



## Proposed Plan for Investing New York’s Portion of Consolidated Appropriations Act of 2021 Child Care Stimulus Funds

### BACKGROUND

The [Consolidated Appropriations Act of 2021](#) was signed into law on December 27, 2020. Included in this Act is \$10 billion in child care relief. It is estimated that New York State will receive [\\$449,598,890](#). The funds will flow through the Child Care and Development Block Grant (CCDBG) to New York State’s Office of Children and Family Services (OCFS), and can be used [broadly](#) to sustain the child care sector during this public health and economic crisis. Under the law, states will have [just 60 days from its passage](#) (February 25, 2021) to submit a plan describing how they plan to use the emergency CCDBG funds.

### PROPOSAL

#### **Support Families Receiving Subsidy and Stabilize Providers through the Existing Child Care Subsidy System**

A portion of the funds should be directed to flow through each social services district subsidy system, with funds distributed proportionally using the existing county subsidy allocations and the number of low-income children per district as a model, but adjusting to ensure prioritized support for communities hit hardest by the impacts of the pandemic, chief among them communities of color, low-income, and immigrant communities. Each social services district should be required to implement and maintain the following rules for at least 12 months:

#### **For Families:**

- Reduce or maintain parent co-pays to no more than 10% of income over the federal poverty level;
- Incrementally expand subsidy eligibility to at least 85% of the state median income;
- Take deliberate action to ensure that existing capacity for infants and toddlers is maintained in the short term and expands as the economy recovers. Action must be consistent with meeting the needs of employers and supporting their parents entering or re-entering the workforce – and recognizing the increased cost of high-quality infant and toddler child care;
- Ensure subsidies are available to all income-eligible families who are unemployed and seeking work, retraining, or pursuing higher education; families involved in domestic violence; families involved in the child welfare system; families experiencing homelessness; immigrant families, including those in which some or all members are without immigration authorization;<sup>1</sup> and children with special needs; and
- Given that families of children with disabilities have had a particularly difficult time accessing child care during the pandemic, the State should ensure that funding is available to provide supports and accommodations to meet the needs of children with disabilities in all child care settings.

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<sup>1</sup> Eligibility for CCDBG child care subsidies depends solely on the child’s immigration status, not that of the parents. Accordingly, these stimulus funds can – and must – flow to all otherwise eligible children who are citizens or have LPR or refugee status, even if members of their families do not have immigrant documentation. For those children whose immigration status renders them ineligible for a CCDBG subsidy, New York State should use state funding to provide them with subsidies.

### **For Providers:**

- Reimburse providers for child absences (at least 12 per 3-month period); and
- Pay for COVID-related absences and closures (for providers who must temporarily close due to a COVID exposure or positive case, continue to pay the subsidy payments to the provider for the period of the closure – up to 2 weeks).

### **Provider Stabilization Grants and Other Relief**

Local social service districts, in partnership with a local Child Care Resource and Referral (CCR&R) agency, union leaders, and other community stakeholders which should include representatives from all child care provider modalities, would be required to develop a child care relief plan that selects from a range of allowable uses of remaining stimulus funds (distributed proportionally based on New York's existing county allocations and the number of low-income children per district, and adjusted to ensure prioritized support for communities hit hardest by the impacts of the pandemic, chief among them communities of color, low-income, and immigrant communities). All grants must be paid up-front following application approval and be accompanied by clear, consistent, and simple reporting requirements, and appropriate, linguistically accessible technical assistance for providers. Grants could be offered to cover costs for purposes including, but not limited to:

- Caring for children of essential workers regardless of income, and ensure they can access care during non-traditional hours (e.g., evenings and weekends) as required to meet their work schedules;
- Covering costs related to reopening, operating at reduced capacity, paying costs of overtime, hiring, training, and other costs associated with providing care safely during the ongoing public health crisis;
- Addressing child care deserts by allocating a dedicated set-aside of operating funding through an enrollment-driven, contract-based funding model to establish and maintain child care capacity, especially for infants and toddlers, in high-quality settings with a focus on addressing racial equity;
- Reimbursing providers for lost subsidy income from March 2020 to the present;
- Supporting after-school programs operating throughout the day to support remote learning; and
- Supporting preschool special education classroom operating at reduced capacity.

### **Program Administration**

To administer these funds in the most efficient and effective way, New York should rely primarily upon its existing child care subsidy system structure, and grant most of the funds to the state's 58 social service districts.

In New York City, the funds should be allocated to the multiple agencies (Administration for Children's Services, Department of Youth and Community Development, and the Department of Education) that oversee the city's child care and youth services system, proportionately and reflective of the scope of the agency. There must be a demonstrable focus on expanding reach of access to *all* providers, regardless of affiliation or connection to appointed agencies. This will ensure that the proposals are properly administered to benefit families who utilize *any*

contracted, independent, or voucher-based child care in home-based and center-based settings, as well as to support remote learning and school-age care where appropriate.

To ensure equitable and effective distribution, OCFS should provide close oversight and significant support and assistance to ensure funds are used for the purposes set forth below, and are not used to fill other local budget gaps.

### **Financial Support for Administration**

The federal bill allows for state agencies to use a portion of the child care funds for administration costs. For local social services districts to plan and administer these funds with the speed that meets the urgent needs of New York families, and for OCFS to closely support and oversee the program statewide, they will need resources to hire necessary staff and supplies. It is essential that sufficient administration funds flow immediately to counties and to OCFS to oversee the smooth release of these funds across the state.

### **Regular (at Least Quarterly) Input from Stakeholders**

OCFS and each local agency that administers funds must gather regular input from a group of representative stakeholders that must include CCR&R, providers representing all child care modalities, union representatives, and parent representatives (including a parent who currently or previously had a child enrolled in subsidized child care) **before** and **after** programs roll out to ensure they are functioning as intended and problem-solve, if needed.