

**Testimony submitted to the Joint Fiscal Committees  
on the SFY 2024-25 Executive Budget  
Human Services Budget Hearing  
January 31, 2024**

Thank you for the opportunity to present testimony on the 2024-25 New York State Executive Budget. The Schuyler Center for Analysis and Advocacy (SCAA) is a 151-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty.

### **Top Budget Recommendations**

#### **Child care, afterschool, and home visiting**

- Provide a sustained increase in compensation for New York’s child care workforce by:
  - creating a **permanent** state fund to provide compensation supplements for all members of the child care workforce who work in licensed, regulated programs; **and** increasing rates for legally-exempt child care providers as a means of raising compensation for these providers.
- End New York’s rule of providing child care assistance only during the exact hours of parents or caretakers work (S.5327A Brisport/A.4986A Hevesi).
- End New York’s rule requiring parents or caretakers to meet a minimum earnings requirement to be eligible for child care assistance. (A.1303 Clark/S.4924 Ramos).
- End the practice of denying New York children child care assistance due to immigration status by offering state-funded child care assistance to immigrant children barred by federal law from participating in the New York’s Child Care Assistance Program (CCAP).
- Fund maternal, infant, early childhood home visiting
  - Support both the \$26 million and the supplemental funding of \$11 million included in the Executive Budget for Healthy Families NY; support \$3 million included in the Executive Budget for Nurse-Family Partnership and add an additional \$1.5 million; and restore \$200,000 and add an additional \$300,000 for ParentChild+ to support further expansion, access, and professional development.

#### **Child welfare services**

- Index the child welfare Preventive Services housing subsidy to inflation and provide the same support for young people leaving the child welfare system up to age 24.
- Restore the State reimbursement rate of 75% for child welfare Preventive Services funding.
- Restore funding for the Kinship Navigator to \$320,500, and for local kinship support programs to \$1.9 million.
- Expand investment in the Foster Youth College Success Initiative to \$10 million.
- Increase compensation for New York’s human services workforce with a cost-of-living-adjustment (COLA) of at least 3.2%.

### **Child poverty reduction and affordability for families**

- Strengthen the State’s refundable tax credits designed to support low- and middle-income families, the Empire State Child Credit and the Earned Income Tax Credit to make them more inclusive, more meaningful in amount, and structured to direct the largest credits to the families that need them most. This can be done by passing the Working Families Tax Credit (S.277B Gounardes/ A.4022B Hevesi).
- Establish the Mothers & Infants Lasting Change allowance (S.4578A Ramos/ A.6197 Clark) to provide financial support to low-income families with infants at a critical period in their lives.
- Establish the Healthy School Meals for All program.
- Increase the Public Assistance grant and shelter allowance.

### **Child care, afterschool, and home visiting**

#### **Increase Compensation for All Members of the Child Care Workforce**

In the last two budgets NY has made historic investments in child care, resulting in dramatic expansions in access to child care assistance and making child care newly affordable for tens of thousands of NY families.

Without a well-supported, steady, reliable workforce, all of the gains of the last two years are in jeopardy and the state’s stated goal of moving toward universal child care – an impossibility.

The **Executive Budget** allocates no new funds for the child care workforce, just funds that were allocated last year in the Enacted Budget to be paid out to the workforce, but were underspent. Specifically, the **Executive Budget** directs “underutilized pandemic funds” to be distributed to the workforce as a one-time workforce retention and recruitment grant, drawing funds leftover from the \$500M that was allocated in last year’s budget for the workforce. Legally exempt providers – family, friends and neighbors who care for children – are not eligible for the workforce retention and recruitment grants.

Please see our brief on this topic, *Bolstering the Child Care System with a Well-Compensated Workforce*, [linked](#), and attached to the testimony.

*The Schuyler Center urges the Legislature to:*

- *Support the Executive’s proposal to distribute underutilized pandemic funds to members of the child care workforce as soon as possible.*
- *Create a permanent state child care fund to increase child care worker compensation. This fund should be robustly resourced and sufficient to offer all child care workers compensation parity with similar positions in the public school system. All members of the child care workforce who work in licensed, regulated programs should be eligible to receive compensation supplements from this fund (\$1.2 billion).*
- *Increase rates for legally-exempt child care providers to 75% of the family child care rate and to 85% for providers who are eligible for the enhanced rate as a means of raising compensation for these providers, and require that the enhanced rate is made readily available to interested legally-exempt providers in all Local Social Services Districts (\$50 million).*

- *Commit New York State to using a cost estimation model to determine state child care reimbursement rates by 2025 with meaningful input from child care providers and parents (\$250,000).*

### Help Ensure ALL New Yorkers can Access Child Care

While New York's expansions to child care assistance in the last two years have been historic, there are still many New York families who face unscalable barriers to accessing child care assistance, among them, families where parents or caretakers work unpredictable or fluctuating work hours. New York currently allows parents child care assistance only for the exact hours they work or attend school or training.<sup>1</sup> This practice effectively makes child care assistance unavailable to the many New York parents who work jobs with inconsistent or rotating schedules, offer only part-time hours, or are part of the growing gig economy.

A recent report by the [Bipartisan Policy Institute](#) reports that nationally, a third of parents don't know their work schedule more than two weeks in advance. This practice is also detrimental to children's wellbeing, denying them the consistent early childhood education and predictable schedules that allow them to thrive.<sup>2</sup> The families facing these and other challenges that come with employment that pays inadequate income and offers unpredictable hours are [disproportionately](#) Black, brown and immigrant.<sup>3</sup> Another barrier that impacts many of these same families: a New York rule that requires working parents/caretakers to be earn at least minimum wage to be eligible for child care assistance.<sup>4</sup>

A bill to decouple child care assistance from hours of work, was passed overwhelmingly by the Legislature in 2023, then vetoed by the Governor for fiscal reasons. This bill has been reintroduced this session: S.5327A Brisport/ A.4986A Hevesi. Also, A.1303 Clark/S.4924 Ramos would prohibit requiring parents or caretakers to meet a minimum earnings requirement or work a minimum number of hours to be eligible for child care assistance. The **Executive Budget** contains no language nor allocates any funds to end these practices.

Another barrier to child care assistance: immigration status bars some otherwise eligible children from CCAP. The need to end this exclusion has become more urgent with more than 150,000 asylum seekers newly arriving in New York this past year. Data indicate that in FY 2023, about 22,000 of the new arrivals are children under age 12.<sup>5</sup> While New York leaders have been working hard to pave the way for asylum-seekers to be able to work, those who have children cannot work without child care. In last year's Enacted Budget, New York for the first time funded a small pilot program to help the families of children who are currently excluded due to their immigration status to access child care. The number of families needing assistance has grown exponentially since last year. The **Executive Budget** allocates no funds to expand assistance for these excluded families.

**Please see our brief on this topic, *Lowering Barriers to Assistance for a More Equitable Child Care System*, [linked](#), and attached to the testimony.**

*The Schuyler Center urges the Legislature to:*

- *End New York's rule of providing child care assistance only during the exact hours of parents or caretakers work (S.5327A Brisport/ A.4986A Hevesi), which makes it difficult for those in the gig economy, or in retail with fluctuating schedules. (\$70 million).*

- *End New York's rule requiring parents to or caretakers to meet a minimum earnings requirement to be eligible for child care assistance. (A.1303 Clark/S.4924 Ramos). (\$50 million).*
- *End the practice of denying New York children child care assistance due to immigration status by offering state-funded child care assistance to immigrant children barred by federal law from participating in the New York's Child Care Assistance Program (CCAP). (\$50 million).*
- *Enact presumptive eligibility statewide, with child care assistance costs covered by federal and state funds (not solely Local Social Service Districts funds), so families do not need to wait for paperwork processing to begin receiving assistance (\$30 million). (A.4099 Clark/S.4667 Brouk)*
- *Take steps to increase capacity for non-traditional hour care by (1) requiring the payment of an enhanced reimbursement rate of 15% statewide for non-traditional hour care; and (2) commencing a pilot program to provide a monthly per-child supplement for non-traditional hour care and start-up grant program for providers seeking to offer non-traditional hour care (\$100 million). (A.1374 Clark/S.4079 Brisport)*
- *Expand access to care for children with special needs by dedicating state funds to provide supplemental payments to child care programs who care for children with special needs (\$50 million).*

Schuyler Center fully supports the Empire State Campaign for Child Care's Top Priorities for 2024, [linked](#), and attached to the testimony.

### **Make Maternal, Infant and Early Childhood Home Visiting Available to All Who Need It**

Maternal, infant, and early childhood home visiting is recognized across the nation as a uniquely effective approach to family strengthening, with myriad benefits to children and families' health, well-being, and economic security. Home visiting has been proven to improve birth outcomes; increase high school graduation rates for children who received home visiting services while young; increase workforce participation and lower rates of welfare dependency; and reduce instances of child maltreatment. Home visiting is a proven, cost-effective intervention that yields tremendous savings over the lifetime of children in the form of lower health care costs and improved earnings as adults. Unfortunately, home visiting services are available to less than five percent of families with young children in New York State and is entirely unavailable in some areas.

Schuyler Center urges the Legislature to support State investment in home visiting to maintain existing programs and expand services to more families.

*Specifically, to support home visiting programs and infrastructure:*

- *Support the \$26 million and the supplemental \$11 million included in the Executive Budget for Healthy Families New York.*
- *Support the \$3 million included in the Executive Budget for Nurse-Family Partnership and add an additional \$1.5 million.*
- *Restore \$200,000 for ParentChild+ and add an additional \$300,000 to support further expansion of their programs and access and professional development opportunities.*

## After School Programs

High-quality after school programs have been shown to help close the achievement gap for low-income children and enable families to achieve economic stability. The 2023-24 **Executive Budget** had proposed to combine both after school program (Advantage After School and Empire State After-School) into one program beginning Fiscal Year 2025.

*The Schuyler Center urges the Legislature to invest an additional \$119 million (added to the \$100,755,000 million included in the the Executive Budget) towards a new and improved afterschool program grant to ensure program viability and sustain current student capacity. A historical investment of \$219 million would significantly improve grant conditions and at least provide base, true cost per student rate of \$4,300.*

## Child welfare services

### Strengthen the Child Welfare Housing Subsidy

The child welfare housing subsidy provides \$725 a month to families involved in the child welfare system and young people aged 18-21 who have left foster care facing housing instability. The subsidy is intended to prevent separation of families who are involved in the child welfare system, expedite family reunification, and support youth transitioning out of foster care.

The housing subsidy is one of a menu of child welfare Preventive Services which include home visiting, child care, transportation, job training, and cash grants. In the 2023-24 New York State Budget, New York took the important step of increasing the child welfare housing subsidy for the first time since its creation (35 years ago), from \$300 to \$725.

**Please see our brief on this topic, *Strengthen the Child Welfare Housing Subsidy*, [linked](#), and attached to the testimony.**

*The Schuyler Center urges the Legislature to:*

- *Index the child welfare housing subsidy to inflation, so that it will rise with housing costs; and*
- *Provide the same support for young people leaving the child welfare system up to age 24, to provide a fallback during the first three years they enter independent life using non-preventive services funding. New York has a special responsibility to young people transitioning from the state's care to provide supports if they encounter challenges on the road to independence.*

### Strengthen Child Welfare Preventive Services

New York State currently invests State dollars in services that aim to keep families together, minimize/expedite their involvement in the child welfare system, and support youth in state placements and the caregivers who support youth and families. This is paired with a county funding match (62% state/38% county). This open-ended funding has contributed to a significant reduction of children in foster care over the last 20 years through supports that include housing assistance, child care, clinical services, home visiting, transportation, job training, education, and emergency cash grants. Many of these services are not eligible for federal reimbursement, making it a crucial New York State budget issue. State-funded, open-ended child welfare Prevention Services funding sustains a broad continuum of supports.



The **Executive Budget** proposes to increase the child welfare minimum spending threshold in the TANF Flexible Fund for Family Services (FFFS) by \$75 million. We are concerned about this increase to the child welfare spending threshold because:

- Counties will have less funds available to support other TANF-eligible services for children and families; and
- Counties will have less funds available to use for child welfare Preventive Services.

Counties use FFFS funding to support social services programs, including those for low-income seniors and families.

*The Schuyler Center urges the Legislature to robustly fund child welfare Preventive Services by restoring the 75% State share.*

### **Invest in the Human Services Workforce**

Human Services workers provide supportive programs to New York's children and families, including the administration and navigation of foster care, adoption, kinship, and supportive housing for young people.

*The Schuyler Center urges the Legislature to invest in the human services workforce with a COLA of at least 3.2%.*

### **Restore Funding for Kinship Caregiver Services and the Kinship Navigator Program**

Hundreds of thousands of children in New York live with grandparents, other relatives, or close family friends when their parents are unable or unwilling to do so, a significant number of which are children placed in direct custody arrangements with kin by the child welfare system. In direct custody placements, children are cared for by kin who do not receive financial support. Local kinship caregiver programs offer important supports and services to kin, a majority of whom are grandparents, who care for children in their home outside of the child welfare system, and often with extremely limited resources. Kinship caregiver programs provide information about family members' rights, support to meet children's education and health needs, and assistance with obtaining health and social service benefits.

The New York State Kinship Navigator is a statewide resource and referral network for kinship families, providing information and connections to important resources.

*The Schuyler Center urges the Legislature to restore funding for the Kinship Navigator to \$320,500, and for local kinship support programs to \$1.9 million.*

### **Support Young People Who Have Experienced Foster Care So They Can Pursue Higher Education**

Only two to seven percent of foster youth complete a two- or four-year degree. Yet, the best way to ensure that a young person will secure and retain good-paying employment in adulthood is a college education.

The Foster Youth College Success Initiative (FYSCI) supports young people who have experienced foster care and are attending college, including by covering costs such as tuition and fees, books, transportation, housing, medical and personal expenses. FYSCI also supports

young people with advisement and tutoring. FYCSI supports about a thousand students every year through successful completion of their course of study. More students avail themselves of FYCSI support each year.

*The Schuyler Center urges the Legislature to expand investment in the Foster Youth College Success Initiative to \$10 million.*

### **Strengthen Economic Support for New York Families**

Far too many children in New York State live in poverty, and many more struggle to make ends meet. For more than a decade now, New York has hovered around 30th in the nation for child poverty. Stated another way, NY children are more likely to experience poverty than children in 30 other states.

In 2021, the New York State Legislature passed, and Governor Hochul signed into law, the Child Poverty Reduction Act. The Act committed the State to reducing child poverty by half over the following decade and established the Child Poverty Reduction Advisory Council (CPRAC), which is tasked with monitoring the State’s progress and making policy recommendations to move the state toward its goal. CPRAC, now entering its second year as an advisory council, has recognized that progress toward a statewide reduction in child poverty requires sustained and systemic approaches that uplift children and families in all New York communities – rural, urban, and suburban.

**Please see our brief on this topic, *A State Commitment to Reducing Child Poverty*, [linked](#), and attached to the testimony.**

One of the principal sources of federal funds New York receives to support anti-poverty efforts is Temporary Assistance for Needy Families (TANF) funding. New York receives approximately \$2.725 billion in federal TANF funds each year that may be used for a range of programs to help lift families and children out of poverty and build economic self-sufficiency, including the refundable portion of tax credits like the EITC and child tax credit, child care assistance, public assistance rental subsidies, child welfare assistance, and many other programs. States are under no timeline to obligate or spend those funds. New York currently, and for many years, has carried a significant unobligated balance of TANF funds. In fiscal years 2021 and 2022, the balance exceeded \$1 billion. New York, in fiscal years 2021 and 2022, has carried the largest unobligated balance of any state.<sup>6</sup>

The **Executive Budget** contains a proposal to direct \$50 million in unspent TANF funding to “services, assistance and/or supports” for families with children living below the federal poverty level in Rochester, Syracuse, and Buffalo. This one-time funding would be allocated as follows: \$25 million for Rochester, \$12.25 million for Buffalo, and \$12.25 million for Syracuse, with local social services districts submitting a plan for use of the funds. The Budget proposal specifically notes that assistance received through this initiative “shall not be considered income or resources for purposes of eligibility for public benefits or other public assistance.”

The Schuyler Center urges the Legislature to take bold, strategic action to move New York State this year decisively toward its stated commitment to cutting child poverty by 50%. *Specifically, the Schuyler Center urges the Legislature to:*

- *Study and gain a better understanding of the Executive Budget proposal to address concentrated poverty in the three designated communities, and consider steps to make this effort—and its outcomes—sustained over time. Examine deliberations of the Child Poverty Reduction Advisory Council to inform implementation. Assess outcomes associated with the previous and similar Empire State Poverty Reduction Initiative.* To truly turn the tide on child, family, and community poverty will require sustained investment.
- *Include in the Budget S. 4578A Ramos /A. 6197A Clark) which would establish the Mothers & Infants Lasting Change (MILC) allowance.* The MILC allowance, established as a pilot in this bill, would be a first-in-the-nation statewide cash transfer program. The MILC allowance would provide financial support to parents of infants at a critical period in their lives.
- *Stabilize housing for more New York families living in poverty by increasing the Public Assistance housing allowance* to bring it in line with the HUD fair market rent. Currently at a statewide average of \$347 for a household of [four](#), the PA housing allowance was last adjusted twenty years ago—in [2003](#).<sup>7</sup>
- *Act to strengthen the State’s refundable tax credits, including the child tax credit* so it reaches the poorest New Yorkers, currently excluded from the full credit, and increase the maximum credit amount to \$1,600 (over the next five years) to maximize its impact for families. We also urge the Legislature to *strengthen the Earned Income Tax Credit (EITC)* so that all working New Yorkers who are eligible may file, including those filing with an Individual Tax Identification Number (ITIN), as is permitted with the ESCC, and increasing the value of the credit. *Inclusion of the Working Families Tax Credit (S.277B Gounardes/ A.4022B Hevesi) in the Budget would accomplish both of these objectives. Please see our brief on this topic, Tax Credits to Help Make Ends Meet [linked](#), and attached to the testimony.*

### **Establish Healthy School Meals for All**

During the pandemic, the Federal government provided free school meals for all students in public schools. When this policy expired in June, [more than 726,000 students](#) at nearly [2,000 schools](#) lost access to free school meals. At a time when [many New Yorkers](#) are facing food insecurity and [inflation](#) is driving grocery prices to historic highs, this loss is hitting families hard.<sup>8</sup>

Healthy School Meals for All is a proven strategy that reduces food insecurity and helps lift families out of poverty. In the FY2024 state budget, lawmakers took a critical step in this direction, investing in the expansion of an existing federal provision—the Community Eligibility Provision (CEP)—that allows high-poverty schools to provide free meals at no cost to all students. However, CEP does not reach all children, because eligibility is tied to participation in means-tested programs such as SNAP and Medicaid, which have well-established barriers for many families, including immigrant families. Schools in rural and suburban communities and areas with stark economic inequalities also struggle to qualify for CEP. Providing universal free school meals is the best way to ensure equitable access without stigma for *all* students.

*The Schuyler Center urges the Legislature to establish and fund a permanent, statewide Healthy School Meals for All program* that provides school breakfast and lunch at no cost to all students in schools participating in the National School Lunch Program.



## Improve Access to the Women, Infants and Children (WIC) Program

WIC is a cost-effective program that provides nutritious foods, nutrition education, breastfeeding support, and referrals to health care and social services to more than 400,000 people in low-income families across New York State. Extensive research shows that participating in WIC leads to healthier infants, more nutritious diets and better health for children, and later to higher academic achievement for students. Despite these positive results, only slightly more than half – 52.7% – of eligible New Yorkers participated in WIC in 2021, according to the most recent U.S. Department of Agriculture (USDA) annual estimates. A State of the State proposal would implement data-matching between Medicaid and WIC to help identify, and subsequently enroll, WIC-eligible New Yorkers who do not currently receive WIC benefits. *We look forward to learning more about the State's plan for implementation.*

### About Us

Schuyler Center is the home of and participates in the leadership of [Empire State Campaign for Child Care](#), a campaign that advocates for universal child care in New York State and the compensation child care providers deserve, and [New York Can End Child Poverty](#), a group dedicating to ending child poverty in New York. Schuyler Center also participates in the leadership of the Child and Family Wellbeing Action Network (CFWAN), advocates, providers, and people impacted by New York's child welfare system working towards a vision of New York where the state prioritizes investing in and implementing policies that strengthen and support children, youth and families; serves on Steering Committees for *Raising New York*, dedicated to the health and well-being of the youngest New Yorkers; *Kids Can't Wait*, focused on reform and improvement of New York's Early Intervention program. Dede Hill, Schuyler Center's Director of Policy, is an appointee to New York's Child Care Availability Task Force and Kate Breslin an appointee to New York's Child Poverty Reduction Advisory Council.

Dorothy (Dede) Hill  
Policy Director  
[Dhill@scaany.org](mailto:Dhill@scaany.org)

[www.scaany.org](http://www.scaany.org)

---

<sup>1</sup> 18 NYCRR 415.4(c)(3) (2023)

<sup>2</sup> Linda Smith, Victoria Owens. The Illusions of Parent Choice: Lessons Learned from BPC's Parent Survey Series. Linda Smith, Victoria Owens. [The Illusions of Parent Choice: Lessons Learned from BPC's Parent Survey Series](#). Bipartisan Policy Center. 2023.

<sup>3</sup> Daniel Schneider, Kristen Harknett. [It's About Time: How Work Schedule Instability Matters for Workers, Families, and Racial Inequality](#). SHIFT. 2019.

<sup>4</sup> 18 NYCRR 415.1(o)(1)(i) (2023).

<sup>5</sup> Schuyler Center computations based on TRAC Immigration New Proceedings Filed in Immigration Court by State, Court, Hearing Location, Year, Charge, Nationality, Language, Age, and More (updated through August 2023). See Schuyler Center's State of New York's Children [Overview](#).

<sup>6</sup> Office of Family Assistance, U.S. Dep't of Health & Human Services, [TANF Financial Data – FY 2022](#), at Tables A.6 and C.1 and [TANF Financial Data – FY 2021](#), at Tables A.6 and C.1. (In FY 2022, New York's unobligated balance was \$1,117,558, 128, representing more than one-sixth of the total unobligated

---

balance in the United States as whole; in FY 2021, New York carried an unobligated balance of \$1,216,600,088.)

<sup>7</sup> OTDA. [Public Assistance \(PA\) Shelter Allowance and Shelter Supplement](#). Powerpoint Presentation. March 7, 2023; [Public Benefits in New York State](#). Powerpoint Presentation. April 10, 2023.

<sup>8</sup> See Healthy School Meals for All website <https://schoolmealsforallny.org/>.



# Bolstering the Child Care System with a Well-Compensated Workforce

## The Promise

Well-compensated, well-supported educators perform the essential work of making high-quality universal child care a reality for New York’s children and families. They provide consistent, culturally responsive care and education to our youngest learners and to school-age children outside of school hours and during the summer.

## The Challenge

It takes significant resources to provide safe, high-quality child care. Children thrive when they receive one-on-one attention from adults they know and trust, with consistent hours, and plenty of play and outdoor time. The lower the educator-child ratio, the more well-supported and compensated the teachers, the better the quality.

Educators are the heart and soul of child care—and also the number one cost of operating a child care program. Most parents cannot pay the true cost of providing high-quality child care. As a result, wages in the field have been kept artificially low because programs simply cannot charge the rate that is needed. As U.S. Treasury Secretary Janet Yellen has stated: “child care is a textbook example of a broken market.”<sup>1</sup>

## What We Know

### New York families struggle to find child care programs that meet their child’s needs during the hours parents work or go to school

Due to historic expansions in child care assistance since July 2022, child care is financially within reach for the first time for many New York families (see *Lowering Barriers*). Yet, many families are unable to use the assistance because they cannot find a child care program that meets their needs with capacity to care for their child.

#### Licensed Child Care Capacity in New York State Still Has Not Recovered to Pre-Pandemic Levels Overall, and Has Declined Sharply in Family Child Care

	2019	2022	Change in capacity (number)	Change in capacity (percentage)
Center-Based Child Care	313,951	317,036	+ 3,085	+ 0.98%
Home-Based - Family Child Care	26,340	20,829	- 5,511	- <b>20.92%</b>
Home-Based - Group Family	123,034	118,216	- 4,818	- 3.92%
Center-Based School-Age Child Care	327,578	332,663	+ 5,085	+ 1.55%
<b>Total</b>	<b>790,903</b>	<b>788,744</b>	<b>- 2,159</b>	<b>- 0.27%</b>

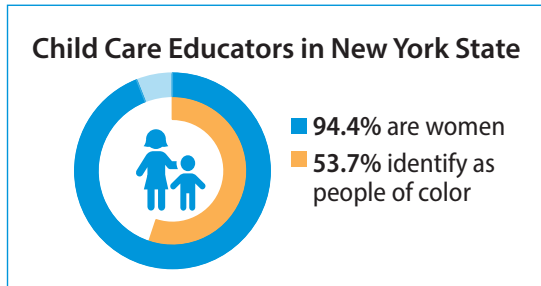
**Source:** NYS Office of Children and Family Services 2019 and 2022 Child Care Facts and Figures.

New York was facing a severe capacity shortage prior to the pandemic, and recent data demonstrate that these shortages persist across the state. In rural communities it is not uncommon to have one licensed child care spot for every 7 or 8 children under age six.<sup>2</sup> Licensed child care capacity has still not fully recovered to its pre-pandemic levels, with home-based care capacity declining dramatically. Home-based care serves a disproportionately high percentage of families receiving child care assistance<sup>3</sup> and is far more likely to serve families needing care during the early mornings, nights and weekends.<sup>4</sup>

**Legally exempt care plays an important role in the child care sector in New York State by providing payment to family, friend, and neighbor caregivers. They are subject to less stringent rules because they provide care for a limited number of children over a limited number of hours, generally to children who are relatives or family friends. In 2022, these providers cared for 27% of New York children receiving child care assistance.<sup>5</sup> Often, they provide care during crucial weekend, evening, and overnight hours.**

## Low wages paid child care educators contribute to New York’s child care shortage

Child care educators earn less than 96% of occupations in New York State.<sup>6</sup> Previous child care stabilization grants designed to shore up staffing were insufficient to meaningfully do so. A March 2023 survey of child care providers found that staffing shortages greatly diminished programs’ ability to operate at full licensed capacity, with 28,462 licensed or registered slots empty statewide from 1,600 respondents due to insufficient staffing from uncompetitive wages. Beyond closed classrooms and reduced capacity, this resulted in short-notice closures and reduced hours—imposing further hardships on working families in need of consistent care.<sup>7</sup>



Source: NYS Department of Labor: Child Care in NYS (2023).

The average wage for a child care worker in New York  
**\$35,190/annual / \$16.92/hour** in May 2022.<sup>8</sup>



Family child care educators earned less than minimum wage, approximately  
**\$10.49 / hour** in 2021.<sup>9</sup>

## Children benefit when child care workers earn a thriving wage

Children benefit from consistent, high-quality interactions with well-prepared, well-supported educators.<sup>10</sup> The largest-ever national study of child care educator mental health found that 46% of child care educators demonstrated symptoms of depression, while 67% reported experiencing moderate to high stress during the pandemic.<sup>11</sup> When low pay inevitably leads to high turnover, young children experience anxiety and stress because they cannot bond with their caregivers.<sup>12</sup> Their learning suffers because new staff do not have the level of professional development necessary to provide high-quality interactions. Furthermore, when educators experience depression they are more likely to struggle with behavior management and maintaining quality early learning environments.<sup>13</sup>

## Policy Solutions

- ▶ Create a robustly resourced, *permanent* state child care fund that is sufficient to increase compensation for all child care workers who work in licensed and regulated programs at parity with similar positions in the public school system.
- ▶ Increase rates for legally-exempt child care providers to 75% of the family child care rate and to 85% for providers who are eligible for the enhanced rate.
- ▶ Commit New York State to using a cost estimation model to determine state child care reimbursement rates by 2025 with meaningful input from child care providers and parents.
- ▶ Establish a health insurance premium support program for child care workers.

<sup>1</sup> United States Department of the Treasury. (2021). *Remarks by Secretary of the Treasury Janet L. Yellen on Shortages in the Child Care System*.

<sup>2</sup> New York State Department of Labor Division of Research & Statistics. (2023). *Child Care In New York State*.

<sup>3</sup> Melodia, L. (2023). *High Calling, Low Wages. Home-Based Early Care and Education Providers in New York City*. Center for NYC Affairs.

<sup>4</sup> National Women’s Law Center. (2018). *Family, Friends, And Neighbor Care: Facts and Figures*.

<sup>5</sup> New York State Office of Children and Family Services. (2023). *Child Care Facts and Figures 2022*.

<sup>6</sup> Schuyler Center computations based on NYS Department of Labor OEWS Employment and Wage Data (updated to the first quarter of 2023).

<sup>7</sup> Schuyler Center and Empire State Campaign for Child Care. (2023). *Staffing Shortages Due to Low Wages Are Driving the Child Care Crisis in New York*.

<sup>8</sup> United States Bureau of Labor Statistics. (2023). *Occupational Employment and Wages, 2022*.

<sup>9</sup> Melodia, L. (2023). *High Calling, Low Wages. Home-Based Early Care and Education Providers in New York City*. Center for NYC Affairs.

<sup>10</sup> Grunewald, R., Stepick, L. (2022). *What drives the cost of high-quality early care and education?*. Federal Reserve Bank of Minneapolis.

<sup>11</sup> Elharake J.A., Shafiq M., Cobanoglu A., Malik A.A., Klotz M., Humphries J.E., et al. (2022). *Prevalence of Chronic Diseases, Depression, and Stress Among US Childcare Professionals During the COVID-19 Pandemic*. Centers for Disease Control and Prevention.

<sup>12</sup> McMullen, M.B. (2018). *The Many Benefits of Continuity of Care for Infants, Toddlers, Families, and Caregiving Staff*. National Association for the Education of Young Children.

<sup>13</sup> Kwon, K., Jeon, S., Jeon, L., & Castle, S. (2019). *The role of teachers’ depressive symptoms in classroom quality and child developmental outcomes in Early Head Start programs*.

\* For all sources and computations, go to <https://bit.ly/NYSchildren>



# Lowering Barriers to Assistance for a More Equitable Child Care System

## The Promise

Every family should have access to high-quality, universal child care that meets their needs by providing the option of family- or center-based care in their community, ensuring that children thrive in culturally affirming care and education. Child care educators must be valued through sustained investment in the workforce.

## The Challenge

New York has made important strides in expanding access to child care. However, significant barriers remain in the way of accessing child care and early education that works for families and meets the developmental needs of children.

## What We Know

### Families cannot afford the cost of child care on their own

Without assistance, the cost of child care is out of reach for nearly all New York families.

Child care is the largest monthly bill for many New York families, costing an average of:



**\$3,357 per month** for an infant and a 4-year-old in a child care center (\$40,286 per year)

**\$1,516 per month** for an infant in family-based child care (\$18,200 per year)

**\$1,686 per month** for two school-age children in family-based afterschool care (\$20,240 per year)

Source: Child Care Aware Price of Care: 2021 and 2022 Child Care Affordability Analyses.

## 2022 and 2023 saw important progress in expanding eligibility and breaking down barriers to child care assistance in New York

Over the past two years, New York has made historic expansions to its Child Care Assistance Program (CCAP), raising the income eligibility cap from **200% of FPL** (or **\$55,000 for a family of 4** in July 2022) to **85% of SMI** (or **\$99,250 for a family of 4** beginning October 2023).<sup>1</sup> Since October 1, 2023, more than **108,000 children** have become newly income eligible for CCAP, adding to the approximately **265,000 children** who became newly eligible in July 2022.<sup>2</sup> **If fully funded, equitably implemented, and accompanied by increased capacity to meet the needs of all families, this expanded assistance could be life-changing for these children and their families.**

### Average Annual Household Savings for Family with New York's New Eligibility for CCAP

Household size/ annual income/ number of children in care	Average annual cost to family: July 2022 (ineligible for CCAP), % of annual income	Average annual cost to family: October 2023 (eligible and able to access CCAP), % of annual income	Annual Savings
Family of 4—\$62,400 (two parents working full-time, \$15/hr)—infant and 4-year-old in child care center	<b>\$40,286</b> <b>64.56%</b>	<b>\$324</b> <b>0.52%</b>	<b>\$39,962</b>
Family of 3—\$79,557 (NYS median household income)—two school-aged children in family-based child care	<b>\$20,240</b> <b>25.44%</b>	<b>\$547</b> <b>0.69%</b>	<b>\$19,693</b>

Source: Child Care Aware Price of Care: 2021 and 2022 Child Care Affordability Analyses.



## Many barriers to accessing child care assistance remain

Despite significant progress, barriers continue to keep many families that need child care from accessing child care assistance, including complicated and cumbersome applications; varied rules by county; processing delays; minimum work hour and wage requirements; and immigration status requirements.

### Barriers caused by administrative hurdles

By regulation, child care applications should be processed within 30 days of receipt of application.<sup>3</sup> In reality, parents report frequent denials because they have trouble meeting the cumbersome application requirements, along with processing delays that often exceed the 30-day time limit. These denials and delays can force parents to forgo job opportunities. Last year, New York introduced categorical income eligibility for families, allowing income-eligibility for CCAP to be established by proof the family is enrolled in another income-dependent program like SNAP, an important step toward lowering administrative hurdles to CCAP.



Less than 10% of families who are eligible for child care assistance are actually enrolled. This is the legacy of a system that is difficult to navigate—by design. That has to change.

— Governor Kathy Hochul in her State of the State Address, 2023<sup>4</sup>

### Barriers due to a child's immigration status

Immigration status bars some otherwise eligible children from CCAP. The need to end this exclusion has become more urgent with more than 150,000 asylum seekers newly arriving in New York this past year. Data indicate that in FY 2023, **about 22,000 of the new arrivals are children under age 12**. While New York leaders have been working hard to pave the way for asylum-seekers to be able to work, those who have children cannot work without child care.<sup>5</sup>

## Policy Solutions

- ▶ New York's Child Care Availability Task Force develops and guides implementation of a phased-in roll-out of universal child care.
- ▶ End the practice of denying New York children child care assistance due to immigration status.
- ▶ Enact presumptive eligibility statewide, allowing families to begin accessing the child care they need immediately as their application is processed.
- ▶ Take steps to increase capacity for non-traditional hours of care by paying enhanced reimbursement rates statewide for non-traditional hour care and exploring other options like providing monthly per-child supplements for non-traditional hour care and start-up grant program for providers seeking to offer non-traditional hour care.
- ▶ Expand access to care for children with special needs by dedicating state funds to provide supplemental payments to child care programs caring for children with special needs.
- ▶ Prohibit requiring parents or caretakers to earn a minimum wage or work a minimum number of hours to be eligible for child care assistance and end the practice of only providing CCAP during the exact hours a parent works; all of these practices can be detrimental to child development and disproportionately bar parents working in the gig economy or fluctuating hours from being able to access assistance.

<sup>1</sup> New York State Office of Children and Family Services. (2023). [23-OCFS-ADM-18 Changes to Child Care Assistance Regulations: Parts 404 and 415](#).

<sup>2</sup> Schuyler Center computations based on U.S. Census American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B17024.

<sup>3</sup> New York State Office of Children and Family Services. (2023). [Title 18. Department of Social Services 18, NYCRR 404.1\(d\)\(1\)\(i\). rev. 2023](#).

<sup>4</sup> Office of the Governor of the State of New York. (2023). [Remarks as Prepared: Governor Hochul Delivers 2023 State of the State](#).

<sup>5</sup> Schuyler Center computations based on TRAC Immigration New Proceedings Filed in Immigration Court by State, Court, Hearing Location, Year, Charge, Nationality, Language, Age, and More (updated through August 2023).

\* For all sources and computations, go to <https://bit.ly/NYSchildren>



## Empire State Campaign for Child Care 2024 Top Policy Priorities

New York State took historic steps toward achieving universal child care in its 2023-2024 Legislative Session. **However, the promise of increased access to high-quality child care will only be realized if New York makes a substantial and sustained investment in its child care workforce and extends the promise of care to *all* children in our state.**

**Child care workforce challenges are severe and persistent.** The average wage for child care workers in New York State—who are almost entirely women and predominantly people of color—is [\\$35,190](#), one of the lowest among all professions. The small bonuses New York has provided to much of the workforce in recent years while helpful, fall far short of the permanent hike in compensation the sector needs to stabilize and expand to meet growing need.

**Another challenge: thousands of low-income families are unjustly prevented from accessing child care by immigration status rules, lack of non-traditional hour care, and other access barriers.** New York must enact policies to ensure that all families can access high-quality, culturally-responsive care when they need it. All New York families need and deserve child care.

**Finally, with New York projecting a budget shortfall and economic headwinds, investing in child care must be recognized as critical to righting New York's economy.** There are few investments with a greater public return than child care, estimated at [18% by the Minnesota Federal Reserve](#). This is because the impacts of insufficient access to high-quality, affordable child care are dramatic. Unpaid family caregiving sharply reduces parents' earnings, which in turn reduces the amount of tax revenue they generate. A [2023 ReadyNation report](#) on infant-toddler child care determined that families with children under 3 years lose an average of \$5,520 per working parent annually in lost earnings and in time spent looking for work. Business also loses out due to productivity hits and the costs of turnover—an average of \$1,640 per working parent per year. ***New York cannot afford to continue to underinvest in child care.***

**Investments in children and families are vehicles that help our children, economy, and society thrive.** Our Campaign takes the firm position that the Governor and Legislature should exhaust all avenues, including all progressive revenue-raising options, to ensure that New York fully invests in services essential to the well-being of New York children and families, especially those from low-income, Black, brown, immigrant and other historically marginalized communities.

### Increase compensation and benefits for all members of the child care workforce.

- ▶ All members of the child care workforce need a sustained increase in compensation. To accomplish that goal, New York should:
  - Create a permanent state child care fund to increase child care worker compensation. This fund should be robustly resourced and sufficient to offer all child care workers compensation parity with similar positions in the public school system. All members of the child care workforce who work in licensed, regulated programs should be eligible to receive compensation supplements from this fund (**\$1.2 billion**); and
  - Increase rates for legally-exempt child care providers to 75% of the family child care rate and to 85% for providers who are eligible for the enhanced rate as a means of raising compensation for these providers, and require that the enhanced rate is made readily available to interested legally-exempt providers in all Local Social Services Districts (**\$50 million**).
- ▶ Commit New York State to using a cost estimation model to determine state child care reimbursement rates by 2025 with meaningful input from child care providers and parents (**\$250,000**).

## Help ensure ALL New Yorkers can access child care

- ▶ End the practice of denying New York children child care assistance due to immigration status by offering state-funded child care assistance to immigrant children barred by federal law from participating in the New York's Child Care Assistance Program (CCAP) **(\$50 million)**.
- ▶ End New York's long-standing and inequitable rule of tying child care access to parents' exact hours of work, which makes it difficult for many working parents, including parents working in the gig economy, or in retail with fluctuating schedules. This law was passed overwhelmingly by the Legislature in 2023, then vetoed by the Governor for fiscal reasons. The bill has been reintroduced in 2024: **(S.5327A (Brisport)/ A.4986A (Hevesi)) (\$70 million)**.
- ▶ Enact presumptive eligibility statewide, with child care assistance costs covered by federal and state funds (not solely Local Social Service Districts funds), so families do not need to wait for paperwork processing to begin receiving assistance **(\$30 million)**. **(A.4099 (Clark)/ S.4667 (Brouk))**
- ▶ Take steps to increase capacity for non-traditional hour care by (1) requiring the payment of an enhanced reimbursement rate of 15% statewide for non-traditional hour care; and (2) commencing a pilot program to provide a monthly per-child supplement for non-traditional hour care and start-up grant program for providers seeking to offer non-traditional hour care **(\$100 million)**. **(A.1374 (Clark)/S.4079 (Brisport))**
- ▶ Expand access to care for children with special needs by dedicating state funds to provide supplemental payments to child care programs who care for children with special needs **(\$50 million)**.
- ▶ Prohibit requiring parents or caretakers to meet a minimum earnings requirement or work a minimum number of hours to be eligible for child care assistance **(\$50 million)**. **(A.1303 (Clark)/S.4924(Ramos))**

## Additional Campaign Priorities

- ▶ Establish health insurance premium support program for child care workers as their income rises above Medicaid eligibility levels.
- ▶ Make child care educators categorically eligible for child care assistance and eliminate the state subsidy rule prohibiting parents from teaching their own children.
- ▶ Pay child care assistance (subsidies) to child care providers based on enrollment or capacity, not attendance, statewide.
- ▶ Pay child care assistance (subsidies) to child care providers prospectively (at the beginning of the month, as is the practice with private pay families), not as a reimbursement.
- ▶ Pay all child care providers at the established market rate, even when that rate exceeds their private pay price. **(A.2019 (Clark)/S.3070 (Ramos))**
- ▶ Fund CCR&R Infant Toddler Mental Health and Equity Initiatives where culturally responsive child care that addresses the mental health needs of our youngest children is accessible to all children and families.
- ▶ Enact legislation requiring New York State's Council on Children and Families or another appropriate body to work with State agencies, providers, advocates, and parents to study the effects of Pre-K expansion on the child care sector across New York State and make recommendations to ensure these two essential systems are aligned and well-coordinated, and the members of the workforce in both sectors are equitably compensated.

Adoptive and Foster Family Coalition

NEW YORK

a source of support, information and advocacy since 1975



## Strengthen the Child Welfare Housing Subsidy

### The Promise

When young people age out of foster care—that is, exit the system because they have reached adulthood (18 or older) or the age limit for foster care (21), they often do not have strong connections with family or other trusted adults. It is the responsibility of New York State to ensure these young people in the state's care are set up to transition smoothly into safe, affordable housing with supports readily available to ensure their success. So too, when families become involved in the child welfare system because of housing insecurity, the child welfare system should be able to quickly provide support to enable families to stay safely, together, in their home.

The child welfare housing subsidy provides \$725 a month to families involved in the child welfare system and young people aged 18-21 who have left foster care facing housing instability. The subsidy is intended to prevent separation of families who are involved in the child welfare system, expedite family reunification, and support youth transitioning out of foster care.<sup>1</sup> The subsidy can be used for a maximum of three years.

### The Challenge

Each year, approximately 1,000 youth age out of foster care.<sup>2</sup> **As many as one-third of youth who age out of foster care experience homelessness, and many more experience unstable housing arrangements.** Families involved with the child welfare system often face housing instability, contributing to stress and increasing the possibility of family separation.

Homelessness and housing instability is at a crisis point in New York State. Youth and families involved in the child welfare system often lack family they can fall back on during difficult times. This subsidy could be especially helpful for eligible youth and families, as they can receive the subsidy in as quickly as two weeks, much faster than the months or years other assistance can take to determine eligibility or provide help. For young people, one barrier to utilization is that the subsidy is only available until they reach age 21. Because New York extends foster care until age 21, youth aging out of the system are unable to avail themselves of the benefit to assist them in their transition to independent living.

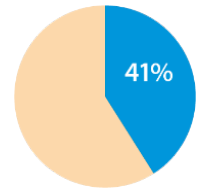
### What We've Learned from People with Lived Experience

*"It's midnight, you just turned 18 and the clock starts ticking. You don't know whether to be excited for another year on this planet or stressed out by a ton of negative emotions, knowing that your lifeline is about to be severed."*

—Jeremiah Perez-Torres, foster youth advocate, doctoral student, and adjunct professor at John Jay College of Criminal Justice, excerpt from *Opinion in City Limits*

## What We Know

Poverty and symptoms of poverty are one of the major drivers for most families' involvement in the child welfare system, often labeled "neglect."<sup>3</sup> Homelessness and housing instability are among the poverty-related reasons families are reported to the State Central Register,<sup>4</sup> and **housing is a major concern for 41% of youth who are aging out of the child welfare system.**<sup>5</sup>



Young people who exit the child welfare system to independence before the age of 21 are eligible for the subsidy when they have roommates, a positive change that was made in 2019. Youth exiting the child welfare system at 21 are ineligible for the housing subsidy when they need it most—as they are transitioning out of State support.

The housing subsidy is one of a menu of child welfare Preventive Services which include home visiting, child care, transportation, job training, and cash grants. In the 2023-24 New York State Budget, New York took the important step of increasing the child welfare housing subsidy for the first time since its creation (35 years ago), from \$300 to \$725. There remain several problems with these services, and the housing subsidy in particular, to address:

1. The State share of funding for Preventive Services (62%) is far below the original 75% State share for these services when the funding was established in 1980, leaving counties—many of which lack resources—to make up the difference.
2. Preventive Services, including the housing subsidy, are underutilized: most families that are separated do not receive Preventive Services before their children are removed from the home.
3. The child welfare housing subsidy is unavailable to youth who leave foster care at age 21 due to age limits imposed on preventive services funding.

## Policy Solutions

To encourage wider use of preventive services generally, New York State should pay 75% share for preventive services as was originally appropriated for these services. In addition, the child welfare housing subsidy should be strengthened in two ways:

1. To ensure the subsidy remains large enough to be able to serve its purpose of stabilizing young people's and families' housing situation going forward, it must be indexed to inflation, so that it will rise with housing costs.
2. Provide the same support for young people leaving the child welfare system up to age 24, to provide a fallback during the first three years they enter independent life using non-preventive services funding. New York has a special responsibility to young people transitioning from the state's care to provide supports if they encounter challenges on the road to independence.

---

<sup>1</sup> New York State Office of Children and Family Services. September 9, 2020. Administrative Directive: Child Welfare Preventive Housing Subsidy. [https://ocfs.ny.gov/main/policies/external/ocfs\\_2020/ADM/20-OCFS-ADM-16.pdf](https://ocfs.ny.gov/main/policies/external/ocfs_2020/ADM/20-OCFS-ADM-16.pdf)

<sup>2</sup> Schuyler Center for Analysis and Advocacy. 2024. The State of New York's Children Data Book: January 2024. <https://scaany.org/our-priorities/state-of-nys-children/>

<sup>3</sup> Children's Defense Fund. n.d. The Child Allowance is a Child Welfare Issue. <https://www.childrensdefense.org/wp-content/uploads/2021/05/Child-Allowance-Child-Welfare-Talking-Points.pdf>

<sup>4</sup> Schuyler Center for Analysis and Advocacy. February 1, 2023. Child & Family Wellbeing Fund. [https://scaany.org/wp-content/uploads/2023/02/Child-Family-Wellbeing-Fund-One-pager\\_02012023.pdf](https://scaany.org/wp-content/uploads/2023/02/Child-Family-Wellbeing-Fund-One-pager_02012023.pdf)

<sup>5</sup> Fostering Youth Success Alliance. 2021. Moving Forward: A Post-Pandemic Blueprint for New York's Foster Youth. <https://readymag.com/fysa/movingforward/>



# A State Commitment to Reducing Child Poverty

## The Promise

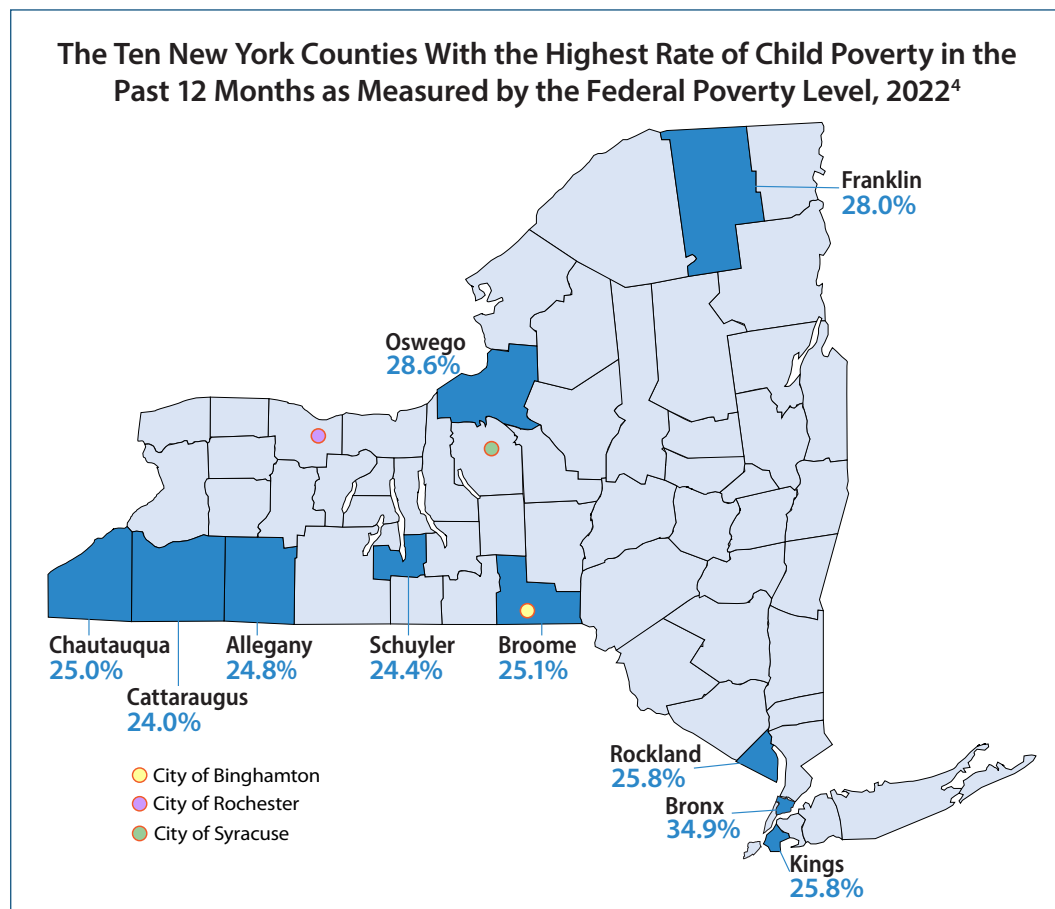
No child in New York State should grow up enduring the hardships of poverty. Recognizing this, New York leaders passed the landmark Child Poverty Reduction Act, committing in statute to cutting child poverty in half by 2032. Now it is time to make good on this promise and fight child poverty, support the economic stability of families, and set up all the state’s children to thrive.

## The Challenge

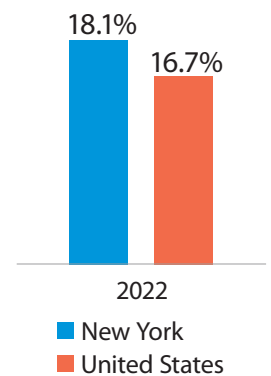
New York State has repeatedly, over time, made the policy choice to allow hundreds of thousands of children to experience poverty. There are serious consequences to this choice: evidence shows a lack of economic resources for families compromises children’s ability to grow and achieve adult success, hurting them and our communities.

## What We Know

Child poverty in New York State exceeds the national rate, as it has for more than a decade. In 2022, approximately 734,756 children, over 18%, experienced poverty, as measured by the Federal Poverty Level.<sup>1</sup> Those rates are significantly higher in many areas around the state—some urban, some rural, some suburban. For instance, nearly 35% of children in Bronx County and more than 28% in Oswego County live in poverty.<sup>2</sup> Among the large New York cities with the highest child poverty rates in New York are Syracuse (46%), Rochester (42%), and Binghamton (41%).<sup>3</sup>



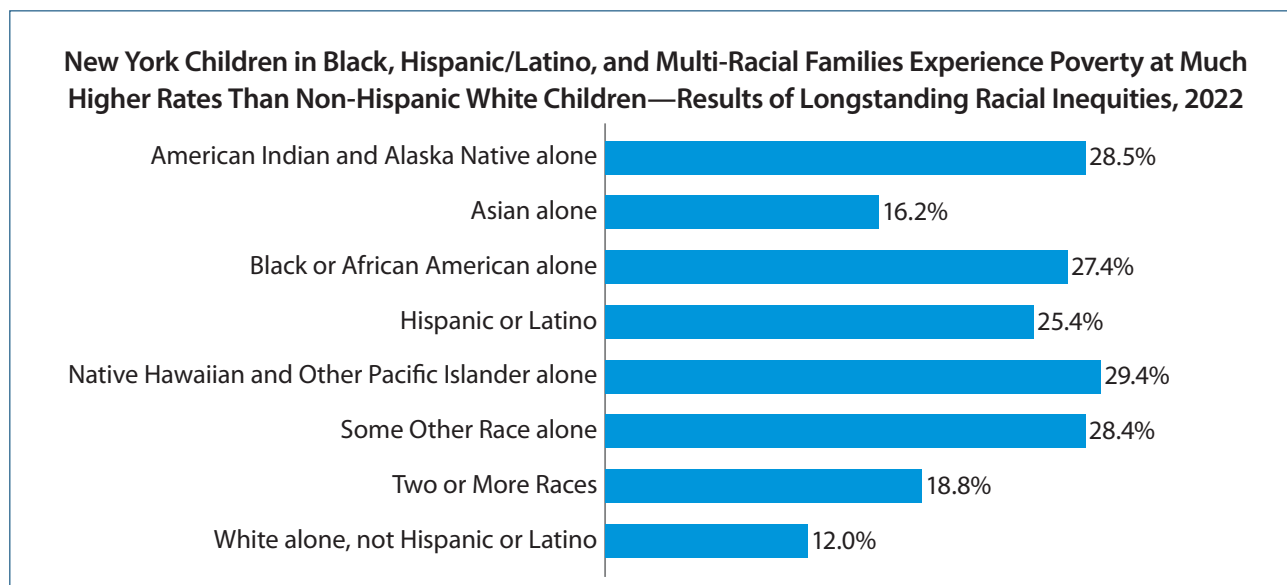
## Children Under 18 Living in Poverty (Federal Poverty Level)



**Source:** U.S. Census Bureau. Poverty Status in the Past 12 Months American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1701.

**Source:** U.S. Census Bureau. Poverty Status in the Past 12 Months American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1701.

The impact of systemic, historic, and ongoing racism embedded in housing, education, employment, and other systems is reflected in the relative rates at which children experience poverty based on their race. Public policy solutions must be shaped with intention to address the root causes of these disparities and bring an end to poverty for all children.



**Source:** Computations by Schuyler Center based on U.S. Census Bureau’s American Community Survey, ACS 5-Year Estimates Detailed Tables.

## Policy Solutions

Government has the capacity to quickly and sharply reduce the number of children experiencing poverty. This was made particularly clear when a 2021 temporary expansion of the federal Child Tax Credit resulted in a nearly 50% reduction in child poverty nationwide, and in New York State.<sup>5</sup> The federal government allowed the CTC expansion to expire, resulting in a steep tax hike for middle and low-income working New York families with children, coming just as food, gas, and housing costs had skyrocketed, leaving many families struggling to pay household bills.<sup>6</sup>

In the absence of federal action, New York State must take the lead to become a family-friendly state by supporting families and meeting its child poverty reduction goals.

Proven solutions to support families and combat child poverty include providing:

- ▶ Child care assistance to *all* families that need it, regardless of immigration status, and free from unnecessary administrative burdens;
- ▶ Robust, refundable tax credits and cash assistance;
- ▶ Continuous Medicaid coverage for children 0-6 years old; and
- ▶ Housing and nutritional supports for all families, no matter where they were born.

<sup>1</sup> U.S. Census Bureau. (2022). *Poverty Status in the Past 12 Months. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1701.*

<sup>2</sup> U.S. Census Bureau. (2022). *Poverty Status in the Past 12 Months. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1701.*

<sup>3</sup> U.S. Census Bureau. (2022). *Poverty Status in the Past 12 Months. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1701.*

<sup>4</sup> The U.S. Census Bureau measures poverty two ways. The Federal Poverty Level (FPL) is the “official” measure. It looks solely at income, without regard to other incoming measures. The Supplemental Poverty Measure (SPM)—considered more accurate by many—takes into account family resources and expenses in addition to income, including geographic variation and the value of benefits like refundable tax credits. United States Census Bureau. 2017. *Measuring America: How the U.S. Census Bureau Measures Poverty.*

<sup>5</sup> Wilson, D., Collyer, S., Hardy, B., and Wimer, C. (2023). *State-Level Poverty Impacts of the Child Tax Credit in 2021. Poverty and Social Policy Fact Sheet.*

<sup>6</sup> Coalition of Human Needs. (2022). *Household Pulse October 5 – 17, 2022 (Week 50) Food, Household Expenses, Rent, And Utilities Hardship Data For All States.*

\* For all sources and computations, go to <https://bit.ly/NYSchildren>



# Tax Credits to Help Families Make Ends Meet

## The Promise

Robust tax relief for New York’s families, especially those earning the lowest incomes, is among the most effective and equitable ways for New York State to fulfill its commitment to reduce child poverty and support family economic security.

## The Challenge

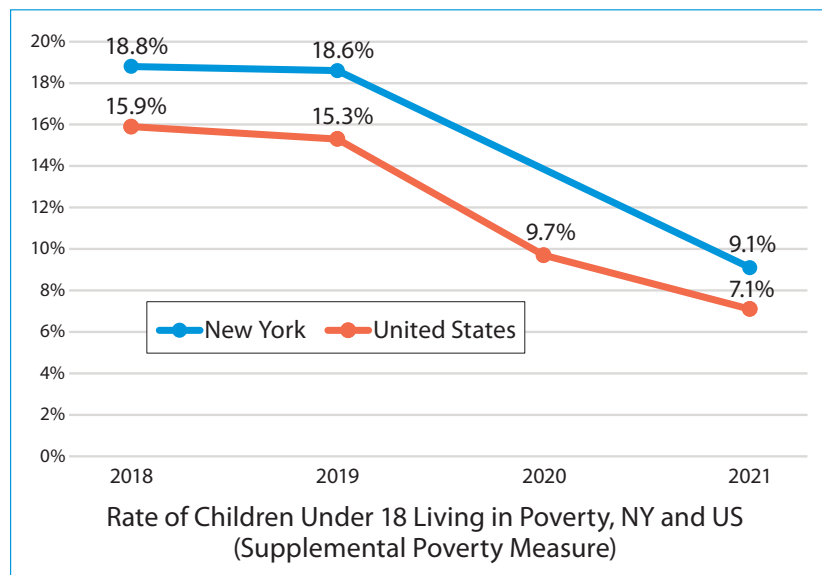
Faced with stubbornly high inflation and record high food costs, families across New York State are struggling to make ends meet.<sup>1</sup> At the same time, COVID-19 pandemic relief initiatives have been rolled back, including expanded SNAP benefits, school meals, and enhanced child tax credits. For more than a decade, New York’s child poverty rates have been among the highest in the nation.

## What We Know

New York families need relief. Meaningful, refundable tax credits for families can provide that relief, enabling families to meet immediate needs and deliver long-term benefits. Extensive research shows that cash and near-cash benefits (such as tax credits) improve children’s health and educational outcomes, increase future earnings, and decrease costs in the realms of health care, child protection, and criminal justice.<sup>2</sup>

We now have powerful evidence confirming the effectiveness of child tax credits from the 2021 pandemic expansion of the federal Child Tax Credit. That expansion—which increased the credit, particularly for low-income families, and paid it out monthly—dramatically and quickly cut child poverty nearly in half nationally and in New York State. Congress allowed the expanded federal child tax credit to expire, ending that relief for families. As a result, in 2022, nearly all but the wealthiest New York families with children paid more in taxes; many of the state’s lowest income families received no federal or state child tax credit.

## The Temporary Expansion of the Federal Child Tax Credit and Other Pandemic Supports Caused Child Poverty Rates to Plummet in New York and the Nation<sup>3</sup>







The U.S. Census Bureau measures poverty two ways. The Supplemental Poverty Measure is considered by many experts to be more accurate and comprehensive because it takes into account family resources and expenses not included in the official measure, geographic variation, and the value of in-kind benefits like nutritional assistance (SNAP), subsidized housing, home energy assistance, refundable tax credits. In contrast, the official poverty measure looks solely at income, without regard to other incoming resources.<sup>4</sup>

Source: U.S. Census Bureau. State by Age SPM Rates: 2009-2019, and 2021. American Community Survey, ACS 1-year estimates.





New York State has two refundable tax credits for families: the state Earned Income Tax Credit (EITC) and the Empire State Child Credit. The current structure of both excludes the lowest income families from receiving the maximum credit through their use of an income-based phase-in which results in those most in need of financial support receiving the smallest credit, or none at all. Further, New York’s EITC excludes immigrant taxpayers who file using an Individual Taxpayer Identification Number (ITIN) rather than a Social Security Number.

**NYS Empire State Child Credit, 2021**

-  **1,294,855**  
Total claims
-  **\$421**  
Average credit for family
-  **\$330**  
Maximum credit per child
-  Families living in extreme poverty **excluded from receiving the full credit**

**Source:** NYS Department of Taxation and Finance. Empire State Child Credit Study by Filing Status.

**NYS Earned Income Tax Credit, 2021**

-  **865,844**  
Total claims, 1 or more qualifying children
-  **\$980**  
Average credit family / 2 children
-  **\$1,794**  
Maximum credit family / 2 children
-  Young, childless adults 18-24, New Yorkers living in extreme poverty, and many otherwise eligible immigrant New Yorkers **excluded entirely from credit**

**Source:** NYS Department of Taxation and Finance. Earned Income Tax Credit (EITC) Claims by Credit Type and Size of Earned Income.

## Policy Solutions

To make New York more affordable for all families, and fulfill the State’s child poverty reduction commitments, the State must act this year to expand and strengthen its tax credits for families.

New York State’s design of tax relief for families limits their power to reduce child poverty and entirely excludes many children whose families are unfairly burdened with taxes and in the most dire need of economic support.

Providing tax relief for low-income families is a matter of equity. Financial hardship disproportionately impacts children and families of color. In fact, Black children in New York State are more than twice as likely to live in poverty as their white peers.<sup>5</sup> New York can and must strengthen its tax relief for families by:

- ▶ Ensuring the maximum state child tax credit reaches the lowest-income New Yorkers and increasing the credit amount to meaningfully impact family budgets; and
- ▶ Strengthening the EITC so all working New Yorkers may access the credit, including those filing with an ITIN.

### Lived Experience: Child Tax Credits



With the Child Credit, I could shop for my family every two weeks, instead of having to plan everything around once a month, which was much less flexibility. Over time, I have been able to depend less and less on community services. I have been able to plan more and be more consistent. That makes me feel more sufficient and independent and also makes my kids feel that way, because it is true.

—Candace Cabral, parent advocate and member of the Child Poverty Reduction Advisory Council, on the impact of the expanded federal Child Tax Credit

<sup>1</sup> United States Government Accountability Office. (2023). *Food Prices: Information on Trends, Factors, and Federal Roles*.

<sup>2</sup> National Academies of Sciences, Engineering, and Medicine. (2019). *A Roadmap to Reducing Child Poverty*. Washington, DC: The National Academies Press.

<sup>3</sup> Collyer, S., Hardy, B., Wimer, C., & Wilson, D. (2023). *State-Level Poverty Impacts of the Child Tax Credit in 2021*. Poverty and Social Policy Fact Sheet.

<sup>4</sup> U.S. Census Bureau. (2022). *Measuring America: How the U.S. Census Bureau Measures Poverty*.

<sup>5</sup> Schuyler Center computations based on U.S. Census Bureau’s American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B17001B. For all sources and computations, go to <https://bit.ly/NYSchildren>