



# Early Care & Learning Council

United to Promote Quality

## **Joint Legislative Public Hearing: 2022-2023 Executive Budget Proposal Human Services**

Submitted by  
Jessica Klos Shapiro  
Director of Policy and Community Education

February 2, 2022

Thank you for the opportunity to provide testimony and input on the proposed budget for New York State. The Early Care & Learning Council (ECLC) and our network of 35 Child Care Resource and Referral (CCR&R) agencies provide direct assistance and support to parents, child care providers, and employers in all 62 counties.

Child care is an infrastructure support for children, for families and for communities, and its availability is essential to a healthy economy. High quality child care and early education for New York's children translates into a more prepared workforce which is a fundamental aspect of long term business growth. Across New York State the quality and availability of child care programs varies. Our lack of enough high quality, affordable and accessible child care options puts us at a competitive disadvantage in the global economy.

To address this, ECLC and the CCR&R network utilize experienced, credentialed and highly effective professional development staff who provide quality training, best practices and support to child care providers. The CCR&R Network has the connection to the local child care providers and the knowledge of regional needs, challenges and opportunities facing families, while also having the early childhood expertise and knowledge of best practices.

For thousands of parents, child care providers and employers throughout New York State, CCR&Rs are a key component to the complex child care delivery system. And over the past two years, CCR&Rs across the state have stepped up to serve their communities on the front lines repeatedly. They distributed Personal Protective Equipment and cleaning supplies, went into child care programs to work with educators to set up their classrooms to accommodate changing regulations and train them on how to do social distancing with babies and most recently handed out COVID-19 rapid test kits. CCR&Rs also administered various grants in partnership with the Office of Children and Family Services, such as the Essential Worker Scholarship and the CARES Reopening/Restructuring Grants and Temporary Operating Assistance Grants. Most recently the network and ECLC delivered the technical assistance for child care providers to gain access to \$901 million dollars in stabilization grants. In New York City alone, the CCR&R consortium had 28,000 contacts with providers in one year.<sup>1</sup>

In order to continue to do this skilled and dedicated level of work, there must be consistent, planful support for CCR&R agencies. Contracts with the Office of Children and Family Services have remained flat for over a decade, and in fact were cut in 2012. At that time minimum wage was \$7.25 an hour, yet the cost of living was not much less than it is today. In many cases, CCR&Rs have been forced to hold already low wages stagnant. Yet the role of CCR&R staff person

---

<sup>1</sup> Caring During A Crisis: Lessons from the Implementation Of CARES Child Care Funding in NYC

is complex and individuals need to be an expert in multiple areas. For example, a parent counselor needs to be versed in local resources, quality standards and early childhood education best practices. This leads to burnout, which leads to staff turnover, and the ability to reach child care programs is impacted. In addition to work with parents, each year CCR&Rs work with tens of thousands of licensed, registered and legally-exempt child care programs.

This year's Executive Budget proposal includes an increased role for CCR&Rs in increasing child placements for individuals at or below 225% (2022), 260%(2023), and 300% (2024), with emphasis on placements supporting local efforts in meeting federal and state work participation requirements, increasing technical assistance to all modalities of legal child care, including training to assist providers in meeting child care standards or regulatory requirements, and creating new child care opportunities, and assisting social services districts in assessing and responding to child care needs. If this role is envisioned as a navigator role, funding needs to follow so that CCR&Rs can do this in a cohesive, systematic way statewide, such as was suggested in The Children's Agenda's recent report, *Barriers to Care*. CCR&Rs are not currently funded or empowered to do such large scale work.

CCR&Rs often have a competitive disadvantage when hiring qualified employees due to lack of funding. One of our Directors in a rural area recently told me, "I just raised my starting salary to 17.50 for a new position, and I had to make significant bumps to 4 of my current staff to manage that. Our salaries are fairly equal right now. Whether you've been here for 6 months or 15 years the range is \$17-20 at 35 hours per week. I have a person with a Masters degree making 18.50. And a person with an Associate's making 18.00. There is no justice. I am working on it, though." Another in a rural area is still hovering around the \$15 an hour range. In the suburbs of New York City, starting salaries range from \$19-\$22, but the cost of living is much higher. Child care is a strongly female dominated occupation and like the child care staff and educators themselves, the overwhelming majority of CCR&R staff are female. In order to reach real pay equality, the specialized and necessary work of the CCR&R agencies must be compensated.

Childcare programs are predominately Minority and Woman Owned Businesses, which can be located in communities where child care is most needed. A Business Development Specialist who encompasses a strong business acumen, will guide these MWBEs through purposeful planning, site location and program and budget development. ECLC and its partnering CCR&Rs will work with current and potential providers to increase the availability of care for New York's children. This increase in high quality early child care and education for New York's children translates into a more prepared workforce which is a fundamental aspect of business growth. CCR&Rs are currently supporting providers with stabilization funds and the specialists that they

have hired through the grant that will expire next year. Additional staff have recently joined to assist with the child care deserts work, but again this is time limited while we know the need will continue.

The COVID-19 pandemic has brought national attention to the child care crisis and with it a great opportunity to transform the child care system. Child care both creates and supports jobs. The economic impact of child care matters because it helps drive local economies. When parents can access child care, they are more likely to enter the workforce and stay employed. Families depend on functioning child care.

As previously mentioned, one of the most recent investments into the child care field in New York has been addressed by the administration of the federally funded child care stabilization grants, which are doing just that, helping to stabilize the child care sector. However, in some instances the grant is also shining a light on how desperately needed this relief is and how dangerously close to the margins many child care programs run on a day-to-day basis. A reimagined look at how child care is funded is desperately needed. It can no longer be a system carried on the backs of the parents paying for care or the underpaid educators that are providing the care. For too long we simply accepted the system inequities and made do. But we have an opportunity to take steps toward universal access to child care for all children.

The Early Care & Learning Council surveyed nearly 1,500 providers about their experience with the grant and providers stated that, "I would not have been able to stay open without the Stabilization Grant funds." They also stressed, "The Stabilization Grant made a real difference in the quality of care that the staff was able to provide." The grant funds however, are a short term fix and we need systemic change to the business model of child care. We owe it to providers that have continued put their own well-being and livelihood on the line for children and families every day.

As members of Empire State Campaign for Child Care, we support the executive budget request for 2022-2023 of Child Care for All NY by 2025. Now is the time for New York to commit to creating a high-quality, culturally responsive, universal child care system **within 4 years**. This year, New York must take large steps toward achieving universal child care by expanding access to child care subsidies for child care and school-age child care for lower-income New York families regardless of employment or immigration status or any other factor, by raising child care workforce compensation, and increasing provider reimbursement rates. Expansion should be funded from remaining CRSSA/ARPA child care COVID relief funds, unrestricted ARPA funds,

existing CCDBG funds, Build Back Better (projected), state tax revenues, possible employer-side payroll tax.

There are three main components of the Empire State Campaign for Child Care's framework for universal child care; all must be implemented simultaneously to guard against destabilizing the child care sector or inadvertently harming New York families as we transition to universal.

1. New York provides universal, guaranteed access to child care of the family's choice (family-based/center-based/informal child care) – for all children regardless of parental work status or income or immigration status in year one.

Guaranteed access to subsidies

- No activity requirements
- No immigration status requirement
- Parent choice of modality – family-based child care/center-based/legally exempt
- High-quality/culturally-responsive care
- Meets the needs of all children, including children with disabilities, those experiencing trauma, multi-lingual learners, families experiencing homelessness or in transitional housing
- Available during non-traditional hours
- Ultimately free for all families with no means testing, but during the phase-in period, there will be a family contribution for those with income higher than 75% SMI on a sliding scale

Costs for year one: \$2.8 billion, assuming a September 2022 start date, a sliding scale parent fee, and a 30% increase in usage of licensed, registered, and legally-exempt child care.

2. New York immediately raises workforce wages by extending stabilization grants and creating an early childhood workforce compensation fund until payment rates are increased.

- A workforce stabilization fund would directly raise wages among participating programs during the period New York is transitioning to a true cost of care reimbursement rate structure. This fund can be phased out after New York establishes and implements a new rate structure.

Costs for year one: \$500 million, assuming 30% increase in usage of licensed, registered and legally-exempt child care, and a September 2022 start date).

- To meet the immediate, urgent staffing needs, NY must help existing providers of all

modalities by using leftover stabilization and other COVID-relief funds to continue the successful stabilization grant program during this period of transition.

Costs for year one: \$800 million from February through August 2022.

3. New York transitions to a payment rate model that is based on a “cost estimation model” that accounts for geography, quality and assumes all child care staff are paid at parity with elementary school teachers.

- During this state fiscal year – New York should establish a transitional reimbursement rate structure based on the results of the forthcoming market rate survey or the existing survey, whichever results in higher rates. Reimbursement rates should be set at the 90th percentile of market rates in each region to ensure that per child amounts are sufficient to not disrupt the child care sector during this transition from a market rate-based model to a model based on the true cost of quality care. During the phase-in period, entry level staff will be paid at least a living wage, with more experienced staff compensated at a proportionately higher rate, with compensation progressively increasing over the course of the transition period.

Costs: \$600 million, assuming coverage expansion outlined in component one above, a 30% rate increase over the 2017–18 market rates and a September 2022 start date.

Total Cost Estimate: \$4.7 Billion in FY22-23 State Budget. \$5.7 Billion when annualized into FY23–24 budget (including 3% COLA).

This proposal is structured to pull much of the funding from existing and expected federal and state resources, and modest new state revenues, including remaining CRSSA/ARPA child care COVID relief funds, unrestricted ARPA funds, existing CCDBG funds, Build Back Better (projected), state tax revenues, possible employer-side payroll tax. Importantly, adopting these proposals will help position New York to quickly and effectively implement the new Build Back Better federal plan.

In line with the core principles listed above, subsequent years will include the cost of scaling up to all families and creating pay parity, including benefits.

Implementation principles: Where phase-in is required, the following principles should be applied to make decisions about priorities:

- Target expansions to first cover low-income families, historically underserved communities and families facing complex needs, including children with disabilities and child welfare involvement.
- Eliminate all work requirements, activities' tests, and immigration status requirements for low-income families.
- Take steps to avoid benefits' cliffs.
- Guard against any increases in costs for private-pay families.
- The child care workforce must be granted significant and sustained increases in compensation before they are asked to acquire new credentials or degrees.

The economics of the child care industry are tough for providers and for families, but it doesn't have to be this way. We can offer child care for all and keep our upstate cities thriving. Thank you for the opportunity to provide our comments to you. The Early Care & Learning Council and our CCR&R network look forward to continuing to effectively serve the families and communities of New York State.