July 19, 2021

Honorable Andrew M. Cuomo
Governor of New York State
Executive Chamber
State Capitol
Albany, NY 12224

Re: Urgent request for a 90-day extension of child care subsidy waivers

Dear Governor Cuomo,

On behalf of the Empire State Campaign for Child Care, New York’s statewide campaign for child care, and Winning Beginning New York, the state’s birth to eight coalition, and the hundreds of child care providers, parents and child advocacy organizations we represent, we urge you to immediately extend for at least 90 days the child care subsidy “waivers” that have allowed New York counties to offer thousands of working families free or low-cost child care during the pandemic state of emergency. These waivers have also enabled counties to help keep child care providers financially afloat by paying subsidies for COVID-related closures and absences. The decision late last month to immediately end New York’s state of emergency means the imminent end of supports that have been a lifeline for families, children, and child care providers throughout the pandemic. And while we appreciate your subsequent decision to allow a thirty-day grace period for some of the waivers, this limited period is not sufficient to prevent families from facing an abrupt increase in child care costs, and child care providers from facing a sharp drop in income when families and providers are still reeling from the impacts of the pandemic. Furthermore, ending the waivers now will mean a sharper blow to families and providers because New York still has not implemented the provisions passed in the State Budget in April 2021 that will mitigate the impacts of the end of the waivers (and help those families and providers in those counties that have not taken up the waivers), nor has New York launched its federally-funded child care provider stabilization grant program.

Here are some of the ways New York families and child care providers stand to be impacted by the abrupt end to these waivers at the close of July:

1. Families with incomes between 200% of the Federal Poverty Level (FPL)—$42,221, family of 3—and 85% of State Median Income ($68,501, family of 3) could lose access to child care subsidies and face, overnight, child care costs that could easily exceed $1,000 a month, especially if the family has more than one child in care.
2. Families with incomes between 100 and 200% of the FPL receiving subsidies could see their family co-pay rise from $0 to more than $150 per month.
3. Child care providers that have been receiving subsidy payments based on the number of children enrolled in their program, rather than based on the days the child is in attendance, will face a sharp reduction in the number of absences the counties will cover, leading to an uncertain income stream.
4. Child care providers temporarily closed due to the impacts of COVID will no longer be entitled to receive subsidy payments.

The end of these and other child care waivers comes too soon for New York families with school-aged and young children. School-aged and young children and their families are not able to resume “normal life.” Our youngest New Yorkers still cannot be vaccinated. Parents with young children still face tough choices every day about how to keep their little ones healthy and safe.

It is also too soon for child care providers to “get back to normal.” The need for child care providers to follow heightened safety protocols remains largely unchanged. Further, attendance still remains far below pre-COVID levels because many parents are staying out of the workforce until September when in-person school resumes. The end of the waivers will cause many providers to lose subsidy payments when children are absent. Many will also lose some families altogether who, deprived of a subsidy, may be forced to withdraw from child care. With most child care providers operating with the smallest of margins, any dip in revenue could force many to shut their doors for good.

The following provisions in New York’s 2021-2022 budget should be fully implemented before the waivers are lifted to ease the burden on New York’s families and child care providers.

1. Counties adopt a co-pay of no more than 10% of income over the FPL as required in the 2021-2022 New York State enacted budget. Given the amount of federal stimulus funds counties will be receiving for child care, they should be strongly encouraged to adopt the lowest possible co-pay of $1.00 or 1% of income over the FPL;
2. Counties make subsidies available to all working families earning 200% of FPL or less across the state as required in the 2021-2022 New York State enacted budget;
3. Counties pay subsidy for at least twenty-four absences per year per child as required in the 2021-2022 New York State enacted budget, including retroactively for absences in 2021; and
4. Counties implement twelve-month eligibility construed it in an expansive way to allow families whose income is above 200% of FPL, but below 85% of State Median Income, to retain access to subsidies for twelve months, with that period beginning with the end of the state of emergency.

The bottom line: we urge you to immediately extend all of the child care subsidy waivers through the end of September, at least. Counties should be granted these waivers now for the full three months so that counties, providers, and families can have some certainty at least for the next three months. Finally, the costs of these waivers should not stand as a barrier. New York has in its possession more than $2.4 billion in federal child care stimulus funds earmarked for doing just what these waivers do: support struggling families, and stabilize child care providers. These federal funds should flow to the counties as needed to cover the costs of extending the waivers.

Respectfully,

Empire State Campaign for Child Care
Winning Beginning New York

cc: Kathy Hochul, Lieutenant Governor of New York State
Sheila Poole, Acting Commissioner, NYS Office of Children and Family Services
Roberta Reardon, Commissioner, NYS Department of Labor
Melissa DeRosa, Secretary to the Governor
Robert Mujica, Budget Director
Dr. Christopher Tavella, Interim Deputy Secretary for Human Services and Mental Hygiene
Emily Badalamente, Senior Policy Advisor for Human Services and Mental Hygiene
Janice Molnar, Deputy Commissioner, Division of Child Care Services, NYS OCFS
Nora Yates, Associate Commissioner, Division of Child Care Services, NYS OCFS