



Testimony on the FY 2027 Executive Budget Proposal Human Services

The Civil Service Employees Association (CSEA) represents employees who deliver essential care to children, seniors, and people with disabilities, often under challenging conditions and with inadequate compensation. Whether supporting working families through home-based childcare or providing direct care services through nonprofit human services agencies, these workers form the backbone of New York's care infrastructure and are critical to the state's economic and social well-being.

Childcare

CSEA represents more than 12,000 home-based childcare providers throughout the state. Our members are predominately women and people of color who provide affordable, quality, and licensed childcare to both private-pay and subsidized families. In many parts of the state, including rural areas and working-class neighborhoods in our cities, home-based providers are the only licensed and affordable option for families. Home-based providers are more likely to offer evening, overnight, and weekend care, catering to families who work in health care, manufacturing, hospitality, and other 24-hour industries. In short, home-based providers are an essential component of the childcare sector.

CSEA supports the governor's long-term plan to achieve universal childcare. However, New York does not have enough providers to meet the existing demand for care, let alone the increased care that will be necessary under a universal childcare system. Currently, 70 percent of childcare centers and 50 percent of home-based childcare providers are at maximum capacity. For every available childcare slot in New York State, there are three children under the age of five who need care. Governor Hochul seeks to address this issue in the FY 2027 Executive Budget, investing \$1.7 billion in additional funding to support affordable childcare and Pre-Kindergarten services. For universal childcare to be successful, homebased providers must be part of the plan and must be adequately supported.

CSEA supports the governor's proposal to enhance and expand CCAP funding in FY27. These subsidies are a lifeline for low-income and working families and the home-based providers that serve them. While Governor Hochul and the State Legislature have made increased investments over the past several years, the current reimbursement is still inadequate to cover the true cost of care. CSEA supports continued investment in CCAP to ensure that the actual expenses incurred by providers, including costs like insurance, housing, food, and administration, are factored into this reimbursement. Enhancing subsidies will allow providers to make investments in their programs to benefit the long-term success of the children under their care.

CSEA also supports the governor's proposal to launch new pilot programs for children in Monroe, Dutchess and Broome counties. While the details of these pilots are limited, incorporating home-based providers in designs to improve childcare access in counties across the state is a critically important step to achieve universal childcare.

To further support the childcare workforce, CSEA urges the inclusion of additional provisions in the FY27 budget, including:

- Align supervision requirements for infants in home-based settings with what is already required in childcare centers (**See: A.10025 (Clark)**).
- **S.2022 (Cooney) / A.1279 (Clark)**: Exempts from income any funding from a childcare stabilization grant, childcare desert funding, or other non-recurring funding issued by OCFS.
- **S.7949 (Ryan) / A.6078 (Hunter)**: Provides a 90-day window for childcare providers to make facility changes or accommodations necessary for licensure without having to restart the licensing process.

Human Services Providers

CSEA represents direct care workers at non-profit providers funded through the Office for People with Developmental Disabilities. These employees provide essential services to people with disabilities. Despite the critical nature of their work, these employees are chronically underpaid, earning a median wage of just \$17 per hour. As a result, 40% of direct care workers in New York live in or near poverty, and 50% rely on public assistance. Low wages have also driven severe recruitment and retention challenges, with annual turnover in the direct care workforce averaging 35%, undermining continuity and quality of care.

CSEA supports Governor Hochul's proposal to provide a Targeted Inflationary Increase to non-profit human services providers. However, the proposed increase of 1.7 percent is not sufficient to meet rising costs and lacks language requiring that a portion of this funding be dedicated to employee wages. CSEA supports amending this proposal to provide a **4 percent increase** and include language that dedicates **at least 3 percent** of this funding to wage increases for direct care workers.

In the FY2026 State Budget, New York enacted a 2.6% Targeted Inflationary Increase for nonprofit human services providers (Part FF of Chapter 57 of the Laws of 2025). However, the budget did not require that any portion of this funding be dedicated to employee wages. As a result, many nonprofit agencies used the funding for operations and other expenses, leaving workers behind. Ensuring these funds reach workers will help stabilize a chronically underpaid workforce, reduce turnover, and protect the quality of care for seniors and people with disabilities.

Conclusion

The FY 2027 Executive Budget makes important investments in childcare, Pre-K services, and non-profit human services providers. However, these investments must be structured to strengthen providers and ensure funding reaches the workers delivering care. Home-based childcare providers and human services workers are already operating on thin margins, and policies that fail to account for these economic realities risk undermining service availability and quality.

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