



## Legislation Details (With Text)

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<b>Title:</b>	Resolution calling upon the New York State Legislature to enact legislation authorizing the city of New York to provide tax incentives to businesses that offer child care assistance to employees.				
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### Res. No. 1284

Resolution calling upon the New York State Legislature to enact legislation authorizing the city of New York to provide tax incentives to businesses that offer child care assistance to employees.

By Council Members Lappin, Weprin, Mark-Viverito, Reyna, Mendez, Arroyo, Palma, James, Brewer, Dickens, Liu, White Jr. and Katz

Whereas, New York City is currently facing a critical shortage of affordable, safe and convenient child care options, as economic conditions dictate that increasing numbers of parents seek and maintain full-time employment; and

Whereas, For many New York City working parents with young children, finding a safe, convenient and affordable daytime environment for their children while they work can pose a plethora of economic and logistical challenges; and

Whereas, Increased day care enrollment has greatly diminished the number of child care slots available in the City's licensed and regulated day care centers; and

Whereas, According to “Lost in the Maze”, an article published by the National Center for Law and Economic Justice, 38,000 New York City children were on child care waiting lists in 2004 and the current number of children who require formal, licensed day care far exceeds the number of spots available for such care; and

Whereas, As a result, many working parents are forced to rely on unlicensed, unregulated and informal care-types of child care settings that frequently do not provide the same learning and developmental activities offered in many of the formal child care settings, thereby leaving many of these children at a disadvantage by the time they enter school; and

Whereas, Employer-provided on-site day care, on the other hand, provides convenient, reliable, accessible and safe care for working parents’ children while benefitting both employees and employers alike; and

Whereas, Studies indicate that on-site day care improves employee morale, reduces turnover and absenteeism, and increases productivity; and

Whereas, According to a “Cost-Benefit Study” conducted by Union Bank in Pasadena, California, an on-site day care program can save a company anywhere from \$138,000 to \$232,000 in annual operating costs, as a result of reduction in both absenteeism and turnover; and

Whereas, Similarly, in an analogous study, authors Rachel Connelly, Deborah DeGraff, and Rachel Willis, found that on-site day care resulted in an estimated savings of between \$150,000 and \$250,000 in employee wages for companies that provide on-site day care; and

Whereas, Despite these benefits, only a few on-site day care centers exist in the workplace in New York City, and, in fact, only 5% of City employers with more than 100 employees offer on-site day care, according to a Hay/ Huggins Benefits Report; and

Whereas, Many employers are reluctant to offer on-site day care due to high costs, limited space, and

the City’s stringent rules for opening and operating day care centers which are more rigorous than for most types of businesses; and

Whereas, For example, Article 47 of the New York City Health Code requires, among other things, that day care facilities (1) “not operate above the third floor of a building”; (2) have at least 30 square feet per child; (3) provide at least one toilet and wash basin for every 15 children; and (4) have two means of egress; and

Whereas, In addition to complying with onerous City and State regulations, day care operators are confronted with extremely high personnel costs frequently averaging more than 80% of total expenses, according to Child Care, Inc., a child care resource and referral agency; and

Whereas, Providing an income tax credit to businesses located throughout the City’s five (5) boroughs for the construction, acquisition, rehabilitation, maintenance, and operation of on or off-site day care would offset some of the costs associated with constructing and operating such facilities and incentivize employers to provide such care; and

Whereas, In the last decade, helping defray child care costs in order to help parents work, has become a cornerstone of many City and state policies; and

Whereas, To date, according to the National Conference of State Legislatures (“NCSL”), 18 states either provide, or have provided, income tax incentives to employers who construct and/or operate child care facilities or pay for childcare services for employees, and 2 states provide property tax incentives for employer-provided daycare sites; and

Whereas, Moreover, in 2007, legislators in at least 7 additional states proposed legislation that involved tax credits for employers that provide child care for employees, according to NCSL; and

Whereas, Providing a City income tax credit to businesses that offer on-site or off-site day care not only sends a clear message that this Council supports working parents and their children but also addresses the growing demand for convenient and safe day care in the City; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to enact

legislation authorizing the city of New York to provide tax incentives to businesses that offer child care assistance to employees.

AB  
January 24, 2008  
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