



# RAISING NEW YORK

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## **Analysis sheds light on how New York’s child care providers utilized federal and state pandemic relief dollars**

*Raising NY coalition calls on New York State to ensure that providers with the greatest needs can equitably access future funding streams*

NEW YORK – A new [analysis](#) of how child care providers utilized federal and state pandemic relief funding sheds new light on which providers were able to access the money, how it was spent, and how New York can improve its systems to ensure that future funding streams are equitably distributed.

The historic levels of federal funding in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA), combined with the state’s Child Care Stabilization Grant, enabled New York to award millions of dollars to child care providers in an effort to keep programs open during the early years of the coronavirus pandemic. Over the past two years, the New York State Office of Children and Family (OCFS) Services distributed more than \$1 billion from these funding streams combined.

The infusion of these relief dollars was critical to the survival of many child care providers, many of whom were already struggling before the pandemic exacerbated pre-existing inequities in the child care system.

Among the findings of the analysis, which included information from 13,578 recipients of relief funding for child care:

- Improvements made by OCFS between CARES II and CARES III allowed more providers and different types of providers, including more home-based providers, to access the relief funding.
- Collecting data on provider gender, race, and ethnicity is necessary to track and promote equity in funding access and distribution.

- How providers spent the relief funding varied based on the type of provider, with a larger proportion of home-based programs -- including family child care, group family day care, and some license-exempt care -- spending money on rent, mortgage, and utilities than center-based programs, which spent more of the funding on personnel costs.
- Data collection that does not track the ages of children served limits transparency and accountability, and particularly impacts our ability to effectively support infants, toddlers, and their families.

These funding streams have been critical in holding off the financial cliff for many providers, but our child care crisis is not over. It is possible that stabilization grants or a similar funding mechanism will be a part of the child care ecosystem for several years, and it is crucial that the state ensure any future grants to support child care providers are designed so that the providers that can benefit most have clear and easy access to resources.

The Raising NY coalition recommends that New York State:

- Include key and impacted stakeholders in the planning stage of all grants and establish a continual feedback loop.
- Increase and expand the capacity of the online grant and application portal.
- Increase data collection and transparency.
- Establish an equity-driven distribution process.
- Ensure that relief funding does not impact eligibility for social services and other benefits.
- Provide necessary short-term financial relief while working toward transformation of the child care system.

“Child care providers play a vital role in our state’s economy, and that is especially true as more parents return to work and New York continues its economic recovery,” **said Dia Bryant, executive director of The Education Trust–New York.** “These relief dollars were essential to ensuring New York’s providers could keep their doors open for children and families amid the intense challenges of the pandemic, and it is absolutely crucial that the state take steps to ensure that the providers who would benefit the most from future funding streams are able to access them.”

“The New York State Office of Children and Family Services is proud to partner with the Raising NY coalition on this review of the impact of pandemic funding programs on our early childhood providers,” **said Nora K. Yates, acting deputy commissioner of OCFS’s Division of Child Care Services.** “Throughout the pandemic, child care providers have continued to serve families and support children, and OCFS remains committed to implementing easily accessible grant programs to bolster providers and offer the assistance needed to continue their important work. Based upon provider feedback from early rounds of funding, OCFS pivoted its approach and delivered a provider-centric portal in subsequent rounds of funding that allowed providers to receive funding in record time. There were many important lessons learned throughout the pandemic, and this review is another vital tool that allows OCFS to regularly enhance our efforts.”

“As a group family child care provider, we have a huge role in molding and shaping the children we care for,” **said Armett Barnes, who operates Armett’s Care and Share Family Daycare in Rochester.** “In order to provide a safe and loving environment it takes quality staffing. The CARES II, CARES III, and

stabilization grants were a lifeline for child care providers. This report provides valuable information about how to best support all providers. When providers who are underpaid can't afford to pay quality workers, and working parents don't qualify for childcare subsidies, the children of our future suffer. Quality requires the ability to sustain employees by paying livable wages, and making child care subsidies available for working parents. The recommendations in this report are an important step in ensuring that providers will be recognized for the hard work that they do. We change lives one kid at a time. Child care is the glue that holds it all together.”

“The Committee for Hispanic Children & Families (CHCF), as a member of the NYC Child Care Resource and Referral (CCR&R) Consortium, worked throughout the pandemic in support of our valuable child care workforce and supported ongoing family access to much-needed, affordable care,” **said Ramon Peguero, president and CEO of the Committee for Hispanic Children & Families.** “We saw the day-to-day struggles of the child care sector and deeply know the impact of relief dollars rapidly and seamlessly going out to providers, particularly those who have historically been marginalized, under-resourced, and functioning on impossibly thin margins to ensure delivery of quality, responsive care for the families in their community. It cannot be stressed enough that we are not through this crisis; the child care sector is still reeling from the economic, mental, and physical impacts of the pandemic. With federal relief dollars coming to an end, CHCF joins our partners in Raising NY in calling on New York State to continue making the long-term investments to sustain and grow high-quality, responsive care options throughout the state.”

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### **About Raising NY**

Raising NY is a diverse statewide coalition of parent, early childhood, education, civil rights, business, and health organizations dedicated to increasing the number of children who are on track for school readiness. Learn more at [RaisingNY.org](https://RaisingNY.org).