

# Supporting Families and Powering New York's Economic Recovery

***How to safely scale up child care as New York re-opens and set the state on a path to a stronger, more equitable child care system***

Parents of young children have suffered terribly as a result of the coronavirus pandemic, with job loss, food insecurity, and family stress and disruption rising dramatically. The pandemic has impacted communities that are low-income and communities of color the hardest, exacerbating the inequities — including disparate access to health care, disparities in educational opportunity, and a tremendous racial wealth gap — that existed long before coronavirus.

We are grateful to state leaders for the way they have handled this crisis and for their focus not just on restarting, but on *recovery* and *progress*. As Governor Cuomo has made clear, re-opening businesses requires addressing the child care needs of New York's workforce. The state's commitment to a brighter economic future must therefore include support not only for the parents of young children who need to be able to return to work, but also for the child care providers whose "essential" roles in our economy and society have finally been recognized — and whose very livelihoods are now endangered.

Employers, the workforce, child care providers, and educators need targeted support that helps to stabilize businesses and families, and that advances early childhood development and school readiness for infants and toddlers. Our urgency should also be fueled by the recognition that child care providers are frequently women-owned small businesses and that many early childhood educators are women of color.

Importantly, the federal stimulus known as the CARES Act provided New York State with significant funding to address critical child care needs. These recommendations illustrate how those funds, along with other subsidy funds not spent due to the steep drop in child care enrollment during New York's "PAUSE," can be most effectively applied, and could also provide a guide to longer-term reforms.

Last month, Governor Cuomo took an important step to ensure that health care, law enforcement, grocery store, and other essential employees can continue to work

during the coronavirus pandemic by providing them access to free child care during the crisis. For essential workers during the pandemic — who are being asked to work long hours while their children are out of child care and school and when they cannot rely on relatives and neighbors to assist with care — the challenge of finding and affording safe care for their school-age and younger children has been significant. Drawing on funding from the federal stimulus bill, New York’s new CARES Act scholarship fund is a critical temporary support for essential workers with income up to 300% of the poverty level, or \$78,600 for a family of four.

In these extraordinary circumstances, it is also critical that those child care providers that remain open are provided the safety equipment and timely guidance necessary to keep themselves and the children in their programs safe. The CARES Act scholarship fund is also helping our state’s child care programs access the cleaning supplies and safety equipment they need to provide the safest possible environment.

Looking ahead to New York’s gradual re-opening, the state must now turn its attention to ensuring the child care providers, who were struggling pre-pandemic, are able to re-open or scale up safely and expeditiously and become even stronger. New York must also support parents, many reeling from job loss or cuts in pay, to re-engage with the labor market by ensuring they can access affordable, quality child care. New York State has more than \$134 million in additional CARES Act funding that the state must strategically invest to begin rebuilding the state’s child care system. These next several months will be even more challenging since all schools will be closed for the remainder of the school year, and it is not yet clear whether schools and camps will be offering summer programming. At the

## **More than 9 in 10 parents of young children support greater public investment in quality affordable child care**

Source: Survey conducted by Global Strategy Group on behalf of Raising NY. The survey was conducted from 4/18 - 4/22 and had a confidence interval of +/-4.9%. Learn more at [RaisingNY.org/Coronavirus](https://RaisingNY.org/Coronavirus).

same time, New York appears to be poised to begin slowly re-opening businesses, meaning parents will in some cases be called back to work before schools and camps re-open.

In addition, while it is beyond the scope of these recommendations, Raising NY’s recent statewide poll of parents of infants and toddlers provided a stark reminder that food insecurity is the reality for 1 in 3 families with young children as a result of the coronavirus pandemic. In order to support families in re-entering the workforce and support children in child care and those who are not, New York should invest in additional food support outreach, including partnering with community-based organizations that serve immigrant communities.

**As New York moves forward with its strategy to re-open, state leaders should immediately develop and implement a comprehensive and inclusive plan to offer affordable, safe, quality child care during this period.** This is a critical opportunity to rebuild the system so that it is stronger and more equitable than before the pandemic.

The Raising NY coalition calls on state leaders to incorporate the following vital issues for employers and working families into New York’s re-opening plan.



## Support employers by enabling New Yorkers with young children to get back to work

### **Affordable quality child care across New York State:**



As more businesses re-open and demand for child care increases beyond essential workers, the state should use CARES Act funding, unused subsidy dollars, and other appropriate funding to make child care subsidy eligibility levels and co-pays more fair and equitable across the state.

These funds should be used to subsidize parent co-pays for those who do not qualify for CARES Act scholarships and to set a consistent statewide co-pay maximum and eligibility minimum that makes child care affordable for all working families receiving assistance. In addition, regardless of the county where they live, parents who are unemployed and seeking work, retraining, or pursuing higher education during the crisis and after should be able to receive subsidy using federal CARES Act or other stimulus funds.

These steps would enable more working families to access quality child care this year, and serve as a bridge to longer-term reforms towards a more equitable child care system that provides all New York families access to high-quality child care that is affordable based on their income level.



### **Regional coordination:**



Several of the state's Regional Economic Development Councils (REDCs) have recognized the essential role of child care for economic growth and built strong partnerships with the child care sector. The state should direct all REDCs to establish strategies to determine and analyze regional needs and challenges and create action plans, including all modalities and non-traditional days/hours, in their regional plans, and to prioritize child care projects for state funding to support both the capital and operational needs of child care providers.

## Increase child care capacity by supporting child care providers who experienced significant challenges up to and during the pandemic

### **Fiscal stability:**



As child care programs come back online and contribute to the state's economic rebound, they can be expected to phase-in their enrollment, comply with any social distancing requirements and increased cleaning standards, and feel the effects of the economic downturn on demand. They will therefore likely be under-enrolled for a significant amount of time, but still need to maintain the staffing they had before. In order to meet these challenges, providers should receive an operating subsidy to help pay staff and cover their expenses.

The state should commit to an additional allocation equivalent to providing 1.5 to 2.5 times the current market rate to cover the increased costs that child care providers are facing — including the impact of reduced capacity and temporarily lower enrollment. At the same time, child care subsidies across all counties should be paid based on enrollment — not attendance — both during this crisis and after, which will help account for fluctuations due to rapidly changing family needs, social distancing, and health concerns. For those child care providers who serve both families receiving subsidy and private pay, as well as providers who do not accept subsidy, the state should also explore ways to support programs in responding to lower capacity without shifting the burden to parents who are lower-income and middle-income and facing financial insecurity.

### **Reopening:**

Nearly all center-based child care providers in New York City and at least 27% of all licensed child care providers throughout the rest of the state have closed as a result of the pandemic. The state should invest CARES Act and other funds to provide direct financial support through a Re-Opening NY Child Care Investment Fund that can be used for basic operating expenses, equipment and materials to enhance child development, funding for staff training, adequate supplies to keep children healthy and safe, and to provide financial relief to families.

### **Data:**



Policymakers need timely, comprehensive, and accurate child care supply and demand data now more than ever as they work to restore and grow the state's economy. The state should use CARES Act funding to quickly establish a simple, easily accessible system to collect all enrollment, capacity, and vacancy data from providers, and require all child care providers to upload their data regularly. Recognizing that providers may have limited technology access, the system should include options for web access, mobile access, and phone-based data transfer as needed, and be operational in multiple languages.



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## Support the child care workforce that has helped keep New York going throughout this crisis

### **Premium pay:**



As the Governor has said, the child care workforce deserves premium pay for their service to the state during this crisis. New York should make strategic use of CARES Act or other dedicated federal funding to recognize, support, and preserve the child care workforce. CARES Act funds should also be used to prioritize child care subsidies for child care workers who need them.

### **Safe educational settings:**



For the health of children, families, providers, and communities, it is essential that contraction of coronavirus among providers and children in care be tracked by appropriate state officials. To keep the essential child care workforce and the children in their care safe, this must include data on the number of providers and children who become ill, how many programs are forced to close due to the virus, and what other support they need to keep their doors open safely. With the coronavirus likely to present a significant public health threat for months to come, New York should constantly monitor the health impacts on this sector and regularly revise safety practices as the data dictates.

### **Career development and advancement:**



Child care educators represent a highly skilled, diverse, and vastly undercompensated workforce. The state should increase investment in career development opportunities that help the workforce afford and enroll in flexible postsecondary education that leads to credentials, certificates, degrees, and certification, and to provide educators with enhanced pay as they do so.

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