



**Testimony of United Neighborhood Houses, Day Care Council of New York, Center for Children's Initiatives, Committee for Hispanic Children and Families and Advocates for Children
Before the New York City Council
Committees on Finance and General Welfare
On the Increase in Parent Fees for Children in ACS Child Care Centers
In the Mayor's November Plan**

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

Presented by Gregory Brender, United Neighborhood Houses

December 6, 2010

Good afternoon Chair Recchia, Chair Palma and members of the New York City Council. Thank you 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. I am here today on behalf of several organizations concerned about the impact of the proposed increase in parents' fees for children in ACS contracted child care centers and Family Child Care homes.

The Mayor's November Plan seeks to raise \$13 million annually beginning in FY 2012 by increasing parent co-pays for children in ACS Contracted Centers from the current maximum of 12% of family income to a maximum of 17% of family income. The City will also triple the minimum payments, which those families who earn just slightly above the poverty line pay, from \$5 per week (\$260 per year) to \$15 per week (\$780) per year.

None of the families who would be affected by this change are wealthy. They are, in most cases, working difficult jobs and stretching every dollar to support their children and themselves in a

challenging economy. Many are single mothers or single fathers working in jobs such as retail or health care. They do not have other options for affordable child care or early education programs and losing access to ACS care would make it impossible for them to keep their jobs and impossible for their children to access high quality early learning programs. They have gone through an often difficult enrollment process to ensure both that their children have somewhere safe and nurturing to go during the day and will have the education and social and emotional development needed to start Kindergarten ready to learn. We should not make it more difficult or even impossible for these parents to access care and education for their young children.

Impact on Families' Budgets

ACS contracted child care centers provide care for children of families on public assistance as well as children of low-income working families. The proposed changes will impact those families who do not qualify for public assistance including those who live below the federal poverty line. Currently, 75% of the families not on public assistance who are enrolled in child care programs earn at or below 135% of the Federal Poverty Line (\$29,700 per year for a family of four, \$24,718 for a family of three or \$19,912 for a single parent family with one child.)¹ Below are a few examples of how the November Plan would impact families:

Home Health Aide with three children

According to the United States Bureau of Labor Statistics (BLS)², a home health aide in the New York Metropolitan area earns an average of \$22,430. In a family of four, this puts her family just above the \$22,000 poverty line. Her children would be eligible for subsidized care in an ACS contracted child care center or Family Child Care Home. If one child were enrolled in an ACS contracted center, she would currently be paying \$5 per week. Under the November Plan changes, her co-pay would triple to \$15 per week or \$780 per year. This is a yearly increase of \$520.

Short Order Cook and a security guard with two children

¹ New York City Administration for Children's Services: SNAPSHOT: ACS Child Care Enrollment Report. November 3, 2010

² United States Bureau of Labor Statistics: Occupational Employment Statistics. http://www.bls.gov/oes/current/oes_35620.htm Accessed December 1, 2010

Using BLS statistics, we can estimate this family as having a combined gross income of \$44,170 annually.³ This puts them below 200% of the poverty line and makes them likely to be eligible for ACS care. Their current co-pay would be \$101.93 weekly- 12% of their income. Under the November Plan, their co-pay would increase to 17% of their income which comes out to \$144.40 weekly or \$7,509 per year. The November Plan would cost this family an addition \$2,209 per year.

Veterinary Assistant with one child

The average income for a Veterinary Assistant of Laboratory Animal Caretaker in the New York City Metropolitan Area is \$28,000 according to BLS Data.⁴ A single mother with one child is currently paying a weekly co-pay of \$64.61 or \$3,360 yearly which is equal to 12% of her income. While we don't know the exact scale that will be use, if her co-pay is increased to the maximum of 17% of her income, it would increase to \$91.53 weekly or \$4,760 yearly.

Impact on Providers and the Child Care System

These changes will force providers to increase their role as collection agencies forced to hound parents for co-pays and in some cases to remove children from their classes if their parents are not able to pay.

We are concerned that the November Plan proposal will make it impossible for many low-income working families to keep their children in child care. This may destabilize child care centers and family child care homes.

The increased co-pays will not only burden these families, but may result in the loss of an early learning opportunity for their children. Research shows that high quality early childhood education programs prepare children to succeed in school and save money in the long run. Making it more difficult for children to access early learning programs will lead to more children entering school unprepared.

^{3 3} United States Bureau of Labor Statistics: Occupational Employment Statistics.
http://www.bls.gov/oes/current/oes_35620.htm Accessed December 1, 2010

^{4 4} United States Bureau of Labor Statistics: Occupational Employment Statistics.
http://www.bls.gov/oes/current/oes_35620.htm Accessed December 1, 2010

Recommendation

Since the November Plan proposes this increase in parent fees for FY 2012, we urge the City Council to reverse this policy in next year's budget negotiations. In the coming budget cycle, ACS Child Care and Head Start faces many challenges including the fact that a significant portion of the Child Care Budget has not been baselined. It is more than likely, that we will once again need the help of the City Council to continue to provide services for New York City's children and families. We urge the City Council to work with the Administration to ensure that low-income working New Yorkers can afford and access quality care and education.

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