



## **Governor Hochul's Executive Budget Falls Short on Child Care**

***New York parents, child care providers, advocates and state legislative leaders call upon New York Legislative Leaders and Governor Hochul to shift course and include in the final 2022-2023 Budget the bold investment needed to take large steps this year toward achieving universal child care.***

New York parents and child care providers had high hopes that Governor Hochul – a longtime child care champion – would include bold child care investments and transformative policy proposals in her inaugural Executive Budget. This expectation was buoyed when the Governor signed legislation in late December to reconvene New York's Child Care Availability Task Force, and directed it to guide the state to a “phased-in rollout of **universal child care**.” These hopes were discouraged by the release of the Executive Budget, which contains no new state funding for child care for 2022-2023; a very small expansion in access to child care supports that will not roll-out until October; a modest, short-term wage supplement for the dramatically underpaid child care workforce; and no steps toward transforming the state's patchwork system to universal care.

This disappointing Executive Budget was released just as New York parents and child care providers are facing another intense wave of the pandemic, which has caused a surge in child and workforce absences, sent families with young children into endless rounds of quarantine, and left providers struggling anew to keep their programs and the children in their care safe. These cautious proposals come in a budget that shows New York is flush with unspent stimulus and other federal funds earmarked for child care.

Empire State Campaign for Child Care, New York's statewide campaign for child care, representing more than 80 organizations, including provider networks, parent groups, unions, and child care policy and advocacy groups, calls upon legislative leaders and Governor Hochul to come together during the coming budget negotiations and include transformative child care proposals and bold investments in the 2022-2023 Enacted Budget. The final budget must include a meaningful investment of **five billion dollars** that would enable New York to take large steps toward achieving universal child care. The investments must do three things to guard against destabilizing the child care sector or inadvertently harming New York families as we transition to universal:

1. Expand access to child care subsidies for children infant to school age—regardless of employment or immigration status or any other factor.

Governor Hochul's Executive Budget proposal to expand access to child care to working New York families earning less than 300% of the federal poverty level would be a strong starting point **IF** rolled out immediately, rather than over three years, with the first expansion being the most modest (to 225% of FPL) and not occurring for nine months (October 16, 2022). Another

significant shortcoming of the Governor's proposal: it preserves the child care subsidy system's maze of rules that create obstacles to access. The Governor's proposed expansion – even after it is fully phased in – would still exclude many families in need of support including: many immigrant families; families involved in the child welfare system; families experiencing homelessness; parents with disabilities; parents experiencing unemployment; foster families. A strong opening proposal would immediately expand access to child care subsidies to ALL New York families with income under 300% of FPL.

2. Significantly raise child care workforce compensation by investing at least \$500 million

The Executive Budget proposal to provide \$75 million in federal stimulus funds to support the child care workforce is important, but falls short of meeting the significant and ongoing financial needs of this workforce that is 70,000 strong. New York should establish a \$500 million workforce compensation program to raise child care worker wages without raising child care costs for working families through the state. New York could draw upon the full \$200 million in federal child care stabilization funds it has on hand now to supporting this fund for the short term while the state pursues a long-term strategy to raise child care workforce salaries.

3. Increase child care provider reimbursement rates to reflect the true cost of care by investing \$600 million

The Executive Budget's proposal to invest \$125 million to increase child care subsidy reimbursement rates is unlikely to do more than enable subsidy reimbursements to rise enough to stay steady with rising costs. A much greater investment is needed to move New York toward paying rates that reflect the true cost of care, and allow providers to pay the child care workforce a fair wage on par with elementary school teachers.

New York parents of young children and the child care sector are bone-tired after three years of pandemic struggles. They are depending on New York State to lead boldly in 2022, with relief rolled out on a short timeline responsive to the urgency of their needs, in a manner that moves New York decisively down the path to universal child care. Further, the failure to meaningfully invest in child care ignores the urgent needs of the state's economy as we struggle with severe staff shortages that are partially due to the lack of access to affordable child care. If the state is serious about improving its economy and the quality of life of New Yorkers, it must invest in child care.

We look forward to working together with New York leaders to begin to transform our broken child care system: for the good of New York families and the providers they rely upon; our workforce, our economy.

January 21, 2022