

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:

1 Section 1. The state finance law is amended by adding a new section
2 97-bbbbbb to read as follows:

3 § 97-bbbbbb. Statewide permanent child care workforce pay equity fund.
4 1. There is hereby established in the joint custody of the state comp-
5 troller and the commissioner of taxation and finance a fund to be known
6 as the "permanent child care workforce pay equity fund".

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

15 3. Moneys of the permanent child care workforce pay equity fund shall
16 be made available to the commissioner of the office of children and
17 family services for activities to improve workforce conditions for
18 employees of eligible child care services and programs, and to help
19 ensure eligible programs can operate at high quality and at maximum
20 capacity. Allowable uses of these funds may include, but not be limited
21 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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1 es, indirect costs associated with implementing salary increases and
2 bonuses, costs associated with employee health, and fringe benefits.
3 Moneys awarded to a program in accordance with this section shall meet
4 the following requirements:

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

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

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

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

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

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

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

52 Such formula for distributing funds shall consider: (i) licensed
53 capacity and enrollment including the ages of the children enrolled and
54 the ages of the children for whom the provider has capacity; provided,
55 however, that enrollment shall be measured by the department using quar-
56 terly enrollment averages or, if deemed appropriate by the department,

1 using enrollment averages that are measured less frequently than quar-
2 terly; (ii) costs associated with employee compensation, including sala-
3 ries and benefits; (iii) the number of enrolled children receiving New
4 York child care assistance program subsidies; (iv) the demographics and
5 income of families served, including the number of children enrolled and
6 identified as high needs; (v) the business structure of providers;
7 provided, however, that larger investor-owned providers shall be depri-
8 oritized and only eligible for funding if the commissioner of the office
9 of children and family services personally certifies eligibility for
10 such funds and is provided an assurance as to how such funds will be
11 used to support the child care workforce and that such funds will not
12 serve to enrich private for-profit investors; and (vi) any other factors
13 impacting the cost of providing quality early education and care includ-
14 ing, but not limited to, serving infants and toddlers, providing
15 nonstandard hours of care, and providing care in socially and econom-
16 ically disadvantaged and historically underrepresented communities with
17 shortages of early education and care slots. The office of children and
18 family services shall incorporate geographic equity into the development
19 of the formula and, to the best of their ability, calculate payments
20 such that all funds are distributed to eligible providers each year.

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

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

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

39 § 3. The sum of one billion two hundred million dollars
40 (\$1,200,000,000), or so much thereof as may be necessary, is hereby
41 appropriated to the office of children and family services out of any
42 moneys in the state treasury in the general fund to the credit of the
43 permanent child care workforce pay equity fund account not otherwise
44 appropriated for the purposes of carrying out the provisions of this
45 act. Such moneys shall be payable on the audit and warrant of the state
46 comptroller on vouchers certified or approved by the commissioner of
47 children and family services, or such commissioner's duly designated
48 representative in the manner provided by law.

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