

## **MEMORANDUM OF SUPPORT**

A.10265 Jaffee

**Schuyler Center for Analysis and Advocacy, together with the undersigned child care providers, educators and advocates, urge the Assembly to pass A.10265 to strengthen New York's child and dependent care tax credit by increasing the amount of child care expenses creditable. The Senate passed same as bill S.7815 on June 15, 2018. This legislation would better reflect the true - and rising - costs of quality child care in New York.**

For many New York families with young children, child care is their largest monthly bill. New York State ranks among the most expensive states for child care in the nation.<sup>1</sup> The average cost for full-time center-based care is \$15,000 a year for an infant, and more than \$13,000 for a toddler, preschooler or school-age child. The average cost for full-time care by a family-based provider for an infant is almost \$11,000 a year, and just over \$10,000 for older children. The shortage of child care subsidies and other supports to help families cover these costs causes significant economic hardship to working New York families.

The shortage of quality, affordable child care not only causes New York families and children to suffer economic hardships, it also hurts New York's businesses and its economy. Indeed, the U.S. Chamber of Commerce Foundation recently issued a compelling report making the business case for expanding access to quality child care, and calling upon business leaders to champion investment.<sup>2</sup> The lack of access to affordable, quality child care causes businesses to suffer decreased productivity as a result of employee absenteeism and higher rates of turnover.<sup>3</sup>

Another casualty of the lack of investment in child care is the child care workforce. Currently, nearly 60% of New York child care workers' families participate in some type of public assistance.

The New York State child and dependent care tax credit is a fully refundable tax credit that provides working New York families a credit at tax time for a portion of their child care expenses. Currently, the law allows tax filers to claim up to \$3,000 in annual expenses for one child, or \$6,000 for two, and additional, smaller amounts for additional children. This bill would double the creditable amount of child care expenses for one child to \$6,000, for two, to \$12,000, with additional increased amounts for additional children. Under this law, the maximum a family with one child could receive from the state's child and dependent tax credit would double from \$1,155 per year to \$2,310, and for a family with two eligible children, the maximum would increase from \$2,310 to \$4,620.

Of course, even doubled, these credits would be far less than what most New York families need to cover child care costs. Nevertheless, this legislation would provide working families with children a significant economic boost, moving more working families out of poverty or near poverty, and into economic security. It would also drive more resources to New York's hardworking child care providers and staff, who are struggling to make ends meet.

Strengthening New York's Child and Dependent Care Tax Credit by passing A.10265 presents an opportunity to help set New York families with children on a path to economic security, and their children on a path to success.

Signed:

Schuyler Center for Analysis and Advocacy  
 Charles Settlement House  
 Child Care Council of Westchester  
 Child Care Resources of Rockland, Inc.  
 The Children's Agenda  
 Citizens' Committee for Children  
 Committee for Hispanic Children and Families, Inc.  
 Council of Catholic Charities Directors  
 Early Childhood Development Initiative  
 Empire Justice Center  
 Fight Crime: Invest in Kids  
 Generations Child Care, Inc.  
 Greater Rochester After School Alliance  
 Greater Rochester Summer Learning Association  
 Monroe County Library System  
 New York State Network for Youth Success  
 Rochester Public Library

*June 19, 2018*

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<sup>1</sup>*Child Care Aware of America*. (2017). Parents and the High Cost of Child Care.

[https://usa.childcareaware.org/wp-content/uploads/2017/12/2017\\_CCA\\_High\\_Cost\\_Appendices\\_FINAL.pdf](https://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Appendices_FINAL.pdf)

<sup>2</sup> Stevens, K.B. (2017, Jun.). Workforce of Today, Workforce of Tomorrow: The Business Case for High-Quality Childcare. *U.S. Chamber of Commerce Foundation Center for Education and Workforce*.

[https://www.uschamberfoundation.org/sites/default/files/Workforce%20of%20Today%20Workforce%20of%20Tomorrow%20Report\\_0.pdf](https://www.uschamberfoundation.org/sites/default/files/Workforce%20of%20Today%20Workforce%20of%20Tomorrow%20Report_0.pdf)

<sup>3</sup> Elswick, J. (2003, Jun. 15). More Employers Offer Back-Up Care. *Employee Benefit News*.

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