STATE OF NEW YORK

492--A

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. HEVESI -- read once and referred to the Committee on Children and Families -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state finance law and the social services law, in relation to establishing a permanent child care workforce pay equity fund and the distribution of such fund; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The state finance law is amended by adding a new section 97-bbbbb to read as follows:

§ 97-bbbbb. Statewide permanent child care workforce pay equity fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of taxation and finance a fund to be known as the "permanent child care workforce pay equity fund".

2. The permanent child care workforce pay equity fund shall consist of moneys appropriated, credited or transferred thereto from any other fund or source. Any unexpended and unencumbered moneys remaining in the permanent child care workforce pay equity fund at the end of a fiscal year shall remain in the permanent child care workforce pay equity fund and shall not be credited to any other fund. Any interest received by the comptroller on moneys on deposit in the fund shall be retained in and become a part of such fund.

3. Moneys of the permanent child care workforce pay equity fund shall be made available to the commissioner of the office of children and family services for activities to improve workforce conditions for employees of eligible child care services and programs, and to help ensure eligible programs can operate at high quality and at maximum capacity. Allowable uses of these funds may include, but not be limited to, salary increases, workforce retention bonuses and recruitment bonus-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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es, indirect costs associated with implementing salary increases and bonuses, costs associated with employee health, and fringe benefits. Moneys awarded to a program in accordance with this section shall meet the following requirements:

(a) No less than seventy-five percent of moneys awarded to a program from the permanent child care workforce pay equity fund shall be used to increase compensation and/or benefits for employees in a direct caregiving role with children;

(b) No less than ten percent of moneys awarded to a program from the permanent child care workforce pay equity fund shall be used to increase compensation and/or benefits for employees, administrators, owner-operators, who are not in a direct caregiving role with children; and

(c) All remaining moneys awarded to a program from the permanent child care workforce pay equity fund shall be used at program discretion to support the workforce, expand program capacity, and improve program quality.

4. The office of children and family services shall submit a report to the governor and the legislature by January thirty-first, two thousand twenty-six and annually thereafter detailing all expenditures awarded to a program from the permanent child care workforce pay equity fund, and the office's priorities for allocating funds from the permanent child care workforce pay equity fund.

5. Within one year of the effective date of this section and annually thereafter, the office of children and family services shall establish, by regulation, a minimum compensation scale for the child care workforce that is inclusive of all members of the workforce, not just those in direct caregiving roles with children, and is structured to not interfere with existing or future collective bargaining. Such compensation scale shall seek to elevate wages of child care educators to parity with those of similarly situated public school educators and shall be developed in consultation with the department of labor, the state education department, unions representing child care workers and providers, members of the child care advocacy community, and representatives of child care programs of all modalities, from around the state. All participants shall be permitted to review and comment on the draft minimum compensation scale, which shall be published annually, no later than December thirty-first in any given calendar year following the initial report.

6. To be eligible to be awarded moneys from the permanent child care workforce pay equity fund, a program must accept families paying for child care by means of the New York child care assistance program. In addition, upon implementation of the minimum compensation scale, programs must agree to meet the minimum compensation requirements and agree to reasonable reporting requirements regarding the use of such funds.

7. The office of children and family services shall maintain a formula for distributing funds to child care providers which shall give preference to providers that serve: (i) high numbers of children receiving New York child care assistance program subsidies; (ii) high numbers of high needs children; and (iii) unique populations or that otherwise advance the interest of the program as determined by the department.

Such formula for distributing funds shall consider: (i) licensed capacity and enrollment including the ages of the children enrolled and the ages of the children for whom the provider has capacity; provided, however, that enrollment shall be measured by the department using quarterly enrollment averages or, if deemed appropriate by the department, using enrollment averages that are measured less frequently than quarterly; (ii) costs associated with employee compensation, including salaries and benefits; (iii) the number of enrolled children receiving New York child care assistance program subsidies; (iv) the demographics and income of families served, including the number of children enrolled and identified as high needs; (v) the business structure of providers; provided, however, that larger investor-owned providers shall be deprioritized and only eligible for funding if the commissioner of the office of children and family services personally certifies eligibility for such funds and is provided an assurance as to how such funds will be used to support the child care workforce and that such funds will not serve to enrich private for-profit investors; and (vi) any other factors impacting the cost of providing quality early education and care including, but not limited to, serving infants and toddlers, providing nonstandard hours of care, and providing care in socially and economically disadvantaged and historically underrepresented communities with shortages of early education and care slots. The office of children and family services shall incorporate geographic equity into the development of the formula and, to the best of their ability, calculate payments such that all funds are distributed to eligible providers each year.

§ 2. Section 153-k of the social services law is amended by adding a new subdivision 13 to read as follows:

13. (a) The office of children and family services shall immediately establish rules and regulations for the distribution of funds from the permanent child care workforce pay equity fund.

(b) The office of children and family services shall establish and make widely available a consolidated application for the permanent child care workforce pay equity fund no later than one hundred eighty days after the effective date of this subdivision. Eligibility for the first round of payments from the permanent child care workforce pay equity fund shall be determined within sixty days after the applications are made available, with the first round of payments disbursed within thirty days of eligibility determination. All providers and programs approved for funds pursuant to this subdivision shall be provided payments at least quarterly for so long as the program remains eligible or until funds are exhausted. The office of children and family services shall determine a simple process for programs to recertify eligibility for such funds at an interval of no less than every twenty-four months.

§ 3. The sum of one billion two hundred million dollars ($1,200,000,000), or so much thereof as may be necessary, is hereby appropriated to the office of children and family services out of any moneys in the state treasury in the general fund to the credit of the permanent child care workforce pay equity fund account not otherwise appropriated for the purposes of carrying out the provisions of this act. Such moneys shall be payable on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of children and family services, or such commissioner's duly designated representative in the manner provided by law.

§ 4. This act shall take effect immediately; provided, however, that the amendments to section 153-k of the social services law made by section two of this act shall not affect the repeal of such section and shall be deemed repealed therewith.