



**Child Poverty Reduction  
Advisory Council**

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2023 Progress Report**

## Contents

### Child Poverty Reduction Advisory Council 2023 Progress Report

CPRAC Overview .....	3
Child Poverty Reduction Act .....	3
Establishing the Child Poverty Reduction Advisory Council .....	4
Data Essential to Inform Council Recommendations .....	8
Data Analysis to Support Work of the CPRAC .....	10
Policy Changes to Date .....	12
CPRAC Work to Date by Policy Area/Committee .....	15
Tax Policy .....	15
Housing.....	17
Employment and Wages.....	19
Public Benefits .....	21
Childhood.....	23
Ideas for Modeling.....	25
Next Steps.....	29
CPRAC Policy Recommendations.....	29

# CPRAC Overview

## Child Poverty Reduction Act

The Child Poverty Reduction Act (“the Act”), signed into law by Governor Kathy Hochul on December 2, 2021, declared that poverty is a problem and a policy priority in New York State. Further, the Act established the Child Poverty Reduction Advisory Council (CPRAC, or “the Council”) to determine method by which to address childhood poverty. Specifically, CPRAC is charged with studying child poverty in New York State, identifying and recommending policies to the Governor that can be implemented to reduce child poverty by 50 percent in New York over ten years (no later than December 2031), and measuring and reporting on the State’s progress toward this goal.

If this goal is effectuated, New York will significantly improve outcomes for families and children and can help address racial disparities in New York State. Efforts to reduce childhood poverty are a matter of economic justice that New York State must confront.

Research shows that poverty, particularly childhood poverty, leads to negative outcomes for families and children later in life. A National Academies of Sciences, Engineering and Medicine study of child poverty concluded that “income poverty itself causes negative child outcomes, especially when it begins in early childhood and/or persists through a large share of a child’s life.” These negative outcomes include adverse health effects, poor educational performance, lower earnings, toxic stress, and shorter life span.<sup>1</sup>

Research also finds that poverty is expensive, with the United States and New York losing billions of dollars a year in productivity due to child poverty. For example, poverty can lead to homelessness, lower school readiness, developmental challenges, substance use challenges, and crime, all of which are costly for individuals and for society.<sup>2</sup> As of 2019, more than half a million children live in poverty in New York.<sup>3</sup>

The Act identifies specific policy areas for CPRAC to consider as strategies to reduce childhood poverty, including, but not limited to, expanding and strengthening the NYS Earned Income Tax Credit (EITC), expanding and strengthening the NYS Empire State Child Credit (ESCC), and expanding access to subsidized housing (housing assistance). The Council is also to review Agency programs that can be reformed, suspended, or otherwise changed in order to reduce child poverty.

The Act requires analysis of the effects that each policy recommended by the Council would have by itself on child poverty, as well as analysis of the effects that each policy would have if enacted in conjunction with others. Throughout this process, CPRAC is to consider the disproportionate impact of poverty by race and ethnicity and how policy proposals would address disparities; ways to improve access to public benefits, regardless of immigration status;

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<sup>1</sup> National Academies of Sciences, Engineering, and Medicine. 2019. *A Roadmap to Reducing Child Poverty*. Washington, DC: The National Academies Press

<sup>2</sup> McLaughlin, M., & Rank, M. R. (2018). Estimating the economic cost of childhood poverty in the United States. *Social Work Research*, 42(2), 73–83.

<sup>3</sup> Survey data from: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates Public Use Microdata Sample

policies that help families obtain and maintain financial stability; and other factors that may impact a family, parent, or child’s ability to stay above poverty level.

CPRAC is charged with the following:

- Delivering to the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee an annual report analyzing proposals contained within the Executive Budget submission that will reduce child poverty
- Issuing an annual report on progress reducing child poverty in NYS
- Developing, publishing, and delivering to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate a timeline that includes policy recommendations for reducing child poverty in NYS by 50 percent over ten years, as well as:
  - Reports containing the analyses outlined
  - Timeline developed to implement policies and achieve poverty reduction goals, and,
  - A final report of recommended policies and procedures.

A vast body of anti-poverty research underscores that poverty is a policy problem that can be solved. Targeted investments can reduce poverty and provide economic benefits to society, including improved brain development, better educational outcomes, increased earnings, longer lifespans, and reduced crime.<sup>4 5 6</sup> Evidence indicates that investments in the youngest low-income children are one of the most effective, highest-return social investments government can make.<sup>7</sup> As CPRAC develops recommendations to reduce child poverty in New York, it will be guided by evidence-based research.

## Establishing the Child Poverty Reduction Advisory Council

### CPRAC Membership and Structure

The Act outlines the broad structure of the Council charged with meeting the objectives of the Child Poverty Reduction Act, including specifying certain statutory appointments and rules for members. The Council is co-chaired by the Deputy Secretary to the Governor for Human Services and Mental Hygiene and the Commissioner of the New York State Office of Temporary and Disability Assistance (OTDA). Statutory members were appointed to the Council in 2022. Statutory appointments as of November 15, 2023 are identified in the below chart:

<b>Representing:</b>	<b>Current appointee:</b>
At least one (1) individual appointed by the Governor’s Office representing each of the following:	
• Office of Children and Family Services (OCFS)	Suzanne Miles-Gustave
• NYS Council on Children and Families	Vanessa Threatte
• Department of Taxation and Finance	Kristin Dence
• Regional Economic Development Council (REDC)	Shelly Callahan – Mohawk Valley Kathy Connerton – Southern Tier

<sup>4</sup> Barr, A., Eggleston, J., & Smith, A. A. (2022). Investing in infants: The lasting effects of cash transfers to new families. *The Quarterly Journal of Economics*, 1–52.

<sup>5</sup> Troller-Renfree, S. V., Costanzo, M. A., Duncan, G. J., Magnuson, K., Gennetian, L. A., Yoshikawa, H., Halpern-Meehan, S., Fox, N. A., Noble, K. G. (2022). The impact of a poverty reduction intervention on infant brain activity. *Proceedings of the National Academy of Sciences*, 119(5).

<sup>6</sup> Garfinkel, I., Sariscsany, L., Ananat, E., Collyer, S., Hartley, R., Wang, B., & Wimer, C. (2022). The Benefits and Costs of a Child Allowance. *Journal of Benefit-Cost Analysis*, 13(3), 335-362. doi:10.1017/bca.2022.15

<sup>7</sup> Garfinkel, I., & Wimer, C. (2023, January 12). Reforming the Empire State Child Credit to Reduce Child Poverty in New York State. Center on Poverty and Social Policy

<b>Representing:</b>	<b>Current appointee:</b>
<ul style="list-style-type: none"> <li>Statewide non-profit poverty advocacy organization</li> </ul>	Richard Buery – Robin Hood Foundation
<ul style="list-style-type: none"> <li>Non-profit organization with a focus on poverty</li> </ul>	<i>Vacant</i>
<ul style="list-style-type: none"> <li>Two individuals directly impacted by poverty</li> </ul>	Candace Cabral – Rochester Pamela Walcott – NYC
Two (2) individuals appointed by the Temporary President of the Senate:	
<ul style="list-style-type: none"> <li>Schuyler Center for Analysis and Advocacy (SCAANY)</li> </ul>	Kate Breslin
<ul style="list-style-type: none"> <li>Westchester Children’s Association</li> </ul>	Allison Lake
Two (2) individuals appointed by the Speaker of the Assembly:	
<ul style="list-style-type: none"> <li>The Education Trust</li> </ul>	Dia Bryant
<ul style="list-style-type: none"> <li>The Children’s Agenda</li> </ul>	Pete Nabozny
Two (2) individuals appointed by OTDA:	
<ul style="list-style-type: none"> <li>Department of Social Services (DSS) – Erie</li> </ul>	Marie Cannon
<ul style="list-style-type: none"> <li>Human Resources Administration (HRA) – NYC</li> </ul>	Scott French

Statutory members were appointed to the Council in 2022 and the first CPRAC meeting was held on October 13, 2022. In this first meeting, the Council reviewed the appointments specified in statute, introduced appointees, outlined the Council’s charge pursuant to the Act, and began discussion of poverty in New York, including CPRAC’s roles and goals.

Pursuant to the Act, appointees serving as statutory members of CPRAC may serve as long as the Council is operational. Members may not be compensated but can be reimbursed for related expenses. A majority of members constitutes a quorum, which is necessary for the Council to conduct meetings in person and approve materials and/or matters that require a vote. Member vacancies are to be filled in the manner of original appointment. OTDA is charged with supporting CPRAC’s administrative and logistical functions. CPRAC may employ additional staff and consultants, as necessary.

### **Advisory Experts**

During the Council’s first meeting in October 2022, statutory members discussed how best to ensure broad representation and expertise to support the work of the Council. Members agreed to grow the Council to increase experiential, geographic, and demographic diversity. More than 40 additional members were invited to serve on the Council as “advisory experts” from across the social services, policy advocacy, and scholarship/research spaces, including:

<b>Representing:</b>	<b>Name:</b>
NYS Council on Children and Families (CCF)	Elana Marton
NYS Homes and Community Renewal (HCR)	Ruthanne Visnauskas
NYS Homes and Community Renewal (HCR)	Rebecca Koepnick
NYS Department of Labor (DOL)	Yvonne Martinez
NYS Department of Health (DOH)	Kathleen Johnson
NYS Department of Health (DOH)	April Hamilton
Department of Social Services (DSS) – Suffolk	Francis Pierre
Department of Social Services (DSS) – Sullivan	John Liddle
Department of Social Services (DSS) – Greene	Kira Pospesel
Department of Social Services (DSS) – Monroe	Thalia Wright
Department of Social Services (DSS) – Onondaga	Sarah Merrick
State Education Department (SED)	Lester Young Jr.
Governor’s Office of Faith-Based Community Development Services	Shirley Paul
Mayor’s Office to End Gender-Based Violence (ENDGBV)	Cecille Noel
Legal Aid Society (LAS)	Susan Welber
Empire Justice Center	Kristin Brown

<b>Representing:</b>	<b>Name:</b>
Fiscal Policy Institute	Nathan Gusdorf
Citizens' Committee for Children	Jennifer March
United Way of New York City (UWNYC)	Grace Bonilla
Coalition for the Homeless (CFTH)	Shelly Nortz
Hispanic Federation	Diana Caba
Federation of Protestant Welfare Agencies (FPWA)	Raysa Rodriguez
Hunger Free America	Joel Berg
NYS Poor People's Campaign	E West McNeil
Association for Neighborhood and Housing Development (ANHD)	Barika Williams
Hetrick-Martin Institute	Soraya Elcock
Institute for Community Living (ICL)	Jody Rudin
Housing Works	Ginny Shubert
Grand Street Settlement	Willing Chin-Ma
Food Bank of the Southern Tier	Jackie Bogart
Ali Forney Center	Nadia Swanson
Make the Road NY	Theo Oshiro
Paul, Weiss, Rifkind, Wharton & Garrison LLP	Steven Banks
Casey Family Programs	David Hansell
New York Immigration Coalition	Murad Awawdeh
Columbia University	Christopher Wimer
Columbia University	Irwin Garfinkel
NYU Wagner School of Public Service	Ingrid Gould Ellen
NYU Grossman School of Medicine	Benard Dreyer
NYU Silver School of Social Work	Ammu Kowolik
Regional Economic Development Council (REDC) – Capital Region	Linda McFarlane
Regional Economic Development Council (REDC) – Central NY	Sheena Solomon
Regional Economic Development Council (REDC) – Finger Lakes	Wade Norwood
Regional Economic Development Council (REDC) – North Country	Erika Flint
Community member (young person)	Norma Degante

The addition of Advisory Experts has enhanced the diversity of the Council and provided broad and deep expertise in government operations and policy, poverty research and advocacy, development and implementation of anti-poverty programs, social services, services for families and children, lived experience of poverty, and representation of the geographic regions and racial and ethnic demographics of the state. To date, these experts are each participating in at least one of the Council's issue-area committees and contributing insights that will continue to inform CPRAC's work.

## **CPRAC Rules**

Certain rules were established for CPRAC based on its authorizing statute. For example, CPRAC must hold meetings in accordance with Article 7 of the Public Officers Law (i.e. the Open Meetings Law). Over the course of its ten-year lifespan, CPRAC is also to conduct formal public hearings in four regions of NYS. Other aspects of CPRAC's governance were left open for determination by the Council. Statutory members of CPRAC adopted by-laws and a Code of Conduct, as well as relevant policies and procedures, establishing remote participation and videoconferencing policies and authorizing the creation of committees.

## **Summary of CPRAC Work to Date**

CPRAC statutory members first convened in October 2022. In January 2023, the Council's statutory members determined that the best way to manage and organize the initial work of CPRAC was to cover key topic areas where research has shown policy reforms would have the

most significant effects reducing child poverty; and, to then create committees based on these key topic areas. Advisory experts would participate in CPRAC via this committee structure, enabling focused discussions that most effectively tap their area of expertise.

The key topic areas to be covered by CPRAC and associated committees are:

- Tax Policy
- Housing
- Employment/Wages
- Public Benefits
- Childhood

This year, CPRAC has hosted subject-matter orientations on these key topic areas and the associated committees have convened, guided by the materials presented in each orientation. In these orientations, CPRAC reviewed key literature, evidence-based research, and relevant data on various anti-poverty policy proposals. Where appropriate, CPRAC invited academics, researchers, experts, and practitioners to present on Committee topical areas and the effects of related proposals to reduce childhood poverty.

Throughout these orientations, CPRAC has discussed poverty in the United States and New York State, as well as definitions, numbers, trends, demographics, how to measure it, and more; reviewed findings from the National Academy of Sciences' "Roadmap to Reducing Child Poverty;" and heard from a broad range of experts including, but not limited to, the Columbia University Center on Poverty and Social Policy, the NYU Furman Center, Stanford Center of Poverty and Inequality, the Economic Policy Institute, Niskanen Center, and State agency leaders from the Department of Labor (DOL), the Office of Children and Family Services (OCFS), and the Office of Temporary and Disability Assistance (OTDA).

In addition to elevating and exploring key research, the Council is also working to center the lived experiences of New Yorkers directly impacted by poverty. During orientations on key topics, Council members who have struggled with poverty discussed the benefits and burdens of various programs – from tax credits to housing vouchers, to child care, to public benefits. They have described the challenges they faced in applying for different programs and offered first-hand insights for how to improve them. Their perspectives have informed and will continue to inform CPRAC's conversations about utilization, accessibility, outreach, and administrative burdens related to different programs. CPRAC's formal public hearings will provide another opportunity for the Council to be informed by persons with lived experience.

Through this process, the goal has been for CPRAC to learn from and be guided by the data and the experts, including the foremost scholars in poverty studies, practitioners in New York State government, and New Yorkers who have accessed the policies in question, to establish a shared foundation of agreed-upon facts (context, data, evidence, opportunities) upon which CPRAC will build policy recommendations.

Following the subject-matter orientations, committees for each topic continue to discuss related policies and identify specific proposals to reduce child poverty, informed by the research reviewed and Committee members' expertise. Through these focused discussions in each topic area, committees are working to develop proposals and reforms for analysis. Various proposals and policies will have different poverty-reduction effects and cost implications. Committees will obtain data on the relative poverty-reduction effects of various proposals and will use that data

to further develop, rank, and prioritize their recommendations. After the committees have prioritized their proposed policy ideas based on the data and other information put forward, each committee will report their consensus recommendations to CPRAC statutory members.

It is expected that each Committee will have an initial set of recommendations for consideration by the CPRAC statutory members in 2024, and that the work of the committees will continue to discuss implementation strategies as well as other strategies to reduce child poverty in New York State. It is also expected that CPRAC statutory members will aim to develop proposed packages or combinations of policies for recommendation in 2024 that data analyses indicate could reduce child poverty in New York by 50% by 2031. Additional Committees can also be established if determined necessary by the statutory members.

<b>Child Poverty Reduction Advisory Council (CPRAC) – Meetings to Date</b>		
<b>Date</b>	<b>Meeting</b>	<b>Subject</b>
10-13-2022	Statutory members	Orientation: Poverty in NYS and CPRAC overview
01-12-2023	Statutory members	Orientation: Tax Policy, with a focus on Child Tax Credits
03-07-2023	Statutory members	Orientation: Housing
05-17-2023	Statutory members	Orientation: Employment and Wages
06-02-2023	Committee – Tax Policy	First committee meeting
06-13-2023	Committee – Housing	First committee meeting
06-23-2023	Committee – Employment/Wages	First committee meeting
08-10-2023	Statutory members	Orientation: Childhood, with a focus on Child Care; Public Benefits
09-11-2023	Committee – Childhood	First committee meeting
09-14-2023	Committee – Public Benefits	First committee meeting
10-03-2023	Committee – Tax Policy	Second committee meeting
10-06-2023	Committee – Tax Policy	Second committee meeting (continued)
11-20-2023	Statutory members	Committee status update
12-06-2023	Statutory members	Progress report

## **Data Essential to Inform Council Recommendations**

### **Measuring poverty**

In its initial subject-matter orientation on poverty in the U.S. and New York, CPRAC reviewed and discussed key definitions, metrics, figures, and trends, which have guided and will continue to guide the Council’s work moving forward.<sup>8</sup> The Council discussed different methodologies for measuring poverty. CPRAC has chosen to use the Supplemental Poverty Measure (SPM),<sup>9</sup> also known as the Supplemental Poverty Rate (SPR), as the initial basis by which it will measure poverty in New York, the State’s progress addressing poverty, and the potential poverty-reduction effects of various proposed policies and reforms. The SPM was chosen because of how it counts expenses, income, and resources. The SPM is based on annual data gathered by the Census Bureau via the American Community Survey (ACS), which measures changing social and economic characteristics of the U.S. population, and accounts for existing income transfer programs/policies (taxes, benefits, housing assistance, nondiscretionary expenses, such as child support payments, and more). The SPM is also geographically adjusted based on

<sup>8</sup> CPRAC (2023, October 13). Orientation: Poverty Overview, with a Focus on New York. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>9</sup> U.S. Census Bureau. (2020, September). The Supplemental Poverty Measure using the American Community Survey. Census.gov.



housing costs. SPM dollar amounts are also based on recent consumer expenditure data to account for change in spending power.<sup>10</sup>

## **Poverty in New York**

According to available statistics, as of 2019, more than 3 million New Yorkers are living in poverty, defined as living at or below the 100% Supplemental Poverty Rate using the ACS-based SPM, including nearly 1 in 5 New Yorkers under age 18;<sup>11</sup> and New York has the fifth highest rate of poverty and the fifth highest rate of child poverty among all states.<sup>12</sup> Rochester, Buffalo, and Syracuse are among the ten cities in the U.S. with the highest child poverty rates, all exceeding 40 percent.<sup>13</sup> New Yorkers of color are disproportionately affected by poverty, with the child poverty rate for Black and Hispanic households higher than 20 percent, compared to roughly 12 percent for non-Hispanic White households.<sup>14</sup> Poverty also disproportionately impacts women and is particularly high among marginalized communities, including children who speak a non-English language at home.<sup>15</sup>

## **The National Academy of Science’s “Roadmap to Reducing Child Poverty”**

To ensure CPRAC’s efforts are guided by evidence-based research and data, CPRAC began by reviewing the National Academy of Science’s “Roadmap to Reducing Child Poverty” (2019), a preeminent comprehensive analysis of poverty reduction policies. The NAS “Roadmap” studied costs of child poverty in the U.S. and effectiveness of current anti-poverty policies/programs, as well as proposed modifications to existing programs, using a complex microsimulation model. The “Roadmap” utilized this modeling data to provide recommendations on policy options that could reduce child poverty in the United States by 50 percent within ten years if funded by federal investment – similar to the charge of CPRAC.

Specifically, the “Roadmap” evaluated ten policy areas that could potentially reduce poverty to determine which policies and/or what combinations of policies could achieve the 50 percent reduction goal, including: modifications to the Earned Income Tax Credit (EITC), child allowances (also known as fully refundable child tax credits), public benefits reforms for programs like SNAP and SSI, housing Choice Voucher changes, and Federal minimum wage increases.

To obtain data on the policies’ potential effect on child poverty, the NAS committee commissioned research from the Urban Institute. Urban Institute used their Transfer Income Model, version 3 (TRIM3), a comprehensive microsimulation model of tax and benefit programs in the United States, to establish a baseline for comparison and to develop estimates of the

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<sup>10</sup> Dalaker, Joseph. The Supplemental Poverty Measure: Its Core Concepts, Development, and Use (CRS Report No. R45031). Congressional Research Service. (2022, July 19).

<sup>11</sup> Survey data from: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates Public Use Microdata Sample; SPR data.

<sup>12</sup> Ibid.

<sup>13</sup> Tampone, K. (2022, March 17). Syracuse leads US with worst child poverty among bigger cities, census says. Syracuse.

<sup>14</sup> Poverty Tracker Research Group at Columbia University (2021). The State of Poverty and Disadvantage in New York City, Volume 3. Robin Hood.

<sup>15</sup> U.S. Census Bureau. (2021). Poverty Status In The Past 12 Months By Age By Language Spoken At Home For The Population 5 Years And Over. Data.census.gov.

effects of the ten policy options and four packages. For each of these options and packages, Urban Institute estimated the poverty-reduction effects nationally, by state, and by subgroups (e.g., race/ethnicity categories, immigration status, child age, family composition, etc.). They also used external estimates and research to estimate the effect of different policy changes on employment, including how the policy changes would impact changes in household employment or hours worked.

Through the microsimulation that Urban Institute performed, the NAS committee found that while individual policies did reduce poverty, no single policy they considered achieved the goal of 50 percent reduction in the child poverty rate. For example, an increase in the EITC was projected to reduce poverty by approximately 18 percent; a monthly child allowance was projected to reduce child poverty by approximately 40 percent; increasing public benefits like SNAP was projected to reduce child poverty by approximately 13 percent; and reaching 70 percent of eligible families with housing vouchers was projected to reduce child poverty by approximately 25 percent.

The NAS committee also developed, evaluated, and presented four policy “packages” each containing a different policy combination drawn from the ten policy areas to determine cumulative impact of several policies on poverty if funded together, accounting for interactions between policies. Two of the four policy “packages” studied, which combined some of the policies referenced above with others, achieved and exceeded the 50 percent reduction goal.

The NAS “Roadmap” has served as a useful guide for the work of CPRAC. Policy ideas will be generated by the Council and its subject-area committees based on research, presentations, testimonials, lived experience, discussions, statutory references/requirements, committee members’ advisory expertise, and more. Comprehensive data analysis will be conducted of individual policies. The data on the estimated relative child poverty reduction effects of individual policy ideas will be used to prioritize policy ideas within each topic area. Informed by these data-based priorities, the Council will develop recommendations that combine proposed policies from across topic areas to reduce child poverty by at least 50 percent, no later than December 2031, consistent with the goals set forth in the Child Poverty Reduction Act.

## **Data Analysis to Support Work of the CPRAC**

### **Microsimulation Modeling to Estimate Child Poverty Rate and Effects of Various Policies in New York**

As outlined, the statute requires analysis of the effects that each policy would have by itself on child poverty, as well as analysis of the effects that each policy would have if enacted with others. This analysis will help CPRAC determine, using evidence-based research and data-driven estimates, which combination of proposals could achieve a 50 percent reduction in child poverty in New York over the next ten years. To that end, the researchers at Urban Institute (UI) who helped develop the NAS “Roadmap” are conducting comprehensive analysis of poverty in NYS for CPRAC. UI is developing a microsimulation model for New York, which will use the Supplemental Poverty Measure and account for a range of existing programs in the State that serve low-income households. This will allow UI to develop a more precise measure of poverty in New York for CPRAC, which they are calling the CPRAC Supplemental Poverty Measure, or CPRAC-SPM.

Using the CPRAC-SPM, UI is establishing a baseline for comparison (with 2019 data as the point of reference to avoid capturing temporary COVID-related programs). This baseline will serve as the “before” against which New York’s progress will be measured, by comparing the present and future. UI will use the microsimulation model they develop for New York to estimate the projected effects of recently enacted policies on the child poverty rate. This includes specifically modeling the projected effects of recent poverty-related policies from the State Fiscal Year 2022-2023 and 2023-2024 Enacted State Budgets. Lastly, UI will use their microsimulation model to estimate the projected child poverty impacts of several different policy proposals, individually and, ultimately, in combination.

**Baseline.** UI provided CPRAC the Technical Baseline Memorandum in 2023. This memorandum summarized the 2019 data for New York, including population data, survey data, administrative data, and more, which UI will use as the basis for comparison and measuring potential changes in poverty. The baseline memo explains how UI estimated their facts/figures and established the baseline using three different data sources: 1) their existing microsimulation model based on the 2019 Census American Community Survey results, which they also utilized for the NAS “Roadmap,” 2) previous research that guides imputations related to parental status of unmarried parents, non-citizen legal status, child care expenses, and more and 3) administrative data on participation and benefit levels for major benefit programs.

As CPRAC has discussed, there are multiple ways to measure poverty, depending on definitions, methodologies, and sources. UI’s baseline memo outlines how their approach achieves a representation of income and benefit status of NYS children, families and individuals. The main goal of this effort is to estimate *changes* that result from different policies. The UI methodology and model are well-equipped to generate accurate estimates of the *changes* associated with the policies that the CPRAC will consider.

**Enacted policies.** UI recently provided CPRAC data on the estimated effects of recently enacted policies. Because many of these policies have only recently been enacted, and take effect over time, this data is a projection of the potential effects on poverty of recently enacted policies, at full implementation, assuming 100% uptake across programs.

**Policy proposals – individual policies.** UI is beginning to model the potential poverty reduction effects of a range of policy proposals, informed by the discussions underway among CPRAC’s subject-area committees. As committees continue to hone their lists of proposed policy ideas, UI will model the effects of those policies on poverty whenever possible.

**Policy proposals – combinations of policies.** After UI has modeled the effects of different proposed policy ideas individually, they will model the effects of different packages of policies to determine which combination of policies could achieve a 50 percent reduction in child poverty in New York State.

## Policy Changes to Date

Since signing the Child Poverty Reduction Act into law, Governor Hochul has made significant investments and advanced reforms related to improving families' economic security and reducing child poverty.

The recently passed FY2023 and FY2024 State Budgets included:

- **Child Tax Credit reforms** – expanding the Empire State Child Credit to add children under 4 years old, who were previously excluded.
- **Historic child care investments** – investing \$7.6 billion over four years, expanding eligibility for the Child Care Assistance Program (CCAP) by raising the income limit to the maximum allowed by federal law, capping co-pay costs for CCAP participants to 1% of the total family income above the poverty line, providing \$1 billion in stabilization grants to child care providers and \$500 million for workforce retention efforts, ensuring families can receive 12 months of eligibility for child care assistance, and more.
- **Increase for New York State's minimum wage** – raising the minimum wage by approximately \$2 per hour, phased in over the next couple years, and ultimately indexing to inflation.
- **Public benefits reforms** – implementing strategic changes to help recipients with earnings retain more of their benefits, with the goal of encouraging economic mobility, such as eliminating the gross income and poverty level eligibility tests for Public Assistance and increasing the amount of earned income that is disregarded before benefits are reduced.

UI used their microsimulation model to estimate the effects of several of the policies from the FY2023 and FY2024 Enacted budgets on the child poverty rate in New York, compared to the 2019 baseline. This exercise included four simulations.

**Simulation 1:** The effects on child poverty of all permanent enacted policies from SFY2023 and 2024 modeled together (excluding the one-time tax credits in 2023 budget – see simulations 2 and 3)

Taxes
<ul style="list-style-type: none"><li>• Expansion of the Empire State Child Credit to children under 4 years old (SFY2024 Budget)</li></ul> <p>As a result, the Empire State Child Credit is now available to taxpayers with children ages 0 through 16. Prior to this reform, the Empire State Child Credit was only available to taxpayers with children ages 4-16.</p> <ul style="list-style-type: none"><li>• The rest of the ESCC (credit value, eligibility structure) remains the same: is equal to the greater of \$100 multiplied by the number of qualifying children, or 33 percent of the Federal Child Tax Credit (as it existed in 2017).</li><li>• In 2017 the federal credit was generally equal to \$1,000 per child and is phased out for families with incomes above a certain amount (\$110,000 for those married filing jointly, \$75,000 for others)</li></ul>

**Public Assistance**

- Changing the disregard (for recipients only) from \$90 plus a percentage tied to the poverty guidelines – currently 55% of the remainder – to 50% of earned income (still indexed) plus \$150 of the remainder. Extending the disregard to PA households without children. Starting in June 2023, the disregard increased from 50% to 62% (SFY2023 Budget)
- Elimination of gross income (185% of standard of need) and poverty level tests (needs to be accounted for in the earned income disregard estimates above). (SFY2023 Budget)
- Increase to PA asset limit policy: For PA applicant households, from \$2,000 to \$2,500; from \$3,000 to \$3,750 where any household member is age 60 or disabled; For all PA recipient households, from \$2,000 (or \$3,000 if a household member is age 60 or older) to \$10,000. (SFY2023 Budget)

**Child Care**

- Increase Income Eligibility to Federal Maximum: The SFY 2024 Budget increased the income eligibility from 300 percent of the federal poverty level (or \$83,250 for a family of four) to 85 percent of the state median income (or \$93,200 for a family of four) for families who apply to receive child care subsidies, so that all families are subject to the same income thresholds for eligibility. This is the maximum income level allowed under Federal funding. Under this proposal, approximately 113,000 additional children would become newly eligible for child care assistance. (SFY2024 Budget)
- Standardize Eligibility: The SFY 2024 Budget standardizes statewide eligibility for child care assistance. Previously, districts had flexibility to set their own priority groups, which creates inconsistent access across the State. As part of standardization, the budget reduces the co-payment cap from ten percent to one percent of family income. An estimated 10 percent of families in the child care program will see a reduction in child care costs because of the standardized benefits. (SFY2024 Budget)
- Expedite Enrollment: The SFY 2024 Budget improves access to child care subsidies by streamlining the application process for those who are enrolled in Supplemental Nutrition Assistance Program (SNAP), the Home Energy Assistance Program (HEAP), Medicaid, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). An estimated 83,400 children who are currently enrolled in these programs will have streamlined access to child care assistance due to these changes. (SFY2024 Budget)
- The Budget expands access to high quality child care by increasing the child care market rate. This change, which was implemented via emergency regulation effective June 1, 2022, will broaden the child care options available to child care assistance families while also increasing reimbursements for child care providers. (SFY2023 Budget)
- Supporting Pursuit of Education: To further increase access to child care for students pursuing post-secondary education, the Budget eliminated the requirement that, in addition to their schooling, an individual has to work 17.5 hours a week in order to be eligible for child care assistance. This change was implemented effective June 1, 2022. (SFY2023 Budget)

**Employment/Wages**

- Minimum wage increase (SFY2024 Budget)
  - In 2024, will increase to \$16 in New York City, Long Island, and Westchester and \$15 elsewhere in the State
  - In 2025 and 2026, will increase by \$0.50 annually
  - Starting in 2027, will increase at a rate determined by changes in the Northeast Consumer Price Index for Urban Wage Earners and Clerical Workers (aka "Northeast CPI-W")

**Simulation 2:** The effects on child poverty of all permanent policies in simulation 1 plus enacted 2023 policy of one-time supplemental EITC of 30% of preexisting NYS credit and 5% of preexisting NYC credit)

<b>Taxes</b>
Application of a supplemental EITC of 30% of the pre-existing New York State EITC (currently 30% of the federal credit).
Application of an increase to the New York City EITC (currently 5% of the federal credit) to the schedule depicted in Figure 3 below.

**Simulation 3:** The effects on child poverty of all permanent policies in simulation 1 plus enacted 2023 policy of one-time increase to Empire State Child Credit

<b>Taxes</b>
Application of a supplemental child credit to the Empire State Child Credit according to the following schedule: <ul style="list-style-type: none"> <li>○ Income under \$10,000 – 100% of the existing credit</li> <li>○ Income of \$10,000 to \$25,000 – 75% of the existing credit</li> <li>○ Income of \$25,000 to \$50,000 – 50% of the existing credit</li> <li>○ Income greater than \$50,000 – 25% of the existing credit</li> </ul>

**Simulation 4:** The effects on child poverty of all enacted policies, including all permanent policies in simulation 1 plus *both* enacted 2023 one-time policies (ESCC increase and EITC supplement).

These four draft simulations:

1. Combine multiple policies for ease of digestion. When UI models proposed policies, however, estimated data will be provided for each policy individually.
2. Do not yet include what researchers call “employment effects,” assessing whether the policy change induces people who were not working to begin working or causes fewer people to work or work fewer hours.

According to UI estimates, NYS is already making progress reducing child poverty through recently enacted policies, with all four simulations shown to have child-poverty-reduction effects:

1. Child-poverty-related permanent policies in FY23 and FY24 Budgets: 7.6% reduction
2. One-time/temporary expansion/supplement of EITC: 2.1% reduction on its own (and 9.7% reduction combined with the permanent enacted policies)
3. One-time/temporary expansion/supplement of ESCC: 2.3% reduction on its own (and 9.9% reduction combined with the permanent enacted policies)

4. Permanent policies together with temporary policies: estimated cumulative 12.4% reduction

The associated data workbooks for UI's estimates of the child poverty effects of the enacted policies are posted online with CPRAC's other publicly posted materials. When UI provides estimates that incorporate employment effects, the data will be posted.

Moving forward, CPRAC will work to build on this progress in order to achieve the 50 percent child poverty reduction in New York. Because estimates indicate that, at full implementation and uptake, recently enacted policies could achieve a potential reduction in child poverty up to 7.6 percent, CPRAC's forthcoming recommendations must chart a path forward to reducing poverty by another approximately 43 percent.

It should be noted that the estimated poverty reduction effects of the recently enacted policies outlined above will decrease over time unless there is a policy change to ensure reformed credits, such as the expanded Empire State Child Credit, are adjusted over time to reflect changing costs of living.

## **CPRAC Work to Date by Policy Area/Committee**

### **Tax Policy**

#### **CPRAC Tax Policy Orientation Meeting**

CPRAC held its orientation on tax policy, with a focus on child tax credits, in January 2023.<sup>16</sup> In this orientation, the Council explored research findings and real-world implementation data that show how different child tax credit reforms could reduce poverty. The child tax credit was the focus of the orientation meeting, due to the strong evidence available that indicates that policy decisions regarding the credit can have a significant impact on reducing childhood poverty. Other tax policies will be evaluated by the CPRAC next year.

CPRAC revisited the analyses of tax policies from the National Academy's "Roadmap to Reducing Child Poverty." The child tax credit policy options had the most significant impact of any the evidence-based anti-poverty policies the NAS considered in their research. One child tax credit option reduced child poverty by almost 24 percent, while the other reduced child poverty by more than 40 percent.

CPRAC considered the characteristics and effects of the 2021 expansion of the Federal Child Tax Credit under the American Rescue Plan. In 1997, the Federal Child Tax Credit was created in the United States to help offset the cost of raising children.<sup>17</sup> The 2021 expansion increased the Child Tax Credit amount; made the credit fully refundable; and eliminated the wage phase-in.<sup>18</sup> Data indicates the expanded credit reduced child poverty in the United States by 25

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<sup>16</sup> CPRAC (2023, January 12). Orientation: Tax Policy in New York, with a Focus on Child Tax Credits. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>17</sup> Crandall-Hollick, M. L. (2018, March 1). The Child Tax Credit: Legislative History. CRS reports. Congressional Research Service.

<sup>18</sup> Curran, M. A. (2022). Research Roundup of the Expanded Child Tax Credit: One Year On. Poverty and Social Policy Report, vol. 6, no. 9. Center on Poverty and Social Policy, Columbia University.

percent after the first monthly payment to families – and would have reduced poverty by 40 percent if payments had reached all eligible children.<sup>19</sup> The expanded credit also generated more than \$1 billion of increased economic activity in New York, according to Federal data.<sup>20</sup> When the expansion of the credit ended after 2021, with no replacement, data shows poverty increased more than 40 percent nationally.<sup>21</sup>

As part of the Tax Policy orientation, scholars Chris Wimer and Irwin Garfinkel from the Columbia University Center on Poverty and Social Policy (CPSP) shared their research on the current federal Child Tax Credit and Empire State Child Credit (ESCC) in New York, including potential areas for reform at the State level to reach more New York families.<sup>22</sup> CPSP spoke to how the current child credit phases in with earnings, so the lowest-income families don't receive the full credit until their earnings hit a certain level (varies by family size). CPSP presented data on how this structure excludes more than 1 in 3 children, who either receive no credit or partial credit because their families' earnings are too low. According to CPSP, the percent of families "left behind" increases for families of color, with over 40 percent of otherwise eligible black and Latino families excluded from receiving the full credit because their earnings are too low. CPSP discussed ways to reform the credit to address these gaps such as making the credit fully refundable and eliminating the wage phase-in. CPSP finds these reforms would help the credit further reduce poverty.

During the Tax Policy orientation, CPRAC statutory members with lived experience of poverty provided testimonials about their experiences with tax credits.<sup>23</sup> They reported difficulties applying for, accessing, and maintaining benefits, and limited awareness of available tax credits. Trusted and accessible community-based organizations, such as free tax prep services, were cited as essential resources that helped apply for tax credits.

## **Tax Policy Reforms to Consider**

Informed by research-based presentations, testimonials on New Yorkers' first-hand experience, and discussion among committee members, several areas for reform related to the child tax credit were identified for further consideration.

The following ideas are being discussed by the Tax Policy Committee:

- Increased value – raise the credit amount
- Full refundability – make children in families with no or low earnings eligible for full credit
- Per child benefits – make full credit available to children regardless of family size or birth order
- Indexed to inflation – index value of credit to inflation so as not to erode over time

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<sup>19</sup> Parolin, Z., Collyer, S., Curran, M. A., & Wimer, C. (2021). Monthly Poverty Rates among Children after the Expansion of the Child Tax Credit. Center on Poverty & Social Policy Brief, 5(4), p1–14.

<sup>20</sup> Joint Economic Committee, U. S. Senate. (2021, August 13). Report: New Data Show Expanded Child Tax Credit Will Inject Nearly \$19.3 Billion Into Local Economies Each Month. Washington, DC: United States Senate.

<sup>21</sup> Huq, S. (2022, July). 3.7 million more children in poverty in Jan 2022 without monthly child tax credit. Columbia University Center on Poverty and Social Policy.

<sup>22</sup> Garfinkel, I., & Wimer, C. (2023, January 12). Reforming the Empire State Child Credit to Reduce Child Poverty in New York State. Center on Poverty and Social Policy.

<sup>23</sup> Cabral, C., Walcott, P. (2023, January 12). Testimonials for CPRAC: Tax Credits. NYS Child Poverty Reduction Advisory Council (CPRAC).



- Young child bonus – provide a larger credit to children under age 6 so as to target resources at critical period of child development
- Monthly payments – deliver credit in regular installments, rather than once per year
- Income phase outs – ensure the same full credit is available to poor, working, and middle-class families, and weigh in as to whether, and if so when, to phase out the credit for higher earning families
- Inclusivity – include children regardless of immigration status

## Housing

### CPRAC Housing Orientation Meeting

CPRAC held its orientation on housing in March 2023.<sup>24</sup> During this orientation, the Council explored research findings and real-world implementation data that show how different housing policy options reduce poverty. CPRAC also discussed the concept of rent burden and the ways in which existing programs help alleviate rent burden.

CPRAC started by revisiting the analyses of housing policies from the National Academy’s “Roadmap to Reducing Child Poverty.” As part of their study, NAS explored two housing voucher reform options that would increase the number of housing vouchers available and utilization of those vouchers. Reaching more eligible families with vouchers was projected to reduce child poverty by at least 16 percent.

As part of the Housing orientation, Dr. Ingrid Gould Ellen from the NYU Furman Center presented on housing affordability in New York.<sup>25</sup> According to the U.S. Department Housing and Urban Development (HUD), families who pay more than 30 percent of their income for housing are considered rent burdened by housing costs, and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Families who spend more than 50 percent of their income on rent are considered “severely rent-burdened.” Growing rent burden can be destabilizing, pushing individuals and families into poverty, and/or exacerbating existing challenges that make it even harder to get out of poverty. Due to rapidly rising rents, the share of rent burdened households has increased in recent years, with more than half of all households in New York spending more than 30 percent of their incomes on rent.

New York State’s housing availability, often measured by its “housing vacancy rate,” contributes to the housing affordability crisis. NYS currently faces a 4 percent vacancy rate statewide, which decreases further in areas such as Buffalo, Westchester, and Nassau County, and New York City. NYC’s most recent Housing Vacancy Survey found a vacancy rate lower than 1 percent for housing for the lowest-income households (homes listed below \$1,500/month).

Scholar Sophie Wimer from Columbia University’s Center on Poverty and Social Policy shared research on the Federal Housing Choice Voucher Program, its current poverty reduction effects, and opportunities to reform the program to further reduce poverty.<sup>26</sup> The Housing Choice Voucher Program, which is administered by local Public Housing Agencies (PHAs), covers

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<sup>24</sup> CPRAC (2023, March 7). Orientation: Housing Policy in New York. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>25</sup> Ellen, I. G. (2023, March 7). New York State’s Housing Affordability Problem. NYU Furman Center.

<sup>26</sup> Collyer, S., Wimer, C. (2023, March 7). Housing Subsidies and Child Poverty: Current Policy and Opportunities. Center on Poverty and Social Policy, Columbia University.

excess rent burden over 30 percent of household income. However, the number of vouchers available is limited, which results in long waitlists. Additionally, interested families must visit the local PHAs to apply for a voucher. Due to these limitations, research finds that only 3 in 10 eligible low-income households in New York receive Housing Choice Vouchers. Despite these administrative burdens and existing challenges reaching all households who need it, the current HCVP does have a poverty-reduction effect, reducing poverty by about 14%. CPSP projects that if the government were to take an entitlement approach to HCVP or an HCVP-type policy, providing housing assistance to all income-eligible households that need it, the program's poverty-reduction effects could triple.

Sara Kimberlin from Stanford University's Center on Poverty and Inequality (SCPI) presented on the concept of a renters credit, also called a rent burden relief credit.<sup>27</sup> A renters credit is a tax credit designed to cover some portion of excess rent beyond 30 percent of income, similar to the Housing Choice Voucher program, but in the form of a tax credit/refund. SCPI outlined the key features to consider when designing a renters credit, such as: amount of excess rent covered, maximum allowable rent under the program, eligible income levels, and more, with different parameters having different effects on poverty. SCPI described the features of a sample renters credit that they modeled, which would cover excess rent beyond 40% of income, with eligible rent level set to FMR. This renters credit was projected to have a range of positive effects, alleviating rent burden and reducing poverty. SCPI estimated that more than two million New Yorkers who live in rental housing could benefit from a credit like this, including many New Yorkers who are not currently served by housing vouchers.

During the Housing orientation, CPRAC statutory members with lived experience of poverty provided testimonials about their experiences with housing, affordability, and rental assistance.<sup>28</sup> They described struggles finding and affording housing over the years, which led to experiences of homelessness. They reported how different rental assistance programs, including the Housing Choice Voucher Program and local rental assistance programs, have helped them afford rents and make ends meet.

## **Housing Reforms to Consider**

CPSP presented several examples of reform options to consider that would strengthen the Housing Choice Voucher Program, or the provision of housing assistance more generally in New York, which are being discussed by the Housing Committee.

These options for consideration include:

- Adjust eligibility/value of State level vouchers to reach New Yorkers currently not included in the HCV
- Increase total number of HCV-type vouchers available at State level so that more eligible families can receive them than the current allotment from the Federal government
- Consider implementing an entitlement approach to a State voucher program that provides housing assistance via vouchers to all eligible households, without a cap
- Expand administration and availability so that assistance is not geographically limited to Public Housing Agencies

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<sup>27</sup> Kimberlin, S. (2023, March 7). A Renter's Tax Credit to Curtail the Affordable Housing Crisis: Implications for New York State. Center on Poverty and Inequality, Stanford University.

<sup>28</sup> Cabral, C., Walcott, P. (2023, March 7). Testimonials for CPRAC: Housing. NYS Child Poverty Reduction Advisory Council (CPRAC).

- Mitigate source of income discrimination, which can unlawfully prevent New Yorkers from being able use their rental assistance

Similarly, SCPI offered several considerations to keep in mind when designing a renters credit, which the Housing Committee is discussing:

- Determine rent burden target and share of excess rent burden to be covered by credit; for example, a credit that covers rent beyond 50% of income would target severely rent burdened, while a credit that covers rent beyond 30% or 40% of income would target rent burden more widely
- Set % of excess rent to be covered: for example, would this credit cover all or half of rent beyond the set % of income?
- Set eligible income levels, who would qualify, and how/at what income the credit phases out
- Establish parameters for recipients, such as maximum allowable rent, adjustments for family size, any exclusions, and more

## Employment and Wages

### CPRAC Employment and Wages Orientation Meeting

CPRAC held its orientation on Employment and Wages in May 2023.<sup>29</sup> In this orientation, CPRAC explored research findings and real-world implementation data on key trends related to wages and earnings, and discussed how various employment and wage policy options could reduce poverty.

CPRAC began their review of these issues by revisiting the analyses of employment-related policies from the National Academy’s “Roadmap to Reducing Child Poverty,” in particular the effects of reforms to the Earned Income Tax Credit (EITC). The EITC is a refundable tax credit available to workers with earnings below a certain level and designed to supplement their wages. It is currently one of the largest cash-transfer programs in the United States. The NAS “Roadmap” projected that increasing EITC payments would reduce child poverty in New York State, with one proposed EITC policy option estimated to reduce child poverty by at least 9 percent and another option estimated to reduce child poverty by at least 18 percent.

To frame the discussion on employment and wages, Dr. Valerie Wilson at the Economic Policy Institute (EPI) presented on wage and employment trends in the U.S. and New York.<sup>30</sup> EPI explained how racial disparities in employment and wages have persisted for decades, with these gaps widening over the past 40 years, both nationally and in New York, in ways not associated with productivity, which points racism and discrimination as key drivers. Women of color experience the combined impacts of both race and gender wage gaps, facing what researchers describe as “dual wage penalties,” and as a result, have the lowest wages of any group. There are also significant disparities in employment rates by race and gender, with persistently higher rates of unemployment for Black and Hispanic workers than similarly educated, or even less educated, white workers. These wage and employment disparities

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<sup>29</sup> CPRAC (2023, May 17). Orientation: Employment and Wages in New York. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>30</sup> Wilson, V. (2023, May 17). An Overview of Unemployment and Wages by Race and Ethnicity in the U.S. and New York Labor Markets. Economic Policy Institute.

contribute to New Yorkers' experience of poverty and exacerbate the racial disparities of poverty.

Experts from the NYS Department of Labor (DOL) also discussed the minimum wage in New York, including significant increases in recent years and how those increases have begun to address gender wage gaps.<sup>31</sup> DOL also discussed the recently enacted plan to increase the minimum wage across New York State. In 2023, the minimum wage in NYC, Nassau, Suffolk, and Westchester counties is \$15, and \$14.20 in rest of state – already among the highest of any state in the U.S. To further support low-income workers with a raise and continue addressing wage gaps, the recently enacted FY2023-2024 State Budget increases the minimum wage by approximately \$2 per hour, phased in over the next couple years, ultimately indexing to inflation. This latest increase will make New York the national leader on the minimum wage.

Dr. Pamela Herd from the McCourt School of Public Policy at Georgetown University discussed the history, effects, and existing challenges of the EITC.<sup>32</sup> Since inception in the 1970s, the EITC has grown significantly due to broad bipartisan political support, as well as support from key stakeholders (businesses, employers, the tax prep industry, and more). Data shows the EITC has helped to reduce poverty. For example, census data indicates the EITC lifted more than 5.6 million Americans, including over 3 million children, out of poverty in 2018. However, there are still features of the program's current structure that present challenges for applicants and existing recipients, which should be considered during any reform process. Dr. Herd discussed how the EITC process can be confusing for eligible populations, who might become convinced they are not eligible or may be dissuaded by the hurdles from completing the application process. Moreover, many individuals may not know about the credit at all, which is concealed within the tax system.

As part of the orientation, Josh McCabe from the Niskanen Center presented on the intersection between the EITC and the minimum wage.<sup>33</sup> He explained how the EITC's current curve interacts with New York's minimum wage to adversely affect certain low-wage workers. Specifically, the minimum wage in New York intersects with the EITC curve on the phase-out portion of the curve, which means that for every additional dollar they earn, they receive less EITC. As a result, while minimum wage workers may experience a functional raise in wages, the actual change they experience in their overall household resources is lower due to the diminished EITC. Niskanen Center contrasted this with child tax credits, which do not have this same effect at the minimum wage level because the phase-out for the child tax credit is significantly higher. To address the adverse effects of the intersection between the minimum wage and the EITC, the structure of the EITC curve must be adjusted so that the minimum wage intersects with the flat or even the phase-in portion of the curve, instead of the phase-out portion of the curve, which could be achieved by raising the phase-out levels

During the orientation, CPRAC statutory members with lived experience of poverty provided testimonials about their experiences finding and maintaining employment, earnings and wage

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<sup>31</sup> DOL Division of Research and Statistics. (2023, May 17). The Minimum Wage in New York State. NYS Department of Labor.

<sup>32</sup> Herd, P. (2023, May 17). The Earned Income Tax Credit. Georgetown University.

<sup>33</sup> McCabe, J. T. (2023, May 17). Interaction between minimum wage and family income supplements. Niskanen Center.

challenges, and the EITC.<sup>34</sup> They described working multiple low-wage jobs and still not earning enough to cover basic needs for their families.

## **Employment and Wages Reforms to Consider**

EPI emphasized that counteracting racial disparities in unemployment and wages, which would also help address poverty especially among Black and Hispanic households who are disproportionately impacted by poverty, requires intentional policy action. EPI offered examples of the kinds of policies and goals that would begin to address disparities, which are informing the Employment/Wages Committee's discussions:

- Raising wages for low-wage workers via policies like minimum wage and paid leave could help close racial and gender wage gaps, including through inclusion of workers and/or sectors currently excluded from the State's minimum wage
- To prevent discriminatory outcomes, restructure institutions to focus on solidarity and equity, especially for low-wage workers, such as by forming unions
- Consider re-implementing certain expired pandemic-era policies or drawing on their successes as examples, since research shows many of these policies were effective at supporting low-income working families and addressing some of the persistent gaps between groups
- To address poverty systemically and permanently, equity must be at the forefront – confronting systemic racism and implicit bias must be central to planning and strategy

As a result of the presentations from the McCourt School and Niskanen Center, first-hand testimonials from Council members with lived experience of poverty, and subsequent discussions among the Council's members, areas for reform related to the EITC were identified for further consideration.

The following proposals are being discussed by the Employment/Wages Committee:

- Increase value of EITC
- Make the EITC more accessible
- Expand the EITC
- Consider adjusting overall structure of EITC – shape of curve, phase-out, etc.
- Consider how other tax credits, such as the Empire State Child Credit, avoid intersection with minimum wage and whether any lessons can be drawn in terms of program or EITC curve design

## **Public Benefits**

### **CPRAC Public Benefits Orientation Meeting**

CPRAC held its orientation on Public Benefits in August 2023.<sup>35</sup> In this orientation, CPRAC discussed the public benefits landscape in New York, including related programs administered

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<sup>34</sup> Cabral, C., Walcott, P. (2023, May 17). Testimonials for CPRAC: Employment and Wages. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>35</sup> CPRAC (2023, August 10). Orientation: Public Benefits in New York. NYS Child Poverty Reduction Advisory Council (CPRAC).

and recent reforms implemented by New York State, with a focus on some of the largest benefit programs available to low-income New Yorkers.

OTDA Acting Commissioner Barbara Guinn reviewed the specific benefits provided to New Yorkers by OTDA and outlined how public benefits are provided, including ongoing efforts to understand which New Yorkers are under-enrolled in order to improve benefit utilization among eligible New Yorkers.<sup>36</sup> Commissioner Guinn also provided a summary of recent public benefits investments and reforms, and discussed existing challenges and opportunities for further improvement.

OTDA is responsible for the oversight of a range of social services programs in New York State, including public benefits and housing supports such as:

- Public Assistance (PA), which provides a monthly benefit to help pay for basic needs,
- Supplemental Nutrition Assistance Program (SNAP), which provides monthly food assistance
- Home Energy Assistance Program (HEAP), which can provide different types of assistance to defray energy costs
- The State Supplement Program (SSP), which provides additional support to the low-income New Yorkers receiving Social Security Income (SSI)
- Emergency housing/shelter, which serves people experiencing homelessness
- Certain housing stability and housing assistance services, which include housing benefits via PA grants, local rental assistance programs, shelter supplements, rent arrears payments, homelessness prevention services, rapid rehousing interventions, and more
- The Homeless Housing and Assistance Program (HHAP), which helps develop supportive housing.

To administer public benefits, OTDA works in partnership with New York's 58 local social services districts. Applicants for PA, HEAP and SNAP are received and processed by the local districts. These programs provide vital supports to millions of New Yorkers in need. Acting Commissioner Guinn discussed eligibility requirements, benefit levels, and areas for improvement related to each program.

As part of the Agency's efforts to continually strengthen benefits provided to New Yorkers, Acting Commissioner Guinn described the reforms underway at OTDA and across the state, including reforms to streamline SNAP and expand purchasing options for recipients, eliminate outdated and ineffective Public Assistance eligibility rules, and increase the amount of earned income that PA recipients can earn before their benefits are reduced.

OTDA is utilizing modernized data analysis to better understand needs among New Yorkers, and how to strengthen programs and close gaps, including through use of Program Access Indicators. To make programs more accessible over the long term, NYS is developing a more modern statewide system to enable New Yorkers across the state to more simply, easily, and remotely apply for and manage their benefits without having to visit an office in-person.

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<sup>36</sup> Guinn, B. (2023, August 10). Public Benefits in New York: OTDA Programs, Reforms, and More. NYS Office of Temporary and Disability Assistance (OTDA).

During the Public Benefits orientation, CPRAC statutory members with lived experience of poverty provided testimonials about their experiences with different public benefits, including SNAP, PA, SSI, and more.<sup>37</sup> They have each received a range of public benefits over the years, and both discussed the challenges they faced applying and continue to face maintaining their benefits, including the complex language used throughout the process and onerous documentation requirements. They described difficulties with recertification and communication processes that have resulted in temporary losses of benefits for which they were eligible. They reported feeling constrained by the eligibility requirements of the different programs they receive, which prevent them from saving and building income in ways that would enable them to be more financially secure.

## **Public Benefits Reforms to Consider**

Informed by the presentation, first-hand testimonials from Council members with lived experience, and subsequent discussions among the Council's members, areas for reform related to the Public Benefits were identified for further consideration.

These concepts are being discussed by the Public Benefits Committee:

- Increasing benefit levels, including PA and SNAP
- Index benefit levels so that they reflect New Yorkers' changing cost of living over time
- Adjusting program eligibility, including taking flexible approaches where possible
- Allow New Yorkers receiving benefits to earn more income while maintaining benefits
- Making programs more accessible by simplifying and streamlining processes and paperwork
- Reaching more eligible New Yorkers with benefits via outreach and enrollment efforts
- Improving awareness and take-up of public benefit programs among low-income New Yorkers
- Investment in community-based organizations to help navigate process
- Investment in legal services for New Yorkers at hearings related to their benefits
- Explore methods by which immigrant households can receive supports

## **Childhood**

### **CPRAC Childhood Orientation Meeting**

CPRAC held its orientation on Childhood, with an initial focus on child care, in August 2023.<sup>38</sup> In this orientation, CPRAC discussed the child care landscape in New York, including recent historic investments and reforms.

OCFS Acting Commissioner Suzanne Miles-Gustave reviewed how child care is provided in New York and outlined the State's Child Care Assistance Program (CCAP).<sup>39</sup> Child care in New York is primarily provided by licensed or registered providers, as well as by family, friend, or

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<sup>37</sup> Cabral, C., Walcott, P. (2023, August 10). Testimonials for CPRAC: Public Benefits. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>38</sup> 132. CPRAC (2023, August 10). Orientation: Childhood Policy in New York, with a Focus on Child Care. NYS Child Poverty Reduction Advisory Council (CPRAC).

<sup>39</sup> Miles-Gustave, S. (2023, August 10). Child Care in New York: OCFS Programs, Reforms, and More. NYS Office of Children and Family Services (OCFS).

neighbor care. Currently, approximately 800,000 children utilize child care in the state, served by approximately 17,000 licensed, registered providers. NYS provides child care assistance to New Yorkers in need via CCAP, a State-supervised, locally administered program that covers some or all of the cost of child care for eligible families. Approximately 105,000 children received assistance via CCAP in FFY2022.

In recent years, Governor Kathy Hochul has advanced significant reforms to help more connect New Yorkers with child care services and child care assistance. Acting Commissioner Miles-Gustave summarized the range of strategies underway to increase program accessibility and enrollment. For example, OCFS mapped child care deserts in order to target investments to areas in need. OCFS also expanded eligibility, simplified the application and screening process to make child care more accessible, and capped CCAP family co-pay contributions to ensure child care remains an affordable part of families' budgets. The Hochul Administration has also invested billions of dollars to create new child care seats, stabilize child care providers by supporting the child care workforce, and simplify processes, including through new technology, such as a mobile application for CCAP. Governor Hochul also reimagined the State's Child Care Availability Task Force, which is developing new strategies, advising the state on a phased-in rollout of universal child care, and developing recommendations to address the child care workforce crisis.

During the Childhood orientation, CPRAC statutory members with lived experience of poverty provided testimonials about their experiences with child care, including receipt of CCAP, in the form of written testimonials and in discussion with the Council.<sup>40</sup> One member has not received CCAP – they paid out of pocket for private daycare and also utilized New York City's public school system for child care-like services, including early childhood education, afterschool programs, and more. The other has received and continues to receive CCAP. While they reported difficulties with the application process, they emphasized that the program helped them get quality child care, in her community, with a trusted provider, that meets their needs.

## **Childhood Reforms to Consider**

As a result of the presentations, first-hand testimonials from Council members with lived experience of poverty, and subsequent discussions among the Council's members, areas for reform related to child care were identified for further consideration.

The following ideas are being discussed by the Childhood Committee:

- Further increasing access to child care, as well as increasing options for families
- Continuing to simplify child care processes, including the application process
- Incentivizing new providers to offer child care services, thereby increasing available child care seats
- Strategically targeting Governor Hochul's recent historic investments to areas in need
- Increasing awareness of the availability of child care assistance
- Potential changes at the Federal level that would affect provision of child care in New York

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<sup>40</sup> 133. Cabral, C., Walcott, P. (2023, August 10). Testimonials for CPRAC: Child Care. NYS Child Poverty Reduction Advisory Council (CPRAC).



It is also anticipated that the Childhood Committee will discuss additional topics beyond child care, including Medicaid, maternal and infant health, and more, which may lead to additional reforms for consideration.

## Ideas for Modeling

Across CPRAC’s ongoing committee discussions, several recurring themes have been raised by members related to the range of programs provided by New York State. They are as follows:

- Many New Yorkers may not know about the range of programs available to them.
- Current eligibility for programs may exclude New Yorkers who are in need of assistance.
- Application processes for programs can be cumbersome and administrative burdens can prevent New Yorkers from getting assistance.
- Benefits and credits currently available to low- and no-income New Yorkers may be insufficient to meet their basic needs, including the costs of food, housing, energy, daily essentials, transportation, clothes, child care, and health care, which are exacerbated by inflation.

Concepts and ideas discussed to address these recurring challenges include increasing benefit levels, increasing awareness and utilization of programs, simplifying enrollment processes, reducing application requirements, among others.

Guided by the evidence-based research reviewed, subject-matter orientations, testimonials on first-hand experience from New Yorkers in poverty, presentations and input from scholars, and subsequent discussions among CPRAC’s members, CPRAC’s committees have developed the following list of policy and reform ideas for potential modeling by the Urban Institute of their relative individual effects on child poverty in New York:

<b>Taxes</b>
Earned Income Tax Credit
1. Increases in the percentage applied to the federal EITC for households with and without dependent children to determine the state EITC (currently 30%) to 50% and 100% of the federal EITC.
2. Expansion of the ages of persons eligible to receive the federal EITC for households without dependent children: <ul style="list-style-type: none"> <li>a. Minimum age reduced to age 21*</li> <li>b. Maximum age remains same as current</li> </ul> <p><i>*Retain design of current federal credit that excludes full-time students with no qualifying dependents</i></p>
3. Expansion of the state EITC to cover persons filing using an Individual Taxpayer Identification Number, in all above scenarios.

4. Adjust shape of EITC curve\* to ensure NYS' minimum wage level (up to \$17) remains within the phase-in or plateau/flat portions of EITC curve, rather than intersecting with the phase-out as it currently does
  - a. Apply same curve change/adjustments for tax units with and without children
  - b. Assume a worker that works full-time, full-year (2080 hours) at minimum wage
  - c. Assume all income comes from earnings
  - d. For married couples, assume one worker working full-time at minimum wage

*\*To model, CPRAC would need to develop a more detailed policy design, including to figure out the exact shape, phase in and phase out, of the adjusted EITC curve.*

#### Child Credit

1. Decouple Empire State Child Credit from federal credit and establish new values for NYS:
  - a. Fully refundable credit (similar to the Federal CTC of 2021)
  - b. Assess maximum credit of \$500, \$1,500, \$3000 per child
    - Assess effects of indexing the maximum CTC value to inflation
  - c. Set a minimum credit of \$100 per child
  - d. Model with and without enhanced credit for youngest children
    - Model an enhanced credit for children under six that is \$500 larger than the base credit for both the \$500/child and \$1500/child scenarios referenced above. This option would not consider any enhanced credit in the \$3000/child scenario.
    - Model an increase of the credit for children under 6 to \$500 and \$1000, while keeping the credit as is for children over 6 years old. Assess each of the above outcomes eliminating the minimum income requirement
  - e. Assess the above options with a lower maximum income requirement to ensure credit is targeted to low- and middle-income households (i.e. households earning over \$100,000 or claiming no income due to asset loss would no longer be eligible)
  - f. Assess without a minimum income requirement/income phase-in (i.e. as a tax credit to income tax filers or as a universal credit to all households with children regardless of whether the household had income or was required to file a tax return)
  - g. Phase out on the same income schedule as the pre-2017 federal Child Tax Credit (same AGI points for beginning and ending the phase-out period)
  - h. Allow ITIN (and SSN not required for eligibility)

#### Rent Burden Relief Credit

1. Tax credit to unsubsidized renter households of a percentage of the difference between household rents and 30% of total household income (excess rent burden), capped at the difference between gross income and Housing and Urban Development Fair Market Rents (FMR)
  - a. Value: Assess effects on child poverty of covering 50% of excess rent burden, and 100% of excess rent burden
  - b. Max allowable rent: 108% FMR, in line with rent levels in NYC for HUD-funded programs like HCV
    - Alternative recommendation: provide credit to renters equal to the difference between 30% of household income and 108% FMR, instead of the difference between 30% of household income and actual rent paid
  - c. Eligible income levels: 50% State AMI
  - d. Phase out starting at 65% State AMI and reaching zero at 75% State AMI; as well as reaching zero at 100% State AMI
  - e. To the extent possible/applicable, follow rules of existing programs (HCV) in determining adjustments for family size, number of rooms, etc.
  - f. Support most flexible option possible for rules and/or restrictions related to immigration status (i.e. claimable if income eligible, regardless of immigration status; ITIN allowed, etc.)
    - Alternative recommendation: Eligibility equivalent to HCV as relates to current treatment of unauthorized and mixed-status households by HUD programs

- g. Limited to unsubsidized renter households (defined as not receiving any subsidy from HUD or living in public housing), including households in rent-stabilized and rent-controlled units
- h. Allow for other tax filers in the housing unit besides the tax unit of the person/couple in whose name the home is rent (i.e. name is on the lease), so that each taxpayer within the household computes the credit based on their own income and the portion of the rent that they regularly contribute

**Public Assistance, Supplemental Security Income and Nutrition Assistance**

1. Increase the PA shelter allowance for households with children (the shelter allowance change would be capped at the household's contract rent and apply only to certain PA households, predominantly households paying private rents, and would apply differently to households in public housing and Section 8 subsidized housing):
  - a. Model increases of 100% and 200%
  - b. Model for a shelter allowance equal to 75%, 100%, and 108% of FMR (the shelter allowance change would apply only to certain PA households, predominantly households paying private rents, and would apply differently to households in public housing and Section 8 subsidized housing – also, the increase would be capped at the household's contract rent).
  - c. As part of these models, raise the PA shelter allowance schedule for households without children to the same level as for households with children.
  - d. Run the models using both the current income disregard policy used for applicants and also applying the income disregard policy used for recipients to applicants
2. Increase the PA basic allowance (the portion of the grant based solely on household size) by 50% and 100%
  - a. Assess the effects on child poverty of indexing PA basic allowance to Federal Poverty Guidelines
  - b. Run the models using both the current income disregard policy used for applicants and also applying the income disregard policy used for recipients to applicants.
3. Increase the Personal Needs Allowance
  - a. Assess effects of making equal to current PA grant levels
  - b. Assess effects of increasing PNA by 100% and 200%
4. Increase the Supplemental Security Income (SSI) State Supplement (SSP) amount by 50% and 100%, for the following groups:
  - a. Adult recipients in the 'living alone' living arrangement
  - b. Adult recipients in the 'living with others' living arrangement and not residing with a related child
  - c. Adult recipients residing with a related child in the 'living with others' living arrangement
  - d. Child recipients in the 'living with others' living arrangement.
5. Streamline PA policies and index income eligibility and maximum benefit levels, inclusive of all current grant components, to the Federal Poverty guidelines as follows:
  - a. For applicants across all districts and all household sizes, model maximum income eligibility (and maximum benefit for a household with no income) at 50%, 75% and 100% of Federal Poverty, with benefit reduced according to a phase-out schedule
  - b. For recipients across all districts and all household sizes, model maximum income eligibility at 150% and 200% of Federal Poverty, with benefit reduced according to a phase-out schedule
  - c. Alternatively, consider adjusting in line with Social Security adjustments to Social Security benefits
6. Provide a food benefit to all households with children that are currently ineligible for Supplemental Nutrition Assistance Program (SNAP) due to their citizenship status (including unauthorized, temporary residents with and without work visas and LPR holders who are ineligible because they are not exempt from the restrictions and have resided in the U.S. for

- fewer than five years), in an amount equal to the allotment for similarly situated SNAP-eligible households.
  - a. Model for all non-citizens and separately for non-citizens eligible for Safety Net Assistance
  - b. Provide data for all such households and separately just families with children.
- 7. Provide a food benefit to current SNAP cases with children where the SNAP household resides with a person or persons that would be included in the SNAP case except for their citizenship status (such as unauthorized, temporary residents with and without work visas and LPR holders who are ineligible because they are not exempt from the restrictions and have resided in the U.S. for fewer than five years), in the amount of the difference between the household's SNAP allotment and the amount that would pertain if the person were included in the SNAP household.
- 8. Eliminate (or otherwise significantly reform) Public Benefits resource/asset tests
- 9. Eliminate durational sanctions state-wide (to follow New York City's example, as work-related sanctions were eliminated by statutory reform signed into law in 2015)

**Housing**

- 1. Establish entitlement-type\* state-funded housing assistance program to fill gaps in existing City and Federal housing assistance programs
    - a. Value/max allowable rent: set to 108% FMR (same as current HCV program in NYC) with tenants capped at paying 30% of income on rent
      - Alternative recommendation: provide voucher to renters equal to the difference between 30% of household income and 108% FMR, instead of the difference between 30% of household income and actual rent paid
    - b. Eligible income levels: 30% State AMI, allowing some households earning up to 50% of State AMI to qualify (goal to ensure majority of assistance, such as 85% of program funds, is directed to lowest income households)
    - c. Phase out starting at 50% State AMI and reaching zero at 100% of State AMI
    - d. To the extent possible/applicable, follow rules of existing programs (HCV) in determining adjustments for family size, number of rooms, etc.
    - e. More inclusive eligibility for immigrant households than HCV (i.e. can apply if income eligible, regardless of immigration status)
      - Alternative recommendation: Eligibility equivalent to HCV as relates to current treatment of unauthorized and mixed-status households by HUD programs
    - f. To the extent possible/applicable, follow rules of existing programs (HCV) in determining other rules
  - 2. Assess the effect on child poverty of authorizing cities with populations larger than 5 million to use discretion as to how to extend benefits, such as CityFHEPS rental assistance in NYC, to non-citizens
- \* If this state-funded program were to use the same rules as HCV, taking an entitlement-type approach would be equivalent to modeling an increase in HCV utilization to 100% of eligible families not currently receiving a voucher*

**Employment/Wages**

- 1. Assess the effects on child poverty of increasing wages for those currently make less than the wage, including workers/sectors currently excluded from receiving the minimum wage
- 2. Assess the effects on child poverty of closing wage gaps and achieving pay parity across genders and race/ethnicity (by sector?)

**Childhood\***

- 1. To ensure CPRAC is aligned with New York State's reimagined Child Care Availability Task Force (CCATF) and supporting/complimenting ongoing child care improvement efforts, CPRAC

will evaluate whether recommendations developed by CCATF are modellable

*\*It is also anticipated that CPRAC and CPRAC's Childhood Committee will discuss other childhood-related topics in addition to child care, such as: Medicaid, maternal and infant health, and more*

CPRAC's members and committees will use estimated data provided by Urban Institute on the relative poverty reduction effects of these policy ideas to prioritize ideas and create their recommendations as to which would have the biggest effects on child poverty. Informed by the data-based priorities, the CPRAC will develop proposed packages of policies that would together achieve the statutory goal of reducing child poverty in New York by 50 percent by 2031. These would then be delivered to the Governor for her consideration.

Additional ideas identified by statutory members and committees, which are not able to be modeled as part of Urban Institute's microsimulation process, but are key to reducing poverty in New York include:

- Improved outreach to under-enrolled communities related to a range of programs, from tax credits to housing assistance to public benefits
- Expansion of community-based assistance to facilitate awareness, applications, and access to public benefits across all communities in NYS
- Streamlining application and enrollment processes across programs, such as simpler language and paperwork, modified documentation and interview requirements where possible, use of technology to facilitate easier access
- Strategies for reaching lowest-income households that may not have tax filing obligations and/or may not be aware of the existence of or their eligibility for key benefit programs

CPRAC and its committees will continue to discuss and develop these ideas into specific, actionable recommendations that can potentially be paired, or implemented in tandem, with the policy ideas under consideration.

## Next Steps

### CPRAC Policy Recommendations

CPRAC's members agree that the NAS "Roadmap" and research reviewed to date demonstrate that the goal of reducing child poverty in New York State by at least 50 percent can be achieved. Accordingly, CPRAC is developing policy proposals, obtaining updated NYS-focused data from UI on the projected effects of these policies in New York, and continuing focused conversations with experts in subject-area committees. All of these efforts will inform the specific recommendations that CPRAC will produce and deliver to the Governor in 2024.

Based on the work of the Council to date, including work of the Tax Policy Committee, and evidence available on the important effect the Child Tax Credit can have on reducing child poverty, the Council has identified that enhancement of the Empire State Child Credit is a key tool to achieve the goals of the Council. Enhancements to the Child Credit appear likely to significantly reduce child poverty and therefore reduce the current racial disparities that result in much higher rates of poverty among Black and Hispanic children than white children. Studies show that lack of housing affordability in New York State results in more than one-half of

households spending more than 30 percent of their income on rent; accordingly, recommendations from the Council are expected to address housing affordability for low-income families. Each Committee will work over the coming months to develop specific recommendations, based on data available, ranging from funding investments to program eligibility streamlining, improved program outreach and other areas.

Once all committees have obtained and evaluated data on the relative poverty-reduction effects of the priority recommendations within each topic area, they will report their consensus priorities back to CPRAC's statutory members. The statutory members will use that data and information to develop priority recommendations across various areas, so that Urban Institute can evaluate the combined impact of priority policy options. The Council may request that the Urban Institute evaluate more than one combination of policy options. Based on that data, CPRAC will develop a menu of recommendations to reduce child poverty in New York at different estimated levels, including a set of policy proposals to achieve a 50 percent reduction in child poverty in New York State no later than December 2031.

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