



Nicolas Favreau

December 4, 2016

Department of Social Services Funding Guide

As the minimum wage increases in New York State, the eligibility for child care funding as well as other financial funding will be changed. This change may affect the ability for some children to access programs such as Boys and Girls Clubs. It is also a concern that the minimum wage increase will affect nonprofits resulting in the closing of some facilities.

The figures below show the Standard Income for New York based on a family of three and four. If a family earns more than 200% of the standard income, they are no longer eligible to receive funding for day care services. The standard income value for New York is the federal poverty line (Erie County DSS 2016). With the changes coming to the New York State minimum wage, many families will have higher household incomes, which will cause some families to no longer receive funding for day care services. Once the family earns more than 200% the standard income, they no longer qualify for funding from the Department of Social Services. Even under 200% of the standard, the fees will still increase for a family seeking child care services which could still cause a drop enrollment.

New York State bases the state poverty line off of the federal income standard. While New York has raised the minimum wage, the federal minimum wage is still the same, which could lead to New Yorkers no longer qualifying for the same benefits they once had.

Figure 1:

1 Parent with Income	Minimum Wage	Yearly Earnings Based on 40 Hours Per Week	State Standard Income	Day Care/ Afterschool Fees
12/31/16	\$9.70	\$20,176	\$20,160	\$1
12/31/17	\$10.40	\$21,632	\$20,160	\$9.91
12/31/18	\$11.10	\$23,088	\$20,160	\$19.71
12/31/19	\$11.80	\$24,544	\$20,160	\$29.51
12/31/20	\$12.50	\$26,000	\$20,160	\$39.31

Figure 1, shows how the current day care fees be affected for parents if the state standard income stays the same at \$24,300 for a family of four. While many parents are currently paying the minimum fee of \$1, that price could be raised by almost \$10 per week as the minimum wage continues to increase. This increase could drastically affect enrollment for after school and day care programs unless the New York State DSS makes substantial changes to the current guidelines. While this increase in day care fees may affect the families involved, this could help offset the costs seen by the providers.

Figure 2:

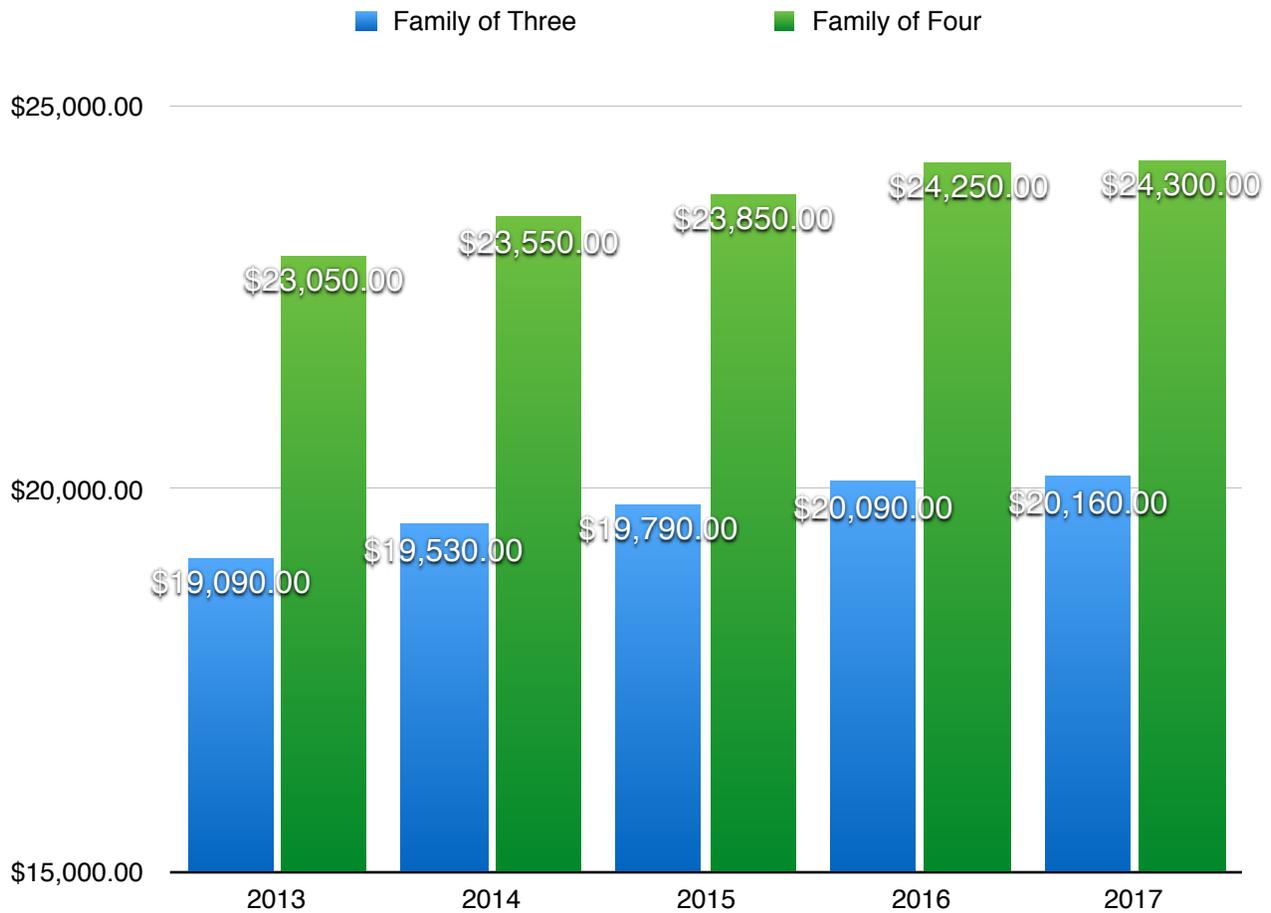


Figure 2, shows the trend of the poverty line based on historical data. While there are no official projections as to what the poverty line might be in a future with higher wages, the chart shows the increases that have been made every year since 2013. In 2015, the poverty line rose \$50, if that continues through the implementation of the minimum wage increase, many families will no longer be able to afford the same services they currently do.

References:

- Erie County Department of Social Services. 2016. "Day Care Eligibility Guidelines & Payment Procedures." Accessed November 28. <http://www2.erie.gov/socialservices/index.php?q=day-care-eligibility-guidelines-amp-payment-procedures>
- Fiscal Policy Institute. 2016. "Minimum Wage Schedule" Accessed November 14. <http://fpwa.org/wp-content/uploads/2015/11/15andFunding-Min-Wage-Schedule-2.pdf>
- New York Health Department. 2013. "New York State Income and Resource Standards." Accessed November 15. https://www.health.ny.gov/health_care/medicaid/publications/docs/gis/13ma002att.pdf
- New York Health Department. 2014. "New York State Income and Resource Standards." Accessed November 15. https://www.health.ny.gov/health_care/medicaid/publications/docs/gis/14ma008att.pdf
- New York Health Department. 2015. "New York State Income and Resource Standards." Accessed November 15. https://www.health.ny.gov/health_care/medicaid/publications/docs/gis/15ma003att3.pdf
- New York Health Department. 2016. "New York State Income and Resource Standards." Accessed November 15. https://www.health.ny.gov/health_care/medicaid/publications/docs/gis/15ma021attac1.pdf

Community Policy Institute

The Community Policy Institute builds capacity surrounding policy within the Capital Region. We provide researched-based policy information to our community partners who use the information to modify best practices and advocate for policies that will further the development and effectiveness of direct community engagement.

This brief was produced by CPI Undergraduate Fellows, community experts, and faculty.

Nicolas Favreau
Eric Brower

Funding generously provided by:

The Corella & Bertram F.
Bonner Foundation
&The Review Foundation

SIENACollege
Community Policy Institute