiving Child Care Assistance subsidies.

Amount of Funding

The Program will utilize up to \$5,000,000 in state funds from the ERF appropriated to NJEDA for the Child Care Facilities Fund in FY24. The potential award amount is based upon current information about funding availability. NJEDA reserves the right to increase the number of awards should additional funds become available.

Up to 40 percent of total grant funding made available 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.

Eligibility

Eligibility for the Program will be limited to FCCs registered with NJ DCF through their local New Jersey county Child Care Resource & Referral Agency (“CCR&R”). Licensed child care centers are not eligible to apply. Applicants will be required to provide proof of registration with NJ DCF in effect as of the date of application submission. Applicants may be for-profit businesses or nonprofit organizations. There will be a limit of one grant award per registered FCC.

Applicants may own or lease the home from which the FCC operates. Landlords are not eligible for this program.

At the time of application, applicants must currently enroll, or have enrolled in the 12 months prior to application, at least one child receiving support through the Department of Human Services (“DHS”) Child Care Assistance Program (“CCAP”). During application review, the Authority will confirm with DHS that each applicant has met this enrollment requirement.

In the application, applicants must certify that they currently offer care for at least 6 hours per day, 5 days a week, 10 months of the year. Applicants must additionally certify that (a) they will enroll in DHS’ Grow NJ Kids Quality Rating Improvement System within one (1) year of the date of signing the grant agreement, if not already enrolled; and (b) they will maintain registration with DCF to provide child care for two (2) years following signing of the grant agreement, which the Authority will verify with information provided by DCF.

In addition to the eligibility parameters stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (“DOL”),

and New Jersey Department of Environmental Protection (“DEP”). Applicants must provide a current Tax Clearance Certificate before approval to demonstrate that they are properly registered to do business in New Jersey and are in substantial good standing with the New Jersey Division of Taxation.

Eligible Uses

Grants can only be used for prospective costs to purchase Furniture, Fixture, and Equipment (“FFE”). The aggregate amount of all quotes for eligible costs will be used to determine the grant amount, with a minimum eligible project cost of \$10,000 and a maximum eligible project cost of \$20,000. The Program **will not** provide reimbursement for costs already incurred prior to signing a grant agreement.

Applicants will be required to submit a narrative describing how the requested FFE fits within the eligibility categories: Health, Safety, and Accessibility; and/or High-Quality Learning Environment. This can include a description of why the requested FFE is needed, where in the home it will be located, and how it will improve health, safety, accessibility, or the quality of the learning environment. Applicants will also be asked to submit photos to support the FFE request, showing existing FFE that will be replaced and/or where new FFE will be located.

The table below provides illustrative examples of potential eligible FFE under each category. Applicants may propose FFE beyond this list, subject to the review and approval of NJEDA, but all FFE must fit within one (1) of the eligible use categories. Shipping and taxes for eligible FFE are also eligible costs that can be funded within the approved grant amount.

Health, Safety, and Accessibility	High Quality Learning Environment
<ul style="list-style-type: none"> • Smoke detectors • Child-proofing mechanisms • Safety barriers for stairs • Replacing broken/hazardous furniture, fixtures, or equipment • Replacing appliances used in food storage, food preparation, or laundry for child care 	<ul style="list-style-type: none"> • Child-friendly furniture • Diaper-changing units • Sleeping cots/cribs • Stepstools for sink • Low shelving for play area • Soft/comfortable furniture • Rugs • Classroom materials • Playground equipment (not requiring installation)

Ineligible Uses

NJEDA staff will determine whether the requested FFE is eligible. Applicants will be allowed to substitute eligible FFE for any FFE deemed ineligible during the cure period described in the Application Submission and Review Process below. Ineligible FFE requests will not be included in the grant award.

Examples of ineligible requests include, but are not limited to:

- Repairs, renovations, or construction (which includes construction, reconstruction, demolition, alteration, repair work, or maintenance work) or installation of FFE requiring construction with a contract value of \$2,000 or more;
- FFE that is not directly related to the care of children (e.g. a computer for the FCC provider to use for professional development courses); and
- Proposed FFE uses that do not improve health, safety, accessibility or quality of the learning environment.

Grant Amounts

The minimum grant amount is \$10,000 per registered FCC with a maximum grant amount of \$20,000 per registered FCC. The grant amounts are calculated based on the aggregate amount of all quotes for eligible FFE, including shipping and taxes, and for installation of FFE requiring construction with a contract value under \$2,000.

Application Submission and Review Process

Applications will be accepted on a rolling basis until all funding is exhausted or until September 30, 2025, whichever is sooner. To apply, an applicant must register for and/or log into the NJEDA's online application portal, complete all required application questions, and upload required documents.

The application process for the Program will determine whether the applicant entity is eligible (e.g., is a registered FCC that currently enrolls or has enrolled in the prior 12 months at least one child receiving support through CCAP, providing full-time care, and in substantial good standing with DEP and DOL) and whether the FFE the applicant proposes purchasing fits within one of the two eligible use categories.

In the application, the Authority will request information and certifications from the applicant including, but not limited to:

- Evidence of applicant's DCF Certificate of Registration.
- Certification that the applicant currently enrolls, or enrolled in the 12 months prior to application, at least one child receiving assistance through the Child Care Assistance Program.
- Certification that the applicant offers care for at least 6 hours per day, 5 days a week, 10 months of the year.

- Certification that the applicant commits to enroll in DHS' Grow NJ Kids Quality Rating Improvement System within one (1) year of the date of signing the grant agreement, if not already enrolled.
- Certification that the applicant commits to maintaining registration with DCF to provide child care for two (2) years following signing of the grant agreement, which will be verified by the Authority with DCF.
- A detailed description of proposed FFE purchase(s) and how they fit within one of the two eligibility categories.
- Itemized quotes that detail the cost(s) of proposed FFE purchase(s). This can be a formal bid from a vendor and/or printouts/screenshots of shopping carts with prices from online retailer(s) for item(s) to be purchased. For taxes, shipping, and installation costs to be included when calculating the grant amount (subject to the limits described above), those costs must be included in the quote. (Please see "Grant Disbursement" section for further discussion regarding installation.)
- Photos and/or video of the space(s) where the proposed FFE will be located in the FCC home.

The certifications described above will be included in the grant agreement with the possibility for repayment by the FCC provider if the applicant made a misrepresentation that is material or the applicant does not adhere to the requirements in the certifications, at the discretion of the Authority based on the best interests of the Authority and the State. The applicant is required to notify the Authority in writing (email or letter) and describe any circumstances that may impact the continuation of child care services in the FCC home. The Authority shall review the notification and determine whether to require a grantee to return or repay the amount of grant funds they have received from the Authority under the Program.

Applications will be reviewed for completeness, applicant eligibility, and requested FFE eligibility in the order in which they are received. At each stage of application review, if Authority staff has questions about the application, or if staff determine an applicant did not submit all required materials, staff will request a clarification or provide the applicant with an opportunity to cure missing information or documentation. Applicants will be given (15) fifteen business days to provide a complete response, with an additional 15-business-day extension for applicants that request the additional extension or otherwise timely respond but need additional time. If at the end of this period the application remains incomplete, the application will be rejected without the right of appeal. Applications will be approved in the order that staff determine that an application is complete and eligible, which will be the earlier of: (1) staff performing a review (in the order of application submission) of an application and determining that the application is complete (that is, does not need any cure or clarification) or (2) staff determining that an application is complete based on a satisfactory cure or clarification.

Grant Agreement

Upon approval of a grant award by the Authority, the Authority will enter into a Grant Agreement with the FCC provider detailing the awarded grant amount and other applicable terms.

The Authority reserves the right to conduct site visits, as deemed appropriate by the Authority, to confirm that funds are being used in accordance with eligible uses for the Program.

Grant Funding Disbursements

Grant funds will be provided to eligible FCC providers in two disbursements in accordance with the following schedule.

- 1st Disbursement: Fifty (50) percent of the grant amount will be disbursed upon signing a Grant Agreement between NJEDA and the eligible FCC provider. After purchasing eligible FFE with the funds within three months from the initial disbursement, the Grantee must submit to the Authority satisfactory evidence of completed purchase and payment totaling an amount equal to or higher than the initial disbursement.
- 2nd Disbursement: The remaining fifty (50) percent of the grant amount will be disbursed upon the Authority's review and approval of the Grantee's submission of receipts as proof of purchase of eligible FFE that were purchased with the funds of the first disbursement. For the second disbursement, the Grantee must submit proof of purchase of eligible FFE totaling an amount equal to or higher than the total grant amount, less the total of previously submitted eligible receipts, within three months of this disbursement.
- A grantee that does not submit proof of purchase that satisfies program requirements within the time required in the Grant Agreement will not be eligible to receive a second disbursement. Such failure to submit adequate proof will be an event of default, and NJEDA may demand that the grantee pay back all or part of the Grant award.

If an applicant submits an invoice for installation of FFE that included construction, the invoice must provide an itemized breakdown of the costs. If the itemized breakdown shows that the construction cost was less than \$2,000, the costs will be eligible. Otherwise, the invoice, and all other invoices under the same contract, will be ineligible to count toward the grant amount and the Grantee will be responsible for the full cost of that contract.

Fees

No application fees will be charged for this program.

Additional Information

Comprehensive information about the Child Care Facilities Improvement Pilot Program – Phase 2, including a Frequently Asking Questions document, is available at <https://www.njeda.gov/child-care-facilities-improvement-program-phase-2/>.

Questions concerning this Program's Notice of Funding Availability should be submitted to CustomerCare@njeda.gov. Answers to submitted questions will be added to the Frequently Asked Questions document as applicable.

The NJEDA is subject to State and Federal statutes including, but not limited to, the following, which may impact affiliates: N.J.S.A. 52:32-60.1, et seq., which prevents the New Jersey government entities from certain dealings with businesses engaged in prohibited activities in Belarus or Russia; Compliance with the list of "Specially Designated Nationals and Blocked Persons" promulgated by the Office of Foreign Assets Control (OFAC), <https://sanctionssearch.ofac.treas.gov>; N.J.S.A. 24:6I-49 which provides that the following are not eligible for most State or local economic incentives (a) a person or entity issued a license to operate as a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and (b) a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, manufacturer, wholesaler, distributor, retailer, or delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; and N.J.S.A. 52:13D-12, et seq., which prohibits a member of the Legislature or a State officer or employee or their partners or a corporation in which they owns or controls more than 1% of the stock to undertake or execute any contract, agreement, sale, or purchase of \$25.00 or more, made, entered into, awarded or granted by any State agency, with certain limited exceptions.