

VOICES FROM DCCNY'S MEMBERS

Building A Stronger, More Responsive Contracted Early Childhood System

These priorities reflect recurring concerns raised by DCCNY's center-based CBO members through provider interviews, surveys, legal and technical support, and ongoing member engagement. They highlight key issues that should inform the upcoming DECE early childhood procurement and related contracting reforms, but are not intended to represent every concern raised by members or the full range of reforms needed across the early childhood system. Additional reforms will be necessary to address the distinct requirements and operating realities of other early childhood program models, including Family Child Care Networks and home-based providers.

DCCNY REPRESENTS
280 Centers
13K FUNDED SEATS

RESPONSES FROM
140+ Centers
OF 280 CENTERS

RECOMMENDATIONS BASED ON
500+ hours
OF LEGAL & TECHNICAL SERVICES

INFORMED BY
76 interviews
AT MEMBER CHILD CARE SITES

MAKE THE CONTRACTING SYSTEM WORK FOR PROVIDERS

FISCAL AND ADMINISTRATIVE PROCESSES SHOULD PROTECT PROGRAM STABILITY AND CONTINUITY OF SERVICES

Providers consistently described fiscal and administrative processes that create cash-flow instability and require organizations to absorb the consequences of City processing delays. Recent contract-registration and payment backlogs, including providers awaiting advances or bridge-loan relief, illustrate the financial strain created when City funding is not available before services begin.

CONTRACTING + FISCAL ADMINISTRATION

01

TIMELY + PREDICTABLE PAYMENTS

Providers should not have to finance City-contracted services while waiting for City funds. Advances and payments should be timely enough for providers to reliably meet payroll, rent, vendor, and other operating obligations.

02

CLEAR BUDGET + PAYMENT PROCESSES

DECE should begin the annual budget and contracting process sufficiently early to allow contracts to be finalized and registered before the start of the contract year. Clear processing timelines and escalation pathways should apply to budgets, invoices, and payments, with comprehensive rather than piecemeal identification of needed corrections. Undisputed portions of payments should not be delayed while discrete issues are being resolved.

03

CONSISTENT CONTRACT ADMINISTRATION

Providers should receive consistent written guidance, standardized requirements, and clear points of responsibility across DECE, regardless of which DECE staff person is designated to support or oversee their contract.

04

REASONABLE + TRANSPARENT RECOUPMENTS

Recoupments should be clearly explained and itemized. Large or unexpected recoupments should not disrupt providers' ability to meet ongoing operating expenses or deliver child care services.

THE CORE PRINCIPLE:

Providers should not be expected to absorb the financial burden created by City processing delays or unpredictable administrative practices while continuing to deliver child care services.

FUND THE ACTUAL COST OF QUALITY EARLY CHILDHOOD EDUCATION

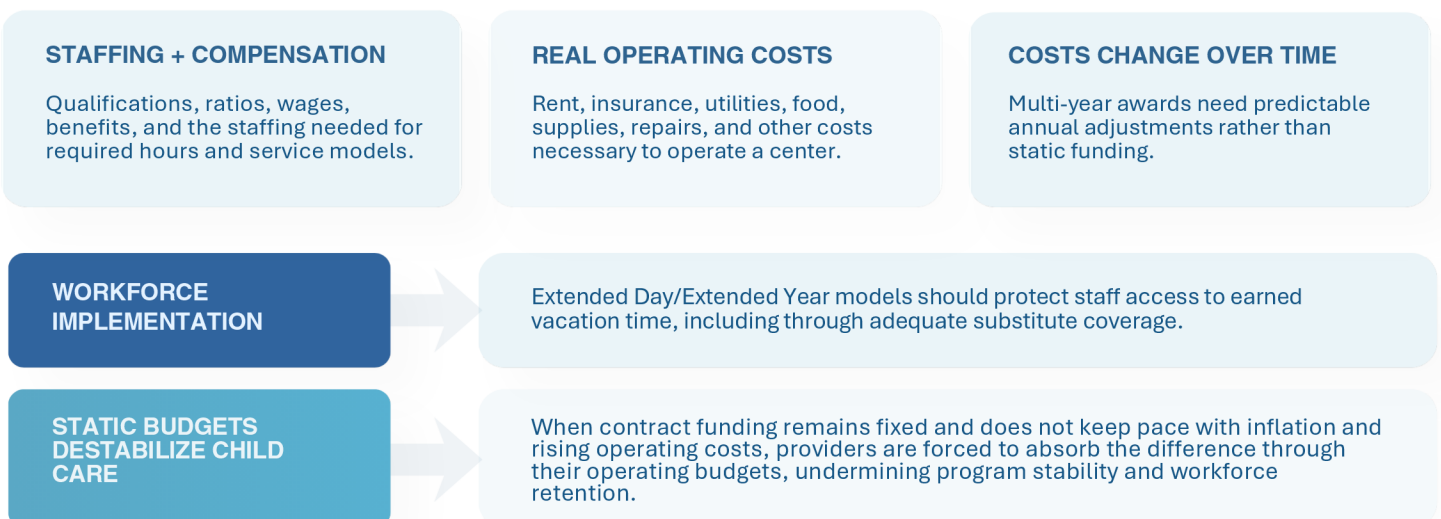
CONTRACT REQUIREMENTS, WORKFORCE EXPECTATIONS, AND FUNDING MUST BE ALIGNED

Providers consistently identified rising operating costs and difficulty recruiting and retaining qualified staff within existing contract funding. Contract rates should reflect the actual cost of meeting DECE program requirements and sustaining a qualified early childhood workforce.

FUNDING ADEQUACY + WORKFORCE

01	TRUE COST OF SERVICE	Funding methodology should account for required staffing levels and qualifications, competitive compensation and benefits, program hours and models, occupancy, insurance, utilities, food, supplies, and other necessary operating costs.
02	FUND THE WORKFORCE THE CONTRACT REQUIRES	When DECE requires particular qualifications, staffing ratios, schedules, or service models, contract funding should support the compensation and benefits necessary to recruit and retain that workforce. The system should also implement a universal career ladder with transparent compensation expectations tied to qualifications, experience, and advancement.
03	BUILD IN ANNUAL COST GROWTH	Multi-year contracts should include automatic annual escalators that account for increases in labor and operating expenses and align funding with applicable negotiated compensation increases. DECE should provide timely, consistent written guidance on approved compensation increases, effective dates, funding, and budget implementation.

WHAT A SUSTAINABLE RATE MUST RECOGNIZE



PROTECT PROGRAM STABILITY WHILE RESPONDING TO FAMILY DEMAND

ENROLLMENT RULES AND CONTRACT TERMS SHOULD REFLECT CONDITIONS PROVIDERS CAN ACTUALLY CONTROL

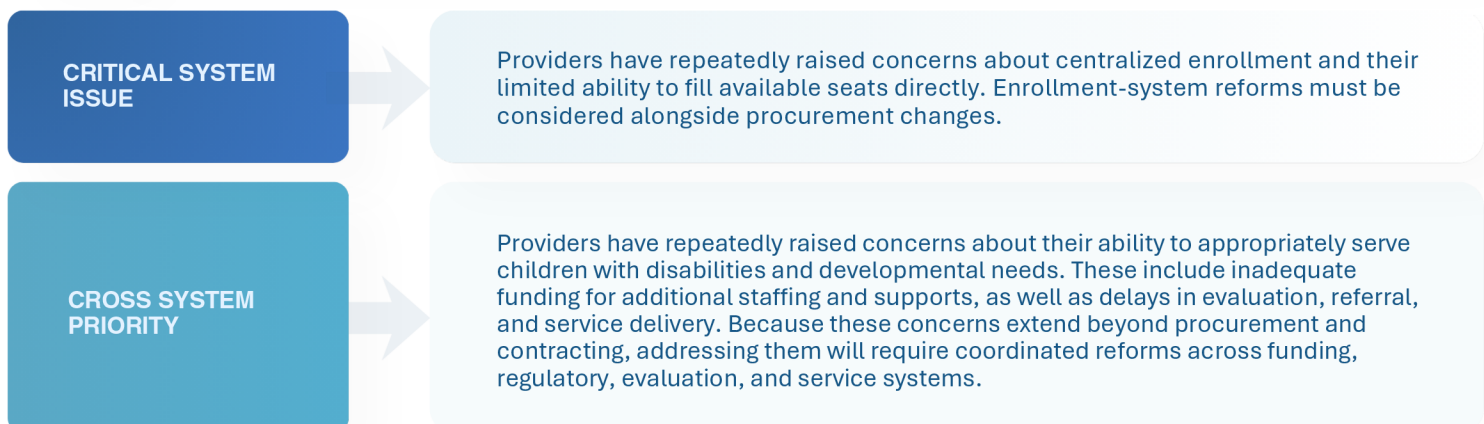
Providers need enough stability to maintain staff and facilities while also having the flexibility to respond to changing family and neighborhood needs. Contract structures should distinguish between conditions providers can influence and those controlled by DECE.

ENROLLMENT, SEAT ALLOCATION + REVENUE STABILITY

01	PROTECT PROVIDERS FROM ENROLLMENT RISK THEY CANNOT CONTROL	Where DECE controls centralized enrollment and seat allocation, contracts should hold providers harmless from financial penalties resulting from under-enrollment caused by placement delays, administrative barriers, or other circumstances outside their control.
02	PROVIDE MINIMUM REVENUE STABILITY	Core operating costs do not disappear when enrollment fluctuates. Contract structures should provide sufficient predictable funding to maintain required staffing, facilities, and other fixed costs while providers respond to enrollment changes.

CONTRACT FLEXIBILITY + RESPONSIVENESS

01	ALLOW REASONABLE SEAT + AGE FLEXIBILITY	Providers should have reasonable flexibility to shift funded capacity across ages and service models in response to documented shifts in family demand.
02	USE TRANSPARENT, NEEDS-BASED SEAT ALLOCATION	DECE should use transparent neighborhood-level data when determining the number, ages, service models, and locations of seats to procure, including existing CBO and DECE capacity.



PROTECT THE FACILITIES + INFRASTRUCTURE THAT KEEP PROGRAMS OPEN

FACILITY AND LEASE REALITIES ARE CORE TO CENTER-BASED PROGRAM STABILITY

Center-based providers operate in very different facility circumstances, including NYCHA, other City-owned, and privately leased spaces. Procurement and contracting decisions should recognize these differences and avoid placing providers at financial or operational risk for facility circumstances they cannot independently control.

FACILITIES, LEASES + SITE STABILITY

01	ACCOUNT FOR FACILITY CIRCUMSTANCES	Contracts should account for differences in lease arrangements, building conditions, facility responsibilities, and costs across NYCHA, other City-owned, and privately leased sites.
02	PROTECT PROGRAM CONTINUITY	When lease or other facility circumstances may affect a provider's continued operation, DECE should engage with the provider as early as possible and work proactively to identify viable solutions. Providers should have sufficient time and support to plan, relocate when necessary, preserve their operations, and maintain continuity of services for children and families.
03	FUND STARTUP, CONVERSION + RELOCATION COSTS	New awards or service-model changes should account for reasonable costs associated with adding age groups, modifying classrooms, meeting facility requirements, or relocating to fulfill a DECE award. These costs should be covered up front rather than on a reimbursement basis.
04	CLARIFY RESPONSIBILITY FOR FACILITY COSTS	Before a provider signs or renews a lease or assumes other facility obligations, DECE should clearly communicate eligible costs, reimbursement limitations, and which party is responsible for repairs or building conditions. Responsibility may rest with NYCHA, the City (for programs operating in City Owned and Leased buildings), a private landlord, or the provider; DECE's guidance should specify which applies.
05	ESTABLISH AN EMERGENCY FACILITIES FUND + RESPONSE	DECE should maintain dedicated emergency funding that providers can access quickly when urgent facility conditions threaten safe operations or continuity of care. A clear response system should designate staff to review requests, expedite approvals and funding, and help determine whether repair costs are the responsibility of the provider, landlord, DECE, NYCHA, or another City entity.

LOOKING BEYOND THESE PRIORITIES

DCCNY members continue to raise operational, regulatory, workforce, and broader system concerns that extend beyond the priorities highlighted here.

DCCNY will continue to elevate members' experiences and advocate for reforms at the City and State levels that strengthen early childhood programs and the broader early childhood system.