



New York State Early Childhood Advisory Council Hearing:
New York's early childhood care and education system

Submitted by
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Thank you for the opportunity to provide testimony on New York's early childhood care and education system. The Early Care & Learning Council is a statewide, not-for-profit organization, whose mission is to promote excellence in early care and education with equal access for all families. We do this primarily through the support of, and in partnership with, a strong network of community-based organizations that provide Child Care Resource and Referral (CCR&R) services. The Early Care & Learning Council is also a leader within *Winning Beginning NY*, the State's early care and development coalition. My testimony specifically addresses the CCR&R role within the larger early care and learning spectrum.

Child care is an infrastructure support for children, for families and for communities. NY State's Child Care Resource and Referral Network plays a critical role to assist families, child care providers, and local communities to ensure that families have access to high quality child care that meets the needs of working parents and the developmental needs of children.

Furthermore, the Early Care & Learning Council oversees and supports the New York State Infant and Toddler Resource Network. This network is organized into seven regions, each with a lead agency and a team of Infant and Toddler Specialists available in each region. This statewide Network conducts an annual planning process and tailors their services to fit the needs of infants and toddlers, their families and child care programs in their communities. This provides them opportunity to both increase the availability of quality infant/toddler child care and to provide outreach to underrepresented and special populations of infants and toddlers and their families within each community.

In 2016 the Early Care & Learning Council released our upstate Parent Survey Report. According to the demographics surveyed for this report, the average annual cost of care per child in New York State is: \$9,100 for an infant, \$8,341 for a toddler, \$7,629 for a preschooler, and \$4,413 for a school age child. Additionally, according to the 2016 Child Care Report published by Child Care Aware: in New York state, single parents pay 55% of their income for infant center care, and nearly 100% of their income on center care for 2 children. Married parents of 2 children living at the poverty line pay 129% of their income for center care. The cost of infant care in New York (\$14,144) is nearly twice as much as the annual cost of college tuition (\$7,645) at a four-year college.

ECLC's Parent Survey Report (which did not include NYC or Long Island) revealed that 93% of families earning less than 50k and receiving subsidy, and 80% of families earning less than 50k and not receiving subsidy, encounter difficulty paying for child care. Parents who struggle to pay for child care are forced to make hard financial decisions, including borrowing money from friends, family members or creditors; or compromising basic needs. Cutting back on work hours, care hours, or assembling patchwork care are also solutions that families have chosen as they face the challenge of providing affordable, safe and reliable quality child care.

We know that only 17% of eligible children in New York are served with a child care subsidy. We also know that Pre-Kindergarten is far from universal and that the mixed delivery system can still be advantageous to school districts rather than the Community Based Organizations that can provide before and after care that parents need. We are continuing to advocate for policy changes to both the child care and pre-k systems, but realize that without additional funds many changes will not be possible.

Examples of budgetary, regulatory and legislative reforms that we are currently advocating for include:

- **Invest \$100M in subsidies.** The cost of child care continues to rise in New York. Without increased investment to cover rising costs, (the average child care subsidy per child has risen from \$7,200 to approximately \$7,574 since 2013), New York has passed some costs on to providers by dropping provider reimbursement from the 75th percentile [\[i\]](#) of the market rate to the 69th percentile and has covered some costs by reducing the number of children served. Now, only 17% of eligible children in New York are served with a child care subsidy. This number could drop further if the State implements new CCDBG regulations without increased investment. To keep vulnerable children in child care, we urge the State to invest an additional

\$100m (over the current \$805.9m) to restore subsidies lost by escalating costs, and increase the number of children served.

- **Create an early childhood learning fund with a dedicated revenue stream to serve significantly more children who are eligible but going unserved because of lack of funding.** Office of Child Care Administrative data and U.S. Census data show that 676,000 children were eligible in New York in 2014. Only 92,000 of those eligible children were served, or 17%. We need a sustained investment in subsidies.
- **Implement CCDBG without passing costs onto providers.** NYS is implementing two pieces of CCDBG—criminal background checks and new training requirements (online). This will cost the State an estimated \$56M.^{i ii} More changes, estimated to cost between \$100-\$500M, are due to roll out by the end of 2019. We urge the State to invest in implementation, and not rely on the federal government to make those investments or to pass implementation costs on to providers/parents.
- **Implement 12-month eligibility period for families.** The CCDBG requires that once a family is deemed eligible, they remain eligible for a minimum of 12 months, so long as their income does not exceed a benchmark level.ⁱⁱⁱ This reduces long-term administrative burdens and costs for the State and for social services districts processing applications; it limits disruptions in care for children; and it eases burdens on parents from having to repeatedly recertify and report income changes.
- **Implement improved payment practices to providers.** The CCDBG establishes new standards for payment practices. To implement these requirements, state law and regulations should require that all providers who serve subsidized children be reimbursed for children’s absences and holidays, as well as for fees charged to private-pay parents. Providers should be paid by direct deposit and providers who use the Child Care Time and Attendance system should not be required to submit paper vouchers as well.
- **Criminal background checks. OCFS Cost Estimate: \$28m annual cost.** The CCDBG imposes additional requirements beyond those now in state law, including screening of legally exempt providers, who are not currently subject to background checks. The cost of this must not be passed down to providers

who are reimbursed at a market rate that does not reflect the new minimum wage increases.

- **Implement new training components without additional cost to providers.**

OCFS Cost Estimate \$28m annual cost.

CCDBG 2014 imposes new professional development requirements for all child care providers, including a mandatory pre-service orientation and ongoing health and safety training for all child care staff, in ten topic areas, including first aid and Cardiopulmonary Resuscitation (CPR).

- **Improve access to child care subsidies for children experiencing**

homelessness. The CCDBG requires states to prioritize serving children who are homeless. In line with this new priority, the State should modify eligibility criteria to make all children experiencing homelessness, regardless of the work status of their parents, eligible for child care subsidies. To comply with Federal Law, New York State must also establish a grace period to allow children who are homeless to receive child care services while their parents obtain required documentation, including immunization records.

To thousands of parents, child care providers and employers throughout New York State, CCR&Rs are the key unifying component of a complex child care delivery system. The CCR&Rs and ECLC are united to promote quality early learning experiences, as these are the foundation for learning during the critical first years of a child's life. Therefore, as New York continues to build on its investments focused on improving education and key programs that help prepare children for school, there must also be a commitment to increasing access to quality child care, which is the focus of our Quality Investments for Children initiative. This initiative is aimed at getting communities educated about quality and preparing for a fully implemented QUALITYstarsNY quality rating and improvement system.

As QUALITYstarsNY moves forward, we know how important it is to identify the best and most cost-effective strategies to implement and operate this system on a statewide basis. The CCR&R network is uniquely positioned to play a very important role in the QUALITYstarsNY infrastructure because the network has the capacity to work with local parents, providers and communities in every New York county.

Additionally, CCR&Rs have demonstrated their ability to establish programs responsive to local needs while promoting the quality standards of the early care and development field. The network provides a wealth of intensive technical assistance and consultation statewide and is already aligned into regions that coincide with the QUALITYstarsNY regions and the Governor's Economic Development Regions. CCR&Rs have invested heavily in creating a coordinated set of services that meet the highest standards of practice and will continue to provide the professional support to staff preparing them to be effective mentors and coaches. Network members are active participants in promoting quality and in supporting parents and look forward to developing the work plan that can integrate CCR&R agencies into the current and future work of New York State's quality improvement system.

The Early Care & Learning Council currently operates a Business Leader Engagement project. This work joins forces with U.S Chamber, National Association of Workforce Boards, The Manufacturing Institute, The Federal Reserve Bank, ReadyNation, and The Committee for Economic Development to educate business leaders on the importance of high quality early education to New York State's future. The work of the Business Leader Engagement initiative educates and engages key leaders on how high quality early education and child care not only

supports current workforce, but builds the future talent pipeline while providing support to our economic future. We will continue to expand this initiative throughout the state and look forward to having others join us in this work.

Thank you for the opportunity to provide our comments to you. The Early Care & Learning Council and our network look forward to collaborating and continuing to effectively serve the families and communities of New York State.

ⁱ The cost estimate to serve all eligible children, based on current costs, is more than \$2B. Local, state, and federal investment needs to increase over time to serve all eligible children. We recommend naming a fund and developing a dedicated revenue stream to increase the State contribution in order to serve more of these eligible children.

ⁱⁱ Estimates from NYS OCFS and the NYS DOB in 2015 for the costs of implementing these federally required changes in the early years of implementation could be \$200m. Recently, we have heard from other State sources that the cost could be up to \$500m. Without increased funding to cover these new costs of implementation, the costs will have to come from the current pot of money used for subsidies, which will cut children from the system. Estimates are that 21,000 children across New York State will lose their subsidies to pay for system changes. Driving this cost is:

- Criminal background checks from the FBI, National Sex Offender Registry, state criminal and sex offender registry & the child abuse and neglect registry, and the National Crime Center for all licensed and legally-exempt child care providers (\$28 million).
- Annual, unannounced full inspections of all providers, including legally exempt providers. Currently, only 20% of the 47,000 legally exempt providers who receive subsidies are inspected every year (\$34 million).
- New professional development requirements for all child care providers, including mandatory pre-service health and safety training and ongoing, annual training (\$28 million).

ⁱⁱⁱ Providing that their income does not exceed 85% of the State Median Income (SMI). 1589