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UNH State Fiscal Year 2019-20 Budget & Policy Priorities Child Care Subsidies

Child Care Subsidies – Child care programs are an essential workplace support. Working families earning up to 200% of federal poverty guidelines eligible and families on public assistance are eligible for subsidies that help cover the cost of care. In most New York communities, child care subsidies are the only option for these parents, who due to work schedules need child care for a full workday or during the summer.

Funding History

- Executive FY 2019-2020 \$938.5 million
- Enacted FY 2018-19: \$912.5 million
- Enacted FY 2017-18: \$779.3 million

Challenge and Opportunity – Last year’s budget included the first significant increase in over a decade in funding for child care subsidies to cover the cost of new Federal Health and Safety Requirements and the Governor’s Executive Budget included a \$26 million investment to address increases in the cost of the federally mandated market rate. **However, the need for increased funding for child care is still strong throughout the State**—most of the federal increase will be used to support the implementation of background checks and safety measures now required by Federal law. As a result, the State still needs to invest new resources in child care in FY 2019-2020 to:

- Address unmet need throughout the State. Less than 30% of those low-income families who qualify for child care subsidies can enroll their children in programs—New York remains one of the most expensive states to pay for child care on the private market according to a study by the Economic Policy Institute.
- Address the inadequate salaries of early childhood educators. The early childhood workforce is 97% female and is dramatically underpaid. Throughout the State, early childhood educators earn much less than their counterparts in public schools and many earn salaries at minimum wage.

UNH Recommendation

UNH urges New York State to increase State funding to counties for child care subsidies and program operations to expand equitable access to quality child care to more working families and invest in the following:

- **\$51 million to restore the child care subsidy program to the level attained in 2016** – the highest in recent years – adjusting for four years of inflation;
- **\$20 million to improve quality and increase slots dedicated to serving infants and toddlers by at least 1,000**, with \$2.5 million directed to the expansion of the Infant-Toddler Specialist Network, and \$2.5 million to train and recruit new providers to the field;
- **\$26 million to revise the copayment formula** so that no family receiving a child care subsidy contributes more than 20% of their gross income exceeding the poverty level as the parent share, while maintaining the number of families receiving subsidies; and
- **The necessary funds to enable all counties to maintain updated subsidy waitlists.**

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