



The Education Trust–New York

Submitted to NYS Department of Taxation & Finance
Joint Budget Hearing: Taxes
February 14, 2024

Thank you for the opportunity to submit testimony on the FY2025 New York State Executive Budget. The Education Trust–New York is a statewide non-profit organization dedicated to educational equity. We work to attain educational justice through research, policy, and advocacy that results in all students – especially those who are from low-income backgrounds or students of color – achieving at high levels from early childhood through college completion.

New Yorkers continue to feel the economic burdens of the pandemic, particularly for young children and families of color, who are more likely to live in poverty. There are more than four million children residing in New York State. Nearly one-in-five are experiencing poverty and about 37% live in low-income (below 200% of the federal poverty level) households¹. Children in Black, Latinx, and multi-racial families experience poverty at much higher rates than non-Hispanic, White children, the result of systemic and ongoing racism in housing, education, employment, and other systems.

In early 2022 New York enacted landmark legislation, the [New York State Child Poverty Reduction Act](#), committing New York State to cutting child poverty in half in a decade. The Act had near-unanimous, bipartisan support from upstate and downstate, rural, urban, and suburban legislators and constituents. It is imperative that New York take meaningful steps this year to make good on its promise to New York children.

Government policy can make a real and immediate difference in the lives of children and families who are struggling to make ends meet. Pandemic-era federal supports confirmed that it is possible to quickly and sharply cut child poverty and boost family economic security. The most dramatic example was the temporary pandemic expansion of the Federal Child Tax Credit in 2021, which contributed to a 46% temporary decline in child poverty nationwide. ²

We urge New York to strengthen and expand its refundable tax credits in the FY 2025 State budget to have the greatest impact on child poverty. The Working Families Tax Credit (S277A/A4022A) proposes combining and strengthening New York’s Empire State Child Credit (ESCC) and Earned Income Tax Credit (EITC) and would provide more support to more families by:

- **Removing minimum family income requirements so that families with the lowest household income, and the greatest need, can receive the credit;**
- **Expanding coverage to immigrant families who file with an Individual Tax Identification Number (ITIN), who are currently ineligible for the EITC;**

- **Establishing quarterly payments so that families can receive this critical financial support sooner and more often; and**
- **Increasing the minimum credit amount to \$500 per child.**

This will provide essential support to families, especially those with young children, as we know that young children are more likely to live in poverty and more likely to suffer far-reaching negative consequences of food insecurity, housing insecurity, and other harmful conditions associated with poverty. Child poverty disproportionately impacts children of color, therefore addressing this issue is an important step towards racial equity. By uplifting families of color and those living in poverty, New York can ensure that the most marginalized children have the resources they need for healthy growth and development.

If you have any questions regarding this testimony, please contact Lara Kyriakou, Associate Director of Early Childhood Policy & Advocacy for The Education Trust–New York, at Lkyriakou@edtrustny.org.

¹ <https://scaany.org/wp-content/uploads/2024/01/A-State-Commitment-to-Reducing-Child-Poverty.pdf>

² <https://www.whitehouse.gov/cea/written-materials/2023/11/20/the-anti-poverty-and-income-boosting-impacts-of-the-enhanced-ctc/#:~:text=It%20is%20well%2Destablished%20that,poverty%20to%20spike%20in%202022.>