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**Testimony Submitted by Steven Morales, NY Policy Director, All Our Kin
FY24 Joint Legislative Hearing on Labor
New York State Legislature
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Honorable Chairs Ramos and Joyner,

My name is Steven Morales and I'm the New York Policy Director at All Our Kin. All Our Kin is a national nonprofit organization that trains, supports, and sustains home-based family child care educators in New York City. Most of the educators we serve are located in the Bronx, where we work with nearly 300 family child care educators with the capacity to care for over 4,000 children. We are also proud Steering Committee members of the Empire State Campaign for Child Care.

Child care is an essential component of our state's economy. Working families of all types need stable child care so that they have a safe, nurturing, educational environment where their children can grow while parents go to work. And right now in New York, we know that parents are struggling to find child care, threatening their ability to stay in the workforce. In an October 2022 poll by Raising NY, 41% of respondents reported that issues with child care have affected their ability to attend work, school, or other commitments two or more times in the last 30 days. Moreover, analysis by the NYC Economic Development Corporation shows that New York City alone loses billions of dollars annually in business productivity and tax revenue due to the instability of our child care sector.

At the core of the child care crisis lies one simple fact: compensation for child care providers is woefully inadequate. On average, child care educators in New York are in the bottom 4 percent of all earners. One family child care provider that we work with in the Bronx is closing her program after 25 years of serving her community because the rates she received from the subsidized child care system do not meet the rising costs of running her business. That provider has shared that she used to be one of several family child care programs in her immediate neighborhood, and that she is one of the last ones left. These child care closures are not unique and they are harming our children and their parents' ability to maintain steady employment.

According to a recent analysis by The Children's Agenda, since the beginning of the pandemic, New York State has experienced a net loss of over 1,300 child care programs which translates to over 10,000 lost child care slots. That's 1,300 businesses shuttered, thousands of jobs lost, and 10,000 families who had care prior to the pandemic that no longer have a trusted place to bring their children while they work or attend school. And these closures have disproportionately impacted home-based family child care businesses who play a vital role across our state, especially in rural and urban, working-class communities.

In order for our state to fully regain its economic capacity, our workforce must have access to child care for their children. To ensure that all families who need child care are able to access it, **New York State**



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must invest in the child care workforce in the short and long-term. All Our Kin calls for the following key investments:

1. In the short term, a **Child Care Workforce Compensation Fund of \$1 billion.** We consistently hear from child care providers that stabilization grants have temporarily helped them keep their businesses afloat. But when those temporary payments stopped, providers found themselves back at square one wondering how they would pay their bills. The \$389 million for child care stabilization in the Executive Budget is a good start, but not enough to keep educators from leaving the field for higher paying jobs in other sectors. All Our Kin asks you to build on the Governor's proposal by increasing the amount to \$1 billion in FY24. This amount is necessary to provide all child care workers with a compensation supplement that would make their pay more competitive with other fields, help retain educators, get our child care programs operating back at pre-pandemic capacity, and ensure parents can get back to work.
2. **A long term commitment to a new child care compensation model by 2025** that pays child care providers based on what it truly costs to provide care. A recent [study commissioned by EdTrustNY](#) shows that our current state child care subsidy system pays educators thousands of dollars less than it actually costs to run a child care program. A long-term commitment to a shift in payment model is necessary so that educators can earn competitive wages and benefits that sustain their businesses and allow them to continue serving our state's children for the long term. Washington D.C. and several other states have enacted or are in the process of enacting this model to keep their child care systems from lurching from one funding crisis to the next. New York should lead the way as the first big state to commit to long-term investment in the child care workforce.

We support the Governor's proposals to increase eligibility for child care assistance, reduce co-payments for families, and streamline application systems and processes. We also call on the State to expand child care access to undocumented children. Undocumented families are active contributors to our state's economy – they often work long hours in difficult jobs, pay their fair share in taxes, and keep our state's economic engines running. And all families, regardless of immigration status, need a place for their children to learn and receive care during the work day. That is why we are calling for **\$60 million in care for undocumented children** in this year's budget.

In closing, despite the work of last year's budget, the child care crisis in New York State is far from over. Providers in centers and family child care programs alike are still struggling to keep their doors open. We urge you to seize the opportunity to invest in child care to meet the needs of our youngest children, allow parents to remain in the workforce, and make New York State the best place in the country to raise a family.

Thank you for the opportunity to testify.

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