November 21, 2018

Hon. Andrew Cuomo
Governor of New York
Executive Chambers
State Capitol
Albany, New York 12224

Dear Governor Cuomo:

On behalf of the undersigned children’s advocates, child and family serving organizations, early childhood experts, parents, and faith and labor leaders, we urge you to reduce child poverty and make work pay for low-wage working families by expanding and strengthening New York’s working family tax credits – the Earned Income Tax Credit (EITC), the state’s child tax credit (called the Empire State Child Credit), and the Child and Dependent Care Tax Credit (CDCTC) – in the Executive Budget.

More than 20% percent of New York children live in poverty, while 40% live in households earning less than 200% of poverty.¹ Those percentages are significantly higher among children of color. We know that poverty contributes to a host of long-term negative outcomes in all aspects of a child’s life. A child’s socioeconomic status is the strongest predictor of academic achievement and poverty is linked to cognitive deficits in children that can manifest as early as nine months of age.²³

Notably, most of New York’s poor children live in families headed by working parents.⁴ Working family refundable tax credits are an important means of building family economic security and independence, and pulling families and children out of poverty. And, they are structured to encourage work, either by increasing as earnings increase to a point, then gradually reducing in the case of the EITC and Empire State Child Credit, or by making child care costs less of a barrier to parental employment, in the case of the CDCTC.

Further, it appears that state tax credits will not be covered by the proposed federal “public charge” rule. Strengthening New York’s refundable state tax credits would put money in the pockets of hard-working immigrant families at a time when federal policies are causing many families to drop out of public benefits programs, like SNAP and Section 8 Housing, that are critical to child and family well-being.

We urge you to include the following proposals in the Executive Budget:

1. Expand the state’s child tax credit (Empire State Child Credit) to cover children under age four, and double the credit for young children. Inexplicably, this credit – designed to offset the high cost of raising a child – does not cover children under age 4, precisely when children are most apt to live in poverty, and are most vulnerable to its devastating effects.
2. **Expand and strengthen the state’s EITC by (a) increasing the percentage of the federal credit paid to families from 30% to 40%; and (b) expanding the credit for young adults without children (under age 25) who are currently ineligible for either the federal or state credit.** Young adults ages 18-24 are excluded from the federal and state EITC – at exactly the period in their lives when they are struggling to gain their footing in the workforce and build a nest egg for a future family. The poverty rate for young New York adults is 20%, far exceeding the 14% poverty rate for New York State overall.5

3. **Double the amount of child care expenses creditable under the state’s CDCTC to better reflect the true cost of care and enable more middle-income families to afford high-quality child care.** Currently, the maximum amount of child care expenses a family can claim for one child in care is $3,000 per year. This maximum does not even approximate the true cost of quality child care in New York; the average cost for infant care in a child care setting is $15,000 per year.

Strengthening New York’s working family tax credits presents an opportunity to help set New York families on a path to economic security, and their children on a path to success.

Cc: Paul Francis, Deputy Secretary, NYS Health and Human Services
    Todd Schuermann, Chief Budget Examiner, Division of the Budget
    Kerri Neifeld, Assistant Secretary for Human Services
    Tanisha Edwards, Assistant Counsel for Taxation and Finance

Sincerely,

Adirondack Birth to Three Alliance
Adirondack Foundation
Chenango United Way
The Children’s Agenda
Children’s Aid
Citizens’ Committee for Children of NY, Inc.
The Committee for Hispanic Children and Families, Inc.
Empire Justice Center
Fiscal Policy Institute
National Center for Children in Poverty
New York State Council of Churches
Schuyler Center for Analysis and Advocacy
Staten Island Neighborhood Food Initiative
The Education Trust New York
United Way of Buffalo & Erie County
United Way of Greater Oswego County
United Way of New York City
United Way of New York State
United Way of the Greater Capital Region
Westchester Children’s Association