



# S U P P O R T

## MEMORANDUM IN

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OF

### **A.1885 – Clark / S.3355 - Kennedy**

The CSEA strongly supports this legislation.

This legislation would require the Office of Children and Family Services (OCFS) to use a cost estimation model to determine the actual costs that childcare providers incur in providing care.

OCFS conducts a biennial market rate survey of licensed, registered and legally-exempt childcare providers to determine what providers across the state charge parents. The data is then used to establish provider payment rates for subsidized childcare. While the rate that providers are paid was increased in the FY2023 budget, the current methodology still fails to pay providers for the true cost of care. This causes thousands of providers, especially those who care for mostly subsidized children, to operate with little to no financial margin, jeopardizing their ability to pay staff living wages, expand care options, or even to continue to operate.

This legislation would require OCFS to utilize a cost estimation model for each category of care for which a market rate is determined. This model will give greater insight into the actual cost of care by considering expenses such as staff wages and benefits, liability insurance, facility costs, and regulatory compliance.

New York is facing a critical shortage of providers, making it hard for parents to find a provider to care for their child. To encourage new providers to open programs, and for existing ones to expand offerings, the state must raise the reimbursement rates for subsidized care. This report will give lawmakers the data needed to know the true cost of care for providers and craft reimbursement rates accordingly.

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

Respectively submitted,

Fran Turner  
Director