Schuyler Center thanks the Chair and members of the Committee for the opportunity to testify on public assistance benefits in New York State. The Schuyler Center is celebrating our 150th anniversary as a nonprofit organization dedicated to policy analysis and advocacy in support of strong public systems that benefit all New Yorkers, including people living in poverty.

Our priorities for the coming year, as in the past, focus on strengthening families before they experience crises or trauma and preventing families from enduring hardships like ill-health, poverty, or involvement with the child welfare system. Schuyler Center leads and participates in several coalitions focused on children and families, including the Child Welfare Financing Coalition; CHAMPS-NY; the Fostering Youth Success Alliance; the Empire State Campaign for Child Care; Winning Beginning New York; Medicaid Matters New York; and a statewide workgroup on maternal, infant, and early childhood home visiting, which brings together State agencies, providers and advocates to strengthen coordination between and access to important dual-generation interventions. For more about Schuyler Center and our work, please visit our website www.scaany.org.

Last year, New York enacted the historic Child Poverty Reduction Act, and with it a commitment in law to cut child poverty in half in the next decade. New York convened the Child Poverty Reduction Advisory Council for the first time in October 2022, commencing the work of meeting this target. This is the context in which we analyze the current state of public assistance benefits in New York. The Child Poverty Reduction Act requires the state’s leaders to examine its child and family serving and child poverty fighting programs with a critical eye, and change them so they can be more effective. Without an intentional statewide focus on ending child poverty, children experiencing poverty are more at risk for immediate and long-term trauma and hardship.

Nearly one in five New York children live in poverty, and that rate approaches one in three among children of color and in some communities. New York is home to a number of communities and cities that have the highest rates of child poverty in the nation. In Syracuse and Rochester, 48% of children live in poverty; 42% in Buffalo, 37% in the Bronx, and 33% in Schenectady. For Black children, the chance of living in poverty in four of these communities exceeds 50%; 58% in Syracuse, 57% in Rochester, 55% in Buffalo and 52% in Schenectady; in the Bronx, Black child poverty exceeds 38%. So, too, do Latinx children in these communities experience poverty at rates far disproportionate to their percentage of the population: 52% in Buffalo, 49% in Rochester, 47% in Syracuse, 47% in Schenectady, and 42% in the Bronx.

The experience of poverty and trauma in childhood can have long-lasting impacts on development. The toxic stress of poverty can alter the brain development of young children—causing permanent changes in the structure and functioning of the brain. As a result, many children who experience poverty face significant challenges—in the form of poor health,
academic obstacles, and lower earnings—for the rest of their lives. With the stakes so high, there should be no delay in tackling child poverty in every inch of New York state.

Poverty is the greatest threat to child well-being. Nineteen percent of New York children under the age of five live below the federal poverty level—at exactly the time in their development when they are most vulnerable to poverty’s devastating impacts. Families with young children face poverty at greater rates than other families and the birth of a child is the leading trigger of “poverty spells” experienced by families. Poverty is also the best predictor of child abuse and neglect and family involvement with the child welfare system. Families living in poverty have a significantly higher likelihood of experiencing crises.

New York administers several public assistance programs, funded with state and federal dollars: Cash Assistance, Supplemental Nutrition Assistance (SNAP), Home Energy Assistance ( HEAP), Temporary Assistance to Needy Families (TANF), and various medical coverage programs. To reduce child poverty, New York State as a whole, not just one agency or program, must play an important role. Solutions need to be broad, systemic, and statewide. We have the tools to reduce child poverty, but we need to make them more effective and accessible for New Yorkers to use. It is time to strengthen policies that will reduce child poverty; with thoughtful and cross-system intervention, policy can make a difference.

**Strengthen, expand, and increase access to public assistance programs proven to reduce child poverty**

Solutions identified by the National Academies of Sciences, Engineering, and Medicine (NASEM), in their *Roadmap to Reducing Child Poverty* report, include: strengthening and expanding the Earned Income Tax Credit; expanding work training and employment programs; and increasing access to subsidized housing vouchers. NASEM’s *Roadmap* also recognizes the poverty-reducing power of existing government-supported access to health and medical services and food.

A recent *Child Trends* report found that children and families need a strong economy and a strong social safety net to be protected from poverty. The programs that make up the social safety net played a major role in reducing child poverty over the last quarter century. However, these programs do not reduce child poverty equally; they had a smaller impact on children living in deep poverty, children in immigrant families, and Hispanic and Asian/Hawaiian/Pacific Islander children. *Child Trends* recommends recrafting eligibility requirements, like income thresholds, and easing administrative requirements, including application and documentation requirements such as proof of residence and recertification processes, to reduce barriers and address inequities.

There are at least four ways to improve public assistance in New York:

1. **Implement categorical eligibility.** Categorical eligibility reduces administrative barriers by automatically allowing families access to multiple programs once eligibility has been established for one program. For example, Pandemic Electronic Benefit Transfers (P-EBT) were available to children eligible for free or reduced-price lunches with benefits under SNAP. This reduced food insecurity and supported children in immigrant families.

2. **Implement presumptive eligibility.** Presumptive eligibility, a strategy already being implemented by the Department of Health for Medicaid applicants, allows access to services and support during the application process, which can take 90 days or more.
3. **Facilitate simultaneous applications to multiple public assistance programs from a single entry point, including digitally.** The “one-stop shop” model is one way to address the lack of access to services. A family that is eligible for a public assistance program provided by one agency may be eligible for other programs, but unaware of the other programs or unable to apply because of difficulty in securing transportation back and forth across a city or between a city and home in outlying areas, to apply for multiple programs scattered across multiple agencies. A physical and digital one-stop shop could help ensure people get what they need and qualify for because: families can easily locate applications, supply information once for multiple applications, and complete the application process more easily.

4. **Prevent benefits cliffs.** A benefits cliff occurs when a family suddenly loses access to some or all public assistance services as soon as their earnings increase by a small amount. The programs that tend to abruptly cut families off of support include SNAP, school nutrition, health care, child care assistance, TANF, and housing. This means wage increases often result in a net loss of income, which can disincentivize workers from pursuing incremental raises that would otherwise eventually stabilize them.

**Strengthen the child welfare preventive services housing subsidy**

Housing is critical to family stability and safety, and the child welfare housing subsidy is a vital support to families for whom unstable housing is a driving factor in their involvement in the child welfare system. The goal of the child welfare housing subsidy program is to stabilize housing for families and prevent child removals, expedite reunification of children in foster care with their families, and help youth aging out of foster care who face high risk of housing instability and homelessness.

Under the existing program, families with open child protective services investigations, families receiving preventive services, families where children are reunifying from foster care, and youth ages 18 through 21 are eligible for the housing subsidy through their local department of social services (LDSS). LDSSs are authorized to provide eligible families and youth with a housing subsidy of up to $300 per month for up to three years or until reaching the limit of $10,800. The housing subsidy program is a mandated prevention service intended to keep children out of foster care or to expedite discharge from foster care. It is on a menu of critical preventive services authorized under Social Services Law (SSL) 409.

The housing subsidy amount has not changed since the housing subsidy was created in 1988 (although the law was amended in 2019 to clarify that the subsidy can be used by families and youth living with roommates). With housing costs having nearly tripled since 1988, the low subsidy amount has rendered the subsidy largely ineffective at achieving its intended purpose of helping stabilize the housing of families and enabling young adults to transition from foster care to independence.

**Solution:** New York must increase the subsidy from $300 to $725 per month (with $725 being the 2022 equivalent of $300), including an annual increase using calculations tied to inflation, and extend the upper age limit for youth aging out of foster care to 24.

**Remove unnecessary barriers to access to child care assistance**

High-quality child care is unaffordable for most New York families, costing an average $2,141 per month ($25,688 per year) for two children in a child care center in 2019, leaving many New York families across the state struggling to afford care. In New York City, child care for one
infant or toddler consumes 31% (center-based programs) or 17% (home-based programs) of median household income for dual-parent households with young children. For single-parent households, costs comprise 54% of median income for centers or 30% of median income for family-based programs. Yet, it has been the case for years that due to chronic under-investment of public dollars in child care for low-income families, fewer than 20% of eligible low-income families who could benefit from child care subsidy assistance actually receive it in NYS.

New York State is in a moment of pivotal change related to child care. The 2022-23 State Budget featured historic levels of new investment in child care subsidies ($670 million), representing close to an 80% increase in baseline funding from the current $832 million. This increase expanded access to subsidies that went into effect August 1, 2022, raising the family income cap from 200% to 300% of the federal poverty level (FPL), making more than 250,000 New York children newly eligible for child care.

Public investment alone, however, will not solve child care assistance challenges. New York must address the host of cumbersome, largely unnecessary administrative barriers families encounter when seeking child care assistance. One such challenge is complex applications that can run many pages in length, require pay stubs, proof of hours of work, immigration status documentation, and more. Another, closely related challenge, long wait times from application to determination. In New York City, it took the Administration for Child Services about a year to clear a waitlist of 36,000 families. That backlog was cleared on October 12, 2022. During that period, New York City – home of about 40% of New York children – was, for the most part, not accepting new child care assistance applications.

Wide inequities persist in subsidy eligibility and family contribution across 58 local departments of social services (LDSS), which administer the subsidy system. For example, a parent could be in a training program for which eligibility is allowed in one county, but not in the neighboring county. A family with a disabled parent, a foster family, or a family receiving protective child welfare services may be eligible in one county and not another. New York City, for example, does not authorize child care assistance for periods of sleep time for a parent or caretaker who works non-traditional hours. Nassau and Suffolk counties cover that period of time, but (unlike New York City) will not compensate providers who transport children in their care.

Another challenge is short certification periods of twelve months. Few families experience significant enough increases in family income that would change their eligibility for child care assistance. As a result, families can – and do – lose child care assistance not because they have become ineligible, but simply because they were unable to recertify in time. Frequent recertifications lead to gaps in care for children, disrupting their relationships with trusted caregivers and their educational and social-emotional development. It can also lead parents to having to drop out of the workforce or training.

Finally, child care assistance in New York is structured without any built-in phase-out in the benefit. As a result, if family income rises a few dollars above the income cap (300% of FPL), the family can – overnight – lose a benefit worth $10,000 a year or more, depending on the number of children in child care.

Solutions

What New York State really needs is universal child care – that means child care that is available to all families – no means testing, no work or immigration requirements or
cumbersome application processes. However, recognizing that this transformation cannot be achieved overnight, here are some interim steps New York should take to ensure eligible families are not prevented from accessing child care assistance due to bureaucratic barriers and delays. Many of these solutions are similar to those we recommend for other benefits.

1. **Categorical eligibility.** Adopt categorical child care assistance eligibility for families enrolled in other public assistance programs (SNAP, Medicaid, WIC, etc.) and for children with disabilities, children experiencing homelessness, in foster care, in families receiving preventive services. California just passed legislation to do this; New York State should follow suit.

2. **Presumptive eligibility.** Implement presumptive eligibility statewide, allowing families who apply for child care assistance to receive preliminary approval with a simple showing of income and proof of employment quickly pending final approval. Monroe County has implemented presumptive eligibility locally with great success. New York State should follow suit and require this practice statewide. Assemblymember Sarah Clark has forthcoming legislation to implement presumptive child care assistance eligibility statewide; New York should pass this legislation this year.

3. **24-Month Child Care Eligibility.** New York State should permit local social service districts to authorize families to receive child care assistance for up to 24 months between eligibility determinations. During the 2022 New York State Legislative Session the Legislature passed A.10209-A (Lunsford)/S.9029 (Ramos) which would implement this reform; the bill is currently awaiting the Governor’s signature.

4. **Eliminate benefit cliffs** by allowing families whose income exceeds federal eligibility threshold to maintain and recertify their eligibility for assistance up to 400% of Federal Poverty Level.

**Strengthen and expand the Empire State Child Credit and explore moving to a child allowance**

One strategy proven to increase and stabilize family income is strengthening and expanding refundable tax credits. Study after study has shown these credits to improve child outcomes in all aspects of their lives: higher high school graduation rates; better health; fewer child welfare interactions. Perhaps the best case study just occurred when, in the midst of the pandemic, the federal government temporarily expanded the federal child tax credit by making the credit much larger and with extra funds for families with very young children (up from $2,000 maximum to $3,600 for young children; $3,000 for older children), omitting minimum income thresholds and phase-ins, and making it fully refundable, which means it directed the most funds to the lowest income families. This policy was credited with single-handedly cutting child poverty by 30% during the months that families were receiving a portion of the credit on a monthly basis. Also of note is how families used the child tax credit: they used it to buy food, clothing, and school supplies; pay utility bills; and cover rent.

Unfortunately, the federal expanded child credit expired. Now, inflation is striking a hard blow to low- and middle-income families with children who spend a high proportion of their household income on food and gas and other necessities. The coming winter is going to present tremendous challenges for many lower-income New York families. Further, food price inflation is higher than it has been in four decades, coinciding with a reduction in federal food supports (like free school lunches for all children). It is critical that New York take action this year and strengthen its state refundable credits to provide meaningful support to the state’s children, particularly those in families experiencing poverty, starting with the state’s child tax credit.
Solutions: This year, New York should strengthen New York’s child tax credit by:

1. **Ending the harmful and illogical exclusion of young children** and implementing a robust credit for children under age four.
2. **Restructuring the credit so the highest credit goes to the lowest income families** by ending state’s regressive minimum income requirement and phase-in.
3. **Increasing the credit amount** to provide families meaningful support and we must ensure the credit continues to be available to as many immigrant families as possible.

Conclusion

New York has an opportunity now to make innovative changes and investments to support children and families. New York must implement these solutions and measure the outcomes, including impacts by race, ethnicity, and geography. In enacting the Child Poverty Reduction Act our leaders have committed to cutting child poverty in half; it is time to do it.

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to reduce child poverty in New York.

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20 Assemblymember Andrew Hevesi introduced legislation that would strengthen the child welfare housing subsidy (A.1777). Last year it passed in the Senate (Brisport, S.5419), but not in the Assembly.