



Advocates for Children of New York

Protecting every child's right to learn

Testimony for the Joint Legislative Public Hearing on the 2016-2017 Executive Budget Proposal: Human Services

Re: Child Care

February 9, 2016

Thank you for the opportunity to speak with you today about funding for child care in the 2016-2017 Executive Budget. My name is Randi Levine, and I am Policy Coordinator at Advocates for Children of New York (AFC). For more than 40 years, Advocates for Children has worked to promote access to the best education New York can provide for all students, especially students of color and students from low-income backgrounds. Every year, we help thousands of New York City parents navigate the education system. We use our on-the-ground experience to identify barriers to education and work to pursue systemic change.

As an education advocacy organization, we know that the first five years of children's lives have a profound impact on their education and future. By the time children enter kindergarten, children from lower socioeconomic backgrounds lag significantly behind children from higher socioeconomic backgrounds in academic skills. High-quality early childhood education programs are proven to help fill this gap. Long-term research shows that children from low-income backgrounds who are left out of high-quality early childhood education programs are more likely to be retained a grade, be placed in special education classes, and drop out of high school than their peers who participate in such programs. Leading economists have found that high-quality early childhood education programs are cost-effective, providing taxpayers with a strong return on investment by reducing spending on remedial instruction, special education, public assistance, and the criminal justice system.

For many families with low incomes, subsidized child care provides the only opportunity to access early childhood education for their children. In addition, subsidized child care helps families to work. However, due to limited funding, only twenty-two percent of income-eligible children have access to subsidized child care in New York State.

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The recent reauthorization of the federal child care law, the Child Care and Development Block Grant (CCDBG), brings significant opportunities, as well as significant challenges. We are pleased with changes in the federal law that would increase the quality of programs, provide stability for children, and promote access for children, including children experiencing homelessness. However, we understand that these changes have substantial financial costs. Unfortunately, the Executive Budget includes a mere \$10 million in additional funding for child care. This funding falls far short of the investment we need this year to prevent children from losing access to subsidized child care.

First, the federal child care law includes new health and safety requirements. These requirements include additional background clearances; inspections of all child care facilities, including legally-exempt providers; and training for child care staff on various health and safety topics. The State has estimated that it will cost at least \$90 million to implement these requirements alone.

Second, new child care reimbursement rates are scheduled to take effect in June 2016 based on the State's market rate survey. Since the market rate for child care has been increasing, the rate paid to child care providers accepting child care subsidies must also increase. Child care providers must be paid adequately to ensure they can provide high-quality early childhood education programs. Furthermore, in its draft child care plan, OCFS explained that it is evaluating its special needs market rate to determine if it is adequate to meet the needs of children with disabilities. Under the law, child care programs cannot exclude children due to their disabilities and must accommodate children's needs. Unfortunately, we have received calls from parents of children with disabilities who have had trouble finding a program that would enroll their children because of their special needs. Other children with disabilities have been expelled from their child care programs with the explanation that the programs cannot meet their needs. There must be sufficient funding for child care providers to serve all children from low-income families, including children with disabilities.

Third, the federal child care law includes new eligibility, phase-out, and payment requirements that will have increased costs for the State. As one example, the federal law includes a new requirement that a child remain eligible for child care for at least twelve months regardless of a temporary change in the parent's work status or income, as long as the family's income does not exceed 85 percent of the state median income. This important change will help ensure that children have access to a stable early childhood education setting for a full year. However, this requirement comes with increased costs.



Fourth, the federal law has several new provisions aimed at providing increased access to children who are homeless. The federal law and proposed regulations require states to prioritize serving children experiencing homelessness, in addition to the existing priority categories of children with disabilities and families with very low incomes. Currently, in New York State, children who are homeless are eligible for subsidized child care only if their parents fall into an existing eligibility category such as receiving public assistance or meeting work and income requirements. We have received calls from families who are experiencing homelessness and are desperate for child care for their young children but do not meet the current eligibility criteria. We have also heard from shelter staff who are having difficulty determining whether or not the children living at the shelter are eligible for child care under the current, complicated rules.

We are very pleased that the draft child care plan released by the New York State Office of Children and Family Services (OCFS) included the State's intent to make children who are homeless categorically eligible for child care. This change would have a significant impact on the lives of children and families who are homeless. Child care is critical for young children experiencing homelessness to have safe, developmentally appropriate places to learn and prepare for kindergarten and for their parents to be able to look for housing and jobs. Furthermore, a disproportionate number of children who are homeless experience delays in their development. Connecting these children with high-quality child care programs not only helps prepare them for kindergarten, but also allows educators to monitor their development and connect them with services when appropriate. We must ensure that there is adequate funding for children who are homeless to access child care subsidies.

In addition to the \$90 million needed for the State to implement the new federal health and safety requirements, it is estimated that at least an additional \$100 million is needed to make these other changes. Thus, we are asking the Legislature to invest at least **\$190 million** in new funding for child care.

Given the significant unmet need that already exists, we want to ensure that the State does not fund these new requirements by decreasing the number of children accessing child care. Rather, the State must provide increased funding for these new requirements.



In sum, we urge the Legislature to invest at least an additional **\$190 million in child care** to maintain and expand subsidies:

- **\$90 million** so that no children lose child care subsidies as New York implements new health, safety, and quality initiatives mandated by the federal Child Care and Development Block Grant (CCDBG).
- **\$100 million** to maintain slots
 - in the face of market rate increases due in June of 2016; and
 - as New York implements other new federal CCDBG requirements, such as providing 12 months of eligibility regardless of changes in family income and expanding eligibility to children who are homeless.

We look forward to working with you throughout the budget process. Thank you for the opportunity to testify. I would be happy to answer any questions you may have.