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**Testimony of United Neighborhood Houses  
Before the New York City Council  
Committee On General Welfare  
And  
Committee on Finance  
Regarding the FY 2013 Preliminary Budget and its Impact on Child Care**

**Honorable Annabel Palma, Chair, Committee on General Welfare  
Honorable Domenic Recchia, Chair, Committee on Finance**

**Presented by Gregory Brender, Policy Analyst**

**March 28, 2012**

Good Afternoon. Thank you Chair Recchia and Chair Palma for the opportunity to testify and for your leadership on behalf of the New York City's children and families. My name is Gregory Brender and I am here on behalf of United Neighborhood Houses. 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 has a strong commitment to early childhood programs. UNH member agencies operate child care centers, family child care networks, Early Head Start, Head Start, Universal Pre-Kindergarten and Child Welfare Preventive Services.

UNH is part of the Campaign for Children ([www.campaignforchildrennyc.com](http://www.campaignforchildrennyc.com)) and is working through this broad coalition to preserve child care and after-school programs for New York City's children and families.

Last year, many of us were here before you to talk about the nearly 17,000 families who had received letters from ACS saying that their children would lose child care subsidies. It was only with your strong support that we were able to save subsidies for those families. Sadly, I am here again to report that New York City's child care system faces tremendous challenges and that if New York City does not restore the cuts proposed in the Mayor's Preliminary Budget, nearly 47,000 children will lose child care or after-school.

## **Losing Child Care**

In the FY 2012 Adopted Budget, the City Council invested \$42 million in one-year funds in order to preserve child care capacity in the current fiscal year. The Mayor has not baselined this crucial funding which means that it is already at risk. Moreover, the Mayor has not restored \$11 million in one-year funds which he put in the budget last year and ACS has not determined how it will use \$29 million in baselined funds.

This means that in the next fiscal year New York City's children and families will lose:

- **8,200 in slots for children in ACS contracted child care centers.** Many ACS centers already have waiting lists two or three times their capacity. This will force thousands of more children onto waiting lists and cost them the once in a lifetime opportunity for a quality early childhood education.
- **7,700 vouchers serving school aged children.** Without these vouchers, working parents of elementary school aged children will not have an affordable option for after-school care. The loss of these vouchers is coming at the same time that other sources of publicly funded after-school care such as Beacons and OST are also being cut.

## **Challenges in the Early Learn RFP**

As you know, in May of 2011 The Administration for Children's Services released the Early Learn RFP- a new procurement for contracted child care centers and home-based family child care networks. We are pleased with several of the proposals in the Early Learn RFP and support the vision that ACS has put forward. However, the current funding structure is inadequate to support this vision.

Many of our member agencies, as well as other child care providers with whom we work, have analyzed the rates in the RFP, and have concluded that the rates are not adequate to provide the high quality care which is envisioned in the RFP. We are concerned that this shortfall would endanger the contracted system which ACS and others in City government have worked hard to sustain.

The RFP does not require proposers to submit a budget in their application. However, most current and prospective providers have prepared budgets in advance of submitting

their proposals. In most cases, proposers have identified significant deficits arising from health care costs which under Early Learn, will no longer be covered through the City's Central Insurance Program (CIP).

The withdrawal from CIP presents an enormous challenge to the child care sector whose low-paid workforce has long been able to access insurance through CIP without an employee contribution. Many providers are small community based nonprofits that would fare poorly in an insurance market that favors large group purchasers. However, even many large multi-service providers who have insurance plans which cover non-child care employees have shown in their Early Learn budget models that the rate is not adequate to move their child care employees onto their agency's insurance plan.

### **Impact on Parents, Children and New York City's Communities**

Many members of the City Council have been active in the fight to preserve child care and after school. We are aware that several council members have visited child care programs in their districts and met with parents, staff and children. You have seen the pride that parents take in their children's growth and education, and know how hard they work in order to support their children and give them the opportunity to get an education and succeed in school and beyond.

Recently, I spoke with mother named Sarah in East Harlem. Her son has special needs and is only eligible for part day care. Sarah used to work full time in a bakery but when she became aware that she needed to be home more of the day in order to care for her son, she tried to get her boss to let her work half-day. She ended up losing her job and now is applying for public assistance.

Sarah is not unwilling or unable to work. She found a job even in a tough economy. But she needs quality child care during the day to keep working. New York City must take bold, immediate action to ensure that working parents are not forced to choose between working and caring for their children. We must also ensure that we give the best educational opportunities to our young children so that they enter school ready to learn and succeed.

### **Budget Recommendation**

In order to preserve child care and after-school for New York City's children and families UNH urges New York City to:

- **Restore \$104 million for ACS Child Care and Head Start** This would prevent the loss of 8,200 contracted slots in ACS Child Care Centers and 7,700 school age vouchers.

*UNH General Welfare Preliminary Budget Testimony*

Thank you again for the opportunity to testify. I look forward to continuing to work with you on behalf of New York City's children and families.