

**Welfare to Work Commission  
Of the Suffolk County Legislature  
Minutes of the September 12<sup>th</sup>, 2012 Meeting**

**Present:** Richard Koubek, Chair; Kathy Liguori, Vice Chair; Leg. DuWayne Gregory; Ray O'Rourke; Charles Fox for Marcia Spector; Ellen Krakow; Kimberly Gierasch; Debbie Joseph; Michael Haynes; James Andrews; Roland Hampson; Marjorie Acevedo; Rob Greenberger; Lori Andrade

**Excused:** Bridget DePasquale; Peggy Boyd; Michael Stoltz; Jeff Reynolds; Gwen Branch; Don Friedman; Frank Casiglia; Barbara Egloff

**Guest:** Adrian Fassett, Executive Director, EOC of Suffolk; Kenneth Knappe, SCDSS

1. **Minutes:** Minutes of the August meeting were adopted unanimously on a motion by Kathy Liguori, seconded by Ellen Krakow.
2. **Commission Focus Groups on Suburban Poverty:**
  - a. Charles Fox and Richard Koubek reported on an August EOC/SNAP focus group with youth that was actually a fourth public hearing. Attended by 67 young people, 35 testified at the microphone before their peers regarding how they and their families are struggling to make ends meet. Mr. Koubek thanked EOC/SNAP for what he described as an extraordinary experience listening to the young people. The hearing was moderated by Marcia Spector of EOC and included many immigrant children who told powerful stories of struggle and hope.
  - b. Ellen Krakow has arranged for several organizations that assist disabled people to bring clients to a September 24<sup>th</sup> focus group at the Suffolk County Legislature in Riverhead.
  - c. Bridget DePasquale and her colleagues at Catholic Charities have sent a letter to all Suffolk parish outreach coordinators with a form asking them to tell their own story of how they helped a struggling family as well as the story of one family that they have helped. These stories will be forwarded to the Commission.
  - d. Mike Stoltz may be arranging a focus group for mental health patients and Don Friedman is working on a focus group of immigrants.
3. **Federal TANF Rule Changes:** Mr. Koubek reported that Don Friedman was unable to attend today's meeting but that he emailed an explanation of the new US Department of Health and Human Services TANF work regulations that have become an issue in the 2012 presidential campaign. According to Mr. Friedman, the new rules do not eliminate the work requirement. Rather, they invite states to submit proposals for projects that would require the waiver of certain TANF work rules. The proposals have to include rigorous provisions for oversight and evaluation, and have to commit to significantly improve the state performance on preparing clients for employment, getting and/or keeping jobs. Among the examples of proposals they would be interested in might be projects that would better serve people with disabilities or that would combine post-secondary education with work. One idea being explored in New York State: a pilot program in which students participate in a four-year college program that includes classroom hours combined with internships and work study that are related to their field of study.

4. **Child-Care Funding:** The Commission entered into an extensive discussion of the child care funding crisis.
- a. Richard Koubek reported on a conference call that he, Kathy Liguori, Brian Lahiff of the Child Care Council of Suffolk, SCDSS Commissioner Greg Blass and Roland Hampson had on September 11<sup>th</sup>. During this call, Commissioner Blass reported that CSEA union officials had met with each Suffolk County legislator as well as County Executive Bellone to explain why they believe that Suffolk County has sufficient funds, via the Flexible Fund for Family Services (FFFS) and other budget lines, to restore the child-care subsidies for working-poor families. This approach appears to be consistent with the CSEA strategy, that began with their July rally outside the Dennison county office building, to direct their advocacy at the County rather than at Governor Andrew Cuomo and the State.
  - b. Ken Knappe from SCDSS distributed a handout which showed that the \$38,802,400 Flexible Fund for Family Services (FFFS) State grant to SCDSS was insufficient to cover the allowable FFFS claims of almost \$63 million that SCDSS could have filed under FFFS rules. He also pointed out that every FFFS State dollar transferred from a non-child care program to support subsidized child care would have to be matched by a 100% County dollar at a time when the County is dealing with a crushing deficit. Finally, he pointed out that the State has suspended administrative support for mandated services when the FFFS was created in 2005, allowing the County to utilize FFFS funds to cover allowable administrative costs. Noting that the County's 2012/13 FFFS grant has been increased by \$1.356 million, he also pointed out that this increase offsets the elimination of the State's 19% share of Child Support Enforcement reimbursement costs that were about \$1.3 million.
  - c. Kathy Liguori reported that Legislator John Kennedy told her that he met with SCDSS to explore the CSEA claims that the County has sufficient funding to prevent the cuts in subsidized child care. As a result of that meeting, Legislator Kennedy told Ms. Liguori that he does not believe the County has these funds. Commission members reached the same conclusion following Mr. Knappe's report.
  - d. Rob Greenberger stated that discussions about County responsibility divert attention from the core problem which is that Suffolk County has had a real increase in the demand for child-care services that is not being met by the formula used by the New York State Office of Children and Family Services (OCFS) to allocate child-care funding. These arguments also divert attention from the fact that SCDSS was unfairly penalized in the OCFS formula for having used federal stimulus funds (ARRA) to provide child care, as they were permitted to do by OCFS. Mr. Koubek noted that this was precisely the argument used by Commissioner Blass in the conference call on September 11<sup>th</sup>, and the argument that the Commission has used throughout this crisis.
  - e. Marjorie Acevedo distributed the letter to Governor Andrew Cuomo which the Commission recommended be sent by the Legislature. All 18 legislators signed the letter. Legislator Gregory stated that he would try to use this letter to arrange a meeting with legislative leaders and County Executive Bellone to discuss how

the County Executive can help to get Governor Cuomo to provide emergency child-care funding to SCDSS.

- f. Kathy Liguori reported on a survey that she sent to some of the larger child-care centers in Suffolk. She stated that of the centers that responded, all have experienced a decline in student enrollments and consequently all have made staff reductions. She noted that a number are facing revenue shortfalls that could lead to their closing and that some providers, such as those contracted with Little Flower, are no longer providing services. Adrian Fassett, Executive Director of EOC, reported that his East Patchogue center is losing \$30,000 a month due to the falloff in enrollments and may have to close. All the children in this East Patchogue center rely on SCDSS subsidies.
- g. The Commission reached consensus that the focus should now shift to the negative business and economic impacts that the OCFS cuts are having on Suffolk County.
  - i. Ellen Krakow moved, and Kathy Liguori seconded a motion that the Welfare to Work Commission schedule a press conference in the coming weeks that will call attention to the negative impacts that the OCFS child-care funding reductions are having on the child-care industry and the wider Suffolk economy. The motion passed: Yes: 12; No: 0; Abstentions: 1 (James Andrews)
  - ii. Note: a report documenting the negative economic impacts of the child-care reductions was drafted and approved by the Commission in an electronic vote, October 2-3, by the following vote - Yes: 18; No: 0; Abstentions: 2 (Ray O'Rourke and James Andrews) The report is appended below.
  - iii. A motion was made by Legislator Gregory, seconded by Kathy Liguori, that a second letter be sent by the Commission to the New York State legislators representing Suffolk County describing the negative business impacts that the OCFS funding cuts are having on Suffolk County. The motion passed: Yes: 12; No: 0; Abstentions: 1 (James Andrews)
  - iv. It was agreed that the Commission reach out to the LI Association and chambers of commerce to become involved in these efforts to restore OCFS cuts.
  - v. It was agreed that the Commission seek a *Newsday* editorial Board meeting to discuss the OCFS cuts.
5. **Staffing:** Roland Hampson provided a preliminary summary of SCDSS staffing. He agreed to provide a more detailed assessment at the October meeting. An Ad Hoc Staffing Committee was formed to meet with SCDSS: Richard Koubek; Kathy Liguori; Lori Andrade, Kim Gierasch; Adrian Fassett; Roland Hampson. Mr. Koubek suggested that James Andrews provide a summary of SCDOL staffing needs at the next meeting and that SCDOL staffing needs would be taken up by the Ad Hoc Staffing Committee. The same may occur with SCDOH.
6. **County Health Centers:** Kim Gierasch reported that the Coram Center is becoming a Federally Qualified Health Center (FQHC) and will be managed by Hudson River Health Care (HRHC) which is an FQHC. The County did not qualify to apply for FQHC "look alike" status for the other centers. Negotiations are currently on-going with HRHC for four

additional health centers: Tri Community, Riverhead, Southampton and East Hampton. Ms. Gierasch will provide a detailed report at the October meeting.

7. **Employment Assessment Committee:** The Committee continues to work on finalizing a draft policy and procedures manual for Suffolk County DSS designed to ensure its compliance with components of the Americans with Disabilities Act. They meet again on September 19<sup>th</sup>.
8. **Sunday Bus Service:** Mr. Koubek reported that the East End pilot for the summer of 2012 was a great success with ridership increasing despite a 75 cent fare increase. Legislator Jay Schneiderman would still like to expand Sunday service to the entire County but, because of the deficit, federal or state funds are needed to do so.
9. **Announcements:** James Andrews stated that the SWEP program is very much in need of work sites for SWEP clients.
10. **Next Meeting:** Friday, October 12, 9:30 AM, SCDOL One Stop Center.

## **The Negative Impacts of State Reductions in Child-Care Funding On the Suffolk County Economy**

**Prepared by Kathy Liguori, Vice Chair and Richard Koubek, PhD, Chair  
Welfare to Work Commission of the Suffolk County Legislature**

**October, 2012**

**The OCFS Cuts:** In June of 2012, the New York State Office of Children and Family Services (OCFS) announced a \$143,000 reduction in child-care funding for the Suffolk County Department of Social Services (SCDSS.) This reduction compounded \$3.5 million in previous funding reductions made by OCFS since 2009 despite a 47% increase in the number of children receiving subsidized child care during this period, from 2,552 children in 2009 to 3,770 children in 2012. These OCFS cuts had their full impact in 2012 when SCDSS was forced to reduce the eligibility for subsidized child care from 200% of the Federal Poverty Level or FPL (\$46,100 for a family of four) to 100% of FPL (\$23,050 for a family of four) between January and June of 2012.

These State funding cuts and resulting SCDSS changes in eligibility devastated many working-poor parents who rely on subsidized child care to maintain their employment. Between January and June of 2012, SCDSS eliminated 2,200 children of working-poor families from the subsidized child-care rolls.

**A Survey of Provider Impacts:** During August, Kathy Liguori, who chairs the Child Care Committee of the Welfare to Work Commission, surveyed 12 licensed Day Care Centers in Suffolk County to determine the impact of the OCFS funding reductions on their businesses. These are the large child-care providers with a license capacity to serve 130 or more children in a non-home (i.e., non-residential) setting. Understanding the reluctance of these centers to provide sensitive business data in a competitive and stressed child-care market, the Commission was pleased to receive nine responses (a 75% return.) There are 190 licensed Day Care Centers in Suffolk which are one of four types of licensed child-care providers in

Suffolk that total 924 providers\*. (The complete survey results and survey instrument are attached.)

Here is a **summary of the survey results** of the nine Day Care Centers that responded:

- Children cut from their programs: 345
- Loss in revenue for 2012: \$2.5 million
- Staff laid off: 64
- Loss of staff salaries \$1.6 million
- Salary freezes or possible salary reductions 6 centers

It should be noted that a 2004 study, *The Child Care Industry – An Integral Part of Long Island’s Economy* by Mildred Warner of Cornell University and funded by the Rausch Foundation, found that every \$1 spent on child care adds almost \$2 in additional dollars to the Long Island economy. Thus, the almost \$2.5 million in lost revenues to these nine licensed Day Care Centers will result in a \$5 million loss to the Suffolk economy in 2012.

**The Impacts on Suffolk’s Economy:** What are the implications of these data from nine Day Care Centers for the wider Suffolk economy? A conservative extrapolation of the survey data suggests that the 2,200 children removed from subsidized child care in 2012 could lead to about 400 child-care staff layoffs, county wide. At the current Suffolk County Living Wage rate of \$10.50 an hour, these 400 layoffs could cost Suffolk County over \$10 million in lost wages in 2012.

These pressures on an already stressed child-care industry will surely take an even greater toll in the months ahead. A Commission analysis of the OCFS website, for example, identified 69 Suffolk child-care providers that have already closed or 7% of the total number of providers.\* This number will likely increase as the full impacts of the OCFS funding reductions are felt. Already, Father Fagan’s Little Flower in Wading River has eliminated all its child-care services and the EOC/East Patchogue child-care center which mainly relies on OCFS funding may have to close its doors.

What are the projected losses to the child-care industry in Suffolk? With the typical monthly SCDSS subsidy payment of \$641 per child to child-care providers, the loss of 2,200 children from their enrollments could cost Suffolk child-care providers about \$17 million in lost revenues in 2012. This projection does not take into account the 30% parent copay, the dollar amount of which varies widely depending upon family income. Reversing the Rausch Foundation’s formula that \$1 in child-care spending yields \$2 to the larger economy, a \$17 million loss to the child-care industry will cost Suffolk’s economy about \$34 million in 2012 as staff are laid off and even more, as parents quit their jobs because they lost child care or child-care providers go out of business or other negative economic multipliers kick in.

**A Call for Emergency Funding:** For these reasons, the Welfare to Work Commission has joined the Suffolk County Legislature and SCDSS in urging Governor Andrew Cuomo and OCFS to provide \$3.9 million in emergency funding for Suffolk County for 2012-2013. This emergency funding will allow the Department to restore subsidized child care to families

earning 125% of the Federal Poverty Level (\$28,812 for a family of four) thereby restoring child-care subsidies to hundreds of the 2,200 children eliminated from the rolls since January.

\*OCFS identifies the following modalities or types of licensed child-care providers in Suffolk County:

<u>Modality</u>	<u>Number of Providers</u>
• Day Care Center	190
• Family Child Care	270
• Group Family Day Care	353
• School-Age Child Care	<u>111</u>
TOTAL	924