

MEMORANDUM OF SUPPORT
A.0580 (Jaffee)/S.0245A (Kennedy)

The Schuyler Center urges the Governor to sign A.0580 (Jaffee)/S.0245A (Kennedy), to more fully understand the cost of quality child care.

Many New York State families face challenges finding quality child care in their communities due to inadequate capacity, and if they can find it, to afford the high costs of quality child care. At the same time, New York State child care providers are struggling to keep their doors open in part because subsidy rates paid by New York are not keeping pace with rising costs, including the rising minimum wage.

One important step to ensuring that New York subsidy rates are sufficient to enable quality providers to stay open, or come online, is for the State to determine the true cost of quality care. The current way in which New York State determines its subsidy rates is by performing a market rate survey every two to three years. While this survey gathers important information, it is considered by many to be flawed.¹ Indeed, the federal government has encouraged states to use methods other than the market rate survey to determine the cost of providing quality care. 42 USC 9858C(c)(4)(B)(i),(ii); 45 CFR 98.45(c)(2).

With the passage of this bill, New York State would take the first step in this process by implementing a cost estimation study which would gather information that establishes the actual cost of providing high-quality child care to New York's most vulnerable children. The State will then have data to assess the cost of quality care, and to set goals for future reimbursement rates. The cost estimation model would 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. It would also take into account the cost of providing services at each level of quality.

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¹Grover J. "Russ" Whitehart. April 19, 2018. Report: What is the Market Price of Day Care and Pre School? Brookings. <https://www.brookings.edu/research/what-is-the-market-price-of-daycare-and-preschool/>