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# Child Care Subsidies in the Mid-Hudson Valley

## An Analysis of Need, Availability and Trends

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The Dyson Foundation

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## Summary

Child care is an enormous expense for families with working parents, especially those with young children not yet in school and low incomes. For example, according to New York State, a family needing full-time care for an infant under 18 months that selects a day care center can expect to pay as much as \$252 a week, or nearly \$13,100 a year.<sup>1</sup> That comes close to consuming the entire paycheck of a minimum-wage worker, who will earn (before taxes) \$16,640 in a year.

The child care subsidy program operated by counties in New York State aims to ease that burden, helping to keep parents in the workforce and provide access to high-quality care for their children. Yet in most parts of New York State, subsidies have become less available over the past several years. From 2007 to 2013, the number of subsidies dropped in 38 of New York's 57 counties outside New York City, with an average decline of 27%.

CGR and the Greater Rochester League of Women Voters chose child care subsidies as the focus of our annual research effort in 2014, funded out of the Beatrice Bibby Endowment. We received additional support to conduct in-depth analyses of the Mid-Hudson Valley and Long Island from the Dyson and Rauch Foundations. This report examines availability, need, funding and policies related to child care subsidies in the Mid-Hudson Valley and New York State as a whole. Key findings include:

- In the Mid-Hudson Valley counties of Columbia, Dutchess, Greene, Orange, Putnam and Ulster, the number of children receiving subsidies increased by 6% from 2007 to 2013 to just over 6,000, contrary to trends in most counties. Two regional counties had declines in the number of subsidies: Greene, 10%, and Ulster, 2%.
- A relatively small share of children who would likely be eligible for subsidies are receiving them in the Mid-Hudson Valley: Subsidies are reaching about 10% of children in families with income at 200% or less of the federal poverty level, compared to about 20% statewide.
- After adjusting for inflation, federal and state funding to the Mid-Hudson Valley for child care subsidies has declined slightly since 2007, by less than 1% across all six counties. However, four of the six counties saw significant declines: 16% in Greene and Putnam, 11% in Orange and 9% in Ulster.
- Statewide, the subsidy program lacks consistency and the ability to analyze and monitor trends and need. Among local areas we studied, the share of eligible

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<sup>1</sup> See New York's study of child care market rates, used to determine subsidy levels: [goo.gl/jvHX3j](http://goo.gl/jvHX3j)

children receiving subsidies ranged from 6% to 25%, and federal and state funding per eligible child varied from less than \$350 to nearly \$2,000.

- Serving all eligible families would be very expensive, but targeting low-income families with children of particular ages may be more feasible. National research has shown that only 50% of those eligible for subsidies are likely to apply for assistance, potentially making it possible to make progress closing the gap between need and availability of subsidies.

## Acknowledgements

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## Staff Team

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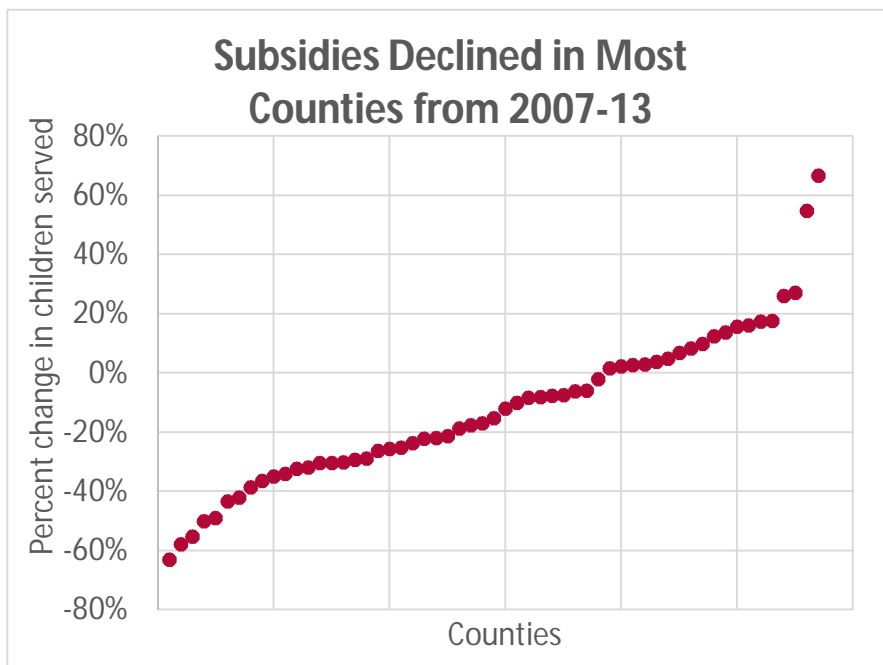
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# Introduction

Child care is one of the largest expenses facing working families, especially those with young children not yet in school. According to New York State, a family needing full-time care for an infant under 18 months that selects a day care center can expect to pay as much as \$252 a week, or nearly \$13,100 a year.<sup>2</sup> If that family has another child, say a 3-year-old, the cost goes up by \$220 weekly, and totals nearly \$24,500 annually. That's far more than the total before-tax annual earnings of a minimum-wage worker of \$16,640. Families can choose less expensive, home-based care, but the costs are still significant, in this example, nearly \$20,300 for registered family day care.

*Subsidies aim to help lift families out of poverty and make high-quality child care accessible to families that cannot otherwise afford it.*

The federal government funds child care subsidies nationwide for low-income families. Subsidies are thought to serve the twin goals of providing a *support for poor families* to lift themselves out of poverty through work and of making *high-quality* child care accessible to families who would likely be otherwise unable to afford it. In



federal fiscal year 2011-12, the Child Care and Development Fund made \$5.2 billion available to the states, territories and tribes, and 1.5 million children were served, according to the federal Office of Child Care.<sup>3</sup>

In New York, nearly 132,000 children under 13 received child care subsidies in 2013. The state allocated about \$738 million, mostly federal dollars, to support the program, and county

<sup>2</sup> See New York's study of child care market rates, used to determine subsidy levels:

[goo.gl/jvHX3j](http://goo.gl/jvHX3j)

<sup>3</sup> <http://www.acf.hhs.gov/programs/occ>

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governments spent at least an additional \$68 million.<sup>4</sup>

Yet, subsidies are reaching a small share of families that are eligible, and in many New York counties, the number of subsidies provided to children has been falling. From 2007 to 2013, the number of children served by subsidies dropped in 38 of New York's 57 counties outside New York City, with an average decline of 27%. This occurred as families were struggling through one of the biggest economic recessions in the country's history, which began in 2008.

This study examines availability, need, funding and policies related to child care subsidies in the Mid-Hudson Valley and New York State as a whole. The study aims to answer the following key questions:

- What is the potential demand for child care subsidies, and how does that compare to the availability?
- What have recent trends been in the availability of subsidies? What are recent trends in funding for the program?
- Who is using subsidies in terms of age of children, family income level, and other variables?
- How much variation is there among counties in who the subsidy program serves and how it operates?

## How the Subsidy Program Works

The federal government is the primary funder of child care subsidies, distributing dollars to states through the Child Care Development Block Grant. States can add funding to the pot and make many policies affecting the program's operation, including deciding the income eligibility level. In New York, federal and state dollars are distributed to counties, which administer the program and make several additional policy decisions, including setting a lower income eligibility level if desired. Counties are mandated to provide some local funding for child care subsidies, and some provide additional funding as a policy and budget choice.

Families apply for subsidies and once determined eligible, choose a child care provider if funding is available. Counties make payments to providers based on reimbursement rates set by the state following a market survey. Reimbursement rates<sup>5</sup> were set in 2014 at the 69<sup>th</sup> percentile (down from the 75<sup>th</sup> percentile in previous years) of rates

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<sup>4</sup> Full local funding for subsidies is not easily obtained.

<sup>5</sup> Technically, these are maximum reimbursement rates; providers may charge less.

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reported by providers and vary by type – center, home-based, etc. Some families receive subsidies as part of their Family Assistance (welfare) grant.

Families with income above the poverty level pay a “co-payment” or “family share” toward the cost of child care. Counties charge a co-payment representing a share of that income, ranging from 10% to 35%.

The number of subsidies provided to families in any county will be driven by several factors, including the level of funding from the federal and state governments; the level of local spending; the reimbursement rates set by the state for various types of care; and the types of care chosen by parents (center-based care is more expensive than home-based care).

A note about quality care: While the child care subsidy program was originally developed primarily as a support for low-income working families, increasingly policymakers and advocates view it as critical to providing low-income children with access to quality care. Thirty-seven states provide higher reimbursement rates to higher quality providers. In New York, counties have the option to provide enhanced payments to accredited providers, but the selection of a provider is up to the parent.

## Methodology

CGR compiled and analyzed data from state and local sources, in addition to the U.S. Census Bureau, and interviewed both state and local experts about the operation of the child care subsidy program. In order to estimate the overall potential need for child care subsidies, CGR used data from the U.S. Census Bureau’s Public Use Microdata Sample to determine the number of children under 6 and under 13 in households earning 200% or less of the federal poverty threshold<sup>6</sup> with parents either working or looking for work (therefore considered part of the workforce). Overall, the eligibility threshold for subsidies is 200% of the poverty level, though counties have the ability to set a lower threshold based on the availability of funding, and most have done so.<sup>7</sup> This data was compiled and analyzed for 15 counties and 3 two-county areas, as determined by the Census Bureau’s PUMS geographic definitions.

In addition, we requested detailed data from 12 counties and from the state Office for Children and Family Services (OCFS), which administers the program at the state level, on the overall number of children served through the subsidies over the last several years, and various breakdowns of those totals: by age, by income level, by type of care (center, home-based, informal, etc.). We also requested interviews with county officials and with leaders within OCFS.

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<sup>6</sup> Poverty thresholds vary by family composition and year. In 2014, the threshold for a four-person family was \$23,850.

<sup>7</sup> See the Empire Justice Center’s report on policies/practices across the state: [goo.gl/7gtO2R](http://goo.gl/7gtO2R)



For the most part, counties told us their data systems did not allow them to easily extract the data we requested. The state provided a similar response, and offered to extract the data if CGR paid for state workers' time to do so. CGR purchased data on child care subsidies broken down by family income, child care setting and level of co-payments. In addition, the state provided figures on total children receiving subsidies in the years 2007-2013; though data for earlier years have been made available, a state analyst says those numbers are not considered reliable.

In terms of conducting interviews, CGR was able to eventually make contact with officials in most of the counties; state officials declined our request.

# Gap Analysis: Comparing Need and Availability

Statewide in 2013, child care subsidies reached about 20% of all those who may have been eligible, according to our estimates. The gap was larger outside New York City, with about 14% of potentially eligible children served. Within New York City, which has invested significant local funding in subsidies, 25% of potentially eligible children received subsidies.

Key Facts for Focus Counties						
	Children Served, 2013	2007-13 Trend	Estimated Need	Share of Need Served, 2013	State Funding 2014-15	State Funding, per Eligible Child
Albany	1,816	7%	8,750	21%	\$ 12,665,097	\$ 1,447
Chautauqua	1,050	-30%	5,652	19%	\$ 4,200,437	\$ 743
Columbia & Greene	287	8%	2,971	10%	\$ 1,807,899	\$ 609
Dutchess	915	12%	7,569	12%	\$ 6,993,359	\$ 924
Erie	4,334	-30%	32,871	13%	\$ 24,336,843	\$ 740
Jefferson & Lewis	386	-50%	6,793	6%	\$ 2,281,184	\$ 336
Monroe	6,419	-17%	29,434	22%	\$ 36,259,399	\$ 1,232
Nassau	4,919	55%	22,867	17%	\$ 44,065,330	\$ 1,927
Onondaga	3,297	16%	18,543	18%	\$ 16,336,953	\$ 881
Orange	1,101	3%	11,519	10%	\$ 6,948,345	\$ 603
Oswego	602	-6%	4,278	14%	\$ 2,387,615	\$ 558
Putnam	112	27%	1,501	7%	\$ 900,437	\$ 600
Rockland	1,119	3%	10,090	11%	\$ 8,465,441	\$ 839
Saint Lawrence	547	-12%	5,482	10%	\$ 1,871,243	\$ 341
Schenectady	1,067	-8%	6,200	17%	\$ 5,985,825	\$ 965
Suffolk	2,659	-24%	27,108	10%	\$ 31,364,169	\$ 1,157
Sullivan & Ulster	893	-17%	8,458	11%	\$ 5,593,632	\$ 661
Westchester	3,035	10%	24,011	13%	\$ 27,775,594	\$ 1,157
NYC	85,625	25%	337,221	25%	\$ 501,503,642	\$ 1,487
NYS outside NYC	45,264	-10%	330,774	14%	\$ 292,567,767	\$ 884
<b>NYS Total</b>	<b>131,998</b>	<b>10%</b>	<b>667,995</b>	<b>20%</b>	<b>\$ 794,071,409</b>	<b>\$ 1,189</b>

Source: CGR analysis of data from U.S. Census Bureau and Office of Children & Family Services  
*Notes: Need reflects children under 13 in families with parents working/looking for work and earning 200% or less of poverty level. County data grouped together where necessary due to availability of detailed Census data.*

Among the 18 areas we studied (15 counties and 3 two-county areas), the gap was greatest in Putnam and Jefferson & Lewis Counties, where 7% and 6% of potentially eligible children were served (respectively). Several other areas were serving 10-13% of the eligible population in 2013 – Columbia & Greene counties, Dutchess, Erie, Orange, Rockland, St. Lawrence, Westchester, Suffolk and Sullivan & Ulster. In addition to New York City, the gap was smallest in Albany (21% served), Chautauqua (19%), Monroe (22%), Onondaga (18%) and Nassau (17%).

Overall, the number of subsidies provided has increased 10% throughout the state between 2007 and 2013. But that was largely because of a 25% increase in New York City. Outside of the city, subsidies have fallen by 10% from 2007-13. The largest declines over that time period were in Chautauqua and Erie (both down 30%), Jefferson & Lewis (-50%), Suffolk (-24%) and Monroe and Sullivan & Ulster (both down 17%). The largest increases in subsidies were in Nassau (55%), Putnam (27%) and Onondaga (16%).

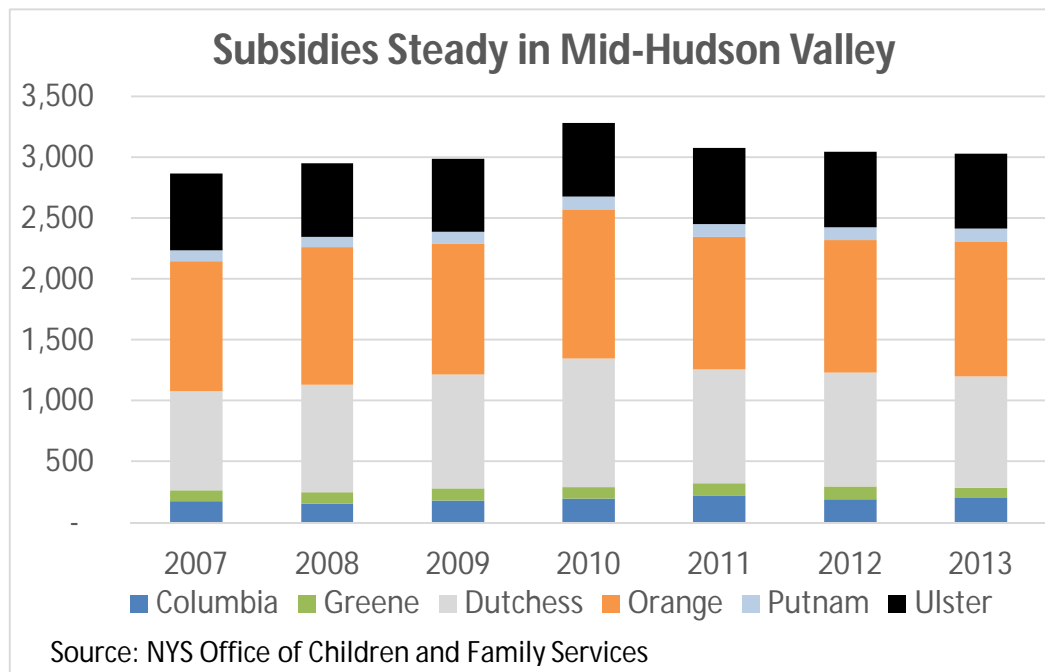
*Overall, the number of subsidies provided has increased 10% throughout the state – but that was largely because of a 25% increase in New York City, compared to a 10% decline in the rest of the state.*

State allocations for subsidies varied dramatically across the areas. Viewed as the amount of funding provided per eligible child, allocations made by the state ranged from less than \$350 to nearly \$2,000 per child. Allocations per child were more than \$1,000 in Nassau, Albany, Monroe, Suffolk, Westchester and New York City, compared to \$341 in St. Lawrence and \$336 in Jefferson & Lewis counties. State allocations are based on historical spending of subsidy dollars, specifically, a 5-year average. Any county that does not spend its allocation in one year may see its allocation reduced, if it “rolls over” more than 15% of its funding.

## Spotlight on the Mid-Hudson Valley

Counties in the Mid-Hudson Valley have not had dramatic declines in the number of subsidies provided, as has happened in other parts of the state. However, counties in the Mid-Hudson Valley are serving a relatively small percentage of the eligible population.

From 2007 to 2013, the number of subsidies provided in Columbia, Dutchess, Greene, Orange, Putnam and Ulster counties grew 6%, from 2,866 to 3,031. Aside from a bump up in 2010 to 3,285 due to additional federal funding from the stimulus package, the number of subsidies provided has hovered very close to 3,000 per year.



Despite the overall steady numbers, several counties in the region had shifting policies and eligibility levels as they struggled to make the best use of the additional stimulus funding and then to adjust when that

temporary funding was used up.

Orange County began its first waiting list for subsidies in December 2008 as the effects of the national economic recession began to hit the area. In March 2009, the county was able to open new cases and provide subsidies due to an influx of stimulus funding – the county received \$1.2 million through 2011. The waiting list was cleared by May 2009. By September 2010, the county began a new waiting list as demand for subsidies began to exceed available funding. Then, in October 2013, facing a \$1 million shortfall, the county dropped its eligibility level to 125% of the federal poverty level.<sup>8</sup> About 80 families lost their subsidies with 10 days' notice.

Dutchess County, which received about \$1.3 million in stimulus funding, used it to serve more families and to reduce the co-pay that families pay toward child care. Families with income above the poverty level pay a share of that income, ranging from 10% to 35%, as a co-payment for child care costs. Dutchess dropped the co-pay to 0% and also extended eligibility to 200% of the poverty level. When stimulus funding was exhausted, the county had to reinstate a 30% co-pay and drop its eligibility level, first to 175% of poverty, then 150% and finally 125%. County officials estimate that dozens of families lost subsidies with a month's notice through this process, and others were not renewed or not accepted into the program.

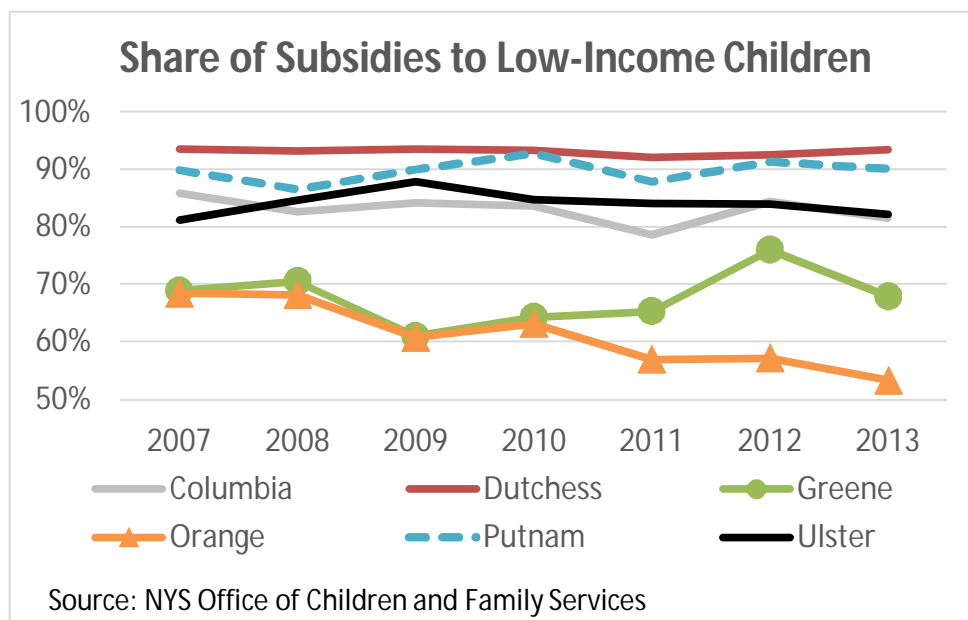
The impact on a family of losing a subsidy can be choosing less expensive care, or a parent losing a job. "It certainly affects the ability of day care centers to stay in

<sup>8</sup> Technically, eligibility remains at 200%, but families at 125% or below are prioritized for subsidies.

business,” said Dutchess Commissioner of Community and Family Services Robert Allers.

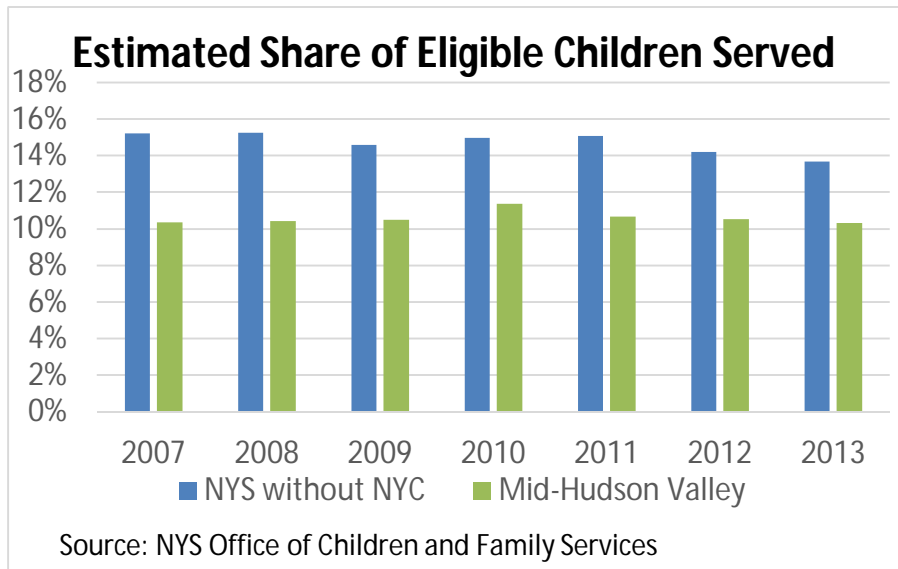
Ulster County did not receive stimulus funding and so did not have to expand or contract its policies. The county is generally able to serve all those who apply for subsidies, and has an eligibility level of 200% of poverty, though officials say some residents are likely not aware of the program.

In four counties in the region, the vast majority of subsidy recipients are in the low-income portion of the program (where they must fall below income thresholds), while in Greene and Orange, there are higher proportions receiving subsidies as part of an overall Family Assistance (welfare) grant. In Orange County, the share of children receiving subsidies based on income has dropped significantly in recent years, from 68% in 2007 to 53% in 2013.



## Need Outstrips Availability of Subsidies

CGR's estimates show that a relatively small share of children who would likely be eligible for subsidies are receiving them. In the Mid-Hudson Valley, subsidies are



reaching about 10% of children in families with income at 200% or less of the federal poverty level, compared to 20% statewide. For this analysis, we had to group Columbia & Greene and Sullivan & Ulster counties together in order to use Census estimates of the number of children under 13 in families meeting the income threshold with parents either working or looking for work.<sup>9</sup>

The share of eligible children served by subsidies ranged from 7% in Putnam County to 12% in Dutchess.

## Families Receiving Subsidies Growing Poorer

An analysis of data purchased from New York State shows families receiving subsidies as a group have become poorer, and fewer are paying high co-payments for subsidies. Increasingly, children receiving subsidies are attending child care centers rather than home-based care, though the largest share of children receive care in informal settings.

From 2011 to 2013, the number of families receiving subsidies who had income below the federal poverty threshold increased 22%. In contrast, there were declines in families with income of 100-149% of poverty receiving subsidies (-10%) and in families at or above 150% of poverty (-40%). These trends were similar to the rest of the state (excluding New York City).

While the total number of families receiving subsidies declined 4% in the Mid-Hudson Valley from 2011 to 2013, they decreased 11% in the rest of the state. The largest

<sup>9</sup> This estimate is derived from the Census Bureau's American Community Survey for 2008-12. The bureau combines five years of responses to the survey to provide estimates for smaller geographic areas and increase the precision of its estimates.

declines statewide were in the two upper income brackets (9% for 100-149% of poverty families and 31% for 150%+ families), but even subsidies to families below poverty slipped 2% statewide.

### Change in Number of Families Receiving Subsidies, by Income Level, 2011-2103

	Below poverty	100-150% of poverty	150% of poverty or above	Total
Columbia	38%	0%	-31%	4%
Dutchess	34%	-13%	-60%	-5%
Greene	18%	-85%	-100%	-17%
Orange	18%	-8%	-59%	-7%
Putnam	24%	8%	0%	10%
Ulster	2%	-6%	-10%	-4%
<b>Mid-Hudson Valley</b>	<b>22%</b>	<b>-10%</b>	<b>-40%</b>	<b>-4%</b>
<b>NYS (excluding NYC)</b>	<b>-2%</b>	<b>-9%</b>	<b>-31%</b>	<b>-11%</b>

Of total families receiving subsidies in the Mid-Hudson Valley in 2013, 50% were families with income at or below poverty, similar to the 46% in the state as a whole (excluding New York City). Just 14% of all families receiving subsidies in the Mid-Hudson Valley had incomes at or above 150% of poverty, compared to 16% statewide.

## Fewer Families Have a High Co-Payment

Families with income above the poverty level pay a co-payment or family share toward their child care costs. The share is calculated on the portion of their income that is above the poverty level, and families pay anywhere from 10% to 35%, depending on which county they live in. In the Mid-Hudson Valley, the co-pay level ranges from 20% in Columbia and Putnam counties to 35% in Greene and Orange.

From 2007 to 2013, the number of Mid-Hudson Valley families paying more than \$99 a month toward child care decreased 34%, a larger decrease than that statewide of 16%. Families paying no co-pay increased 49%, those paying less than \$5 a month increased 23%, and those paying between \$5 and \$99 a month increased 15%.

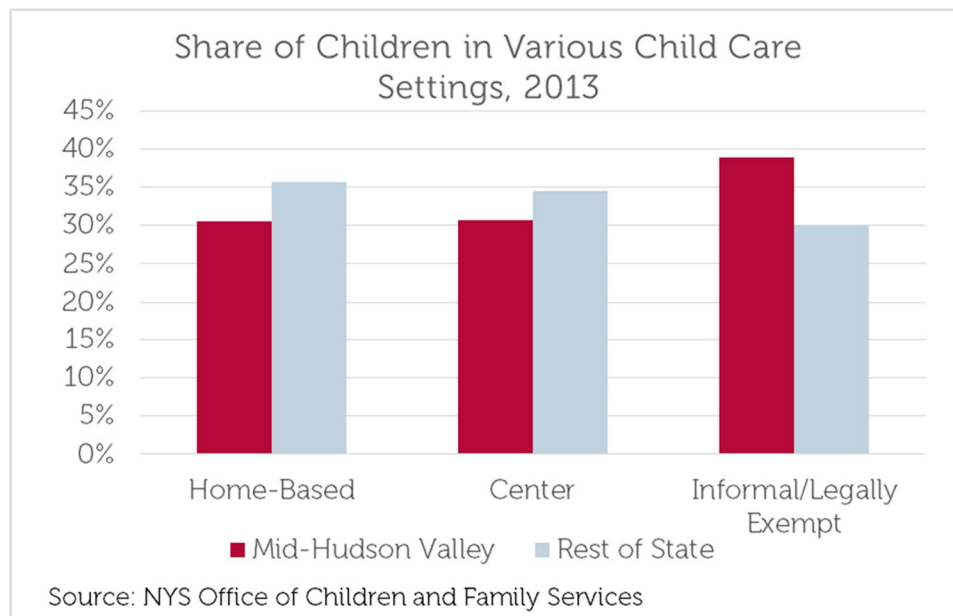
The Mid-Hudson Valley's increases in the three lower categories contrasted more modest increases or decreases in the rest of the state in the same categories. Statewide, families paying no co-pay increased 8%, families paying less than \$5 a month increased 4% and those paying \$5-99 a month decreased 10%.

Overall, most families in the Mid-Hudson Valley (60%) paid little to nothing as a co-pay in 2013, while 16% paid \$5-99 a month, and 24% paid more than \$99 a month, similar to statewide shares.

## More Choose Center-Based Care, but Most Children Remain in Informal Care

From 2007 to 2013, the number of subsidized children in the Mid-Hudson Valley in child care centers increased 13%, while those in informal or legally exempt programs increased 3% and those in home-based programs decreased 1%. This was in contrast to a large decline statewide in informal care (30%), a decline in center-based care (7%) and an increase in home-based care (8%).

Compared to the statewide picture, Mid-Hudson Valley families had more subsidized



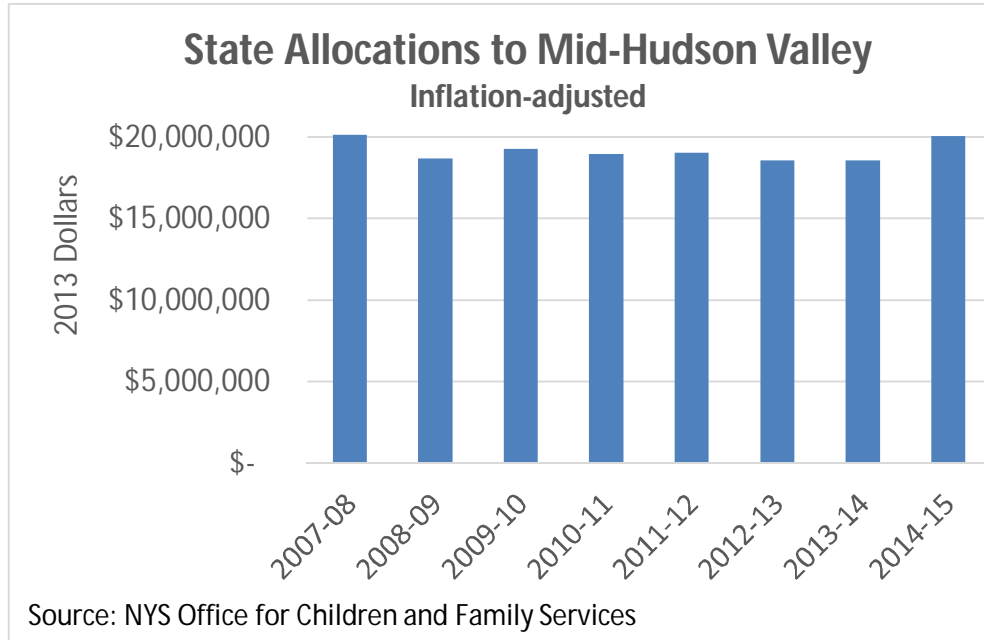
children in informal care. In 2013, 39% of children were in informal care (compared to 30% in the state), 30% were in home-based care (compared to 36% in the state), and 31% were in center-based care (34% in the state).

## Funding Has Been Flat Relative to Inflation

After adjusting for inflation, federal and state funding to the Mid-Hudson Valley for child care subsidies has declined very slightly since 2007, by less than 1%, to remain just a bit over \$20 million in 2014-15. However, four of the six counties saw significant declines: 16% in Greene and Putnam, 11% in Orange and 9% in Ulster. Funding increased 12% in Columbia and 22% in Dutchess.



Orange and Dutchess receive the most funding, each slated to receive more than \$6.8 million in 2014-15. Ulster's allocation was next highest at \$3.7 million in 2014-15, while Columbia was set to receive \$1.3 million, and Putnam and Greene less than \$1 million each.



Outside of the federal stimulus funding, allocations are based on what was spent in each county over the most recent 5-year period, according to state officials. They are not tied to measures of local need, and CGR's calculations found a wide variation in the federal and state

funding provided per eligible child, as explained in an earlier section. Most of the counties in the Mid-Hudson Valley were on the low end of the spectrum, receiving about \$600 per child, except for Dutchess, which was set to receive more than \$900 per eligible child. That compares to a statewide figure of nearly \$1,200.

In addition to federal and state funding, counties contribute local funding to the subsidy pot – they are each mandated to spend an amount that reflects caseloads as they stood in 1995. Among Mid-Hudson Valley counties, none of the mandated levels are very high – Dutchess and Ulster are mandated to spend the most at about \$200,000 a year, while Putnam must spend \$63,000, Orange \$33,000, Greene \$20,000 and Columbia \$8,000.

Counties may choose to contribute beyond the mandated level, but this is becoming less prevalent in the counties we were able to speak with. Orange County contributed \$1 million in 2013 but this year has budgeted no elective local dollars. Dutchess used to invest local dollars of as much as \$300,000 but has also stopped as budgets have grown tighter.

## Serving all Eligible Children Would Add Significant Cost

As child care is such a large expense, and counties in the Mid-Hudson Valley are currently meeting about 10% of the potential need for subsidies, the cost to fill the entire gap is substantial. Based on CGR's estimates, about 29,000 children in families with income at 200% or less of the federal poverty level have parents working or looking for work and **currently do not receive subsidies**. This includes about 13,000 children ages 0 to 5 and 16,000 ages 6 to 12.

Providing subsidies to that entire group would cost about \$277 million – about \$130 million for children 0 to 5 and \$147 million for school-age children. If an effort to fill the gap were less universal and more targeted, the expense would be lower. For example, if the goal were to serve children in families at or below the poverty level, the cost would be well less than half, about \$100 million.

<b>Costs to Fill the Gap</b>			
<b>Size of gap: Number of children</b>	<b>0 to 5</b>	<b>6 to 12</b>	<b>Total</b>
0-200% of poverty	13,015	15,695	28,710
0-100% of poverty	4,859	5,516	10,375
<b>Cost to fill gap</b>			
0-200% of poverty	\$ 130,445,336	\$ 147,112,984	\$ 277,558,320
0-100% of poverty	\$ 48,700,394	\$ 51,701,618	\$ 100,402,012
Source: CGR analysis			

We must note several caveats. Because we were unable to obtain detailed information about the current subsidy program, we used information from a 2007 report on subsidized child care in Monroe County to estimate the share of current subsidies going to children ages 0-5, 6-12 and in families earning 200% or 100% of poverty and below. Based on the 2007 report, these proportions were quite consistent from 2001 to 2007, but it is possible the current proportions are different and that the proportions in the Mid-Hudson Valley are different.

In addition, our cost calculations are based on averaging the cost of care across different settings and different age groups, and should therefore be treated as rough estimates. The figures we used to calculate these averages came from the latest state study of child care market rates, mentioned earlier in this report.

Finally, these costs would be reduced depending on the share of eligible families who actually applied for assistance. That proportion is likely to be just 50% of the total eligible population, based on national research.

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## Questions to Consider

Our research and analysis for this report leads us to several observations and questions. We offer these below as food for thought for the local and state advocacy and policy-setting community.

**The availability of and funding for child care subsidies vary considerably across the state.** In the areas we studied, the share of eligible children receiving subsidies ranged from 6% to 25%, and the state funding per eligible child varied from less than \$350 to nearly \$2,000. While local decision-making and priority-setting should inform the operation of the subsidy program, we do not see a factual or rational policy basis for such extreme disparities.

**The factors driving decisions about state funding and the mandated local share are rooted in historical spending patterns, and may not reflect current needs.** A formula for allocating state funds should incorporate indicators of need, such as rates of poverty, numbers of potentially eligible children, etc.

**Neither county nor state officials are able to readily extract and analyze detailed data from data systems, preventing them from effectively monitoring trends or using data to understand current and emerging needs.** Both old and new state data systems have been developed primarily for managing subsidy cases on a case-by-case basis and do not allow for effective aggregation and analysis of data. This puts policymakers, program operators, advocates and the public at an extreme disadvantage when trying to understand who the program is serving and how it is being run.

**Providing subsidies for the entire eligible population would be very expensive, but there may be ways to target additional subsidies to those most in need.** For example, targeting families with income at or below poverty, or those with children 0-3 are two potential strategies. Before setting such priorities, advocates and policymakers should analyze and discuss the relative merits of targeting various slices of the eligible population and carefully weigh the pros and cons, both to individual families and to the community as a whole.

**The tension between quality and cost of care is not easy to resolve, but New York is behind other states in tying subsidies to quality care.** Higher quality care is more expensive and can therefore work against the goal of providing subsidies to as many children as possible. However, improving access to high-quality care is a critical goal for many advocates and policymakers. While many states provide higher reimbursement to child care providers meeting quality standards, New York does not have a statewide system for rating the quality of providers (though a pilot program called QualityStarsNY was begun). Instead, the state allows counties to pay higher rates for accredited programs, which tends to be a small share of providers.

As research and attention continues to focus on the importance of the early years in setting a good foundation for learning, and the benefits of reliable child care to workers and employers, it is likely that New York policymakers will face increased pressure to support quality care and education – which may result in changes to the subsidy program.