



**State of New Jersey**

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF FAMILY DEVELOPMENT  
PO BOX 716  
TRENTON, NJ 08625-0716

**CAROLE JOHNSON**  
*Commissioner*

**NATASHA JOHNSON**  
*Director*

**PHILIP D. MURPHY**  
*Governor*

**SHEILA Y. OLIVER**  
*Lt. Governor*

May 1, 2018

**TO: CHILD CARE RESOURCE AND REFERRAL (CCR&R) AGENCY  
DIRECTORS  
COUNTY WELFARE AGENCIES**

**SUBJECT: RATE INCREASE FOR ALL CENTER-BASED PROVIDERS EFFECTIVE  
MAY 1, 2018**

**DFD INSTRUCTION NO.: 18-05-01**

**Regulatory Reference: N.J.A.C. 10:15-10.1(c); 10:15-2.2(a)4**

**This Instruction will impact the following programs: All Child Care Programs**

**PURPOSE**

The purpose of this DFD Instruction is to provide notification of an increase to the payment rates for child care providers.

**BACKGROUND**

The first phase of the rate increase for child care centers that accept subsidy payments for children occurred in January 2018 and affected the base rate for all center-based child care providers.

The second phase of the rate increase will occur in two steps and will introduce the following:

- Separate categories and rates for infants and toddlers;
- A one percent (1%) increase to the infant rate for center-based providers effective May 1, 2018; and
- A tiered system of reimbursement payments which will result in an increase for some Grow NJ Kids center-based providers that serves infants, toddlers, and preschool age children effective June 1, 2018.

A copy of the “Maximum Child Care Payment Rates” chart (Effective May 1, 2018) is attached for your review; however, a copy for your official use will also be distributed to you independently and posted to the [www.childcarenj.gov](http://www.childcarenj.gov) website. Please note that although the chart has been updated to reflect a May 1, 2018 effective date, the tiered reimbursement will not take effect until June 1, 2018.

## **INSTRUCTIONS**

Effective immediately, CCR&Rs must:

- Post the “Subsidy Rate Reimbursement Changes – Policy Statement” and the “Grow NJ Kids Incentives” flyer to their agency’s website.

DFD will post the “Subsidy Rate Reimbursement Changes – Policy Statement”, “Grow NJ Kids Incentives” flyer and “Maximum Child Care Payment Rates” chart to the [www.childcarenj.gov](http://www.childcarenj.gov) website.

## **REPORTS**

In May 2018, CCR&Rs will have access to Child Care Automated Resource and Eligibility System (CARES) and On-line Management of Economic Goal Achievement (OMEGA) reports in order to identify cases that will be impacted by the rate increase. The reports will be as follows:

- The “Provider Mass Change Report” can be found on the CARES Print Menu under the “Agreement Documents” section.
- OMEGA cases that have been impacted by the mass change will also be made available for review by the CCR&Rs through the RQ999 iAcquire Report.

## **FISCAL**

N/A

## **SYSTEMS**

For all existing agreements, the CARES and the OMEGA system will undergo an automated mass change in May 2018 to ensure that new and existing agreements reflect the new rates.

The rate increase will be reflected on all Parent/Applicant Provider Agreements (PAPAs) after the mass change. Only upon request by a subsidy recipient or provider may CCR&Rs re-print PAPAs that were generated before the mass change (that display the new rate).

Programs that received a National Association for the Education of Young Children and the National Early Childhood Program Accreditation Commission (NAEYC/NECPA) accreditation prior to June 1, 2018 will undergo an automated phase-out process in CARES/OMEGA. Once the accreditation expires, the agreement will be stopped automatically and the provider will be given a new agreement that reflects the base rate for centers or a Grow NJ Kids tiered rate (if applicable).

This information should be brought to the immediate attention of all appropriate staff. Questions should be directed to your DFD Child Care Operations Specialist.

Sincerely,

*Natasha Johnson*

Natasha Johnson  
Director

NJ:DD:MM:sm

Attachment:

- Maximum Child Care Payment Rates Chart (Effective May 1, 2018)
- Subsidy Rate Reimbursement Changes – Policy Statement
- Grow NJ Kids Incentives Flyer

c: Brian Ross, Assistant Commissioner  
Department of Children and Families



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### **Subsidy Rate Reimbursement Changes – Policy Statement**

#### **Grow NJ Kids Tiered Reimbursement Rates for Quality**

Grow NJ Kids, New Jersey's Quality Rating Improvement System (QRIS) is designed to raise the quality of child care and early learning across the state. The system is the New Jersey Child Care Subsidy Program's quality benchmark for infants, toddlers, and preschool children. On June 1, 2018, New Jersey will introduce a tiered reimbursement system of payments that will pay quality based differential payments to providers in center-based settings that have a Grow NJ Kids Quality Rating level of 3, 4, or 5.

The purpose of the tiered system of reimbursement is to provide recognition and incentive to programs for participating and achieving a Grow NJ Kids rating at the highest levels.

Tiered payments range from 4 percent (4%) to 24 percent (24%) above the base rate, depending upon the age of the child, the type of care, and the quality rating of the program. Grow NJ Kids tiered reimbursement is currently limited to infants, toddlers, and preschool age children in center-based settings.

#### **Replacing the Infant/Toddler/Preschool five percent (5%) Accreditation Differential with the Grow NJ Kids Quality Tiered Reimbursement Rates**

Historically, the New Jersey Child Care Subsidy Program paid a five percent (5%) differential payment to providers that served infants, toddlers, and preschools and were accredited by the National Association for the Education of Young Children (NAEYC), and the National Early Childhood Program Accreditation Commission (NECPA).

The implementation of the Grow NJ Kids Quality Tiered Reimbursement Rates will be effective June 1, 2018. At that time, the Child Care Subsidy Program will no longer pay the five percent (5%) differential to programs that receive a **new or renewal** accreditation from NAEYC or NECPA.

If a program received an NAEYC/NECPA accreditation prior to June 1, 2018, the program may continue to receive the five percent (5%) differential until their accreditation expiration date; however the following exceptions apply:

- If a NAEYC or NECPA accredited program that participates in Grow NJ Kids achieves a rating of 3, 4 or 5 stars, the program will no longer receive the five percent (5%) differential. Instead, the program will receive the appropriate tiered reimbursement rate amount.
- NAEYC or NECPA accredited programs cannot receive both the five percent (5%) payment differential for accreditation and the tiered payment differential associated with a Grow NJ Kids Rating Level.
- Once programs receive the Grow NJ Kids tiered payment differential for quality, they will no longer qualify for the five percent (5%) accreditation differential.

### **Other Types of Accreditation that are Eligible for the five percent (5%) Accreditation Differential**

School-age providers and Family Child Care providers are not eligible for the Grow NJ Kids Tiered Reimbursement Rate. However, the Department of Human Services and Division of Family Development (DHS/DFD) will continue to reimburse school age and family child care providers that deliver high quality child care in New Jersey at a higher rate.

Center-based providers that are accredited by the National School Age Child Care Coalition (SACC) or the American Camp Association (ACA) will continue to receive the five percent (5%) differential payment for school age children served for both new and renewal accreditations.

In addition, Family Child Care (FCC) providers accredited by the National Association for Family Child Care (NAFCC) will continue to receive the five percent (5%) differential payment for new and renewal accreditations.

Department of Human Services  
Division of Family Development  
Office of Policy and Standards Development



# Grow NJ Kids Incentives

*Child Care Subsidy Rate Increases  
for Licensed Child Care Centers  
(effective June 1, 2018)*

	3-Star	4-Star	5-Star
Infant	9%	16%	24%
Toddler	5%	7%	9%
Preschool	4%	7%	10%





**STATE OF NEW JERSEY**  
**DEPARTMENT OF HUMAN SERVICES**  
**MAXIMUM CHILD CARE PAYMENT RATES**  
**CHILD CARE**

Effective: May 1, 2018

	LICENSED CHILD CARE CENTERS			ACCREDITED CHILD CARE CENTERS			GROW NJ KIDS 3-STAR RATED PROVIDERS			GROW NJ KIDS 4-STAR RATED PROVIDERS			GROW NJ KIDS 5-STAR RATED PROVIDERS		
	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY
<b>INFANTS</b> Birth to 17 Months															
Full Time Care (6 hrs or more)	723.98	167.20	33.44	730.90	168.80	33.76	788.92	182.20	36.44	844.36	195.00	39.00	903.24	208.60	41.72
3/4 Time (4 or 5 hrs)		125.40	25.08		126.60	25.32		136.65	27.33		146.25	29.25		156.45	31.29
Part Time Care (2 or 3 hrs)	361.99	83.60	16.72	365.45	84.40	16.88	394.46	91.10	18.22	422.18	97.50	19.50	451.62	104.30	20.86
1/4 Time (1 hr or fewer)		41.80	8.36		42.20	8.44		45.55	9.11		48.75	9.75		52.15	10.43
<b>INFANTS</b> Birth to 17 Months w/Special Needs															
Full Time Care (6 hrs or more)	723.98	167.20	33.44	730.90	168.80	33.76	788.92	182.20	36.44	844.36	195.00	39.00	903.24	208.60	41.72
3/4 Time (4 or 5 hrs)		125.40	25.08		126.60	25.32		136.65	27.33		146.25	29.25		156.45	31.29
Part Time Care (2 or 3 hrs)	361.99	83.60	16.72	365.45	84.40	16.88	394.46	91.10	18.22	422.18	97.50	19.50	451.62	104.30	20.86
1/4 Time (1 hr or fewer)		41.80	8.36		42.20	8.44		45.55	9.11		48.75	9.75		52.15	10.43
<b>TODDLERS</b> 18 to 29 Months															
Full Time Care (6 hrs or more)	717.04	165.60	33.12	730.90	168.80	33.76	752.56	173.80	34.76	767.28	177.20	35.44	782.86	180.80	36.16
3/4 Time (4 or 5 hrs)		124.20	24.84		126.60	25.32		130.35	26.07		132.90	26.58		135.60	27.12
Part Time Care (2 or 3 hrs)	358.52	82.80	16.56	365.45	84.40	16.88	376.28	86.90	17.38	383.64	88.60	17.72	391.43	90.40	18.08
1/4 Time (1 hr or fewer)		41.40	8.28		42.20	8.44		43.45	8.69		44.30	8.86		45.20	9.04
<b>TODDLERS</b> 18 to 29 Months w/Special Needs															
Full Time Care (6 hrs or more)	717.04	165.60	33.12	730.90	168.80	33.76	752.56	173.80	34.76	767.28	177.20	35.44	782.86	180.80	36.16
3/4 Time (4 or 5 hrs)		124.20	24.84		126.60	25.32		130.35	26.07		132.90	26.58		135.60	27.12
Part Time Care (2 or 3 hrs)	358.52	82.80	16.56	365.45	84.40	16.88	376.28	86.90	17.38	383.64	88.60	17.72	391.43	90.40	18.08
1/4 Time (1 hr or fewer)		41.40	8.28		42.20	8.44		43.45	8.69		44.30	8.86		45.20	9.04
<b>PRESCHOOL</b> 30 Months to 5 Years															
Full Time Care (6 hrs or more)	585.42	135.20	27.04	604.46	139.60	27.92	608.80	140.60	28.12	626.98	144.80	28.96	646.04	149.20	29.84
3/4 Time (4 or 5 hrs)		101.40	20.28		104.70	20.94		105.45	21.09		108.60	21.72		111.90	22.38
Part Time Care (2 or 3 hrs)	292.71	67.60	13.52	302.23	69.80	13.96	304.40	70.30	14.06	313.49	72.40	14.48	323.02	74.60	14.92
1/4 Time (1 hrs or fewer)		33.80	6.76		34.90	6.98		35.15	7.03		36.20	7.24		37.30	7.46
<b>PRESCHOOL</b> 30 Months to 5 Years w/Special Needs															
Full Time Care (6 hrs or more)	585.42	135.20	27.04	604.46	139.60	27.92	608.80	140.60	28.12	626.98	144.80	28.96	646.04	149.20	29.84
3/4 Time (4 or 5 hrs)		101.40	20.28		104.70	20.94		105.45	21.09		108.60	21.72		111.90	22.38
Part Time Care (2 or 3 hrs)	292.71	67.60	13.52	302.23	69.80	13.96	304.40	70.30	14.06	313.49	72.40	14.48	323.02	74.60	14.92
1/4 Time (1 hr or fewer)		33.80	6.76		34.90	6.98		35.15	7.03		36.20	7.24		37.30	7.46
<b>SCHOOL-AGE</b> 5 to 13 Years															
Full Time Care (6 hrs or more)	579.36	133.80	26.76	604.46	139.60	27.92									
3/4 Time (4 or 5 hrs)		100.35	20.07		104.70	20.94									
Part Time Care (2 or 3 hrs)	289.68	66.90	13.38	302.23	69.80	13.96									
1/4 Time (1 hr or fewer)		33.45	6.69		34.90	6.98									
<b>SCHOOL-AGE</b> 5 to 19 Years w/Special Needs															
Full Time Care (6 hrs or more)	579.36	133.80	26.76	604.46	139.60	27.92									
3/4 Time (4 or 5 hrs)		100.35	20.07		104.70	20.94									
Part Time Care (2 or 3 hrs)	289.68	66.90	13.38	302.23	69.80	13.96									
1/4 Time (1 hr or fewer)		33.45	6.69		34.90	6.98									

The amounts listed above represent the maximum authorized rates for child care. The parent/applicant may select a provider with a cost higher than these maximum rates; however, in such instances, the parent/applicant is totally responsible for all expenses in excess of these maximum rates, as well as for the required co-payment.

Proportionate to the full time and part time rates listed above, maximum amounts paid only through the TANF Work First New Jersey and Transitional Child Care program include rates for 3/4 time (4 or 5 hours per day) and 1/4-time (1 hour per day). Non-TANF programs utilizes only 'Full Time Care' and 'Part Time Care' rates. 'Full Time Care' is 6 hours or more and 'Part Time Care' is less than 6 hours.

Provider/caregivers eligible for accredited rates include:

- > Licensed child care centers accredited by the National Association for the Education of Young Children - National Academy of Early Childhood Programs, Council on Accreditation (COA) of Services for Families and Children, and National Early Childhood Professional Accreditation (NECPA);
- > Registered family child care providers accredited by the National Association for Family Child Care;
- > School age child care programs accredited by the National School Age Child Care Alliance; and
- > Summer camps accredited by the American Camping Association.





**STATE OF NEW JERSEY  
DEPARTMENT OF HUMAN SERVICES  
SFY 2018 MAXIMUM CHILD CARE PAYMENT RATES  
FAMILY CHILD CARE HOMES AND APPROVED HOMES**

Effective: May 1, 2018

	REGISTERED FAMILY CHILD CARE HOMES			ACCREDITED FAMILY CHILD CARE HOMES			APPROVED HOMES FFN & IN-HOME PROVIDERS		
	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY	MONTHLY	WEEKLY	DAILY
<b>INFANTS</b> <i>Birth to 17 Months</i>									
<i>Full Time Care (6 hrs or more)</i>	670.28	154.80	30.96	703.20	162.40	32.48	403.56	93.20	18.64
<i>3/4 Time (4 or 5 hrs)</i>		116.10	23.22		121.80	24.36		69.90	13.98
<i>Part Time Care (2 or 3 hrs)</i>	335.14	77.40	15.48	351.60	81.20	16.24	201.78	46.60	9.32
<i>1/4 Time (1 hr or fewer)</i>		38.70	7.74		40.60	8.12		23.30	4.66
<b>INFANTS</b> <i>Birth to 17 Months w/Special Needs</i>									
<i>Full Time Care (6 hrs or more)</i>	814.04	188.00	37.60	856.48	197.80	39.56	487.56	112.60	22.52
<i>3/4 Time (4 or 5 hrs)</i>		141.00	28.20		148.35	29.67		84.45	16.89
<i>Part Time Care (2 or 3 hrs)</i>	407.02	94.00	18.80	428.24	98.90	19.78	243.78	56.30	11.26
<i>1/4 Time (1 hr or fewer)</i>		47.00	9.40		49.45	9.89		28.15	5.63
<b>TODDLERS</b> <i>18 to 29 Months</i>									
<i>Full Time Care (6 hrs or more)</i>	670.28	154.80	30.96	703.20	162.40	32.48	403.56	93.20	18.64
<i>3/4 Time (4 or 5 hrs)</i>		116.10	23.22		121.80	24.36		69.90	13.98
<i>Part Time Care (2 or 3 hrs)</i>	335.14	77.40	15.48	351.60	81.20	16.24	201.78	46.60	9.32
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<i>Part Time Care (2 or 3 hrs)</i>	407.02	94.00	18.80	428.24	98.90	19.78	243.78	56.30	11.26
<i>1/4 Time (1 hr or fewer)</i>		47.00	9.40		49.45	9.89		28.15	5.63
<b>PRESCHOOL</b> <i>30 Months to 5 Years</i>									
<i>Full Time Care (6 hrs or more)</i>	526.52	121.60	24.32	549.92	127.00	25.40	314.36	72.60	14.52
<i>3/4 Time (4 or 5 hrs)</i>		91.20	18.24		95.25	19.05		54.45	10.89
<i>Part Time Care (2 or 3 hrs)</i>	263.26	60.80	12.16	274.96	63.50	12.70	157.18	36.30	7.26
<i>1/4 Time (1 hrs or fewer)</i>		30.40	6.08		31.75	6.35		18.15	3.63
<b>PRESCHOOL</b> <i>30 Months to 5 Years w/Special Needs</i>									
<i>Full Time Care (6 hrs or more)</i>	670.28	154.80	30.96	703.20	162.40	32.48	403.56	93.20	18.64
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<i>1/4 Time (1 hr or fewer)</i>		38.70	7.74		40.60	8.12		23.30	4.66
<b>SCHOOL-AGE</b> <i>5 to 13 Years</i>									
<i>Full Time Care (6 hrs or more)</i>	526.52	121.60	24.32	549.92	127.00	25.40	314.36	72.60	14.52
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The amounts listed above represent the maximum authorized rates for child care. The parent/applicant may select a provider with a cost higher than these maximum rates; however, in such instances, the parent/applicant is totally responsible for all expenses in excess of these maximum rates, as well as for the required co-payment.

Proportionate to the full time and part time rates listed above, maximum amounts paid only through the TANF Work First New Jersey and Transitional Child Care program include rates for 3/4 time (4 or 5 hours per day) and 1/4-time (1 hour per day). Non-TANF programs utilizes only 'Full Time Care' and 'Part Time Care' rates. 'Full Time Care' is 6 hours or more and 'Part Time Care' is less than 6 hours.

Provider/caregivers eligible for accredited rates include:

- > Licensed child care centers accredited by the National Association for the Education of Young Children - National Academy of Early Childhood Programs, Council on Accreditation (COA) of Services for Families and Children, and National Early Childhood Professional Accreditation (NECPA);
- > Registered family child care providers accredited by the National Association for Family Child Care;
- > School age child care programs accredited by the National School Age Child Care Alliance; and
- > Summer camps accredited by the American Camping Association.