



Submitting Testimony

Advocates for Children of New York
Protecting every child's right to learn

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**Testimony Submitted for the Joint Legislative Public Hearing on the
2017-2018 Executive Budget Proposal: Human Services**

Re: Child Care

February 8, 2017

Advocates for Children of New York (AFC) appreciates the opportunity to submit comments regarding funding for child care in the 2017-2018 Executive Budget. For 45 years, AFC has worked to ensure a high-quality education for New York students who face barriers to academic success, focusing on students from low-income backgrounds. Every year, we help thousands of New York City parents navigate the education system. We use our on-the-ground experience to identify barriers to education and work to pursue systemic change.

As an education advocacy organization, we know that the first five years of children's lives have a profound impact on their education and future. By the time children enter kindergarten, children from lower socioeconomic backgrounds lag behind children from higher socioeconomic backgrounds in academic skills. High-quality early childhood education programs are proven to help fill this gap. Long-term research shows that children from low-income backgrounds who are left out of high-quality early childhood education programs are more likely to be retained a grade, be placed in special education classes, and drop out of high school than their peers who participate in such programs. Leading economists have found that high-quality early childhood education programs are cost-effective, providing taxpayers with a strong return on investment. For many families with low incomes, subsidized child care provides the only opportunity to access early childhood education for their children. Therefore, it is essential that more families get access to child care.

As this year's budget process moves forward, we urge the Governor and Legislature to:

- Invest an additional \$100 million in child care subsidies to serve more families.
- Improve access to child care for children who are homeless by making them categorically eligible for child care and providing increased funding.
- Reject the Executive Budget proposal to replace \$27 million in child care funding with Title XX funding that currently supports other social services.
- Invest an additional \$56 million to cover the costs of new federal requirements without passing the costs down to child care providers or reducing child care subsidies for children.

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First, the State should increase its investment in child care subsidies to give access to additional children from low-income backgrounds. Under New York State law, working families are eligible for child care subsidies if their income is under 200% of the federal poverty line (e.g., \$40,840 for a family of 3 in 2017). However, only **17%** of income-eligible New York families receive a child care subsidy due to lack of funding.

We appreciated Governor Cuomo's recognition of the fact that, for too many families, "affordable, high quality day care is financially out of reach." However, we are deeply disappointed that the Executive Budget includes no new funding to help low-income families access child care. In fact, the tens of thousands of families who are eligible for a child care subsidy but do not receive one are not eligible for any assistance from the Executive Budget's Middle Class Child Care Tax Credit because their income is too low to qualify under the criteria in the Executive Budget.

To increase the number of children served, we recommend that the Governor and Legislature **invest at least an additional \$100 million in child care subsidies for low-income families** to begin to address the significant unmet need.

Second, the State should improve access to child care subsidies for children experiencing homelessness. The November 2014 reauthorization of the federal child care law, the Child Care and Development Block Grant Act (CCDBG), included several new provisions aimed at providing increased access to children who are homeless. The federal law and regulations require states to prioritize serving children experiencing homelessness, in addition to the existing priority categories of children with disabilities and families with very low incomes. Currently, in New York State, children who are homeless are eligible for subsidized child care statewide only if their parents fall into an existing eligibility category such as receiving public assistance and meeting work activity requirements. We have received calls from families who are experiencing homelessness and are desperate for child care for their young children but do not meet the current eligibility criteria.

The New York State Office of Children and Family Services (OCFS) has proposed regulations to require social service districts to provide child care to the extent they have funds available to children who are homeless if child care is needed for the child's parent to seek housing *and* for the child's parent to seek employment, to be engaged in work, to attend educational or vocational activities, or to participate in counseling. While we are pleased that the proposed regulations will help additional children who are homeless, we are disappointed that some children who are homeless will continue to be left out.



Without access to child care, young children experiencing homelessness must spend much of the day sitting in a shelter or other temporary living arrangement and being dragged to stressful housing and social services appointments instead of spending time in a high-quality, safe, stimulating child care setting where they can learn and develop. Furthermore, a disproportionate number of children who are homeless experience delays in their development. Connecting these children with high-quality child care programs not only helps prepare them for kindergarten, but also allows educators to monitor their development and connect them with services when appropriate.

The Governor and Legislature should **make all children who are homeless eligible for child care subsidies and provide additional funding to serve more of these children.**

Third, the Executive Budget reduces general fund support for child care, replacing it with \$27 million in Title XX funding. Currently, Title XX funding is used by local social service districts for a variety of services, including preventive and protective services for children, eviction prevention, and services for seniors. The State should not pit social services against each other. Rather, the Governor and Legislature should **reject this cost-shifting proposal and should maintain and increase dedicated child care funding.**

Fourth, the State should implement new federal requirements without passing costs along to child care providers or reducing funding for child care subsidies. The recent reauthorization of the federal CCDBG includes new requirements that would promote health, safety, and stability. New York State is due to implement the first phases of these new requirements in 2017, including criminal background checks and new training requirements. However, implementing these changes has substantial financial costs. The Executive Budget does not include any new funding to cover these costs. Given the significant unmet need that already exists, we want to ensure that the State does not fund these new requirements by decreasing the number of children accessing child care. Furthermore, these costs should not be passed down to providers, especially given that providers are being paid at a rate that does not cover full costs and does not account for the new minimum wage increases.

The CCDBG includes a new requirement that families remain eligible for child care for a minimum of 12 months, regardless of a temporary change in the parent's work status or income, as long as the family's income does not exceed 85 percent of the state median income. This important change will help ensure that children have access to a stable early childhood education setting for a full year. It will also reduce long-term administrative burdens and costs for the State and for social service



districts that need to process recertification applications and reduce burdens on parents. We recommend that the State move forward with the 12-month eligibility requirement immediately and provide any funding needed to meet this new requirement.

The CCDBG requires enhanced criminal background checks, including screening of legally exempt providers, who are not currently subject to background checks. We understand that criminal background checks will cost approximately \$28 million per year to implement.

The CCDBG includes new professional development requirements for all child care providers, including a mandatory pre-service orientation and ongoing health and safety training for all child care staff in ten areas. We understand that implementing the new training requirement will cost approximately \$28 million per year.

The Governor and Legislature should invest at least **\$56 million to begin implementing the new federal requirements without passing costs down to providers or reducing the number of children who receive child care assistance.**

In sum, we urge the Governor and Legislature to:

- Invest at least an additional \$100 million to provide additional families with child care subsidies to start to address the significant unmet need.
- Improve access to child care for children who are homeless by making children who are homeless categorically eligible for child care and providing increased funding to serve more children.
- Reject the Executive Budget proposal to replace \$27 million in child care funding with Title XX funding that currently supports other social services.
- Invest at least an additional \$56 million to cover the costs of new federal requirements without passing the costs down to child care providers or reducing child care assistance for children.

Thank you for considering our comments. If you have any questions, please contact me at 212-822-9532 or rlevine@advocatesforchildren.org.

Respectfully submitted,

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