



CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: *NEW JERSEY*

- **Income eligibility limit:** In 2018, a family of three in New Jersey could qualify for child care assistance with an annual income up to \$40,840 (197 percent of poverty, 44 percent of state median income).<sup>1</sup>
- **Waiting list:** New Jersey had no waiting list for child care assistance as of February 2018.
- **Parent copayments:** In 2018, a family of three with an income at 100 percent of poverty (\$20,780 a year) receiving child care assistance in New Jersey paid \$77 per month, or 4 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$31,170 a year) receiving child care assistance paid \$106 per month, or 4 percent of its income, in copayments.<sup>2</sup>
- **Payment rates:** In 2018, New Jersey's payment rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.<sup>3</sup>
  - New Jersey's monthly payment rate for center care for a four-year-old was \$579,<sup>4</sup> which was \$442 (43 percent) below the 75th percentile of current market rates for this type of care.
  - New Jersey's monthly payment rate for center care for a one-year-old was \$716,<sup>5</sup> which was \$484 (40 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered payment rates:** In 2018, New Jersey had higher payment rates for higher-quality care.<sup>6</sup>
  - The payment rate for center care for a four-year-old at the highest quality tier was 4 percent higher than the rate at the lowest quality tier.
  - The payment rate for center care for a four-year-old at the highest quality tier was still below the 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2018, New Jersey allowed parents already receiving child care assistance to continue receiving it for up to 3 months while searching for a job.<sup>7</sup> However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.

Source: Karen Schulman, *Overdue for Investment: State Child Care Assistance Policies 2018* (Washington, DC: National Women's Law Center, 2018). These data reflect policies as of February 2018, unless otherwise indicated.



- 1 In February 2018, families already receiving assistance could continue doing so until their income reached \$51,050. In February 2018, the state also allowed families already receiving assistance to continue receiving it for a graduated phase-out period of 12 months if their incomes were between \$51,050 and \$78,616. As of March 2018, the income limit to qualify for assistance was increased to \$41,560 (200 percent of poverty), and the exit eligibility limit was increased to \$51,950 (250 percent of poverty), to adjust for the 2018 federal poverty level, and the income limit for the graduated phase-out period was increased to \$79,608 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 For children who are in paid foster placement, the copayment is assessed based on the income of the child, and thus almost always \$0. For children who are receiving protective services and residing with a related caregiver, para-foster care provider, or in their own home with their parents, the copayment may be reduced or waived on a case-by-case basis. In addition, families with incomes below 100 percent of the 2017 federal poverty level (\$20,420 a year for a family of three) were exempt from copayments in 2018.
- 3 This analysis reflects payment rates as of February 2018. The state increased base payment rates for center care for infants, toddlers, and preschoolers as of May 2018, and again in January 2019.
- 4 The state has higher rates for higher-quality care; this is the base (lowest) rate, which is the most common rate level
- 5 This is the base (lowest) rate, which is the most common rate level.
- 6 This analysis reflects tiered payment rates as of February 2018, when the state had higher rates for accredited care. The state implemented new tiered rates for licensed centers with three-, four-, and five-star ratings under the state's quality rating and improvement system (which has five levels) and serving infants, toddlers, and preschoolers as of June 2018, and then increased these tiered payment rates as of January 2019. The state also increased existing tiered rates for accredited center care as of January 2019.
- 7 Parents receiving child care assistance can continue to receive it for up to 3 calendar months, and can request to receive it for an additional 3 calendar months (for a total of 6 months), while searching for a job. Parents can continue to receive child care assistance while searching for a job until the end of this time period even if they reach the end of their eligibility period for child care assistance before the end of the time limit for job search.

