

Taxes at Work: Child care subsidies to increase 7%

Ashley Hupfl, Journal Albany bureau; 10:38 p.m. EDT May 9, 2014



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ALBANY – For the first time in five years, the state will have an increase in child care subsidies.

Child care subsidies totaling \$794 million are available for eligible families to pay for services to enable a parent or caretaker to work. From October 2012 to September 2013, about 223,000 children in the state received child care subsidies, Gov. Andrew Cuomo's office said.

Each year, local social service agencies distribute funding through the state budget for child care subsidies and the Child Care Block Grant is the primary funding source. The increase in aid was included in the state budget for the fiscal year that started April 1. Over the past five years, the funding at ranged from \$736 million to \$739 million.

Dutchess County received nearly \$7 million; Ulster County got more than \$3.7 million; Broome County received more than \$4 million; Chemung County received about \$3.5 million; Tompkins County received about \$2 million and Westchester County about \$27.7 million.

"Working parents should not have to choose between affordable care for their children and maintaining a job," Cuomo said in a statement. "The Child Care Block Grant is a vital resource for households across New York, and I am proud that this year we are dramatically increasing the program's funding, helping to provide stability and quality child care for hardworking families statewide."

Local social service districts provide child care subsidies for families on temporary assistance who are required by the state to participate in an activity, such as training; families transitioning off temporary assistance who need child care in order to work; and low-income families and teen parents who are completing high school.

Eligible families are awarded funding based on family size, income and the reason for care. To be eligible for assistance a family of two must have an income below \$30,360 annually. A family of five must have an income below \$54,020.

At the federal level, lawmakers are working to expand the child care tax credit. Currently, families with incomes higher than \$43,000 are limited to a 20 percent tax credit for child-care costs.

Rep. Sean Patrick Maloney, D-Cold Spring, said middle-class families should be able to claim the full 35 percent credit available.

"Over 90 percent of families use some kind of child care and our tax code must catch up to working parents," Maloney said in a statement.

Maloney visited the Poughkeepsie Head Start Center for Astor Services for Children & Families in late April. A 5.27 percent reduction Head Start grantees — brought on by sequestration — forced the Poughkeepsie facility to cut 22 positions and eliminate spots for 86 children.

Since, federal funding for Head Start has been not only restored, but increased by \$1 billion, to expand Early Head Start Child Care and to provide a cost-of-living adjustment for grantees.

Maloney called Head Start funding one of the smartest investments the nation can make.

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