



NEW YORK STATE SENATOR

Timothy M. Kennedy

Ahead of Governor Cuomo's 2016 Budget Address, Kennedy Warns of Decreased Child Care Subsidies – Calls for Protection & Expansion of Subsidies for Families in Erie County

TIMOTHY M. KENNEDY January 7, 2016

| ISSUE: **CHILDREN, FAMILIES, CHILD CARE**



New Federal Mandates Adding \$90 million in New State Costs, Could Force Child Care Subsidy Cuts

Kennedy Pushes for an Expansion of Workforce Development Institute's Program to Erie County, Threshold to Qualify for Subsidies Would Rise, Providing Much-Needed Relief For Families

With Help, Parents Would No Longer Have to Make Choice Between Job and Child Care

BUFFALO, N.Y. – Senator Tim Kennedy (D-Buffalo) stood with advocates today at the Erma D. Robinson Universal Center Pre-K to warn against possible child care subsidy cuts, and to push for expansion of the Workforce Development Institute’s pioneering Child Care Facilitated Enrollment Program to Erie County. Already available to families in Albany, Monroe, Oneida, Onondaga, Rensselaer, Saratoga, and Schenectady Counties, WDI’s program provides child care subsidies to families with incomes of up to 275% of the federal poverty level, or roughly \$66,000 for a family of four. Currently, these subsidies are only provided to families within the county with incomes of up to 200%, approximately \$48,000 for a family of four, by the Department of Social Services. In a letter to Governor Cuomo, Kennedy asked for the state to set aside \$2.5 million in the budget in order to expand its subsidy program into Erie County, while also preventing cuts to existing programs.

In 2014, the federal government implemented new health and safety requirements, as well as additional family-friendly guidelines and increased transparency and accountability measures for child care providers and New York State. While these new mandates aim to improve the safety of child care programs, the New York State Division of Budget estimates that these new requirements could cost upwards of \$90 million for the state to implement. Kennedy’s letter to Governor Cuomo asks him not to pass these added expenses onto vulnerable families by decreasing child care subsidies.

In his letter, Kennedy asked that the additional funding for WDI be allocated in the Governor’s proposed 2016-2017 budget. If granted, this funding would help additionally serve at least 300 children in Erie County, and it would grant families equal opportunities and aid that is already being offered to other parents across New York State. According to a 2014 report from the USDA, a child born in 2013 will cost a middle-income family an average of \$245,340 until he or she reaches the age of 18, with childcare and education constituting a full 18% of those costs. Kennedy’s proposal to expand WDI’s program to Erie County will help to

alleviate this burden for hardworking families in Erie County.

“Our economy is slowly emerging from decades of stagnation, and now is not the time to pull back on aid to our most vulnerable families,” said **Senator Tim Kennedy**. “With annual child care costs for two children exceeding \$25,000 in Erie County, many parents earn too much to qualify for assistance, but not nearly enough to afford regular childcare. Many are faced with a difficult decision to reduce their workload, refuse a promotion or leave a job altogether. By protecting existing subsidies, and expanding the WDI’s innovative program to Erie County, the Governor and the State can send a clear message that working families are a priority in every county statewide, and that achieving the American Dream is in fact attainable.”

Pastor Michael Chapman of St. John Baptist Church said “It’s important that our current Income Eligibility standards for Erie County be revisited. Our parents of Erie County communities need to have the same opportunities as other communities in New York State, who already have the increase from 200% to 275% eligibility standards for child care. Our families with employment opportunities could consider better housing for our families, positive attitudes at home and the workforce, as a community our poverty rates decrease, and safer urban living communities. It’s time for Erie County to be a part of this success for families in 2016. Together let’s make Erie County proud, Buffalo!”

“Child care subsidy is absolutely essential to low- and moderate-income working families in Western New York, for whom child care can consume more than a third of their income,” said **Lynn Pullano, Chief Executive Officer of the Childcare Resource Network**. “The subsidy allows many parents to continue working to support their families rather than being forced to rely more heavily on social welfare programs.

“Current levels of subsidy—while vital to the families of more than 2,300 local children—remain inadequate to meet the needs of our community,” **Pullano** added. “The benefits to these families and our community are many: improved access to quality child

care, school readiness of children, decreased multigenerational poverty, and increased economic activity as family finances are stabilized. We cannot afford to lose current subsidy funding and need to find ways to increase it for the good of our children and families.”

“Any measure that assists working class people in their childcare needs deserves full support,” said **Richard Lipsitz, President of the WNY Area Labor Federal, AFL-CIO**. “The proposal to increase subsidies for those at or near the poverty line is an important step forward. We urge its adoption”

“Affordable, accessible high quality childcare supports economic growth, family stability and positive child growth outcomes in WNY,” said **Sheri Scavone, Executive Director of the WNY Women’s Foundation**. “Childcare is not a ‘nicety’ for working women, but a necessity. The Buffalo renaissance will fall short if affordable childcare for our workforce – supported by subsidies - does not become part of the fabric our community.”

If funding is granted, Kennedy is requesting that the subsidies be administered by the Workforce Development Institute (WDI), a 501 (c)(3) non-profit organization that provides affordable, accessible and quality child care through its Child Care Enrollment Program. Labor and community leaders agree that increase in funds would not only help families, but that the local economy would also benefit from more parents enrolling their children in care programs.

“Affordable, high quality Child Care is a critical workforce development support for both working families and the many New York State businesses that employ them,” said **Lois M. Johnson, Director of Workforce Strategies for The Workforce Development Institute**. “The heavy cost of child care can jeopardize working parents’ stability in the workforce and present significant attrition and reliability issues for New York employers. The Workforce Development Institute believes that strategic state investments in child care have a positive,

measurable impact on New York State’s economy and families.”

Working families may be eligible for a subsidy if the parent or parents are employed at least 25 hour per week, have eligible children under the age of 13, and have a household income falling within the following income guidelines:

| Family Size | WDI Maximum Income | Current Erie County Maximum Income |
|--------------------|---------------------------|---|
| 2 | \$43,808 | \$31,860 |
| 3 | \$55,248 | \$40,180 |
| 4 | \$66,688 | \$48,500 |
| 5 | \$78,128 | \$56,820 |
| 6 | \$89,568 | \$65,140 |

Using income, family size, and the cost of childcare, WDI then calculates the family’s share of costs. For example, a family of 4 living in Albany County with \$50,000 income would pay a family share of \$126 per week. The subsidy reduces the costs for childcare to roughly 15% of family income, versus an average of 42% for an unsubsidized family.

A copy of Senator Kennedy’s letter to Governor Cuomo is attached.

###