



Empire State Campaign for Child Care

2023 Policy Priorities

In Light of 2023 Executive Budget Proposal

The Empire State Campaign for Child Care's 2023 budget and legislative priorities build from last year's historic wins and take New York further down the path to universal child care by investing in the essential child care workforce, removing unnecessary access barriers, and ensuring all the state's children can access child care, regardless of immigration status.

What follows are ESCCC's 2023 priorities lined up against the Governor's Executive Budget proposal.

Direct Investment in the Child Care Workforce: **\$1.2B**

- ▶ Child Care Workforce Compensation Fund — **\$1B**
 - Give all members of child care workforce an average compensation increase of \$12,500 per year until the State has transitioned to a new reimbursement methodology and payscale.
 - The Executive Budget proposed investment of \$389M is insufficient to bring the workforce even close to the level of compensation needed to turn the tide on the workforce crisis.
- ▶ Health insurance premium support program — **\$190M**
 - The Executive Budget contains no proposal.
- ▶ Enact legislation that would commit New York State to transition to a new provider reimbursement methodology and pay scale by 2025
 - The Governor in her State of the State proposed to charge the Child Care Availability Task Force (CCATF) to "continue to undertake the important work of evaluating alternative workforce compensation models." ESCCC supports this proposal if implemented by 2025.

Help More New Yorkers Access Child Care: **\$1.2 B**

- ▶ Extend child care assistance to children currently ineligible due to immigration status — **\$60M**
 - The Executive Budget persists in excluding tens of thousands of income-eligible children from child care assistance due solely to their immigration status. Among those left out are children with pending asylum cases and many others lawfully present in the United States.
- ▶ Eliminate income cliffs — **\$100M**
 - The Executive Budget proposes to increase income eligibility to 85% of State Median Income from the current 300% of the Federal Poverty Level (FPL). ESCCC supports this proposal.
 - The Executive Budget proposes to reduce family co-pays to 1% of income over the FPL across the state, down from 10% in many communities. ESCCC supports this proposal.
- ▶ Categorical assistance eligibility — **\$1B**
 - The Governor proposed in her State of State to adopt categorical income eligibility for families enrolled in other public assistance programs; an estimated 83,400 children will have easier access to child care assistance. ESCCC supports this proposal as an important step toward true categorical eligibility, where no other proof is needed to gain child care assistance than proof of eligibility for another form of assistance.

Break Down Access Barriers

- ▶ Presumptive eligibility to eliminate long wait times for gaining access to assistance — **\$5M**
 - The Executive Budget contains no proposal.
- ▶ Online application
 - The Governor proposed in her State of State a statewide electronic application process. ESCCC supports this proposal and urges NY to consult with stakeholders to ensure success.
- ▶ Implement automatic market rate increases & decouple subsidy payment rates from private pay fees
 - The Executive Budget contains no proposal.
- ▶ Decouple hours of care from parents hours working
 - The bill signed into law in December 2022 purporting to make this change does not. (A.7661 (Hevesi)/S.6655-A (Brisport). ESCCC calls upon Governor Hochul, together with the Legislature, to pass an amended bill without delay.

Other Important Reforms Needed This Year

- ▶ Pay child care subsidies to providers based on enrollment, not attendance, statewide — **\$60M**
 - The Executive Budget proposes to require all counties to reimburse providers for up to 80 absences per family in all Local Social Services Districts (LSSDs). ESCCC supports this proposal as an important step toward achieving enrollment-based reimbursement.¹
- ▶ End inequitable and confusing county variations in eligibility requirements
 - The Governor in the State of the State proposed to require that families experiencing homelessness and families caring for a child in foster or kinship care are provided child care assistance as long as funds are available. ESCCC supports this proposal.
- ▶ Provide a monthly per-child supplement for non-traditional hour care and start-up grant program for providers seeking to offer non-traditional hour care — **\$100 million**
 - The Executive Budget contains no proposal.
- ▶ Increase rates for legally-exempt child care providers to 80% of the family child care rate and to 90% for providers who are eligible for the enhanced rate — **\$50 million**
 - The Executive Budget contains no proposal.²

The Governor has also proposed a child care business tax credit, a business navigator program, and an employer supported child care program. While we look forward to learning more details about these programs, we caution that business-oriented solutions to the child care crisis have the potential to intensify inequities in access and detrimentally tie children's early educational environments to their parents' employment. Child care is an essential public good and families' ability to access it should not depend on their employers. Our goal remains a universal child care system that is free and accessible to all New Yorkers.

¹ The Executive Budget appropriates \$487M in reprogrammed funds to cover the costs of raising eligibility to 85% of SMI; capping co-pays at 1% of income over the FPL; requiring 12-month eligibility; and reimbursing for up to 80 absences per family per year.

² In addition to the budget estimates noted above, we estimate an additional cost of approximately **\$600M** to reflect the significant increase in uptake we anticipate once administrative barriers are removed, applications are streamlined, and the workforce and capacity grows.