

TESTIMONY OF BETH STARKS, FOUNDER AND EXECUTIVE DIRECTOR OF CHAUTAUQUA LAKE
CHILD CARE CENTER

JOINT LEGISLATIVE BUDGET HEARING ON ECONOMIC DEVELOPMENT

Thank you for inviting me to testify today. I am Beth Starks, the founder and Executive Director of Chautauqua Lake Child Care Center. I am also an Assistant Professor and the Early Childhood Coordinator at Jamestown Community College.

I am a third-generation Early Childhood Educator and have experience in everything from infant rooms all the way up through higher education. I am proud to serve on both the Governor's Early Childhood Advisory Council and the Child Care Availability Task Force. I come to you today to speak about child care as an industry & as a business. I speak this morning on behalf of my colleagues - child care providers in centers, licensed in-home providers and school age programs. I thank the chairs and members of the respective committees for the opportunity to testify on the 2021-22 New York State Executive Budget. *I appreciate your recognition that it is imperative that child care as an industry is included in this hearing as it is foundationally interconnected to businesses and economic development, especially now.* In my written testimony, you will find links to a lot of statistics and additional information on the topics that I will be discussing today.

First of all, I want all of you to understand that child care is a business that supports all other small businesses. We are an essential business that has remained open throughout the COVID-19 emergency. By doing so, we have allowed all other businesses and industries to remain open and now to re-open. Child care is a multi-billion dollar industry employing tens of thousands of New Yorkers. Child care programs have a return on investment of \$1.86 for every \$1 invested—more than retail, manufacturing, and construction—and that's money that stays in local communities. Yet, child care is an industry that is different from other businesses because it also enables other businesses to operate.

Children and families need your help now by supporting child care providers. More decisive steps need to be taken in NYS to assist families in paying for child care and to safeguard the safety and health of child care providers and the families they serve. We need to ensure that NY's child care providers are ready and able to play their vital role in restarting the economy as we emerge from this pandemic.

Record numbers of women have left the workforce (Nationally, 2.6 million have left the workforce entirely since last February), citing child care as the main factor - resulting in reduced labor force participation & a reduction in income for families. I can recount dozens of personal stories for you about women reducing their hours, choosing to turn down promotions, leaving their jobs and deciding not to look for new employment. I do not need to explain to you the implications this has on our economy and the tax revenue for NYS.

Employers indicate child care is a main factor in problems with employee recruitment, retention, and productivity - resulting in combined loss of revenue. Struggling businesses cannot afford the additional loss in revenue right now. With one third of small businesses in NYS closed, many never to re-open, our focus on obtaining and supporting existing employees is paramount.

The NYS child care task force has carefully developed recommendations that include a focus on workforce development, leveraging the regional economic development councils and private/public partnerships to maximize funding and support for children, families, and businesses in NYS. This report was made possible through statute and supported by members of both houses of the Legislature. These recommendations should be followed and implemented as part of the plan for rebuilding our state.

I come to you as the founder of a non-profit child care center and a supporter of public education. I come to you as a leader, a public servant and a voice for children and families. Other small businesses, and families need your help now by supporting childcare providers. Our small businesses are especially strained right now when it comes to their workforce. **Workers need child care to do their jobs.** I implore you to ensure more decisive steps are taken in NYS to assist families in paying for child care and to safeguard the safety and health of child care providers and the families they serve. We need you to ensure that New York's child care providers are ready and able to play their vital role in restarting the economy as we emerge from this pandemic. Child care providers are essential and have been on the front-line providing care for children of essential workers so that they can do their jobs--as nurses, doctors, law enforcement, and so on. Child care providers have allowed essential workers to work every day knowing that their children are healthy, safe and happy.

Child care was in a crisis situation here, preventing people from going to work, pre-COVID. We are in what's called a child care desert because there isn't enough child care here in Chautauqua County (or in much of NYS). According to the Center for American Progress, **64 percent of New Yorkers lived in a child care desert (before the Pandemic)**, which means that there are more than 50 children under the age of 5 in a census tract that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots. In his time as our County Executive George Borrello, now a NYS Senator, made child care a county-wide priority. He recognized how important child care is as an industry and how interconnected it is to businesses and economic development. He found that the lack of affordable child care was one of key impediments to obtaining employment in NYS. Senator Borrello and Assemblyman Andrew Goodell have consistently worked on obtaining additional funding for child care, tried to leverage funding through the Governor's Workforce Development Initiative/Economic Development Council and bring together public/private partnerships; as they recognized the need before the Pandemic.

The past year, the situation has gotten much worse. **Many of my colleagues in Chautauqua County have closed their doors.** Nationally, it is estimated that about ½ of them will never open again. We cannot re-open our county or NY without child care because there is nowhere

for children to go and that includes children from infants all the way up through the teenage years. We're an industry that needs financial support. My colleagues will tell you that they stayed open during COVID because it was what was right for children and families. I will tell you that we all made poor business decisions because we operated our businesses by leading with our hearts, instead of making financially-based decisions. We are all fulfilling our mission in serving children and families. We remained open serving on the front lines, but every single day we are open we continue to lose money and there is very little support. The biggest need is purely financial. We need working capital. Most of the remaining providers in Chautauqua County literally have weeks left until they too close their doors.

As far as federal funding, there was CARES Act money approved last spring that was set aside for child care federally and we were really excited because we were told we would receive \$164.6 million in NYS specifically for child care. NYS's allocation of those federal funds has provided some relief to providers and families. Unfortunately, **of that \$164.6 million in CARES funding, only \$40 million has actually been spent.** Beyond that there has been no help directly to child care facilities in NYS.

We expect to receive \$465 million from the next round of federal child care funding. New York's plan to spend these funds is due February 25th. *It is essential that the State begin investing these federal funds now, before the release of the enacted budget, because families and child care providers cannot wait any longer for help.* I hope that this will take into account the recommendations of the Child Care Availability Task Force. **I support utilization of the funds in alignment with the Empire State Campaign for Child Care (ESCCC), Winning Beginning New York (WBNY), and Raising New York recommendations (attached).** NYS has an opportunity to leverage federal funding to become a leader in Early Childhood Education. It is imperative that this funding be used swiftly and strategically.

Child Care in the Executive Budget

This Executive Budget marks the fourth since Governor Cuomo signed the Task Force Legislation into law without meaningful new investment in child care, or transformative proposals. This Budget includes flat funding for child care subsidies at \$832 million. The State general fund investment is \$229 million, just above the minimum needed to draw down full federal Child Care Community Development Block Grant (CCDBG) funds. \$166.8 million of the total is federal CCDBG funds rolled over from FY 2020. The Executive Budget reduces TANF funds investment in child care as compared to last year by almost \$200 million; it is unclear where those TANF funds have been shifted.

Subsidy Investment: High-quality child care is very difficult to find and costs an average of \$15,000 annually per child. This sum is prohibitively expensive for nearly all low- and middle-income families. Fewer than 20% of low-income families eligible for child care subsidies are receiving them. **I support the Executive Budget investment of \$40 million to reduce the burden of child care co-pays for families currently receiving subsidy as a step in the right direction to address child care availability and affordability in NYS. However, these are**

reappropriated from last year - not new funding. This could mean that the state will have to offset higher costs by reducing the number of families receiving subsidies.

Increase child care availability: The COVID-19 pandemic has worsened circumstances for parents and providers by decreasing program enrollment and impacting job security and financial stability. While many businesses closed to prevent the spread of COVID-19, child care providers remained open as an essential service to families. While deemed essential, there are many child care deserts throughout the State. **I support the \$6 million investment in start-up grants to address NYS child care deserts.** Expanding access to care and early childhood supports will help to decrease stress for some families.

Employer child care tax credits: The budget proposal would update the Excelsior Jobs Program and Employer Provided Child Care Credit, providing incentives to employers that provide child care to their employees. The updates to the Excelsior Jobs Program would allow for an expanded 5% Investment Tax Credit and a credit for 6% of ongoing net child care expenditures provided by the credit recipient. The Employer Provided Child Care Credit would double the current credit to 50% of qualified child care expenditures and 20% of qualified child care resource and referral expenditures. It would also increase the taxpayer cap from \$150,000 to \$500,000. **I support these efforts to increase business support of child care as an employee benefit, helping families and businesses.** However, we need to revise this credit to remove the red tape and ensure that businesses can take advantage of these credits.

It is my final request that the Legislature and Governor incorporate the Task Force recommendations within the final 2021-2022 New York State Budget, and include an increased investment of \$485 million in child care, drawing from remaining emergency federal funds, ongoing federal CCDBG, TANF and existing and new State investments to further implement these recommendations, build toward sustainability, and this year take real steps toward equitably expanding access to quality child care to families most sharply impacted by the pandemic, and to stabilizing the sector.

We cannot look at supporting childcare as a “subsidy”. It is truly an investment in economic development and infrastructure. We cannot rebuild our economy without an investment in something as critical as childcare. Child care is one of the indicators of a robust economy.

In closing, I will tell you that this issue to me is not political. It is very much bipartisan and I believe that we have to all come together to support children and families. In doing so, we support our economic infrastructure and the future of our state. If we aren’t making decisions based on what is best for our youngest citizens, then we are doing a disservice to our entire population. I offer to you my assistance as part of the solution. I trust your leadership and your judgement. I appreciate the support of my legislators, Senator Borrello & Assemblyman Goodell, as well as the leadership of Assemblyman Hevesi and Senator Brisport and their committees as they work to ensure that families, providers and businesses are heard. **We all need to work together to make NYS the leader in early childhood education during this time and in the future.**

I will always believe every challenge is an opportunity and we have the opportunity now to do the right thing for our current workforce and for our state's youngest citizens, our future.

Thank you for your time.

I am happy to answer any questions and I offer my assistance (bstarks@clake.org).

Additional information:

Chautauqua Lake Child Care Center website-
www.clccc.org

[ESCCC / Winning Beginning NY 2021-2022 NYS Budget Request](#)

[ESCCC /Winning Beginning NY Response to the Executive Budget](#)

[NY Child Care Landscape – 2021](#)

[Winning Beginning NY 2021-2022 Legislative Agenda](#)

[ESCCC Proposed Plan for Investing New York’s Portion of Consolidated Appropriations Act of 2021 Child Care Stimulus Funds](#)

Schuyler Center for Analysis and Advocacy. 2021. The State of New York’s Children. Data Book: January 2021. <https://scaany.org/wp-content/uploads/2021/01/SONYC-Data-Book-2021.pdf>

Center for American Progress - Information on Child Care Deserts-
<https://www.americanprogress.org/issues/early-childhood/reports/2020/06/22/486433/coronavirus-will-make-child-care-deserts-worse-exacerbate-inequality/>

Letter to the Governor from Chautauqua County Child Care Providers-
<https://docs.google.com/document/d/1kNw1jxwXANR4CASdmOVBDHrigqXSU27JbVqxtW6fZUc/edit?usp=sharing>

Letter to Governor Cuomo, Senate Majority Leader Stewart Cousins, Assembly Speaker Heastie, NYS Chancellor of Education Rosa (including the May 18, 2020 recommendations of the Governor’s Child Care Availability Task Force) -
<https://docs.google.com/document/d/16aBPz67psqoipsYDVYD4PXyXyOKEY5pivCln6RQyQzk/edit?usp=sharing>

*Final report and recommendations of the CCATF forthcoming.