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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