



NEW YORK STATE SENATOR

John W. Mannion

## Senator Mannion and Assemblymember Hunter introduce legislation eliminating state taxes on state grants for child care providers and streamlining the licensing process

JOHN W. MANNION November 3, 2022

| ISSUE: **MANNION, CHILD CARE**

SYRACUSE, NY – Senator John W. Mannion and Assemblymember Pamela Hunter today introduced legislation eliminating state taxes on state grants for child care providers and streamlining the licensing process.

Mannion and Hunter aim to end the nonsensical policy that claws back child care funding by taxing grants intended to increase availability and affordability for working families.

Senator John W. Mannion (SD-50) said, “The idea behind child care grants is to incentivize the private sector to provide additional child care options for working families – taxing these dollars runs in the face of this objective and it is time to change the law. I’m grateful to work with Assemblymember Hunter to cut the red tape and deliver this needed reform for Central New York child care operators and the families that depend on them.”

Assemblymember Pam Hunter (AD-128, Syracuse) said, “Our families are being pushed to the brink by increases in the cost of living. Child care is an essential service for many families. Parents or guardians cannot choose between going to work or paying for child care, they need both. This piece of legislation will allow for more child care providers to open and

reduce the long waitlists many families are facing."

The legislature has made increasing the availability and affordability of day care a top priority including allocating over \$1.6 billion for services in the state budget.

This legislation will help ease the burden entrepreneur's face in starting or expanding a day care by increasing funding and streamlining the licensing process – in turn creating new seats benefiting families, employers, and the state economy. New York State provides day care grants but these grants are taxed, impeding their effectiveness. This leads to providers not receiving the full value of the grant.

Another difficulty with starting child day care centers is the licensing period. Currently, prospective providers are subject to an inspection of the potential child day care facility within 90 days of filing for a license. If the inspection finds the facility in need of modification or accommodation, then the prospective provider only has what remains of that 90-day period to remedy any issues, regardless of scope. If they fail to remedy the issue within those 90 days, the entire licensing process restarts.

This bill remedies this issue by extending that 90-day period to allow prospective providers to fix any issues that arose during inspection without having to restart the entire process. If the issues have still not been fixed within the extended window, the Office of Children and Families shall have the authority to grant additional extensions as necessary at their discretion.

Jeff Landers, Co-Owner, Ready Set Go Childcare LLC, Baldwinsville, NY. said, "The bill put forward by Senator John Mannion and Assemblymember Pam Hunter goes a long way to help childcare providers apply all of the grant money received toward increasing availability for childcare, while cutting childcare costs at the same time. Many daycare providers opted

to not get the grant money solely because of the looming tax burden put on them. It is very difficult to allocate money to expenditures when there is an unknown tax liability hanging overhead, sometimes in the thousands of dollars. This bill makes it easy for providers to understand that what you receive is what you can use, without any financial planning involved. This also frees up the decision process as to what providers can use the money for. Many providers who did get the grant used those dollars in a way that produced the least tax burden, while sacrificing the efficient and effective use of that money where it would help families more. The second positive aspect of this bill is that it helps prospective daycare providers during the licensing process. One of the largest hurdles about becoming a childcare provider is the daunting task of filling out the extensive application. Once done however, there currently is a finite amount of time in which an inspector can come to your facility or home and make a determination on anything your home will need to adequately serve children according to current OCFS regulations. In some cases, there may be significant costs associated with preparing your home for a daycare. In our own case, my wife and I were required to build a fence for our play area. There were only sixty days left in our licensing process for which this could occur. Not only did we have to have the resources up front to do this, but if we were to use a contractor, as most people do, the time frame for a contractor would have been well outside of those sixty days. In addition, if something like this is needed in the winter, then that prolongs the process as well. This would have caused us to have to restart the whole process. This bill eliminates that stress and worry and keeps hopeful childcare candidates engaged in the process and moving forward without discouraging them to continue. This bill really solves the issue of how much can be used when receiving a grant, but also helps those hoping to get into the childcare business, more flexibility and time to get ready to care for children."

Lori Schakow, Executive Director of Child Care Solutions said, "I applaud Senator Mannion and Assemblywoman Hunter for this important legislation on behalf of the child care

providers in our community. The Child Care Stabilization and Deserts grants offered a lifeline to help stabilize the childcare system, however the impact of these funds is diminished by the increased taxes imposed upon the recipients. Eliminating the tax on these grants, in the same way that other forms of assistance is tax-free, will put more money into the child care programs they are intended to stabilize. This legislation will advance our vision that every child is cared for in a high-quality, safe and nurturing environment that cultivates healthy development, early learning and joy.”

Megan Wagner-Flynn, Director of Early Learning Strategy at Early Childhood Alliance Onondaga said, “Onondaga County, like most of New York State, is facing a child care crisis. We estimate that the supply of care for children under the age of five meets only 44% of the demand. We need to increase the availability of child care in our community, but barriers such as taxed grants and delayed inspections limit the establishment of new facilities. By removing these barriers, we can build community capacity and better serve our youngest residents. Thank you to Senator Mannion and Assemblymember Hunter for introducing this critical legislation to address the child care crisis.”

# # #