



**Testimony before the  
SENATE STANDING COMMITTEE ON CHILDREN & FAMILIES  
The Child Care Crisis in New York State  
January 26, 2023**

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The Schuyler Center thanks the chair and members of the Senate Standing Committee on Children and Families for the opportunity to testify regarding the child care crisis in New York State, the lack of availability of child care, and legislation or policies to address the crisis and strengthen children, families, child care workers, and communities.

The Schuyler Center is a 150-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. Schuyler Center policy priorities focus on strengthening families before they experience crises or trauma and preventing families from enduring hardships like ill-health, economic insecurity, child welfare involvement, or encounters with juvenile justice.

Schuyler Center is a fierce collaborator, leading and participating in several coalitions focused on children and families, including the Empire State Campaign for Child Care (ESCCC), a statewide campaign dedicated to equitable access to child care. Founded in 2017, ESCCC counts in its membership nearly 100 organizations, along with hundreds of parents and child care providers from every corner of New York State.

**OVERVIEW**

Expanding access to high-quality, culturally-responsive, affordable child care, afterschool and pre-K has long been a top priority of Schuyler Center because access to these programs strengthens families, children and communities in myriad ways. Access enables parents, particularly mothers, to work and build family economic security. It reduces parental stress by providing parents opportunity to work, go to appointments, and engage in the many other responsibilities parents must juggle, knowing their children are in a safe, enriching environment. Access to high-quality early childhood education leads to better health and cognitive and social-emotional skills for children, and reduces racial inequities in kindergarten readiness. Finally, access improves economic productivity. U.S. employers nationally experience an average \$13 billion a year loss in productivity due to employee child care challenges.<sup>1</sup>

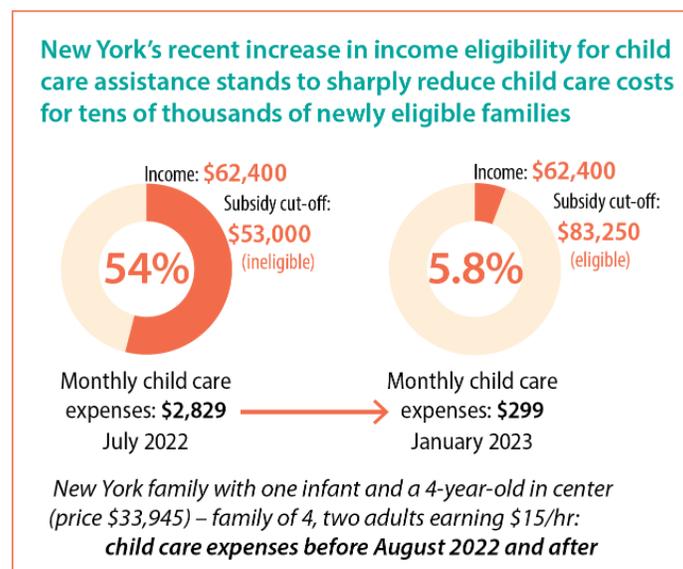
For these reasons, and many more, it is imperative for all New York's children and families to have easy access to high-quality child care, and yet, the barriers to access are many and formidable.

## **BARRIERS PREVENTING BROAD, EQUITABLE ACCESS TO HIGH-QUALITY CHILD CARE**

### **1. Child care in New York is unaffordable.**

Without assistance, child care is financially out of reach for nearly all NY families. It is not uncommon for a family to pay more than \$30,000 a year for child care and afterschool programming, or some combination of the two. These high costs have left many NY families facing child care bills that amount to a quarter, or even 50%, of family income. Meanwhile, the federal government pegs child care affordability at no more than 7% of family income.<sup>2</sup> **The math just doesn't work for families.**

New York made progress addressing affordability barriers last year when it expanded access to child care assistance, raising the income eligibility cap from 200% to 300% of the federal poverty level (FPL). As shown below, this expansion has the potential to dramatically cut many families' child care costs. If fully and equitably implemented, together with increased capacity to meet need and removal of unnecessary administrative barriers preventing families from accessing assistance, this expansion could be life-changing for more than 265,000 New York families.



**7%** **FEDERAL CHILD CARE AFFORDABILITY STANDARD:**  
**\$** **NO MORE THAN 7% OF INCOME**

Notably, in her State of State address, Governor Hochul proposed an additional expansion in child care eligibility to 85% of state median income (SMI), which, if passed, would raise the income cut-off for a family of four to \$93,258, from the current \$83,250, and up from last year's cap of \$55,500.<sup>3</sup> **These expansions are significant, even extraordinary.**

It is important to note one group of New Yorkers left out of these expansions – and left out of child care assistance altogether in most of the state – immigrant families whose children are barred from accessing federal child care assistance. New York City is currently implementing a program to reach these children living in the City; it is up to New York State to provide assistance to the rest of the state’s children.

## 2. Child care capacity is inadequate to meet need and declining.

While the importance of eligibility expansions cannot be overstated, they will be meaningless if families cannot find child care in their communities. Child care capacity is down nearly 2% from pre-pandemic numbers, a significant decline given that New York went into the pandemic with 64% of families living in child care “deserts” – communities with less than one spot for every three children.

Particularly hard hit by the impacts of the pandemic are family-based child care programs, with Family Child Care capacity in 2021 down more than 16% as compared to 2019 levels, and Group Family Child Care capacity down more than 7% during that same period. The loss of capacity in this sector is of serious concern because family-based providers disproportionately serve families receiving child care assistance, are more likely to offer flexible schedules to care for children outside 9 to 5 hours, and are more likely to mirror the language and culture of parents in their communities.<sup>4</sup> New York’s many and diverse family-based providers are a unique strength of New York child care; the State must take action to save and support this essential sector.

Licensed Child Care Capacity in New York State by Modality: 2019 and 2021				
	2019	2021	Change in capacity (number)	Change in capacity (percentage)
Center-Based Child Care	313,951	314,327	+ 376	+ 0.1%
Family Child Care (include school age)	26,340	22,081	- 4,259	- 16.2%
Group Family Child Care (include school age)	123,034	114,323	- 8,711	- 7.1%
Center-Based School-Age Child Care	327,578	325,290	- 2,288	- 0.7%
<b>Total</b>	<b>790,903</b>	<b>776,021</b>	<b>-14,881</b>	<b>- 1.9%</b>

## 3. Child care workforce numbers are inadequate to meet need, and are declining

One reason for New York’s declining capacity is that the child care workforce remains significantly smaller than it was pre-pandemic, down by 8%. The workforce shortage – which is compounding a shortage that pre-dates the pandemic – is due largely to low wages. Child care educators – 96% women, and majority of color – are paid on average \$34,000 a year, a wage that is so low they live in poverty at more than twice the rate of New York workers in general.<sup>5</sup>

Not only are these low wages harmful for child care educators and their families, they undermine the quality of child care programs because “the quality of child-teach interactions and relationships is THE most important factor in achieving positive developmental outcomes for children” – particularly very young children.<sup>6</sup> Low wages lead to high turnover and over-taxed educators, undermining quality.

#### **4. Administrative hurdles prevent many eligible families from gaining access to assistance.**

To access child care assistance, families must navigate significant administrative hurdles that include processing delays and waitlists, too frequent recertifications, burdensome documentation requirements, and inequities in eligibility rules across counties. Notably, Governor Hochul, in her January 2023 State of the State address, acknowledged the existence of these barriers and their intentional creation to discourage participation, and committed to taking steps to eliminate them. Governor Hochul stated: “[l]ess 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.”

Already, New York has taken some important steps to reduce barriers. In December 2022, the Governor signed a bill allowing Local Social Services Districts (LSSDs) to extend the child care assistance certification period from 12 to 24 months. Longer certification periods have been shown to cause families to “churn” in and out of child care not because they are ineligible for care, but due to missing paperwork or other bureaucratic requirements, too often causing harmful disruptions to children who may be pulled out of a program where they have developed strong, trusting relationships with educators and classmates.<sup>7</sup> In addition, the Governor announced in her State of the State other promising proposals, including implementing categorical income-eligibility for families enrolled in other public assistance programs; requiring local social service districts to provide child care assistance to families experiencing homelessness and families caring for a child in foster or kinship care; creating a statewide electronic application process; and requiring counties to reimburse providers for up to 80 absences per family.<sup>8</sup> However, there is much more to be done.

### **SOLUTIONS**

**The comprehensive and most equitable solution for New York is to implement universal, publicly-funded, high-quality child care for all.** Under this vision, child care would be available to all families, without exclusions, administrative hurdles, or benefit cliffs, and it would be funded adequately to pay the workforce a thriving wage.

On the road to universal, the Empire State Campaign for Child Care is calling for New York to take significant, essential steps this year to make strides toward this comprehensive solution. The ESCCC’s *2023 Priorities in Light of the 2023 State of State Proposals* are attached and have the full support of the Schuyler Center. Among the most urgent priorities, we are calling upon New York to:

**Immediately, and in a sustained way, increase child care workforce compensation.**

**Supporting and growing the workforce is THE most urgent issue facing child care in NYS.**

The child care community calls for workforce wage supplements of \$12,500 per year until the state implements a new provider reimbursement methodology and pay scale. This supplement is similar to one implemented last year by Washington, D.C. New York should also establish health insurance premium support program for child care workers as their income rises above Medicaid eligibility levels.

**Continue breaking down access barriers starting by extending child care assistance to all otherwise eligible children without regard to their immigration status.** All New York children deserve access to safe, high-quality child care.

**End the outdated, inequitable practice of providing child care assistance only for the exact hours a parent is working or in training.** Children and families and providers need predictable, consistent hours of care.

**Finally, NY children and families are better served, and our public dollars go farther if our child and family-serving systems are coordinated and aligned.** When child care subsidies, pre-K, Head Start, and afterschool are coordinated and aligned, they can serve more families better and make better use of public dollars.

## **BUDGET**

Achieving universal access to high-quality, culturally-responsive child care, that pays a thriving wage to all members of the child care workforce, will take significant, sustained public investment. The Governor in 2021 committed to investing a total of \$7 billion to child care over four years. This is an important start, but inadequate to achieve the goal of universal, which will require an annual, sustained investment of at least that much.<sup>9</sup> Providing high-quality care and education to children is expensive – and valuable. Children, particularly young children, need significant one-on-one attention and care; early childhood educators should be well-compensated and supported, reflective of the tremendous value of their work.

The Empire State Campaign for Child Care estimates the investment needed to shore up and keep New York on track to achieving the goal of universal child care is \$5 billion. To put that in perspective, \$5 billion represents slightly more than 2% of the \$220 billion 2022-23 Enacted Budget.<sup>10</sup> New York has the resources and the knowledge of what is needed to shore up and expand child care, and to set it on the path to being the first and best truly universal system in the country. We urge New York leaders to choose to put New York children and families first in the 2023-24 New York State Budget.

Thank you.

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<sup>1</sup>Alicia Sasser Modestino et. al, Child Care Is a Business Issue. Harvard Business Review. April 29, 2021. [State Fiscal Year 2022-23 Enacted Budget Analysis - May 2022](#)

<sup>2</sup> Schuyler Center for Analysis and Advocacy. The State of New York's Children. Data Book: January 2023. [SONYC-2023-Data-Book.pdf \(scaany.org\)](#)

<sup>3</sup> State median income levels. 2022. [22-OCFS-INF-05.pdf \(ny.gov\)](#)

<sup>4</sup> Schuyler Center for Analysis and Advocacy. The State of New York's Children. Data Book: January 2023. [SONYC-2023-Data-Book.pdf \(scaany.org\)](#)

<sup>5</sup> Schuyler Center for Analysis and Advocacy. The State of New York's Children. Data Book: January 2023. [SONYC-2023-Data-Book.pdf \(scaany.org\)](#)

<sup>6</sup> Rob Grunewald, Lina Stepick. What drives the cost of high-quality early care and education? Federal Reserve Bank of Minneapolis. January 5, 2022. [What drives the cost of high-quality early care and education? | Federal Reserve Bank of Minneapolis \(minneapolisfed.org\)](#)

<sup>7</sup> Data collected by the NYC Administration for Children's Services (ACS) shows that in (CY21), 81% of

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families that submitted a recertification for child care assistance were found to be eligible. Of the 19% ineligible, 501 (39%) are found ineligible because of missing documentation. (Data on file with the Schuyler Center).

<sup>8</sup> For a full discussion of the Governor's 2023 State of State Child Care proposals, and Schuyler Center and the ESCCC's response to those proposals, see the attached document entitled: *Empire State Campaign for Child Care 2023 Policy Priorities In Light of 2023 State of State Priorities*. (January 24, 2023).

<sup>9</sup> Currently, the New York State Early Care and Learning Council is working with the Office of Children and Family Services and community partners to create a model for what universal child care in New York would cost. This model is expected to be released in early 2023.

<sup>10</sup>NYS Comptroller Thomas P. DiNapoli. *State Fiscal Year 2022-23 Enacted Budget Analysis*. May 2022. [State Fiscal Year 2022-23 Enacted Budget Analysis - May 2022](#)