

ACCESSIBLE AND AFFORDABLE CHILD CARE FOR WORKING NEW YORKERS

Empire State Economic Security Campaign

ES2 supports the Winning Beginning NY Legislative Agenda.

New York State must preserve and protect access to high-quality early care and learning, which are essential for children's success in school and for the state's economic recovery. Every \$1 spent in local early childhood programs generates \$1.86 in additional spending locally. Every \$1 invested also generates savings for public schools by reducing the need for remedial services, special education and grade retention. These savings are substantial – approximately \$2,500 to \$9,500 per child.

Winning Beginning NY, the state's early care and learning coalition, believes that New York State should:

- **Restore funding for home visiting programs**—including Healthy Families New York (\$23M); Nurse-Family Partnership, funded through Community Optional Preventive Services (\$4.3M); and The Parent-Child Home Program, funded through Hoyt Family Trust (\$1.2M).
- **Restore child care funding** (\$55M), including the reduction of \$48M in ARRA funds and the \$7M loss of funding for SUNY/CUNY child care and the demonstration projects.
- **Restore funding for afterschool initiatives** that advance student achievement and assist working families, including the Advantage After School Program (\$5M).
- **Maintain the commitment to Pre-K** services for more than 108,000 four-year-olds across the state, and eliminate maintenance of effort penalties in the legislation.
- **Build on the progress made in establishing QUALITYstarsNY** to promote better outcomes for children (\$3M).

ES2 Policy

Using elements of the California's framework, institute a temporary exemption from public assistance work requirements for parents with young children to save associated administrative and childcare costs.

Problem:

- New York faces an estimated \$40 million child care funding gap resulting from policy changes that eliminated the roll over of unspent child care funds allocated to counties. In addition, the amount of the child care block grant to New York City was cut by \$11 million in fiscal 2010-2011.

Solution:

- In 2009 the California state budget bill included provisions that exempted parents of young children (with one child under the age of 2 or more than one child under the age of 6) from welfare work requirements. The exemption expires in July 2011.
- The justification was that during the fiscal crisis significant money from administration and childcare could be saved, while allowing parents to participate voluntarily in education or any other work activity.
- A similar measure adopted in New York State would enable the state to maintain funding for subsidized care for people currently employed (both public assistance and non-public assistance households) as well as ensure the childcare guarantee for parents receiving public assistance who voluntarily enroll in education and training programs. The state should consider the degree to which this may impact the federal welfare participation rates and factor in the cost of any related penalties which should be offset by the savings in child care funds. The state can also request a temporary waiver of the penalty because of the recession and lack of sufficient child care funding to meet the demand.

AFFORDABLE, ACCESSIBLE TRANSPORTATION

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The Problem

Wheels to Work

Transportation is a major barrier faced by many welfare participants and low-income individuals in securing employment in New York State. National studies show that a person receiving welfare who owns a car (or has access to affordable, reliable transportation services) is likely to earn more per hour, work longer hours, stay on welfare for a shorter period of time, and retain their job for a longer period of time.

The most difficult barrier to increased usage of mass transit by people moving from welfare to work, especially outside of the NYC Metro area, is that transit services may not operate at times or to locations needed by certain customers. This is especially true if the job hours are outside regular daylight working hours, or the job (or worker) location is outside of a core urban area. Many people leaving welfare for work and other low-income workers can only secure jobs that have irregular shifts. In addition to traveling to and from work, transportation is needed to and from childcare sites.

Transportation systems are not just weak in moving inner-city residents to jobs in the suburbs and/or cross-town, they are also scarce in rural communities. New York State, contrary to popular perception, is primarily rural. Most of the counties outside of New York City have limited or non-existent transportation services.

Over the last decade New York made significant investments in the development of Wheels to Work Programs. The program provided low-cost vehicles to welfare participants to enable them to obtain and maintain employment. Given that the majority of persons who have left the welfare rolls over the last few years have moved into low-paying, entry-level positions, it is critical that they have the transportation tools needed to advance in the workforce. Unfortunately, the programs were largely unsuccessful in providing training to participants as auto mechanics.

Unfortunately, no funding for these programs was contained in the 2010-11 state budget.

Mass Transit and the MTA

New York City has also seen significant cuts in its mass transit services and repeated hikes in fares. Low-income people are especially impacted by fare hikes. One quarter of New York's workers use mass transit to get to work.

Twice in the last year, the Paterson Administration diverted a total of \$160 million of funds dedicated solely to transit to other purposes. The diversion of dedicated transit funds in the fall of 2009 directly triggered the worst transit service cuts in memory. These included axing 36 bus routes; eliminating 570 bus stops; killing all or parts of three subway lines; and burdening millions of city and suburban riders with greater waits, more crowding, extra transfers and longer trips. Commuter rail riders have had their trains eliminated and stops added to remaining trains. Paratransit service for individuals with disabilities has been made even less convenient or, in some communities, eliminated completely.

In addition to the diversion of \$160 million, the amount of dedicated taxes for transit decreased by \$563 million in 2010 and a projected \$292 million in 2011.

The MTA's budget for 2011 is precariously balanced. The agency's promises not to raise fares and cut services are based on new state legislative cuts and dedicated transit taxes not coming in lower than expected. The MTA holds a total of \$31 billion in debt, which is more than twice the MTA's annual budget. Debt payments cost the MTA \$1.8 billion last year and are set to increase to \$2.1 billion next year and \$2.6 billion by 2014. The governor and state legislature are directly responsible for the MTA's finances: they decide how much revenue flows to the authority, and only they have the power to put the MTA on sound financial footing.

The 2011-2012 Session

Wheels to Work

- Restore funding for afterschool programs to FY09-10 levels. This includes a restoration of Advantage Afterschool funding to \$30.5 million and Extended School Day /School Violence Prevention funding to \$27.8 million.
- New York State should restore funding for Wheels to Work and expand the program to include job training for low-income New Yorkers.
- Welfare recipients looking for work should receive free subway and bus passes. Such subsidies should continue for at least the first three months after finding a job. Subsidies are also needed for car insurance and car repair.
- New York should engage in "local hiring practices" for transportation related infrastructure projects. Community residents should be given the opportunity to work on projects that are in their communities.
- Dedicated transit funds should be spent for the sole purpose for which they were enacted

Mass Transit

- Return the \$160 million taken from the MTA over the last year by the state and prevent state lawmakers from using dedicated transit funds for other purposes.
- End the fiscally irresponsible reliance on debt by restoring the state's contribution to the MTA capital program to 20 percent of the program's cost. Since 1992, the state has not contributed any funds directly toward the MTA's capital program. Before that time, state contributions made up a significant percentage of the MTA's capital program. In 1992, state lawmakers slashed state funding for the MTA's capital program. Today's debt crisis can be attributed in large part to this unfortunate decision and the failure of subsequent administrations to restore funding.
- Protect millions of straphangers from threats to repeal the mobility tax which, if repealed, would result in yearly MTA budget deficits of over one billion dollars.
- Create sustainable sources of transit revenue funded by everyone who benefits from transit, including riders, drivers and businesses. Congestion pricing, bridge tolls and other variable charging plans that would provide critical revenue for the MTA (and avert future service cuts and unreasonable fare hikes) would benefit New York City's middle class, the majority of whom rely on mass transit to commute to their jobs in Manhattan.
- Lead New York's congressional delegation to secure higher levels of federal funding that would help expand public transit service access to underserved areas. Federal funding covers 80 percent to 90 percent of new highway projects but only 60 percent of public transit projects. Federal contributions are often much lower in practice. The federal government has agreed to fund only 27 percent of the first phase of the Second Avenue Subway, for example. Nationally, federal investment sufficient to bring the country's public transit systems to a state of good repair would create 2.5 million jobs over six years, including more than 16,000 jobs in the manufacturing sector alone in New York State.