STATE OF NEW YORK

3415--A

2025-2026 Regular Sessions

IN SENATE

January 27, 2025

Introduced by Sens. BRISPORT, BAILEY, BROUK, CLEARE, COMRIE, COONEY, FERNANDEZ, GONZALEZ, GOUNARDES, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, LIU, MYRIE, RAMOS, RIVERA, SALAZAR, SEPULVEDA, SERRANO, SKOUFIS, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the social services law and the education law, in relation to establishing a universal child care taskforce; to amend the state finance law, in relation to establishing a permanent child care workforce pay equity fund; to amend the education law, in relation to establishing a universal child care public option pilot program; to repeal certain provisions of the social services law relating to the child care availability taskforce; and making an appropriation therefor

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

Section 1. Short title. This act shall be known and may be cited as the "universal child care act".

§ 2. Legislative findings. The legislature hereby finds and declares that New York State's child care sector is facing an economic crisis. In 2018, the legislature created a Child Care Availability Task Force. In 2021, that Task Force issued its initial report, finding that the current crisis "requires a dramatically different approach to child care: one that recognizes that high-quality child care is a public good and that provides the necessary public investment" to implement a system of high-quality universal child care.

The Task Force was subsequently charged with the duty of advising the state "in developing an implementation framework leading to a phased-in rollout of universal child care", and issued another report in April 2024 that recommended items such as a "permanent line of funding for the

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

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child care workforce" and the launch of "a state-run child care assistance pilot program". In January 2025 the Task Force released its "Roadmap to Universal Child Care", which incorporates the recommendations in the first two reports, and lays out key markers on the road to universal child care, including the "short term" goal of immediately establishing a "permanent workforce compensation fund aimed at increasing wages for all members of the child care workforce and indexed to cost of living".

This legislation will implement the recommendations of the Task Force and move New York towards such a dramatically new system, where child care workers are treated with dignity and compensated generously as the educators that they are, where child care is free and available to all just like our public education system is free and available for all, where burdensome and ineffective means-testing requirements are ultimately eliminated, where public investments are directed towards those most in need as we build out our important child care infrastructure, where families have a meaningful ability to select the modalities that work best for their children, where child care providers are not forced to compete against each other, where high-quality is ensured for all so that we do not have a two-tiered child care system where the wealthy have high-quality care and the working poor have substandard care, where both federal and state funding is allocated generously, where the burden on localities is minimized, and where our child care system is truly universal.

§ 3. The social services law is amended by adding a new section 390-k to read as follows:

§ 390-k. Universal child care taskforce. 1. There shall be established a universal child care taskforce for the purpose of guiding New York towards a system of free and universal child care.

2. The taskforce shall be chaired by a representative of the executive chamber and the commissioners of the office of children and family services, the department of labor, and the department of education, or their designees. Members of the taskforce shall serve without compensation for three year terms, but may be reimbursed for actual costs incurred for participation on such taskforce. Ensuring adequate geographic, racial and ethnic representation, members of the taskforce shall be appointed by the governor and comprised as follows:

(a) four individuals shall be appointed upon the recommendation of the speaker of the assembly, at least one of whom shall be a parent who has utilized subsidized child care and at least one of whom shall be a parent who has utilized unsubsidized child care, from different regions of the state;

(b) four individuals shall be appointed upon the recommendation of the temporary president of the senate, at least one of whom shall be a parent who has utilized subsidized child care and at least one of whom shall be a parent who has utilized unsubsidized child care, from different regions of the state;

(c) one individual shall be appointed upon the recommendation of the minority leader of the assembly;

(d) one individual shall be appointed upon the recommendation of the minority leader of the senate;

(e) two representatives of a child care resource and referral agency;

(f) a minimum of three and a maximum of four representatives of home-based child care providers;

(g) a minimum of three and a maximum of four representatives of center-based child care providers;

(h) two representatives from the public education community;

(i) two representatives from unions that represent child care providers; and

(j) at least one representative from each of the following entities:

(i) the office of temporary and disability assistance;

(ii) the council on children and families;

(iii) the department of taxation and finance;

(iv) a regional economic development council;

(v) the state university of New York or the city university of New York;

(vi) the state education department;

(vii) the early childhood advisory council;

(viii) a social services district or county government or an entity that advocates on behalf of social services or county governments;

(ix) a non-profit child care advocacy organization; and

(x) an academic research institution, with expertise regarding different international child care systems.

3. The taskforce shall:

(a) examine the negative impacts of the expiration of federal assistance for child care in New York state, as well as the negative impacts presented by the multiplicity of different agencies administering the child care system, and the difficulties posed by means-testing requirements, work requirements, activities tests, and immigration status requirements;

(b) advise the state in developing an implementation framework leading to a four-year phased-in rollout of universal child care, which is free at the point of service for all families, which delivers high-quality child care to all New Yorkers, and which offers salaries to educators comparable to those of public school teachers;

(c) recommend solutions to address chronic child care workforce issues, the availability of child care for non-traditional work hours, and other concerns identified in the course of the examination required by this subdivision;

(d) recommend federal legislative changes necessary to access federally funded programs, as well as state funding appropriations needed to completely eliminate means-testing requirements, work requirements, activities tests, and immigration status requirements;

(e) how best to phase in the establishment of a dedicated department of early education, which shall possess the duties required to maintain and administer the free and high-quality universal child care system pursuant to the recommendations of the taskforce; and

(f) anything else the taskforce deems necessary.

4. (a) The taskforce shall report a four-year plan for a phased rollout of universal child care in the state, and make annual recommendations, starting in November first, two thousand twenty-five through November thirtieth, two thousand twenty-six, for specific appropriations for budget allocations that would allow for a truly free and universal child care system, including, but not limited to: (i) wage increases for child care educators that allow them to achieve pay parity with public school teachers; (ii) capital expenditures to allow for the expansion of child care infrastructure into communities most in need; and (iii) startup funds to allow for the creation of new child care programs in child care deserts. Such recommendations shall include recommendations to identify all reasonable means of maximizing the allocation of federal funds, as well as supplemental funding from the state that would allow for a truly free and universal child care system. The taskforce report shall further make recommendations for the integration of child care

programs into existing public programs, such as public schools, public universities, and public housing, to deliver high-quality child care to all New Yorkers. Such recommendations shall be based on what is needed to actually achieve a high-quality universal child care system in the state, and what additional funding would be needed from the state to achieve that goal. Each year, following the annual state budget, the taskforce shall also provide a score card stating how close New York has come to achieving a high-quality universal child care system, provided, however, that taskforce members who are employees of the governor's office and the state legislature shall recuse themselves from such rating process. The taskforce shall report its findings annually.

(b) The taskforce shall also report on and make recommendations regarding an employee compensation scale for early childhood educators and child care workers in accordance with section ninety-seven-bbbbb of the state finance law. The taskforce shall:

(i) review the findings and recommendations of the Washington, D.C. early childhood educator equitable compensation taskforce from March two thousand twenty-three;

(ii) submit a separate report to the governor, the speaker of the assembly, and the temporary president of the senate no later than December thirty-first, two thousand twenty-five. Such report shall:

(1) assess the expected impact of implementing an employee compensation scale for raising the wages and benefits of workers in early childhood education and child care programs to parity with public school teachers;

(2) propose an employee compensation scale for child day care programs that accounts for employee role, credentials, and experience; and

(3) provide recommendations for implementing the employee compensation scale. Such recommendations shall, at a minimum, consider: (A) equitable implementation that accounts for different staffing models, types, and sizes of child day care programs; (B) how to allocate funds to new child day care programs that open after the effective date of this paragraph; (C) how to ensure that funds support the child care workforce rather than private for-profit investors; and (D) how to ensure that funds support programs that provide care to subsidy-eligible families;

(iii) provide guidance as to how to allocate the permanent child care workforce pay equity fund for fiscal years two thousand twenty-six, two thousand twenty-seven, two thousand twenty-eight and two thousand twenty-nine, assuming that the amount available to the fund includes an annual appropriation of one billion two hundred million dollars, plus any amounts adjusted for inflation in years beyond fiscal year two thousand twenty-five. The taskforce may also recommend that such appropriations exceed one billion two hundred million dollars; and

(iv) make recommendations regarding oversight, reporting, and accountability mechanisms for the use of funds allocated to child day care programs from the permanent child care workforce pay equity fund.

§ 4. Subdivision 8 of section 390 of the social services law, as added by chapter 750 of the laws of 1990, is amended to read as follows:

8. The [~~department~~] office of children and family services shall establish and maintain a list of all current registered and licensed child day care programs and a list of all programs whose license or registration has been revoked, rejected, terminated, or suspended. [~~Such information shall be available to the public, pursuant to procedures developed by the department~~] The office of children and family services shall work with service providers and child care resource and referral agencies throughout the state to gather information to maintain a publ-

icly-searchable, user-friendly, and language-accessible database of available child care facilities on the office's website and on a companion phone application. Such database shall be updated in real time and shall provide and be searchable by the following information:

(a) the name and address of the facility;

(b) the capacity of the facility;

(c) whether the facility is fully enrolled or has current availability, with the available capacity specified by age group;

(d) whether the facility has a waiting list for which a family can apply;

(e) the age range allowable for the facility;

(f) the modality for the facility;

(g) the operating hours for the facility;

(h) the language or languages spoken at the facility; and

(i) whether the facility has been cited for any violations, with any such violations separated into "dangerous" and "non-dangerous" categories, and prominent notices indicating whether any such violations have been cured or addressed.

The office of children and family services shall provide information on its website in English, French, Polish, and the ten most common non-English languages spoken by individuals with limited English proficiency in the state, based on United States census data.

§ 5. Subdivision 1 of section 410 of the social services law, as amended by chapter 694 of the laws of 2022, is amended to read as follows:

1. A public welfare official of a county, city or town is [~~authorized~~] obligated, provided funds have been made available therefor, to provide day care at public expense for children residing in [~~his~~] their territory [~~who are eligible therefor pursuant to provisions of this title. Such care may be provided only in cases where it is determined, under criteria established by the office of children and family services, that there is a need and that such care is in the best interest of the child and parent; provided however that the public welfare official shall not be required to limit authorized child care services strictly based on the work, training, or educational schedule of the parents or the number of hours the parents spend in work, training, or educational activities. Where the family is able to pay part or all of the costs of such care, payment of such fees as may be reasonable in the light of such ability shall be required~~] with the aim of providing free and universal child care for all families within such territory.

§ 6. Subdivision 2 of section 410-b of the social services law, as added by chapter 395 of the laws of 1965 and such section as renumbered by chapter 640 of the laws of 1971, is amended and a new subdivision 5 is added to read as follows:

2. The [~~department of social welfare is~~] office of children and family services and the department of education are hereby designated and empowered to act as the [~~agent~~] agents of the state in carrying out the provisions of any such federal law with respect to such day care facilities in this state. In exercising this duty as agent of the state, the office of children and family services shall seek to obtain any waivers or permissions from federal agencies necessary and proper to allow the state and its various subdivisions to implement a child care system that is universal and free at the point of service, notwithstanding that the state's child care system may be more expansive than what is being reimbursed with federal funds.

5. To the extent that federal funds are offered for child care and are contingent on matching funds from the state, the state shall make all reasonable efforts to maximize the allocation of federal funds by making sufficient state-level appropriations.

§ 7. Subdivisions 5, 6, 7, 8, 9 and 10 of section 410-x of the social services law are renumbered subdivisions 6, 7, 8, 9, 10 and 11 and a new subdivision 5 is added to read as follows:

5. (a) For each group for which the office of children and family services determines a separate payment rate pursuant to subdivision four of this section, and at the same frequency, such office shall utilize a cost estimation model to determine the actual cost providers incur when providing high-quality child care. The cost estimation model shall identify and take into account cost drivers including but not limited to employee salary and benefits, enrollment levels, facility costs and compliance with statutory and regulatory requirements. Where a quality rating system or any quality indicators are being utilized, the cost estimation model shall also take into account the cost of providing services at each level of quality.

(b) In developing such model the office of children and family services shall consult with stakeholders including, but not limited to, representatives of child care resource and referral agencies, child care providers, labor leaders for any labor unions representing child care workers in the state, and any state advisory council established pursuant to 42 U.S.C.S. § 9831 et seq., as amended. The cost estimation model shall be statistically valid, using complete and current data and rigorous collection methods. The cost estimation model shall further account for biases in reported data that tend to underestimate the cost of care, and shall make appropriate adjustments.

§ 8. Section 410-z of the social services law, as added by section 52 of part B of chapter 436 of the laws of 1997, is amended to read as follows:

§ 410-z. Reporting requirements. 1. Each social services district shall collect and submit to the [~~department~~] office of children and family services and the department of education, in such form and at such times as specified by the [~~department~~] office of children and family services, such data and information regarding child care assistance provided under the block grant as the [~~department~~] office of children and family services may need to comply with federal reporting requirements.

2. The office of children and family services shall prepare a report detailing the actual cost providers incur when providing child care in each setting, as determined by the cost estimation model established in paragraph (a) of subdivision five of section four hundred ten-x of this title. The report shall detail cost data for each setting, age group, care provided to children with special needs, and any other grouping for which a separate cost estimation is conducted. Such data shall include:

(a) the level of quality care as determined by a quality rating system or any quality indicators utilized by the state;

(b) a description of the major cost drivers for providing care; and

(c) a comparison of the costs of child care for each grouping to the market rate determined by the office of children and family services pursuant to subdivision four of section four hundred ten-x of this title.

The report shall be submitted to the governor, the speaker of the assembly and the temporary president of the senate by June first, two thousand twenty-six and June first of every other year thereafter. The

office of children and family services shall post the information contained in the report on its website.

§ 9. Subdivision 1 and paragraph (b) of subdivision 5 of section 410-c of the social services law, subdivision 1 as added by chapter 1014 of the laws of 1969, paragraph (a) of subdivision 1 as amended by chapter 110 of the laws of 1971, and paragraph (b) of subdivision 5 as amended by chapter 277 of the laws of 1990, and such section as renumbered by chapter 640 of the laws of 1971, are amended to read as follows:

1. (a) Expenditures made by counties, cities, and towns for day care and its administration, and day care center projects, pursuant to the provisions of this title, shall, if approved by the department, be subject to reimbursement by the state, in accordance with the regulations of the department, as follows: There shall be paid to each county, city or town (1) the amount of federal funds, if any, properly received or to be received on account of such expenditures; (2) [~~fifty~~] **ninety** per centum of its expenditures for day care and its administration and day care center projects, after first deducting therefrom any federal funds received or to be received on account thereof, and any expenditures defrayed by fees paid by parents or by other private contributions.

(b) For the purpose of this title, expenditures for administration of day care shall include expenditures for compensation of employees in connection with the furnishing of day care, including but not limited to costs incurred for pensions, federal old age and survivors insurance and health insurance for such employees; training programs for personnel, operation, maintenance and service costs; and such other expenditures such as equipment costs, depreciation and charges and rental values as may be approved by the department. It [~~shall not~~] **may** include expenditures for capital costs **in appropriate cases at the discretion of the department, provided that capital costs are prioritized in areas that are categorized as child care deserts**. In the case of day care purchased from a non-profit corporation constituting an eligible borrower pursuant to title five-a of this article, expenditures shall include an allocable proportion of all operating costs of such facility as may be approved by the department including but not limited to the expenditures enumerated in this paragraph [~~(b)~~] and expenditures for amortization, interest and other financing costs of any mortgage loan made to such non-profit corporation.

(b) The commissioner shall, within appropriations made available therefor, select proposed school age child day care programs which shall be eligible to receive an award [~~of no more than twenty-five thousand dollars~~] for start up or expansion costs, including planning, rental, operational and equipment costs, or minor renovations identified as being necessary in order for the program to comply with applicable state or local building, fire safety or licensing standards, based on plans submitted to [~~him~~] **the commissioner**. The commissioner shall give preference to those areas of the state which are significantly underserved by existing school age child day care programs and to those programs which involve parents in the development and implementation of programs. The commissioner shall publicize this availability of funds to be used for purposes of this subdivision in awarding grants. Plans may be submitted by private not-for-profit corporations, organizations or governmental subdivisions.

§ 10. Subdivision 8 of section 410-w of the social services law, as amended by section 6 of part U of chapter 56 of the laws of 2023, is amended to read as follows:

8. Notwithstanding any other provision of law, rule or regulations to the contrary, a social services district that implements a plan amendment to the child care portion of its child and family services plan, either as part of an annual plan update, or through a separate plan amendment process, where such amendment reduces eligibility for, or increases the family share percentage of, families receiving child care services, or that implements the process for closing child care cases as set forth in the district's approved child and family services plan, due to the district determining that it cannot maintain its current caseload because all of the available funds are projected to be needed for open cases, shall provide all families whose eligibility for child care assistance or family share percentage will be impacted by such action with at least thirty days prior written notice of the action. Provided, however, that a family receiving assistance pursuant to this title shall not be required to contribute more than **what is required by federal law or** one percent of their income exceeding the federal poverty level**, whichever is lower, and that such cost shall be covered entirely by the state**.

§ 11. Subdivision 7 of section 410-x of the social services law, as amended by section 7 of part U of chapter 56 of the laws of 2023, and as renumbered by section seven of this act, is amended to read as follows:

7. Pursuant to department regulations, child care assistance shall be provided on a sliding fee basis based upon the family's ability to pay; provided, however, that a family receiving assistance pursuant to this title shall not be required to contribute more than **what is required by federal law or** one percent of their income exceeding the federal poverty level**, whichever is lower, and that such cost shall be covered entirely by the state**.

§ 12. Paragraph (a) of subdivision 11 of section 410-x of the social services law, as added by section 1 of part Y of chapter 56 of the laws of 2024, and as renumbered by section seven of this act, is amended to read as follows:

(a) Local social services districts shall establish a differential payment rate for child care services provided by licensed or registered child care providers who provide care to a child or children experiencing homelessness. Such differential payment rate shall be [~~no less than ten percent higher but no greater than fifteen~~] **twenty** percent higher than the actual cost of care or the applicable market-related payment rate established by the office in regulations, whichever is less.

§ 13. Subdivision 1 of section 410 of the social services law, as amended by chapter 694 of the laws of 2022, is amended to read as follows:

1. A public welfare official of a county, city or town [~~is authorized~~] **shall**, provided funds have been made available therefor, [~~to~~] **and with the state making all reasonable efforts to obtain federal funding and supplementing those amounts with additional state funding,** provide day care at public expense for children residing in [~~his~~] **their** territory who are eligible therefor pursuant to provisions of this title. Such care [~~may~~] **shall** be provided [~~only in cases where it is determined,~~] under criteria established by the office of children and family services, that there is a need and that such care is in the best interest of the child and parent; provided however that the public welfare official shall not [~~be required to~~] limit authorized child care services strictly based on the work, training, or educational schedule of the parents or the number of hours the parents spend in work, training, or educational activities**, nor shall the public welfare official limit**

authorized child care services based on proof of immigration status. Where the family [~~is able to pay part or all of the costs of such care~~] income is more than one thousand percent of the poverty line, payment of such fees as may be reasonable in the light of such ability [~~shall~~] may be required to the extent necessary as the state transitions to a system that is free and universal. To the extent there are insufficient funds to immediately serve all families, the state shall make all reasonable efforts to incrementally expand to universal access over a period of four years, pursuant to the phase-in priorities and principles recommended by the taskforce established pursuant to section three hundred ninety-k of this article.

§ 14. Paragraph (b) of subdivision 3 of section 410 of the social services law is REPEALED and paragraphs (c) and (d) are relettered paragraphs (b) and (c).

§ 15. Subdivisions 1 and 2 of section 410-bb of the social services law, subdivision 1 as added by chapter 503 of the laws of 1988 and subdivision 2 as amended by chapter 659 of the laws of 1988, are amended to read as follows:

1. The legislature finds and declares that a crisis exists in the availability and quality of child day care in New York state and that this crisis poses a danger both to the welfare and safety of the children and to the productivity of this state's workforce; that inadequate salaries and in many cases nonexistent benefit packages have substantially contributed to the existing crisis by precluding day care centers from recruiting and retaining necessary teaching and supervisory staff; that an extremely high turnover rate has interfered in many instances with the ability of day care centers to comply with regulatory requirements and to properly serve the children in their care; and that because of these extraordinary circumstances New York state must intervene and provide assistance for recruitment and retention of child care [~~workers~~] educators, with the goal of creating a free and universal child care system that is available to all, in the same manner as the public school system, without the burdens of means-testing. The legislature recognizes that a long-term solution to this crisis will require cooperative efforts among [~~the business community, local and state governments and families~~] all New Yorkers.

2. Within amounts appropriated specifically therefor, and after deducting funds as specified in subdivision three of this section, the commissioner shall allocate funds to local social services districts for grants to [~~eligible not-for-profit day care centers~~] child care providers for retention and recruitment of teaching and supervisory staff, [~~as follows:~~

~~(a) a city social services district with a population in excess of one million shall be allocated a portion of such funds based on an equal weighting of:~~

~~(i) its proportion of the state population of children aged five and under, and~~

~~(ii) its proportion of total claims for reimbursement received by the department by May thirty-first, nineteen hundred eighty-eight for the low income, transitional and teen parent day care programs authorized by chapter fifty-three of the laws of nineteen hundred eighty-seven.~~

~~(b) all other eligible local social services districts shall be allocated the remaining portion of funds based on each district's proportionate share of licensed not-for-profit day care capacity relative to the total capacity of all such other eligible districts~~] with the aim of

providing staff with salary and benefits that is at parity with that of local public school teachers in the relevant area.

§ 16. Subdivisions 1 and 2 of section 410-v of the social services law, subdivision 1 as added by section 52 of part B of chapter 436 of the laws of 1997 and subdivision 2 as amended by chapter 214 of the laws of 1998, are amended to read as follows:

1. The part of the block grant that is determined to be available to social services districts for child care assistance shall be apportioned among the social services districts by the department according to an allocation plan developed by the department and approved by the director of the budget. The allocation plan shall [~~be based, at least in part, on historical costs and on the availability and cost of, and the need for, child care assistance in each social services district~~] provide universal and free child care on a statewide basis. Annual allocations shall be made on a federal fiscal year basis and shall incorporate the annual recommendations of the child care taskforce established pursuant to section three hundred ninety-k of this article.

2. Reimbursement under the block grant to a social services district for its expenditures for child care assistance shall be available for [~~seventy-five~~] ninety percent of the district's expenditures for child care assistance provided to those families in receipt of public assistance which are eligible for child care assistance under this title and for one hundred percent of the social services district's expenditures for other eligible families[~~; provided, however, that such reimbursement shall be limited to the social services district's annual state block grant allocation~~]. To the extent that families are not eligible for funding pursuant to this provision, the state shall make all reasonable efforts to ensure that families not eligible for federally-funded child care have access, phased-in over a period of four years, pursuant to the phase-in priorities and principles recommended by the taskforce established pursuant to section three hundred ninety-k of this article.

§ 17. Subdivisions 1 and 2 of section 410-w of the social services law, subdivision 1 as amended by section 2 of part U of chapter 56 of the laws of 2023 and subdivision 2 as amended by chapter 569 of the laws of 2001, are amended to read as follows:

1. A social services district may use the funds allocated to it from the block grant to provide child care assistance to[~~:~~

~~(a) families receiving public assistance when such child care assistance is necessary: to enable a parent or caretaker relative to engage in work, participate in work activities or perform a community service pursuant to title nine-B of article five of this chapter; to enable a teenage parent to attend high school or other equivalent training program; because the parent or caretaker relative is physically or mentally incapacitated; or because family duties away from home necessitate the parent or caretaker relative's absence; child day care shall be provided during breaks in activities. Such child day care shall be authorized for the period designated by the regulations of the department;~~

~~(b) families with incomes up to eighty-five percent of the state median income who are attempting through work activities to transition off of public assistance when such child care is necessary in order to enable a parent or caretaker relative to engage in work provided such families' public assistance has been terminated as a result of increased hours of or income from employment or increased income from child support payments or the family voluntarily ended assistance; provided that the family received public assistance at least three of the six~~

~~months preceding the month in which eligibility for such assistance terminated or ended or provided that such family has received child care assistance under subdivision four of this section;~~

~~(c) families with incomes up to eighty-five percent of the state median income, which are determined in accordance with the regulations of the department to be at risk of becoming dependent on family assistance;~~

~~(d) families with incomes up to eighty-five percent of the state median income, who are attending a post secondary educational program; and~~

~~(e) other families with incomes up to eighty-five percent of the state median income in accordance with criteria established by the department~~] families who need child care or who are having trouble affording child care, to the maximum extent permissible under federal laws and regulations. To the extent that families are not eligible for funding pursuant to this provision, the state shall make all reasonable efforts to ensure that families not eligible for federally-funded child care have access, phased-in over a period of four years, pursuant to the phase-in priorities and principles recommended by the taskforce established pursuant to section three hundred ninety-k of this article.

2. [~~For the purposes of this title, the term "state income standard" means the most recent federal income official poverty line (as defined and annually revised by the federal office of management and budget) updated by the department for a family size of four and adjusted by the department for family size~~] Each social services district and school district shall conduct extensive and language-accessible outreach to families who need child care or who are having trouble affording child care. To the extent that social services districts or the office of children and family services are required to examine families' incomes pursuant to federal laws or regulations, they shall use the least restrictive and most efficient means available to avoid placing undue burdens on families applying for assistance. To the extent that families applying for assistance are required to provide proof of eligibility, each local social services district and the office of children and family services shall make all reasonable efforts to provide assistance in completing all necessary documents expeditiously.

§ 18. Subdivision 2 of section 410-u of the social services law, as amended by section 1 of part U of chapter 56 of the laws of 2023, is amended to read as follows:

2. The state block grant for child care shall be divided into two parts pursuant to a plan developed by the department and approved by the director of the budget. One part shall be retained by the state to provide child care on a statewide basis to special groups and for activities to increase the availability and/or quality of child care programs, including, but not limited to, the start-up of child care programs, the increase of child care worker salaries, the operation of child care resource and referral programs, training activities, the regulation and monitoring of child care programs, the development of computerized data systems, and consumer education, provided however, that child care resource and referral programs funded under title five-B of article six of this chapter shall meet additional performance standards developed by the department of social services including but not limited to: increasing the number of child care placements for all persons, with priority given to persons who are at or below [~~eighty-five percent of the state median income,~~] one thousand percent of the federal poverty line; with emphasis on placements supporting local efforts in meeting federal and state work participation requirements, increasing technical assistance to all modalities of legal child care to persons~~,~~

with priority given to persons who are at or below [~~eighty-five percent of the state median income,~~] one thousand percent of the federal poverty line; including the provision of training to assist providers in meeting child care standards or regulatory requirements[~~.~~]; and creating new child care opportunities, and assisting social services districts in assessing and responding to child care needs for all persons, with priority given to persons at or below [~~eighty-five percent of the state median income~~] one thousand percent of the federal poverty line. The department shall have the authority to withhold funds from those agencies which do not meet performance standards. Agencies whose funds are withheld may have funds restored upon achieving performance standards. The other part shall be allocated to social services districts to provide child care assistance to families receiving family assistance and to other low income families. To the extent that families are not eligible for funding pursuant to this subdivision, the state shall make all reasonable efforts to ensure that families not eligible for federally-funded child care have access, phased-in over a period of four years, pursuant to the phase-in priorities and principles recommended by the taskforce established pursuant to section three hundred ninety-k of this article.

§ 19. Section 410-cc of the social services law, as amended by chapter 882 of the laws of 1990, is amended to read as follows:

§ 410-cc. Start up grants for child day care. The commissioner shall provide funds to start up grants to not-for-profit organizations or corporations for the development of new or expanded all day child day care programs including costs related to planning, renting, renovating, operating, and purchasing equipment. The commissioner shall establish guidelines including, but not limited to, allowable costs, and criteria for eligibility for grants giving preference to those child day care providers who [~~will, to the maximum extent feasible, target services to households having incomes up to two hundred percent of the federal poverty standard~~] serve areas that currently constitute child care deserts, and with the aim of developing New York's statewide universal child care infrastructure. The commissioner shall widely publicize the availability of funds and conduct extensive outreach in a language-accessible manner to develop the state's universal child care infrastructure. [~~No awards shall be granted which exceed twenty-five hundred dollars for a new family day care provider or new group family day care provider, and one hundred thousand dollars for a new child day care center.~~] Child care resource and referral agencies [~~may~~] shall receive family day care start up grants [~~not to exceed two thousand five hundred dollars per new provider~~] if the agency trains such new family provider and thereby expands the supply of family day care programs in the community. The commissioner shall give preference to those communities which are significantly underserved by existing programs and to those programs which and those providers who will serve infants under two years of age.

§ 20. Section 101 of the education law is amended to read as follows:

§ 101. Education department; regents of the university. There shall continue to be in the state government an education department. The department is charged with the general management and supervision of all public schools and all of the educational work of the state, including the operations of The University of the State of New York and the exercise of all the functions of the education department, of The University of the State of New York, of the regents of the university and of the commissioner of education and the performance of all their powers and duties, which were transferred to the education department [~~by section~~

~~three hundred twelve of the state departments law~~] or shall have been prescribed by law before March sixteenth, nineteen hundred twenty-seven, whether in terms vested in such department or university or in any sub-department, division or bureau thereof or in such commissioner, board or officer, and such functions, powers and duties shall continue to be vested in the education department continued by this chapter and shall continue to be exercised and performed therein by or through the appropriate officer, sub-department, division or bureau thereof, together with such functions, powers and duties as hereafter may be conferred or imposed upon such department by law. **The education department shall also establish an office of early education, which shall be 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 educators, pursuant to the guidance established by the taskforce established pursuant to section three hundred ninety-k of the social services law.** All the provisions of this chapter, in so far as they are not inconsistent with the provisions of this chapter as hereby amended or may be made applicable, shall apply to the education department continued by this chapter as hereby amended and to The University of the State of New York, the board of regents of the university, the commissioner [~~of education~~] and to the divisions, bureaus and officers in such department. The head of the department shall continue to be the regents of The University of the State of New York, who shall appoint, and at pleasure may remove, the commissioner [~~of education~~]. The commissioner shall continue to be the chief administrative officer of the department. The regents also may appoint and, at pleasure, remove a deputy commissioner [~~of education~~], who shall perform such duties as the regents may assign to [~~him~~] **such deputy commissioner** by rule and who, in the absence or disability of the commissioner or when a vacancy exists in the office of commissioner, shall exercise and perform the functions, powers and duties conferred or imposed on the commissioner by this chapter. The regents of The University of the State of New York shall continue to constitute a board and The University of the State of New York, which was continued under such name by section two of article eleven of the constitution, shall continue to be governed and all its corporate powers to be exercised by such board.

§ 21. 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 bonuses, 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.

§ 22. 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.

§ 23. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25
UNIVERSAL CHILD CARE PUBLIC OPTION PILOT PROGRAM

Section 1220. Legislative findings.
1221. Universal child care public option pilot program.
1222. Administration.
1223. Selection of locations.
1224. Universal admissions.
1225. Pay parity for child care educators.
1226. Employee protections.
1227. Facilitated enrollment and assistance for applicants.

1228. Annual reporting.

§ 1220. Legislative findings. New York state is currently facing a child care crisis. Child care is unaffordable and unavailable for too many New Yorkers, and the child care workforce has been historically underpaid and undervalued. Moreover, there is a troubling lack of capacity, with 3.4 children under the age of six years old for every one child care slot available within the state. In order to address this child care crisis, the Child Care Availability Task Force issued a report in April two thousand twenty-four, subject to its mandate to assist in "developing a framework leading to phased-in rollout of universal child care". The final report advised that the state of New York should "launch and evaluate a state-run child care assistance pilot program" in order to address these significant gaps and move New York state towards a system of truly universal and high-quality child care. New York has one of the wealthiest economies in the world, and it is more than capable of developing a system of universal child care that provides high-quality programming, pays its educators wages at parity with those of public school educators, and is free at the point of service just like our public school system.

§ 1221. Universal child care public option pilot program. The commissioner and the commissioner of the office of children and family services are hereby directed to jointly establish a universal child care public option pilot program, within amounts appropriated therefor, in no fewer than twenty locations throughout the state in accordance with the provisions of this article.

§ 1222. Administration. The universal child care public option pilot program shall be jointly administered by the commissioner and the commissioner of the office of children and family services. The commissioner and the commissioner of the office of children and family services shall hold a series of public hearings, consult with all members of the universal child care taskforce established pursuant to section three hundred ninety-k of the social services law, consult with all unions that represent child care workers in New York state, and jointly publish an implementation plan no later than December thirty-first, two thousand twenty-five outlining a path to begin implementing the pilot program established pursuant to this article in conjunction with the two thousand twenty-five--two thousand twenty-six fiscal year budget.

§ 1223. Selection of locations. The commissioner and the commissioner of the office of children and family services shall jointly select no fewer than twenty locations throughout the state to establish new child care programs. These locations shall be selected based on factors that include, but are not limited to, the need for high-quality child care and the lack of availability of high-quality child care in the region. Existing child care providers who are financially struggling due to a lack of state support, or who are capable of expanding their operations to provide further high-quality care, shall be given the option of opting in to participate in the universal child care public option pilot program, provided that they can offer expanded high-quality care with state supports under the program.

§ 1224. Universal admissions. The universal child care public option pilot program shall not discriminate in its admissions, and shall provide child care regardless of age, race, creed, color, national origin, citizenship or immigration status, sexual orientation, or gender identity or expression, military status, sex, disability, predisposing

genetic characteristics, familial status, or marital status. There shall be no means testing for admission, and care shall be provided free at the point of service.

§ 1225. Pay parity for child care educators. The universal child care public option pilot program shall establish high quality pay for high quality programming. The universal child care public option pilot program shall pay staff adequate wages and benefits at parity with public school teachers with similar experience and qualifications.

§ 1226. Employee protections. Prior to submitting its implementation plan, the commissioner and the commissioner of the office of children and family services shall consult with all unions that represent child care workers in New York state regarding matters of compensation and representation, in order to ensure that the child care workforce employed pursuant to the universal child care public option pilot program is properly represented and can collectively bargain.

§ 1227. Facilitated enrollment and assistance for applicants. In addition to establishing no fewer than twenty new universal child care program locations, the universal child care public option pilot program shall also assist in serving the needs of applicants that it is unable to accommodate within the new locations that are to be established under the pilot program. Once the new locations reach their maximum capacity, the universal child care public option pilot program shall assist in placing additional applicants, working in connection with existing child care resource and referral agencies as well as existing facilitated enrollment programs, at existing child care facilities, and shall provide further financial assistance, subject to appropriations in the annual budget.

§ 1228. Annual reporting. In order to evaluate the implementation of the universal child care public option pilot program, the commissioner and the commissioner of the office of children and family services shall jointly publish an annual report that includes, but is not limited to, the number of children and families served by the program, the wages of the workforce, the number of applicants for the pilot program, and areas where further expansion of the pilot program or financial assistance would be beneficial.

§ 24. 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.

§ 25. This act shall take effect immediately; provided, however, that if section one of part Y of chapter 56 of the laws of 2024 shall not have taken effect on or before such date, then the amendments to subdivision 11 of section 410-x of the social services law made by section twelve of this act shall take effect on the same date and in the same manner as such chapter of the laws of 2024 takes effect; provided, further, that the amendments to section 153-k of the social services law made by section twenty-two of this act shall not affect the repeal of such section and shall be deemed repealed therewith.