



## Children First! Child Care Assistance in Erie County

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### Executive Summary

Child care subsidies are distributed in each county in New York by the county's Department of Social Services. Due to a drop in state funding, Erie County has changed its eligibility level from 200% to 125% of the poverty line. The former level for eligibility should be reinstated because subsidized child care has social, financial and societal benefits.

### Background to Child Care

#### What is Subsidized Child Care?

Child care subsidies are administered by county Departments of Social Services to allow parents and caretakers to go to work and teen parents to go to school. The assistance is also provided to caretakers who are physically or mentally challenged, have family duties away from the home and are working at least 17.5 hours per week. Parents or caretakers receiving a subsidy may choose their own child care provider. The subsidy pays for the cost of child care up to a market rate set by the state. The Departments of Social Services set the rates of payments to the child care providers in each county.<sup>1</sup>

#### What are the Various Child Care Service Programs?

Erie County provides child care assistance for eligible families through various programs:

**Temporary Assistance Day Care** is guaranteed for TANF or Safety Net households involved in approved training programs or work site assignments. This program enables parents to work or participate in approved training programs while receiving child day care services. Recipients must meet the following criteria:

- Eligible for cash Public Assistance
- Have children under age 13

- Require child care so they are able to work or participate in required work activities
- Meet eligibility income requirements<sup>2</sup>

**Transitional Day Care** is available when a Temporary (Public) Assistance case is closed and there is a need for day care services due to employment. Transitional day care is guaranteed for 12 months if working families earn 125% or less of the State Income Standard (SIS). Parents contribute to the cost of care based on a sliding income scale.

**Preventive/Protective Services Day Care** is a guaranteed service for children through children's services cases when day care is mandated as part of the individual service plan.<sup>3</sup>

**Non-Temporary Assistance Day Care**, the main subject of this brief, is an optional program available for employed families who have income at 125% (formerly 200%) or less of the State Income Standard (SIS). Families pay based on a sliding income scale. Teen parents attending high school can receive this assistance.

### How Does the Sliding Scale Work?

The sliding scale which determines the parent's contribution to the program varies for each county. For example,

- in Erie, Broome, Chenango counties and New York City parents of a family of three with an annual income of \$36,620 pay 35% of their income over the poverty level for a child care subsidy.
- Parents in Nassau county with a family of three and an annual income of \$36,420 pay 17.5% of their income over the poverty level for a child care subsidy, and
- Parents in Onondaga and Dutchess counties with a family of three and an annual income of \$36,420 pay 30% of their income over the poverty level for a child care subsidy.<sup>4</sup>



If the child care provider has a contract with the county, the parent is only responsible for making their contribution regardless of whether unsubsidized parents are paying a higher rate to the child care provider. If the parents choose a provider that does not have a contract with the county, they have to pay the difference between their subsidy and the rate charged by the provider.

### How do Parents Apply for Subsidized Child Care?

Parents should contact their local Department of Social Services or their Child Care County resource and referral agency. For Erie County residents, the Child Care Resource Network is located at 1000 Hertel Avenue Buffalo, New York 14216. The phone number is (716) 877-6666

x3012 or 3038 and the web address is [www.wnychildren.org](http://www.wnychildren.org). The Erie County Department of Social Services is located at 95 Franklin Street Buffalo, New York 14202. The phone number is (716) 858-8000 and the web address is <http://www.erie.gov/depts/socialservices/>.

### **The Purpose of Child Care Services and the New York State Block Grant**

Child care services aim to reduce one obstacle in a family's life, child care, so that they can maintain self-sufficient lives. Individuals have a 60 month lifetime limit in federal cash benefits, so it is important for states to provide child care services to those who need it.

Low income mothers who use child care subsidies are more likely than other low income mothers to work at a job for more hours on a schedule in a fixed employment setup. Child care subsidies have



been shown to increase employment among women who lack a high school diploma. There is also a positive relationship between the use of a child care subsidy and increased earnings and employment.<sup>5</sup>

### **Recent Shortfalls with the Block Grant**

In 2009 the State reduced child care allocations to the counties. In the 2009/2010 fiscal year, Erie County received \$20.5 million as a flexible fund to use for child care.<sup>7</sup> By the end of 2009, the County was showing an \$800,000 deficit for child care for the year. (For its total budget, the County showed a surplus of \$44 million for 2009). When the State block grant is exhausted, there is no funding for child care other than the County's own dollars.<sup>8</sup>

Part of Erie County's problems stemmed from the fact that in previous years, including 2008, the County has not spent all of its child care fund and has rolled them over into the next year. In 2009 New York State decided to reduce allocations to counties with rollover funds exceeding 10-15% of their annual State aid allocation. Thus, New York State refused to give Erie County federal stimulus funds in 2009 because Erie County still had rollover funds available.<sup>18</sup>

According to the County, if it had continued to provide child care at its old eligibility level of 200% of the poverty line, it would have spent \$10 million more than the State is providing in 2010.<sup>9</sup> The 2010 state budget has not yet been enacted, and there have been no preliminary figures. Thirty to sixty days after its enactment Erie County will find out the amount of the 2010 block grant and the federal stimulus money, and then the County will reevaluate its situation regarding child care subsidies.<sup>10</sup>

Counties across the state are suffering from fiscal problems, but not all of them are reducing child care eligibility. For example, the 2010 eligibility level for a family of two in Nassau County is 270% of the poverty level, 255% for a family of three and 225% for a family of four or more.<sup>13</sup> Some other counties, however, were less generous to begin with: the 2007-2009 Child Service Plans indicate show Clinton county using 125% of the poverty line for eligibility, Dutchess county 100%, Seneca 125% and Warren 130%. Schoharie county moved from 150% to 100%.<sup>15</sup>

### **The Current Situation Regarding Child Care Assistance**

In late December, 2009, with no prior notice to the parents or the public, the County sent out letters to 1,110 families with 4,660 children, indicating that they would lose their child care subsidies in ten days due to a change in eligibility from 200% to 125% of the poverty line. (At 125% of the poverty level, a family of four would be making \$27,562).<sup>14</sup> After questions were raised regarding the legality of the notice, the County did a new thirty day notice.

State officials have said they do not understand why Erie County did not tell recipients about funding shortfalls until December 31, 2009 when they knew about the shortfalls in late spring 2009. Carol Dankert, Erie County Commissioner of Social Services, said that she contacted NYSOCFS about the funding shortage in mid 2009 and requested additional funding, but no relief was provided.<sup>38</sup>

The County Legislature passed a unanimous resolution asking the County Executive to extend assistance for 90 days, but the County Executive refused. As of April 1, 2010, Erie County is no longer taking new applications from the working poor, non temporary child care seeking individuals. The 1,725 Public Assistance children with subsidies participating in the County's child care program are unaffected by these changes.



The County Executive has been moving to eliminate various services that are not mandated by state or federal governments. Non-mandated state services include libraries, highways, sheriff patrol and the budgets of the comptroller, legislator and county executive offices. Mandated state services include many of the services provided by the Department of Social Services, senior services, mental services and health services. 88% of the county budget is comprised of mandated services and 12% of the county budget is made up of non-mandated services.<sup>16</sup>

The elimination of WIC (Women Children Infant), a federally funded nutrition support program for pregnant women and children up to age five, in July 2008, illustrates the transition away from non-mandated services.

WIC provides pregnant women and children up to age five nutritional supplements, teaches new moms about breast feeding and changing diapers and provides women with vouchers for various nutritional foods. Catholic Charities now runs the WIC program in Erie County. Erie County cut the Program because Executive Collins said it costs the County money to pay the WIC workers' salaries and retirement benefits even though it is a federally funded program.<sup>17</sup> The County Executive's critics have accused him of cutting non-mandated services that affect lower-income, minority, and urban residents the most (WIC, Child Care, urban parks), while leaving intact highway and sheriff services to suburban towns.

### **Should Erie County Restore Eligibility for Child Care Assistance to its Former Levels?**

According to the Erie County Legislature, Erie County should do what it can to return to the original levels and allow for new applicants. If the County has a \$44 million total surplus, it seems that they should spend some of the money toward educating children and allowing them to remain in licensed child care centers.



Erie County Department of Social Services (ECDSS) has been informed that they will be considered for year two federal stimulus assistance in April 2010, retroactive to October 2009, because currently they have no available rollover funds. However, New York State Office of Child and Family Services has warned counties that the competition for federal aid will be tight since more than thirty counties are requesting money for year two stimulus assistance.<sup>19</sup>

The current eligibility rules in Erie County may drive working parents back onto welfare or prevent welfare recipients from leaving welfare, so as not to lose their child care subsidies. For example, the Buffalo YWCA reports that one of its clients, a domestic violence victim in transitional housing, will not take a job because she will lose her subsidized child care services. This woman took the right steps to leave her violent home, find transitional housing and get a job, but now she finds her path blocked.<sup>20</sup> Some parents may quit their jobs, some may reduce hours enough to qualify for welfare, and others may be fired from their jobs for missing work to deal with child care needs. Commissioner Dankert has stated, however, that only one of the 717 people who lost subsidies in January 2010 is currently receiving Public Assistance. She said twelve individuals started the application process but did not end up seeking assistance.<sup>39</sup> Of course, it will be important to revisit these figures over time to see the full effects of the decision.

Erie County Executive Collins said it would cost \$10 million to keep the child care subsidy program whole. However, thinking more broadly about all the costs to taxpayers and to society, keeping the program at the former eligibility level might be cheaper than removing such an important work and income support. For low income individuals, it is particularly difficult to try and arrange safe and decent child care in a short amount of time (which is what happened after the change in eligibility levels occurred in January 2010). Ten days of child care costs roughly \$500 to \$700 in Erie County. It would be difficult for anyone to get that amount of money in a short period of time.<sup>23</sup>

Also, the County's savings may be much less than \$10 million. Families with changed benefits can request a fair hearing and continue receiving the subsidy until a decision is made. Even if the County wins the hearing, it is difficult to recoup the money from discontinued child care recipients.

Unfortunately, the financial figures come in through an offline system which is only shared by the State and Erie County Department of Social Services (ECDSS). ECDSS will not share the information, so it is difficult to know how much money the County will save.<sup>26</sup> ECDSS does report that just under 700 cases (approximately 694 cases) have been closed, with less than 50 recipients requesting fair hearings.<sup>27</sup>

### **How Would the Public Benefit from a Return to Former Eligibility Levels?**

From a societal perspective, more children would be eligible for child care services and be in safe, protected, structured and accredited programs where there are educated and CPR trained workers. Less children would be in unstructured settings with relatives, friends or providers that do not have the experience or training necessary to provide the best environment for the children.<sup>29</sup>



Small day-care providers would be able to stay in business and would not face such an economic hit. Due to the recent changes in eligibility levels, small providers are losing daily income as many of their children have been disqualified from the program. This will force providers to lay off employees and potentially close their doors.<sup>30</sup>

If the eligibility levels are restored to the former levels, the YWCA, for example, would be able to provide day care revenue and gap-financing they do not receive from their grant. The YWCA would not have to pull resources from their domestic violence programs.<sup>31</sup>

### **What are Other Possible Solutions?**

One suggestion is that no more than 10% of an individual's salary go toward child care. It is uncertain as to how the increased costs would be paid for and how such a suggestion would be implemented. Restructuring the child care subsidy is another possible way to increase the number of covered families. Due to state cuts, there should be conversations between Erie County and leaders in the child care arena to best serve these families.<sup>32</sup> There should also be continued talks with Senator Gillibrand as she pushes the child care issue from a federal perspective, indicating that she is "working hard to ensure funding for President Obama's budget, which recommends \$1.6 billion in additional child care funds for the upcoming year."<sup>33</sup>

We should look at child care subsidies as an investment to the larger society. According to the Western New York Women's Fund, there are 17,000 poor, single parent female headed families in Western New York. The goal should be to develop services to get citizens out of poverty.<sup>34</sup> America's Edge, a Washington, D.C. nonprofit organization that focuses on improving public education, conducted a new study that shows that for every \$1 invested in child care and early education in New York State, \$1.86 is generated in spending injected into the economy. The return is equal to investments made in construction, which also return \$1.86 for each dollar spent, and surpasses manufacturing, which returns \$1.72 to the economy for every dollar.<sup>35</sup>

Restoring the child care funding for ninety days would only cost the County \$2.6 million.<sup>36</sup> Ninety days would allow parents more time to find alternate child care options if no additional state and federal aid is available and these families are disqualified from the Program. Furthermore, 1,500 more children or 42% of current recipients would receive child care services.<sup>37</sup>





## Notes

- <sup>1</sup> 2009 Helping Hands New York State Community Action Association Family Development Association of NYS  
[http://www.nyscaaonline.org/HelpingHands2009/pdfs/Child\\_Care.pdf](http://www.nyscaaonline.org/HelpingHands2009/pdfs/Child_Care.pdf)
- <sup>2</sup> Temporary Assistance Source Book <http://www.otda.state.ny.us/main/ta/TASB.pdf>
- <sup>3</sup> Erie County Department of Social Services Handbook  
<http://www.erie.gov/depts/socialservices/pdfs/ECDSS-Booklet.pdf>
- <sup>4</sup> Akhtar, Saima and Antos, Susan, *Mending the Patchwork*, “Appendix B” Empire Justice Center.
- <sup>5</sup> Id.
- <sup>6</sup> Memorandum Erie County Comptroller’s Office Mark Poloncarz (Jan. 15, 2010).
- <sup>7</sup> Id.
- <sup>8</sup> Personal Communication, Bill Graham, First Deputy Commissioner Erie County Department of Social Services, April 12, 2010.
- <sup>9</sup> Memorandum Erie County Comptroller’s Office Mark Poloncarz (Jan. 15, 2010).
- <sup>10</sup> Personal Communication, Bill Graham, First Deputy Commissioner Erie County Department of Social Services, April 12, 2010.
- <sup>11</sup> Id.
- <sup>12</sup> 2010 State of the County <http://www.erie.gov/exec/?state-of-the-county/2010-state-of-the-county.html>
- <sup>13</sup> Personal Communication, Arlene Lapenson, Director of Parent Services for Child Care Council for Nassau County, April 13, 2010.
- <sup>14</sup> Spina, Matthew, *Child care subsidy rule delay rejected*, Jan. 28, 2010  
<http://www.buffalonews.com/2010/01/28/937942/child-care-subsidy-rule-delay.html>
- <sup>15</sup> Akhtar, Saima and Antos, Susan, *Mending the Patchwork*, Appendix A, Empire Justice Center.
- <sup>16</sup> Personal Communication, Melissa Cummings, Chief of Staff- Erie County Legislator Maria R. Whyte, April 12, 2010.
- <sup>17</sup> Id.
- <sup>18</sup> Memorandum Erie County Comptroller’s Office Mark Poloncarz (Jan. 15, 2010).
- <sup>19</sup> Id.
- <sup>20</sup> Personal Communication, Lynn Williams, CEO of YWCA, April 12, 2010.
- <sup>21</sup> Id.
- <sup>22</sup> Personal Communication, Sister Sharon Goodremote, FSSJ Public Policy Coordinator, April 13, 2010.
- <sup>23</sup> Id.
- <sup>24</sup> Personal Communication, Rhonda Duffney, Child and Family Service Specialist of the New York State Division of Child and Family Services, April 13, 2010.
- <sup>25</sup> Id.
- <sup>26</sup> Personal Communication, Tim Callan, Associate Deputy Comptroller, April 21, 2010.
- <sup>27</sup> Personal Communication, Bill Graham, First Deputy Commissioner Erie County Department of Social Services, April 22, 2010.
- <sup>28</sup> Id.
- <sup>29</sup> Personal Communication, Melissa Cummings, Chief of Staff- Erie County Legislator Maria R. Whyte, April 12, 2010.
- <sup>30</sup> Id.
- <sup>31</sup> Id.
- <sup>32</sup> Personal Communication, Nicole Bicna, Director of Education, Investments and Initiatives at United Way, April 13, 2010.
- <sup>33</sup> Letter from Kirsten Gillibrand to County Executive Collins, Feb. 17, 2010  
<https://docs.google.com/a/buffalo.edu/viewer?a=v&pid=gmail&attid=0.1&thid=127f402f35745e43&mt=application%2Fpdf&url=https%3A%2F%2Fmail.google.com%2Fa%2Fb>



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<sup>34</sup> Personal Communication, Rev. Dan Schifeling, Pastor, Nativity United Church of Christ and member of Voice Buffalo, April 13, 2010.

<sup>35</sup> Rulison, Larry, *Child Care payoff*, timesunion.com (March 12, 2010).

<sup>36</sup> Personal Communication, Rev. Dan Schifeling, Pastor, Nativity United Church of Christ and member of Voice Buffalo, April 13, 2010

<sup>37</sup> Memorandum Erie County Comptroller's Office Mark Poloncarz, "Exhibit B" (Jan. 15, 2010).

<sup>38</sup> Id.

<sup>39</sup> Kryszak, Joyce, *Erie county halts new child care applications*, April 2, 2010  
<http://www.publicbroadcasting.net/wbfo/news.newsmain/article/1/0/1631633/WBFO.Ne ws/Erie.County.halts.new.child.care.subsidy.applications>.

<sup>40</sup> Day care subsidy public hearing-Buffalo, NY  
[http://www.youtube.com/watch?v=\\_VDQgfSrK2w](http://www.youtube.com/watch?v=_VDQgfSrK2w)