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New York City's Child Care Funding Crisis April 2009

Child Care providers in New York City face immediate and drastic budget cuts. As a result of actions taken by the Administration for Children's Services (ACS) to address its \$62 million structural deficit, early childhood education programs face severe budget cuts. Eligible families will have many fewer opportunities to find subsidized care for their children as approximately 4,300 slots will be eliminated.

The City must provide additional funding for child care so that ACS is not forced to close the child care deficit entirely through cuts to essential programs which children and their families depend upon.

Blending Universal Pre-Kindergarten with Child Care Funding

Universal Pre-Kindergarten (UPK) provides four year old children with educational opportunities that prepare them to succeed in Kindergarten and beyond. As State funding for UPK is limited to 2.5 hours a day, this program cannot meet the needs of working parents unless it is part of a full day of care.

To provide a full day of care to four year olds in UPK, many ACS providers offer full day coverage by blending funding from both UPK and ACS child care to create a program which meets the specific educational requirements of UPK while providing a full day of care. UPK programs must adhere to educational standards which include:

- Employing staff and program directors who are either New York State certified teachers or working towards certification.
- Meeting curriculum standards aligned with State and local learning standards.
- Providing ongoing assessments of each child's language development, cognitive skills, and social development.
- Providing health and nutritional screening for each child.

Bleeding Child Care Providers

In March 2009, ACS notified providers who provide full day programs for UPK students of immediate funding reductions, called "cost allocation enforcements" that must be taken by June 30th. These cuts are severe-sometimes as much as a third of a program's budget as high as \$72,000 in this year and \$144,000 in the next year for one Bronx provider. Most providers do not yet know how they will be able to absorb such drastic cuts in mid-year and continue to provide the same level of services to children. Providers may be forced to lay off staff, cut program activities or reduce hours. Providers worried about running programs that cannot meet the standards of UPK will close their programs.

For example, an agency in Brooklyn which has 44 UPK students enrolled in a full day program had its \$92,000 budget cut by \$38,000 in the middle of the school year. Because of this cut, the program was forced to

discontinue parts of their curriculum and cancelled classes in art and dance. They also gave their teachers a \$6,000 annual pay cut. Some of these teachers had enrolled in graduate school specifically to meet the certification requirements for UPK and will now be forced to finance their education with increasingly limited income.

Another program in Manhattan, which was cut by \$44,000 in this school year and will be cut by \$88,000 in the next year, reported that they will need to enroll fewer special needs students in the coming year because they will not be able to provide funding for the extra teachers that are legally required when serving special needs students.

Cutting Head Start

Head Start provides several crucial services for 3 and 4 year old children and their families. Children with disabilities and children of low-income families are eligible for Head Start programs. Services provided by Head Start include:

- Education to help children grow socially, intellectually and emotionally.
- Full day care in some programs.
- Health services such as immunizations and early identification of medical problems.
- Outreach to families using family workers who help to connect families to other services.
- Nutrition and food assistance.

New York City Head Start providers face budget cuts as ACS begins to implement a 3.03% across the board reduction for Head Start providers. Furthermore, providers are now required to self-fund any salary increases that are mandated in their staff's city negotiated union contracts.

These changes will make it more difficult for Head Start providers to retain qualified staff and may dilute program quality.

Losing Child Care Seats

There are currently more than 345,000 children in New York City eligible for subsidized child care. ACS estimates that it serves only 27% of those children.¹ Furthermore, many providers maintain long waiting lists of eligible children. To ensure that care and education is available, the child care system must be expanded and not contracted. Yet, under current proposals, the City is slated to lose the capacity to serve nearly 4,300 children:

- Approximately 3,300 slots will be lost through the elimination of classrooms for five year olds. Beginning next school year, ACS will no longer provide funding for care and education for 5 year old children. The children who would have been served will now be expected to enroll in kindergarten and utilize out-of-school time (after school) programs if they need full day care.

While in the long term it is appropriate to shift the responsibility for funding services for five year olds to another city agency, the closure of these classrooms may force parents to scramble to find full day care for their five year old children and may financially destabilize centers.

¹ New York City Administration for Children's Services. "Charting the Course for Child Care and Head Start: Community Needs Analysis of Early Care and Education" August 2008.

http://www.nyc.gov/html/acs/downloads/pdf/childcare_needs_assessment_report.pdf

The number of eligible children is based on children below six years of age. ACS plans to stop serving 5 year old children at the beginning of the next school year.

Moreover, the current plan does not provide funding for centers to use the classrooms that would have served younger children despite the high demand for services for this age group.

- **135 slots lost through elimination of capacity at several under-utilized centers.** ACS has reduced capacity of nine classrooms in seven centers which had low enrollment.
- **Approximately 860 slots lost through the elimination of \$7 million for non-mandated child care.** The Mayor's preliminary budget eliminates \$7 million for non-mandated child care slots further eroding the capacity of the child care system and leaving more parents with few affordable early care and education options for their children.

Recommendations

The City must maintain its commitment to the youngest New Yorkers. New York City's leaders must find ways to prevent these devastating cuts from threatening the availability and quality of early education for New York City's children.

UNH urges the city to:

- **FULLY FUND CHILD CARE.** ACS can not address its deficit within its own agency. Eliminating programs that serve low-income children is the wrong choice. The Mayor and City Council must provide additional funding for child care to stop devastating budget cuts from weakening the child care system.
- **PRESERVE CAPACITY OF THE CHILD CARE SYSTEM.** In situations where slots are eliminated, the funding for those slots should be reinvested in the child care system to serve eligible children. Child care programs which lose funding for five year old children should be permitted to fill those classrooms with younger children.
- **SUPPORT ENRICHED PROGRAMS.** Head Start, Child Care and Universal Pre-Kindergarten provide children and families with the resources needed to help children succeed in school. The Mayor and City Council must ensure that these programs are fully funded in order to meet educational requirements.

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United Neighborhood Houses (UNH), founded in 1919, 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 36 agencies working at more than 400 sites to provide high quality services and activities to a half million New Yorkers each year. UNH supports its members through policy development, advocacy and capacity-building activities.

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