September 8, 2021

The Honorable Kathy Hochul
Governor of New York State
State Capitol Building
Albany, NY 12224

Dear Governor Hochul:

Thank you for your past leadership as chair of New York’s Child Care Availability Task Force, and for continuing to highlight the importance of addressing access to quality child care as a key component in achieving gender equality. We are pleased to have someone of your knowledge and experience on this issue at the head of our state government and look forward to working with you in the coming years.

As you are well aware, New York State has a once-in-a-generation opportunity to truly transform our State’s child care system. New York has $2.4 billion in child care stimulus funds to jump start transformation, and a federal administration that has prioritized expanding and investing in early childhood education. We also have a data-driven, fully-vetted, ambitious plan in the recently released Child Care Availability Task Force Recommendations. This is our moment to transform child care in New York!

Transformative Change

The Child Care Availability Task Force under your leadership released a comprehensive plan in May 2021 to move New York toward universal child care, support the workforce, and enhance the quality of programs. We urge you to use the Task Force recommendations to guide the work going forward, including to guide investments of child care stimulus funds. These funds can and should be used in ways that both address immediate, emergency needs, and lay the foundation for transformation.

To kickstart transformation, we urge you to immediately enact S.7128 (Brisport)/A.7721 (Clark). This legislation will expand the composition of the Task Force to better represent the diversity of New York’s child care sector and families, extend its term and give the newly composed Task Force a role in guiding and monitoring implementation of the recommendations. The Task Force will be instrumental in ensuring that New York invests federal emergency funds in a planful, impactful way.

Recommendations: Short-Term

The Task Force laid out some important short-term steps designed to address the immediate child care crisis and ensure relief to those most negatively impacted by the pandemic and longstanding inequities in the existing system. We recommend fast action on the following recommendations:
1. Begin to eliminate harsh, inequitable eligibility rules, and build toward a more unified, family-centered system. We urge New York to:
   a. Immediately implement 85% Area Median Income subsidy eligibility OR immediately implement 200% of Federal Poverty Level eligibility — as required under the 2021-2022 Enacted Budget, by emergency regulation if necessary; and then go to 85% AMI in 2022-23 budget. The 2021-22 budget allotted $225 million to cover the costs of 200% FPL for three fiscal years.
   b. Immediately require all New York counties to use the remaining $225 million in federal funds to expand access to subsidy to priority populations excluded from subsidy in many communities. (Ex: foster families and those looking for work, parents/guardians engaged in work training, families experiencing homelessness, and where the non-working parent is disabled.) This investment also is required by New York’s 2021-2022 Enacted Budget and should be implemented by emergency regulation if necessary.
   c. Immediately implement 12-month eligibility, by emergency regulation if necessary. The 2021-22 Enacted Budget allotted $291 million to cover these costs for three fiscal years. This is a way to allow families where income rises above 200% of FPL, but not above 85% State Median Income, to remain on subsidy for 12 months.

2. Monitor the stabilization grant roll-out and pivot as needed to ensure those modalities / communities that need it most are receiving grants.
   a. These grants are a lifesaver for child care providers.
   b. The application and distribution systems are greatly improved, but some lesser resourced providers, particularly family-based providers in New York City, are still facing challenges.

3. Address inadequate compensation for the child care workforce.
   a. Use stabilization grants, or other federal relief funds, to ensure the workforce is receiving the compensation and support it needs.
   b. Build on federal relief funds with a direct public investment that supports an entry-level compensation level sufficient to ensure self-sufficiency and, for experienced educators, compensation commensurate with qualifications and experience.

4. Immediately increase the child care subsidy reimbursement from the current 69th to the 80th percentile.
   The market rate is not reflective of the true cost of care in the best of times, and is currently even more inadequate because it is derived from tuition rates charged by providers four years ago (in 2017).

This is New York’s Moment to Transform NY Child Care

The Child Care Availability Task Force Recommendations are comprehensive and ambitious. They feature four main components:

1. Child Care Affordability
   - Set a statewide standard for affordability and enact a path to get there. (Families at 100% FPL pay nothing; 100%-150% pay no more than 7% of family income; higher than 150% pay no more than 10%).
• Adopt subsidy market rates that reflect the real cost of high-quality child care.
• Make phase-in decisions based on racial equity and other equity priorities.
• Maximize available funding across all sources.

2. Equitable Access to Child Care
• End disparities caused by inequitable county-by-county fragmentation.
• Increase provider capacity in order to eliminate “child care deserts.”
• Improve fiscal stability for child care providers to give families confidence and stability.
• Eliminate policies that force children out of early childhood care.
• Engage employers as a key partner in establishing an affordable and accessible high-quality child care system.

3. High-Quality Child Care
• Support program quality and provide transparency to families.
• Pay the early childhood workforce fairly.
• Provide pathways for early childhood educators to advance in their careers and professional learning.

4. Coordinated Systems
• Publicly communicate the status and impact of the child care system and New York State’s progress toward achieving the vision and steps proposed by the Task Force.
• Develop a data system to support quality, efficiency, and transparency.
• Streamline and coordinate across agencies to better serve families and child care providers.
• Increase pre-kindergarten collaboration with community-based organizations.

It has never been more clear that New York’s economic recovery and future prosperity depends on leaders seizing this opportunity. As the pandemic persists we continue to face an extraordinary labor shortage driven in part by the dramatic drop in parents’ (predominantly women’s) labor force participation due to child care challenges. With young children still ineligible for the COVID vaccine, families are facing another autumn of uncertainty. We can help parents get back to work by acting quickly to both stabilize and expand the child care system while laying the groundwork for transformation.

Similarly, providers continue to struggle to keep their doors open and to attract and retain quality staff. New stabilization grants and worker scholarships are helping, but the sources of these problems are deeper than the pandemic; they are embedded in a system that has never adequately compensated its workforce. With your leadership, transformation can address and end the longstanding systematic racial and gender injustice of our child care system, which has depended so long on the unpaid or underpaid labor of women—and particularly women of color. A transformed system must sustain and properly compensate center- and home-based providers alike in all parts of the state to ensure that all New York’s diverse families have the opportunity to provide their children a strong foundation.

While recognizing the need to continue and speed up the distribution of federal funding to address the child care crisis, we must be careful not to simply place bandages on a system that has been operating under an unrealistic business model. This is a waste of vital resources. The return on investment (ROI) of universal child care would pay for the program in tax revenues
alone, not to mention educational and literacy enhancement leading to future success for our children; increased parental work productivity, and attendance; and business growth from within and outside the sector. New York should begin now to create a child care system that will, in short order, provide access to high-quality, affordable child care to all New York families. We urge you to capitalize on this moment and move swiftly to transform New York child care.

Respectfully yours,

Empire State Campaign for Child Care

cc: Karen Persichilli Keogh, Secretary to the Governor
Sheila Poole, Commissioner, NYS Office of Children and Family Services
Roberta Reardon, Commissioner, NYS Department of Labor
Christopher Tavella, Deputy Secretary for Human Services & Mental Hygiene
Janice Molnar, Ph.D., Deputy Commissioner, Division of Child Care Services, NYS OCFS
Nora Yates, Associate Commissioner, NYS OCFS
John Divito, Legislative Coordinator, NYS OCFS
Emily Badalamente, Senior Policy Advisor for Human Services & Mental Hygiene
Khemeneec Pantin, Senior Policy Advisor for Human Services & Mental Hygiene

Empire State Campaign for Child Care is statewide campaign dedicated to achieve equitable access to child care in New York State.