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TESTIMONY BEFORE the NEW YORK CITY COUNCIL'S FINANCE COMMITTEE ON THE NOVEMBER 2010 PEG'S

December 6, 2010

Good morning. My name is Andrea Anthony and I am the Executive Director of the Day Care Council of New York. The Day Care Council is a membership organization of 220 nonprofit organizations that operate approximately 300 publicly funded child care and family child care programs in the five boroughs of New York City. Our member agencies are under contract with the City's Administration for Children's Services to provide accessible and quality child care services for families. It is estimated that the Day Care Council's member child care programs serve more than 40,000 children from poor and low-income working families on an annual basis.

Before I begin, I would like to thank the City Council Finance Committee, and especially its Chair, City Council member Domenic Recchia for the opportunity to provide comments on the ACS' Gap Closing plan. First, I would like to state that we are opposed to any increase in child care fees for low-income parents in the publicly funded child care system. ACS is proposing to increase the minimum weekly payments from \$5 to \$15 and the maximum payment levels would increase from 12 percent to 17 percent of adjusted family income. ACS anticipates a savings of \$13 million.

In reviewing all of the budgetary items proposed, I was struck by the fact that this particular cut within the Child Care and Head Start Division so dramatically impacts one of its most vulnerable groups of families -- those that we know are struggling to make ends meet at a time in our economy where resources are stretched to the limit. To triple the weekly fees for child care services for families that we know have limited income is unconscionable.

We know unemployment in New York City is at 9.6 percent. We also know MTA recently increased the monthly subway fare from \$89 to \$104. It is unlikely that low-wage workers, the very parents that are in the publicly funded child care system, are receiving salary increases during these uncertain times.

ACS' most recent Child Care Enrollment report as of November 2010 shows that there were a total of 48,424 children in the system with more than 39,000 or 80.8 percent enrolled in the employment/special needs eligibility category, meaning the parents of these children were deemed eligible for subsidy based on their low income. There were 2,763 children enrolled in the preventive services/foster parent category; we know a good number of these parents are probably employed.

With the exception of those families receiving public assistance or 2,846, the ACS Snapshot Report clearly illustrates that this fee increase would impact the vast majority of families in the publicly funded child care system or more than 40,000 families. The report also highlights that 89 percent of these families are under 175 percent of the poverty level, meaning their incomes are less than \$25,498 annually for a family of two, i.e., a working mother with one child. This mother receives a gross monthly income of \$2,125 which after taxes leaves her very little to pay rent, food, transportation costs, and in this case, essential child care fees. Do I need to reiterate what we already know about vulnerable families in New York City who will be placed in a more precarious situation by imposing this increase on them? Every dollar is for their basic subsistence. We know an additional \$60 per month will create a hardship and force these parents to make greater sacrifices between maintaining shelter, purchasing food, keeping their children in the center so that they can keep their jobs. The child care center is an essential part of their family functioning.

Another very important point that we must highlight is the impact that this fee increase will have on the Day Care Council member agencies. These child care programs that work tirelessly each and every day to provide an educational environment for young children will assume the brunt of this cut if the weekly fee is not collected and if the parent chooses to remove their child from the center. Child care directors will be forced to confront parents who will not have the additional \$10 that this increase demands. The programs will also be blamed for under enrollment when a parent elects to remove their child because of the fee. Our members will be dealing with budget shortfalls and angry parents who will feel under attack.

There is no recourse for these nonprofit community-based agencies. Some may say that they can do fundraising to make up the shortfall. Unfortunately, one of their major sources of donors – their parents – is now being asked to dig deeper to keep their child in the center. Our member agencies are there to serve the public in some of the poorest communities in New York City. With this budget proposal, they will now be placed in an untenable position with very little recourse but to try and collect additional money from parents that, in most cases, they know cannot afford to pay.

Attached to my testimony are examples/letters from parents who want you to know how difficult a 300 percent increase will be for them to manage. I have also included testimonies from parents who want the City Council to keep in mind these continual attacks on the child care system harms young children who need the nourishing educational environment that early childhood education provides for our youngest citizens. We must hear their voices and seek other means to address this PEG.

Thank you for the opportunity to provide these comments.

Testimony prepared by Andrea Anthony, Executive Director Day Care Council of New York, Inc. December 6, 2010 Day Care Council of New York, Inc., 12 West 21st Street, 3rd Floor, New York, NY 10010 Telephone (212) 206-7818 • Fax (212) 206-7836 • Website: www.dccnyinc.org

TESTIMONY FROM PARENTS OF DAY CARE COUNCIL OF NEW YORK, INC. CHILD CARE MEMBER AGENCIES

December 3, 2010

To Whom It May Concern:

Raising the tuition at the Jamaica Branch NAACP Day Care Center is an absolutely outrageous idea! Why would you raise the price of sending our children to day care unless you want to see more of our kids miss out on a great education! Our day care centers are filled with children that primarily come from working class families that are living from paycheck to paycheck. This day care center is a great convenience and a blessing for our children to attend. The staff is extremely professional "and it shows"! Our children benefit greatly from not only the superior teaching but also the love and affection that are displayed to them on a daily basis. What Mayor Bloomberg should be doing is finding out a way to make day care centers and others programs Free! Also, the city should work on enhancing the learning environment at all day care centers around the city. All day care centers need more funding and more recognition for the great service that they provide. Stop the elitist nonsense Mayor Bloomberg! If you want to make cuts and raise fees we will not stand for it!

Yours Truly Dean C. Jones

To Whom It May Concern:

I am writing in regards to the proposed co-pay Increase for families receiving subsidized child care through the city.

The proposal is for a 300% increase.

I am a mother of 3 children (aged 5 yr, 3 yr and 6 months). Our monthly cash income is approx. \$1000, well below the poverty level. Currently, we pay the minimum weekly contribution of \$5, a total of \$20 a month. With the 300% increase, our monthly payments would jump to \$60.

This amount may not seem like a lot of money to most people. However, with the high

cost of rent, utilities, increase in transportation costs, clothing, medicine and other necessary expenses throughout the month, an extra \$40 makes a big difference.

Having already cut expenses where possible, (from having no cable TV, no pets (b/c it would be another mouth to feed and accepting second-hand clothing and shoes) there is no money left to supplement this increase. As it is, we are in a deficit every month.

I have a college degree and like many other NYC residents, we too are facing similar financial pressures and hardships, just like anyone else. But not for lack of working to carry our load. I would like to continue to work and contribute my skills and talents to my community. This is where we live and truly, it is the quality of our communal efforts that will determine the greatness of our city.

In all honestly, if the fee is raised, I'm not sure what I will do. It will be a strain, needless to say, which may lead to reduced hours of employment due to lack of childcare, which in turn results in the lost of another skilled worker for the city of New York.

My circumstances are not unique by any means. Therefore let my letter speak in behalf of the many parents and families of New York City who are all working hard to create a quality of life that is superior, to the benefit of all our city's residents.

Best Regards, Vanessa Leigh DeBello