



Winning Beginning NY

*an early care and learning coalition*

## New York Child Care Landscape: 2021

### Challenges

⇒ **New York families cannot recover from the pandemic without child care.**

- **Between March and July 2020, an estimated [325,000 New York children](#) were newly pushed into poverty**, or near poverty due to COVID-19's economic downturn. Those numbers are likely higher now.
- **Women are being disproportionately forced to reduce work hours or drop out of the workforce** to care for children unable to attend in-person school or child care. [865,000 women across the nation left the labor force](#) during the pandemic as of September 2020, representing 80% of all workers who left the workforce. This could undermine the economic security of women and their children for years to come.
- Child care has long been the largest monthly bill for many New York families, costing on average \$2,047 per month ([\\$24,564 per year](#)) for two children in a child care center in 2019. Yet, [fewer than 20%](#) of New York families with children and income below 200% of poverty receive subsidies (200% poverty guidelines for a family of four: \$52,400.)
- Thousands of New York families facing mounting economic insecurity due to reduced hours and furloughs could be forced to withdraw their children from quality care because **counties cannot extend pandemic subsidy supports.**
  - Many New York counties that had offered families relief in the summer and fall by expanding child care subsidy eligibility to 85% of state median income, and covering parent co-pays, have run out of funds to cover these costs.
  - 47 counties sought and were approved to allow at least one waiver at some point since March. In recent months, the number of counties granting waivers has decreased; as of December 11, only 24 counties have been granted [waivers](#).
  - As a result, many low-income working families will see their child care bills jump by hundreds of dollars a month at a time when they can least afford it.

⇒ **New York's child care sector has been battered by the impacts of COVID leaving it teetering on the edge of collapse.**

- New York's child care providers – who struggle to cover costs when operating at 100% capacity – have been averaging [40% capacity since March](#).
- More than [60% are losing money each month](#); the [same percentage report](#) having taken on personal debt or dipped into personal savings to cover shortfalls.
- Without significant relief soon, **many providers will be forced to close their doors.**

### Opportunities

⇒ **New York has a unique opportunity to not just save and stabilize its existing child care system, but to transform it.**

- **New York Governor's Child Care Availability Task Force is expected to release a plan** this month that sets forth a path to move toward universal access, and to pay child care educators fair wages that reflect the importance of their work.

- At the same time, **New York has been awarded significant federal relief funds for child care.** The federal [Consolidated Appropriations Act of 2021](#) was signed into law on December 27, 2020, which includes \$10 billion in child care relief. It is estimated that New York will receive [\\$449,598,890](#). The funds will flow through the Child Care and Development Block Grant (CCDBG) to New York's Office of Children and Family Services (OCFS), and can be used [broadly](#) to sustain the child care sector during this public health and economic crisis.
  - **Time is of the essence for NY to develop a plan to use these funds.** Under the law, states have until **February 25, 2021 to submit a plan.**
- Child care providers and parents know what they need to get through this crisis. The Empire State Campaign for Child Care, Winning Beginning NY and Raising NY put together a [plan to invest the 2021 federal stimulus child care funds](#) informed by input from providers, parents, drawing from the suggestions of national experts, and which would put New York on a path to build back toward universal child care. New York should implement this plan.

## **Our Ask**

- **We call upon the Governor to release the Child Care Availability Task Force recommendations and draw from the more than \$450 million in federal child care relief funds New York has already received or been promised to immediately begin to strategically implement the Task Force recommendations.**
- **We call upon the Governor and Legislature to incorporate the Task Force recommendations within the final 2021-2022 New York State Budget, and include increased investment in child care, drawing from remaining emergency federal funds ongoing federal CCDBG, TANF and existing and new state investments to further implement these recommendations and build toward sustainability.**
- Looking ahead, New York may need to raise new state revenue to sustain this transformation – this would be an invaluable investment in New York's future.
- If we seize this opportunity, New York could emerge from this pandemic with the best child care system in the nation.

## **The Executive Budget for Child Care**

- **Funding for child care subsidies in the Executive Budget is flat 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.
- The Executive Budget invests \$40 million to strengthen New York's child care subsidy system by lowering co-pays for families that receive them, and \$6 million for start-up grants to help reduce child care deserts – census tracts in NYS where there are more than 50 children under age five and either very few or no programs to serve them. It also removes red tape and redundant requirements. These are all small, but positive steps toward creating a more uniform, equitable, accessible child care system. These initiatives are funded by CCDBG funds reappropriated from last year.
- The new federal stimulus funds are accounted for in a line reserved for the expenditure of additional federal funding made available to recover from public health emergencies.