

**NEW YORK STATE SENATE
MEMORANDUM IN SUPPORT OF LEGISLATION**

BILL NUMBER:

SPONSOR: Brisport

TITLE OF BILL: The Universal Child Care Act

SUMMARY OF PROVISIONS:

Section one establishes the name of the legislation as the "Universal Child Care Act."

Section two sets forth the legislative findings.

Section three modifies the scope and duties of the child care task force established under section 390-k of the social services law, so that the task force shall develop an implementation framework for a phased-in rollout of a universal child care system, using state and federal resources, and shall also make annual budget recommendations to the New York State legislature regarding the funding that is necessary to achieve a truly free and universal system.

Section four amends subsection eight of section 390 of the social services law, to modify and update the manner in which the Office of Children and Family Services notifies the public of the availability of child care services.

Section five amends subdivision one of section 410 of the social services law, to allow public welfare officials to participate in a system of free and universal child care.

Section six amends subdivision two of section 410-b of the social services law regarding the manner in which the Office of Children and Family Services implements federal funding for child care.

Section seven adds a new subdivision five to section 410-x of the social services law, to require a new cost estimation model for the payment of child care costs.

Section eight amends section 410-z of the social services law to require the Office of Children and Family Services to prepare a report regarding the actual cost providers incur in providing child care pursuant to the previous section.

Section nine amends subdivision one and paragraph (b) of subdivision five of section 410-c of the social services law, to increase state reimbursement rates to counties, cities, and towns that provide child care services, and to allow for further capital expenditures in areas that constitute child care deserts.

Section ten amends subdivision eight of section 410-w of the social services law to require New York State to cover certain child care co-payments.

Section eleven amends subdivision 410-x of the social services law to require New York State to cover certain child care co-payments.

Section twelve adds a new subdivision nine to section 410-x of the social services law, requiring social services districts to establish differential payment rates for providers who care for children experiencing homelessness, or who care for children during non-traditional hours, with New York State covering these additional costs.

Section thirteen amends subdivision one of section 410 of the social services law to remove administrative requirements regarding work and immigration status.

Section fourteen repeals paragraph (b) of subdivision three of section 410 of the social services law, and reletters paragraphs (c) and (d).

Section fifteen amends subdivisions one and two of section 410-bb of the social services law to declare the New York legislature's desire to move towards a free and universal child care system, with salary and benefits for workers at parity with that of public school teachers.

Section sixteen amends subdivisions one and two of section 410-v of the social services law, to increase reimbursement rates from New York State to social services districts, and make all reasonable efforts to supplement federal block grant funding with state funding to provide universal coverage within a period of four years.

Section seventeen amends subdivisions one and two of section 410-x of the social services law, to require outreach and support to ensure that eligible families who need child care receive support, and that any eligibility determinations required by federal law are the least restrictive and most efficient available, in order to avoid placing undue burdens on families applying for assistance.

Section eighteen amends subdivision two of section 410-u of the social services law, to specify that the state block grant for child care shall be used to increase child care worker salaries, and to specify that New York State shall make all reasonable efforts to ensure child care coverage for families who are not eligible for federal funding.

Section nineteen amends section 410-cc of the social services law to specify that start up grants are to be used to serve areas that currently constitute child care deserts.

Section twenty amends section 101 of the education law to establish an "office of early childhood education," which is tasked with coordinating with the Office of Children and Family Services to ensure that the implementation of funding for Universal Pre-K and 3-K For All programs are phased in in a manner that complements and supports child care providers within the state and provides equitable wages, benefits, and working conditions for child care workers, pursuant to the guidance established by task force established under section 390-k of the social services law.

Section twenty one amends section two of chapter 493 of the laws of 2017 amending the social services law relating to establishing the child care availability task force, in order to extend its term through the year 2025.

Section twenty two adds new section 99-oo, 99-pp, and 99-qq to the state finance law, requiring the creation of a child care workforce stabilization fund, a child care transitional reimbursement rate fund, and a child care infrastructure development fund.

Section twenty three appropriates five billion dollars towards the development of a universal child care system in New York State.

Section twenty four sets forth the effective date of the legislation.

JUSTIFICATION:

New York's child care infrastructure is in crisis: many parents have no access to affordable or quality care and many child care providers are forced to live in or near poverty. Decades of treating and funding child care as a private service rather than vital public infrastructure has left the system on the verge of collapse. Although some piecemeal approaches and temporary solutions have kept New York's child care system on life support, many child care centers have already been forced to close, and parents are struggling to access the child care they need. Today, where child care is still available, it is largely due to a dramatically underpaid workforce overwhelmingly made up of women – especially Black women and women of color – who are paid wages that leave the majority in or near poverty. The COVID-19 pandemic has only made matters worse, exacerbating the many vulnerabilities of our child care system.

Resolving the underlying causes of New York's child care crisis requires careful attention to detail, and the participation of all relevant stakeholders across New York State. Accordingly, this legislation has been carefully drafted to take into account the input of parents, child care providers, union leaders, advocates, and experts across the state. It has also been drafted with the input and insights of the Child Care Availability Task Force, which was convened in 2018 and issued its final report and recommendations in 2021. There is wide agreement that New York needs to pursue a "dramatically different approach to child care" and move instead towards a truly universal system, where child care is free at the point of service and educators are paid sufficient wages, much like our public school system.

Accordingly, this legislation makes substantial programmatic changes to New York's child care system and makes significant investments in building out New York's child care infrastructure to set New York on a clear path to building a universal child care system. It also ensures that the "Universal Pre-K" and "3-K For All" programs are implemented in a manner that does not leave behind providers who care for children under the age of three, who have been particularly hard hit by the present child care crisis.

One of the primary concerns regarding the present child care system is that its workforce is dramatically underpaid. Much of the child care workforce lives in poverty with 65% of child care providers receiving such low wages that they are eligible for social safety net programs such as food stamps or Medicaid. Many professionals either do not enter the field at all, or are

forced to leave it for higher paying jobs at places like fast food chains or telemarketing companies. This is not only an injustice, but also a tremendous vulnerability for our child care system because the understaffing problem leads to further shortages of available child care. Accordingly, in order to attract and maintain an adequate workforce, this legislation creates a new "child care workforce stabilization fund" that directly raises wages. It also makes further adjustments to state law in order to move New York towards a system where child care workers are properly recognized as educators, and achieve wages that are at parity with those of public school teachers.

Another primary concern regarding the present child care system is that our current system of means-tested subsidies imposes severe burdens on those who can least afford it. In some regions, a family of four, with two parents each working forty hours per week for minimum wage, will not qualify for subsidies, and sending their children to a child care center will cost 55.4% of their income. The lack of adequate subsidies is particularly problematic because, in New York State, one year of tuition for infant care at a child care center is more than double the cost of tuition at a SUNY comprehensive four-year college. Accordingly, this legislation requires substantial investments to guarantee child care subsidies for high-quality and culturally responsive child care that meets the needs of all children. The Child Care Availability Task Force correctly noted that, although "the state's use of federal stimulus funds has helped to suppress the damage, it alone is insufficient to rebuild the child care system." New York needs to make its own investments, and this money will be well-spent: researchers estimate that for every \$1 invested in early care and education in New York State, \$1.86 is generated in additional spending within the state.

This legislation further recognizes that the way we pay our child care providers within New York State is deeply flawed. Current subsidies are based on a "market rate survey" system that dramatically under-values the cost of high-quality child care. Accordingly, this legislation would shift New York away from the current "market rate survey" system, and towards a new cost estimation model that more accurately compensates providers for the true cost of care. This legislation further establishes a "transitional reimbursement rate" fund so that New York can immediately offer more adequate compensation, pending the implementation of such a new system.

In order to truly build out a universal child care system that goes beyond the current means-tested and market-based solutions, New York will need to make significant investments over time and build out its infrastructure to meet the needs of the 64% of New Yorkers who live in child care deserts, where the demand for child care far exceeds local capacity. Accordingly, this legislation further creates a new "child care infrastructure development fund," and modifies New York's system of distributing startup funds, so that New York can build its current capacity.

Finally, as a matter of ongoing oversight, this legislation expands the scope and duties of the Child Care Availability Task Force, so that this group – which has demonstrated its expertise and developed substantial institutional knowledge – will oversee a four-year transition towards a universal child care system, making annual budget recommendations and guiding the interactions between the Office of Children and Family Services and the New York State Education Department. This legislation will further create a new "office of early education," which will further coordinate the implementation of funding for Universal Pre-K and 3-K For All programs so that they are

implemented in a manner that complements and supports child care providers within New York State.

PRIOR LEGISLATIVE HISTORY: New bill.

FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS: To be determined.

EFFECTIVE DATE: This act shall take effect immediately; provided, that the amendments to section 390-k of the social services law made by section three of this act shall not affect the repeal of such section and shall be deemed repealed therewith; provided, however, that the amendments to subdivision 8 of section 410-w of the social services law made by section ten of this act and the amendments to subdivision 6 of section 410-x of the social services law made by section eleven of this act shall not affect the expiration of such subdivisions and shall be deemed to expire therewith.