



45 Broadway, 22nd Floor, New York, NY 10006
Phone: (212) 967-0322
www.unhny.org

UNH State Fiscal Year 2018-19 Budget & Policy Priorities **Early Childhood Education**

Child Care Subsidies – Increase by \$24 million to \$617 million as part of larger child care investment package of at least \$100 million

Executive FY 18-19: \$593 million
Enacted FY 17-18: \$586 million
Enacted FY 16-17: \$593 million

Services Funded: Child care programs are an essential workplace support, with families earning up to 200% of federal poverty guidelines eligible for financial assistance to help cover the cost of care.

Challenge and Opportunity: Due to the fact there is not enough funding in the Child Care Block Grant from either the State or Federal government, most counties provide child care subsidies to less than one out of every five children who qualify. In New York City, only 26% of eligible children are served and only 14% of eligible infants and toddlers are served. This crisis impacts New York's low-income working families the most as they are unable to afford private early childhood education programs but are also slightly over the income threshold to receive a mandatory subsidy through public assistance. **Both a long-term strategy and immediate relief is needed to address this problem—as thousands of families remain on wait lists and providers struggle to keep programs open.**

UNH recommendation: To start to immediately address the child care crisis in New York State, NYS should invest at least an additional \$100 million in child care by:

1. Increasing State funding to counties for child care subsidies by \$31 million in order to:

- a. Restore the child care subsidy program to the funding level established in 2016, adjusting for two years of inflation; and
- b. Assist counties that regularly exhaust their child care funding allocations before meeting the needs of all eligible families to expand the number of qualified families served.

2. Increasing State funding further to stabilize the child care workforce and infrastructure, and to ensure equitable access to quality care. Specifically, the state should:

- a. Reinstate the 75th percentile formula to establish reimbursement rates expected to change in October 2018 to ensure that all children have equal access to high-quality care; and
- b. Allocate funds to assist child care centers and group family day care providers that receive child care subsidies to cover increased wage costs as the new minimum wage standard is implemented across the state.

(over)

3. Directing a portion of Economic Development funding dollars to further reduce the number of qualified families who are currently denied subsidy assistance, and to stabilize the child care workforce.

4. Increasing State funding for the Child Care Facilitated Enrollment Projects in order to expand access to subsidies available to working families at higher income eligibility levels.

5. Expanding and adjusting the child and dependent care tax credit for maximum benefit. Adjusting the CDCTC to be allocated on a monthly or quarterly basis will help low-income families who live paycheck to paycheck to cover the costs of child care.

For more information, please contact Gregory Brender gbrender@unhny.org or 917-484-933