



Child Care for All NY by 2026: 2022-2023 NYS Executive Budget Request

Now is the time for New York to commit to creating a high-quality, free, equitable and universal child care system that meets the needs of all children and families, and includes strong supports for workers and providers.

Our current child care system is in crisis: quality child care is unaffordable for the vast majority of New York families; the economic model underpinning child care providers is unsustainable, causing many providers to close and contributing to a system already unable to meet demand; and for the hardworking women who do this work, the majority of whom are women of color, wages are so low that at least 65% of the child care workforce receives some type of public benefit.¹

The Empire State Campaign for Child Care therefore calls on the governor and the legislature to take immediate steps to address the child care crisis by committing \$5 billion in the FY23 budget, and passing the Universal Child Care Act, S7595(Brisport)/ A8623(Hevesi) to finally put us on the path to a transformative, fully-funded and permanent system of child care in New York.

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

1. New York provides truly universal child care with access for all children from birth to age thirteen by:

- Guaranteed access to subsidies for all families
- No activity requirements
- No immigration status requirement
- Parent choice of modality – family-based, center-based, or legally exempt child care
- High-quality, culturally-responsive care
- Meeting the needs of all children, including children with disabilities, those experiencing trauma, multi-lingual learners, families experiencing homelessness or in transitional housing
- Making care available during non-traditional hours
- Ultimately proving care that is free for all families with no means testing, but during the phase-in period, allowing for a sliding scale family contribution for families with income higher than 75% of the state median income

Costs for year one: \$3 billion

¹ New York State Office of Children and Family Services, Child Care Availability Task Force, *Supporting Families, Employers and New York's Future* (2021), <https://ocfs.ny.gov/reports/childcare/Child-Care-Availability-Task-Force-Report.pdf>.

2. New York immediately raises workforce wages while moving toward the goal of pay parity with public school teachers by:

- Establishing a workforce stabilization fund to directly raise wages among participating programs during the period New York is transitioning to a model that provides funds to child care providers based on the true costs of care
- Helping providers of all modalities immediately access federal funds to continue the successful stabilization grant program during this period of transition
- During the phase-in period, paying entry level staff at least a living wage, with more experienced staff compensated at a proportionately higher rate. All compensation will increase progressively over the course of the transition period.²

Costs for year one: \$1.4 million

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

- Establishing a transitional reimbursement rate structure based on the results of the forthcoming OCFS market rate survey, or the existing survey, whichever results in higher rates
- Setting reimbursement rates at the 90th percentile of market rates in each region to ensure that per child amounts are sufficient to avoid disrupting the child care sector during this transition

Costs: \$600 million

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.

Decades of piecemeal legislation, temporary budget fixes, and failure to recognize that child care is a public responsibility, critical to the success of our children, our families, our workers and our economy, has created the current crisis. It is time for New York to step up by Imagining and Implementing the Universal Child Care System We All Deserve.

² ESCCC also supports components of The Early Learning Act, S7615(Ramos)/ A8625(Clark) such as minimum salary mandates for early childhood educators, and a strong role for child care resource and referral organizations and other non-profits to bring together providers.