Day Care Council of New York
Educated Children Are Our Future

SEPTEMBER 2026

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	RESPONSES FROM	RECOMMENDATIONS BASED ON	INFORMED BY
280 Centers	140+ Centers	500+ hours	76 interviews
13K FUNDED SEATS	OF 280 CENTERS	OF LEGAL & TECHNICAL SERVICES	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.

DECE = Division of Early Childhood Education, New York City Public Schools (NYCPS)

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

STAFFING + COMPENSATION

Qualifications, ratios, wages, benefits, and the staffing needed for required hours and service models.

REAL OPERATING COSTS

Rent, insurance, utilities, food, supplies, repairs, and other costs necessary to operate a center.

COSTS CHANGE OVER TIME

Multi-year awards need predictable annual adjustments rather than static funding.

WORKFORCE IMPLEMENTATION → Extended Day/Extended Year models should protect staff access to earned vacation time, including through adequate substitute coverage.

STATIC BUDGETS DESTABILIZE CHILD CARE → When contract funding remains fixed and does not keep pace with inflation and rising operating costs, providers are forced to absorb the difference through their operating budgets, undermining program stability and workforce retention.

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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.

CRITICAL SYSTEM ISSUE

Providers have repeatedly raised concerns about centralized enrollment and their limited ability to fill available seats directly. Enrollment-system reforms must be considered alongside procurement changes.

CROSS SYSTEM PRIORITY

Providers have repeatedly raised concerns about their ability to appropriately serve children with disabilities and developmental needs. These include inadequate funding for additional staffing and supports, as well as delays in evaluation, referral, and service delivery. Because these concerns extend beyond procurement and contracting, addressing them will require coordinated reforms across funding, regulatory, evaluation, and service systems.

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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.

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