



early care &
Learning COUNCIL

New York's child care resource network

Joint Legislative Public Hearing on 2017-2018 Executive Budget Proposal: Human Services

Submitted by
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Thank you for the opportunity to provide testimony and input on Governor Cuomo's proposed budget for New York State. The Early Care & Learning Council is a statewide, not-for-profit organization, whose mission is to promote excellence in early care and education with equal access for all families. We do this primarily through the support of, and in partnership with, a strong network of community-based organizations that provide Child Care Resource and Referral (CCR&R) services.

The Early Care & Learning Council is also a leader within *Winning Beginning NY*, the State's early care and development coalition and fully supports the coalition agenda.

Child care is an infrastructure support for children, for families and for communities. NY State's Child Care Resource and Referral Network plays a critical role to assist families, child care providers, and local communities to ensure that families have access to high quality child care that meets the needs of working parents and the developmental needs of children.

In 2016 the Early Care & Learning Council released our upstate Parent Survey Report. According to the demographics surveyed for this report, the average annual cost of care per child in New York State is: \$9,100 for an infant, \$8,341 for a toddler, \$7,629 for a preschooler, and \$4,413 for a school age child. Additionally, according to the 2016 Child Care Report published by Child Care Aware: in New York state, single parents pay 55% of their income for infant center care, and nearly 100% of their income on center care for 2 children. Married parents of 2 children living at the poverty line pay 129% of their income for center care. The cost of infant care in New York (\$14,144) is nearly twice as much as the annual cost of college tuition (\$7,645) at a four-year college.

ECLC's Parent Survey Report (which did not include NYC or Long Island) revealed that 93% of families earning less than 50k and receiving subsidy, and 80% of families earning less than 50k and not receiving subsidy, encounter difficulty paying for child care. Parents who struggle to pay for child care are forced to make hard financial decisions, including borrowing money from friends, family members or creditors; or compromising basic needs. Cutting back on work hours, care hours, or assembling patchwork care are also solutions that families have chosen as they face the challenge of providing affordable, safe and reliable quality child care.

In light of this data, we call on the legislature to:

- Invest \$100M for child care assistance.
 - Currently only 17% of eligible children in New York are served with a child care subsidy. This number could drop further if the State implements new CCDBG regulations without increased investment. To keep vulnerable children in child care, we urge the State to invest an additional \$100m (over the current \$805.9m) to restore subsidies lost by escalating costs, and increase the number of children served.
- Create an Early Childhood Learning Fund with a dedicated revenue stream to serve significantly more children who are eligible but going unserved because of lack of funding.
 - New York State law provides that working families are eligible for child care assistance if their income is under 200% of the federal poverty line (e.g., \$38,180 for a family of 3). Office of Child Care Administrative data and U.S. Census data show that 676,000 children were eligible in New York in 2014. Only 92,000 of those eligible children were served, or 17%. When eligible children go un-served, their development and their parents' employability are put at risk.
- Implement new federal block grant requirements without passing costs onto providers.
 - NYS is due to implement the first phases of the federal Child Care and Development Block Grant (CCDBG) regulations in 2017, including criminal background checks and new training requirements, at an estimated cost of \$56m.ⁱ Over 75% of public funding for child care in New York State comes from this block grant, which was

reauthorized in 2014. These new important regulations come with a multi-million dollar price tag. More changes, estimated between \$100-\$500m, are due to roll out by end of 2019. When implementation begins, dollars must be invested to cover the costs to preserve children in the subsidy program.

As Governor Cuomo has noted, the cost of child care is 'increasingly unaffordable.' The Early Care & Learning Council and our coalition partners believe that tax credits can be part of a comprehensive solution to address the needs of working parents who cannot afford child care, but are NOT and CANNOT be a substitute for a robust state funding plan that must include adequate subsidies for low income working parents who want to provide their children with quality early care and education.

The Executive Budget does not include any new funding for the child care subsidy program for low income working families. It does not include new funding to implement the requirements of the Federal Child Care and Development Block Grant Act of 2014. *In fact, the Governor's budget reduces general fund support for child care, replacing it with ~\$27m in Title XX funding. This funding is used by local social service districts for critical programming, including preventive and protective services to children, eviction prevention, and services to seniors. This pits one vital service against another, and would result in a net loss for local Counties.*

New York's economy depends on quality child care. The regulated child care sector in New York State is a \$4.7 billion dollar industry. It provides nearly 120,000 jobs. Access to the organized child care market can increase labor force participation and support state and regional economic growth. Strengthened investment in child care will allow Child Care Resource and Referral Agencies (CCR&Rs) to continue to provide consumer education and critical family supports to currently underserved parents across New York State and to assist the child care professionals as they work to improve the quality of their programs.

CCR&Rs are uniquely situated within Communities. Throughout New York, 34 local CCR&Rs are embedded in communities to reach parents and providers in the manner that assists them best – for parents, that may mean online, in person, or on the phone. For providers, that could be in training sessions off-site, onsite at child care programs, online, or through a combination that may include coaching, mentoring, and technical assistance to achieve best practices in child care settings.

To thousands of parents, child care providers and employers throughout New York State, CCR&Rs are the key unifying component of a complex child care delivery system. The CCR&Rs and ECLC are united to promote quality early learning experiences, as these are the foundation for learning during the critical first years of a child's life. Therefore, as New York continues to build on its investments focused on improving education and key programs that help prepare children for

school, there must also be a commitment to increasing access to quality child care, which is the focus of our Quality Investments for Children initiative.

Finally, the Early Care & Learning Council and our network of 34 Child Care Resource & Referral programs respectfully urge you to:

- 1) Expand the investment in strengthening the quality of early learning through the continued implementation of QUALITYstarsNY. Additional funds are needed to expand the program and continue quality improvement activities through the CCR&R network.
- 2) Continue to invest in a robust system of high-quality afterschool and expanded learning opportunities that provide care for children at the most critical hours of the day. Nearly 30% of referrals provided by CCR&Rs are for afterschool care.

Thank you for the opportunity to provide our comments to you. The Early Care & Learning Council and our network look forward to continuing to effectively serve the families and communities of New York State.

¹ The cost estimate to serve all eligible children, based on current costs, is more than \$2B. Local, state, and federal investment needs to increase over time to serve all eligible children. We recommend naming a fund and developing a dedicated revenue stream to increase the State contribution in order to serve more of these eligible children.

² Estimates from NYS OCFS and the NYS DOB in 2015 for the costs of implementing these federally required changes in the early years of implementation could be \$200m. Recently, we have heard from other State sources that the cost could be up to \$500m. Without increased funding to cover these new costs of implementation, the costs will have to come from the current pot of money used for subsidies, which will cut children from the system. Estimates are that 21,000 children across New York State will lose their subsidies to pay for system changes. Driving this cost is:

- Criminal background checks from the FBI, National Sex Offender Registry, state criminal and sex offender registry & the child abuse and neglect registry, and the National Crime Center for all licensed and legally-exempt child care providers (\$28 million).
- Annual, unannounced full inspections of all providers, including legally exempt providers. Currently, only 20% of the 47,000 legally exempt providers who receive subsidies are inspected every year (\$34 million).
- New professional development requirements for all child care providers, including mandatory pre-service health and safety training and ongoing, annual training (\$28 million).