



S U P P O R T

MEMORANDUM IN SUPPORT OF **S.5162A – Brisport / A.5840A – Clark**

This legislation would require local social service districts to offer child care providers the option to be paid by direct deposit. This is a simple and commonsense solution to fix a problem that has plagued providers for years.

To receive a payment for caring for a child receiving a subsidy, a child care provider must submit a bill every month to the county. Providers then wait for the county to process, audit and approve the submission, draft a check, and then return it by mail. At best a provider must wait an additional month to be paid after submitting for payment, but it is not uncommon for providers to wait multiple months.

Many providers encounter even more severe delays after their check has been mailed. Providers routinely find that their checks are delayed or lost while in transit. This trend was very evident this past year when the nation saw a significant slowdown in the U.S. mail system. Child care providers must also worry about having their payments stolen from their mail box, something that happens more often than it should. When this happens, a provider must contact the county, request a new check, and wait again for its delivery.

For these small business owners, this delay can lead to financial hardships and can make it difficult for new providers to get their programs off the ground. Luckily, there is an alternative way to pay these providers.

Direct deposit will offer a more efficient and streamlined method for getting paid. Direct deposit is a tried and tested system. Currently, 99% and 95% of all Social Security payments and state pension checks, respectively, are processed this way. Offering this option will give these small business owners the ability to be paid in a more predictable manner, while also saving counties money on postage and from having to reissue checks. Providers would not have to worry that their check will be delayed or lost in the mail and can focus on what they do best – caring for children.

On behalf of more than 300,000 active and retired, public and private employees, including 10,000 child care providers, across New York State, CSEA strongly urges the passage of this legislation.

Respectfully submitted,

Fran Turner
Director