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**Testimony Before the New York State Senate  
Committee on Children and Families  
On Challenges to New York City's Child Care System**

**Honorable Diane Savino, Chair**

**Presented by Gregory Brender, Policy Analyst**

**December 12, 2011**

Thank you Senator Savino and members of the Committee on Children and Families for convening this hearing and for the opportunity to testify. My name is Gregory Brender and I am a policy analyst at United Neighborhood Houses, New York City's federation of settlement houses and community centers. United Neighborhood Houses (UNH) is the membership organization of New York City settlement houses and community centers. Rooted in the history and values of the settlement house movement, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership comprises one of the largest human service systems in New York City, with 37 agencies working at more than 400 sites to provide high quality services and activities to half million New Yorkers each year. UNH supports its members through policy development, advocacy and capacity-building activities.

UNH members have a strong commitment to Early Childhood Education and offer services that include: Child Care, Head Start, Early Head Start, Family Child Care Networks, pre-schools and Universal Pre-Kindergarten. Our network provides child care to approximately 20,000 children working innovatively to leverage multiple funding streams to create quality programs that meet the specific needs of the neighborhoods that they serve.

There are drastic challenges facing New York City's child care system and all levels of government must do more to support early childhood education in order to provide quality

education and support working families. Last year, New York City's child care system faced a proposed cut that if enacted, would have been the largest cut to child care in more than a generation. Nearly 17,000 children from low-income working families would have lost subsidies and closed hundreds of classrooms and home based providers. Many New Yorkers including parents, advocates, labor, clergy and community leaders came together to wage a campaign to save child care in New York City. We are part of this campaign because New York City's child care system is an excellent model, an important service and a crucial investment. We are fighting to defend a system that while facing great challenges, has unmatched potential to make a lasting difference in the lives of children and their families and to strengthen our communities.

- ✓ **New York City's child care system provides for low-income working families as well as those on public assistance.** Federal law requires that social service providers make child care subsidies available for families on public assistance. However, in New York City, we recognize that low-income working families need child care as well. This allows parents to go to work and still have somewhere educational and nurturing for their young children. It also ensures that parents who are on public assistance and able to find jobs can take those jobs without fear of either losing their only option for affordable care or disrupting their child's education.
  
- ✓ **New York City's system of contracted centers and family child care networks allows the City to require higher quality standards and supports innovation.** Most UNH member agency child care centers and family child care networks are funded through contracts with the New York City Administration for Children's Services (ACS). Contracted programs are held to higher standards for staff credentials and curriculum than programs funded through vouchers. They present an opportunity to bring Universal Pre-Kindergarten education into child care settings.

Contracted programs have also been a hotbed of innovation. Settlement Houses with ACS contracts developed the blended funding model which combines the family supports of a Head Start program with the expanded hours and eligibility of a child care program to provide comprehensive services and full day care. We are proud that the City is seeking to expand this model and other cities have looked to New York City's child care programs as model.

But New York City's system faces dramatic challenges. On May 22<sup>nd</sup>, the Administration for Children's Services (ACS) released the Early Learn RFP, a new procurement for New York City's system of contracted child care centers and Family Child Care Networks. We support the vision of the Early Learn RFP, which seeks to expand the blended funding model mentioned above but know that the RFP is underfunded and that without more support from both the State and the City, providers will not be able to offer programs that meet the RFP's laudable standards.

The significant challenges that the RFP presents are:

✓ **The Early Learn RFP reduces the capacity of the contracted child care system.**

Currently, New York City's child care system serves only 27% of the children who are eligible for child care subsidies. Many of the families whose children who make up 73% are on waiting lists hoping to find seat for their child. We must not allow the number of slots in the system any further. The result would be even more children losing the opportunity for a quality early childhood education.

Currently, the City Council provides funds for child care subsidies for 7,000 children in child care centers and Family Child Care homes. These funds are not baselined in the Mayor's budget and are therefore set to expire at the beginning of City Fiscal Year 2013 on July 1, 2012. Changes to the system in the RFP itself will lead to the loss of an additional 3,000 slots. This means that by the time the RFP is implemented the capacity of New York City's child care system will be reduced by nearly 10,000 slots leading to more families on waiting lists and more children losing their only opportunity to receive education in their most formative years.

✓ **The Early Learn RFP ends the City's commitment to providing health insurance for child care employees.** Currently, New York City's child care employees receive health insurance through the City's Central Insurance Program (CIP). This decades- long arrangement will end with the implementation of the RFP.

ACS has stated that if providers offer health insurance to their employees, as they are required to do under collective bargaining agreements, they will need to find funds to do so. However, the rates are inadequate to cover the cost of employee health insurance. We have examined several sample budgets of Early Learn applicants and found that the rate can not support an acceptable employee health insurance program.

The child care workforce is already among the lowest paid workforces in the city. We must not downgrade their health insurance.

✓ **The Early Learn RFP requires providers to meet a 6.7% match requirement.** ACS anticipates that provider contributions will add \$30.9 million to the EarlyLearn RFP. New York City would never hire a contractor for most municipal services such as road repair, IT or office supplies and pay only a portion of the cost of services while expecting providers to do outside fundraising for the contract. Early Childhood Education providers need and deserve full funding for the services they provide. Children and families must not be denied access to quality services because an institution that provides excellent care and education might not have a similar expertise or experience in fundraising.

- ✓ **The Early Learn RFP reduces capacity in middle income neighborhoods, including neighborhoods with NYCHA developments.** The Early Learn RFP splits the city into targeted and non-targeted zip codes based on the percentages of children living below 200% of federal poverty guidelines in the zip code. All 95 non-targeted zip codes in the city will have just 1,500 slots- a reduction of more than 4,000 slots from the current system.

The non-targeted zip codes contain many centers with histories of full enrollment that have demonstrated a high demand for their services. These include many centers in NYCHA developments in neighborhoods that are otherwise more affluent.

New York State and New York City must work closely together to support and strengthen the child care system. Below we have several suggestions for state action to support child care in New York City.

- ✓ **Protect Child Care Block Grant Funding and Invest State General Fund in the Child Care Block Grant.** In previous years, the Executive had placed the child care TANF portion in the Flexible Fund for Family Services (FFFS) Block Grant. The legislature has rejected this proposal several times. We hope that the State will continue to provide a discrete funding stream for child care so that counties are not forced to have child care compete with other priorities.

Moreover, the State's commitment to supporting child care must go beyond passing down federal funds and should include increased State General Fund investments in child care.

- ✓ **Sustain the current commitment of \$348 million statewide for Universal Pre-Kindergarten and allow flexible funding that will support full day classes.** UPK funding is an essential part of New York City's early childhood infrastructure both inside and outside of the ACS system of subsidized care. Currently ACS utilizes UPK funding for all 4 year old children in center based contracted programs. This allows these programs to offer the UPK curriculum within the context of child care programs that meet the needs of working families. *But this only works for those who qualify for and receive ACS subsidies.*

This leaves UPK programs inaccessible to families who earn only slightly above the strict guidelines as well as families who cannot find a seat in an ACS center. By allowing flexible funding, New York City and other school districts can provide UPK to more

- ✓ **Pass legislation to amend welfare work requirements to exempt parents of infants under 1 year old.** Current welfare work requirements force parents of infants to participate in workfare programs of often dubious value, thus requiring a child care subsidy for infant toddler care which costs significantly more than pre-school care. By exempting parents of children under 1 year of age from welfare work requirements, the State can relieve some of the pressure on the child care system while reinvesting the nearly \$14 million to be saved toward child care for pre-schoolers and children with working parents.
  
- ✓ **Maintain funding for the Youth Development Delinquency Prevention (YDDP) and Special Delinquency Prevention Program (SDPP).** Currently after-school care for children ages 5-13 is at risk in New York City and we are slated to lose slots for nearly 23,000 school age children in the Out of School Time (OST) program. This program is supported through the Youth Development Delinquency Prevention (YDDP) Block Grant. Last year's State Budget significantly reduced funding for YDDP and SDPP which supports alternatives to institutional care, dropout prevention and other services for youth. New York State should restore \$28.2 million for YDDP and SDPP.

Thank you again for convening this hearing and for the opportunity to testify. We look forward to continuing to work with you on behalf of New York State's children and families.

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*UNH Members: Arab American Family Support Center – Broadway Housing Communities- BronxWorks - CAMBA - Center for Family Life in Sunset Park - Chinese American Planning Council - Claremont Neighborhood Centers - Cypress Hills Local Development Corporation - East Side House Settlement - Educational Alliance - Goddard Riverside Community Center - Grand Street Settlement - Greenwich House - Hamilton-Madison House - Hartley House - Henry Street Settlement - Hudson Guild - Jacob A. Riis Neighborhood Settlement House - Kingsbridge Heights Community Center - Lenox Hill Neighborhood House - Lincoln Square Neighborhood Center - Mosholu Montefiore Community - New Settlement Apartments - Northern Manhattan Improvement Corporation - Project Hospitality - Queens Community House - Riverdale Neighborhood House - SCAN New York - School Settlement Association - Shorefront YM-WHA of Brighton-Manhattan Beach, Inc - Southeast Bronx Neighborhood Centers - St. Nicholas Alliance - Stanley M. Isaacs Neighborhood Center - Sunnyside Community Services - Union Settlement Association- United Community Centers - University Settlement Society*