



TESTIMONY BEFORE THE
NEW YORK CITY COUNCIL
GENERAL WELFARE COMMITTEE
IMPLEMENTATION OF EARLY LEARN

October 23, 2013

My name is Andrea Anthony and I am the Executive Director of the Day Care Council of New York, Inc. As the largest membership organization within New York City's child care system, the Day Care Council of New York serves the interests of 117 non-profit organizations that operate more than 225 child care centers in the five boroughs. We are proud of their long standing commitment to providing a strong education to New York's most vulnerable citizens.

I would like to thank the members of the City Council's General Welfare Committee, in particular Councilwoman Anabel Palma for her exemplary leadership. I would also like to thank the New York City Council as a whole for its unprecedented support of the city's child care system over the years. Never before have we had to navigate such challenging terrain. Without the City Council efforts to maintain the system's integrity and stability, especially your commitment Councilwoman Palma, we would not have the bare minimum that we do now of an early childhood system that was created 60 years ago.

There are a number of glaring implementation faults in the implementation of Early Learn that have caused confusion, major disappointment and the feeling of utter despair. In stating these three words, I am not being overly dramatic. From the day Early Learn awards were announced in April 2011, all parties directly involved in the system, including the Administration for Children's Services; the organizations that were awarded contracts and those that were not; the unions (District Council 1707 and the Council of Supervisors and Administrators); and most importantly the workers in the system whom I focus much of my remarks.

You may all be aware of some of the major challenges that the implementation of Early Learn created: (1) the realization by the organizations receiving the awards that the proposed rate was insufficient to cover operations; (2) the discontinuation of health insurance coverage for the workers; (3) the discontinuation of supplemental benefits for the workers provided by both unions' Welfare Funds; (4) for mixed funded programs, the uncertainty of how to operate a program with two distinctly different union members, Head Start and child care, in some cases working in the same classroom who are paid different salaries based on their collective bargaining agreement; (5) the Office of Management and Budget's request for numbers and information on workers still in the system given the large number, estimated approximately 800 workers; and (6) the discontinuation of workers

compensation and liability insurance for Early Learn and discretionary funded organizations, something that many have never purchased because it was done by the City's Central Insurance program which is now being dismantled. There are other issues confronting the system but I have highlighted some of the major ones. Please keep in mind that my remarks are not meant to cast blame on ACS. This City agency was given the responsibility to implement Early Learn with very few resources, including staffing support to address many of the issues identified; and the opportunity to work on system faults in a more slow methodic way that would yield feedback on consideration on timing and whether some of the changes should have been done within months of the implementation instead of over a period of time. It is the City Administration that sets the vision and decides if children and families are important.

Today, my testimony will focus on the most critical issue facing the survival of the system, and that is the pressing need to address compensation for the workers who have remained in the system. But before I begin my comments on compensation I want to thank the City Council for providing discretionary funding to the Day Care Council to establish an employment placement service for individuals who lost their jobs after the implementation of Early Learn.

We have achieved much success with the program we named the Early Childhood Employment Partnership program, signifying a unique partnership between the Day Care Council and the City Council. Our intention is the same; help those who were forced onto the unemployment lines through no fault of their own. Since we began the ECEP in 2012, we have created a website easily assessable for individuals looking for jobs and employers seeking applicants by placing ads on the website. We have held employment forums with the unions offering individual the opportunity to speak directly with job training programs; resume writing and mock interview workshops; a support group headed by the project director who is a licensed social worker; and regular contact with those who have placed their resume on our website to assess how well their job hunt is going. Thus far we have help ---- individuals find jobs and continue our work with the unions to identify others who are still looking for work.

Forgotten Workers Who Love Children

Were it not for the concern and actions of City Council members, the workers in the publicly funded system would have no anchor and little support. First, there is one issue I want to bring to your attention affecting workers who are now unemployed and those who are working. That is the slow process for workers who are owed their vacation payout. We are working with ACS and Day Care Council member agencies to ensure workers receive their payments but it has been a painstaking process. Current Early Learn providers and those that closed after September 2012 must submit their final audit to ACS for review. Thereafter, they will be notified how much is owed to the City and how much remains to pay out to the employees. This is not a new procedure. It is an issue now because so many workers are waiting for this income, some who have sums in the thousands. There is very little the City Council can do except establish a pool of funding to ensure workers receive what is coming to them.

The Day Care Council was told during the bidders' conference that we were responsible for securing health insurance for the workers. We were given no prior warning or support in putting a plan in place. It took us nine months working with the unions to agree on a collective bargaining agreement that kept Emblem as the provider but at a much higher rate than was paid directly by CIP. Our hands were tied in selecting a provider because we could not get claims data from CIP not Emblem which would have given us an advantage in "shopping around" for a least expensive plan. CIP didn't have it and Emblem refused to release it. Once in place, ACS informed organizations that the cost for health insurance was included in the rate; however, our members determined that the amount was inadequate by 20% across the board. The collective bargaining agreement called for the organizations to pay 80% of the total cost with workers paying 15% and 5% paid the union's welfare funds. Even with a 5% contribution from the union's welfare funds, these workers faced what essentially was a salary cut, when asked to come up with the remaining 15% of monthly premium contributions. As a direct result, 54% of the entire workforce opted-out of health coverage completely, rather than experience additional financial stress.

Our most recent data on the numbers of workers currently receiving health insurance coverage is very disturbing. Here's why. In April 2011, the Early Learn RFP was released. Given that we were responsible for securing health insurance coverage, we took a look at the census in the CSA and DC 1707, Local 205 Welfare Funds and found a total of 5,046 active workers with the majority of 4,305 being women or ?? percent. Fast forward to October 2013, we now have (1,635) workers with (1,500) being women. We also know that of the number of women in the plan 80% have elected single coverage, which is the least expensive. What happened to more than 3,000 workers? Some are were laid off; some retired; and some elected not to take the health insurance because it was too expensive. We must be mindful that the vast majority of workers in the Early Learn system and those who left are women of color. Many of these women have early childhood education credentials and years of experience while some do not have the formal educational achievements but do have the necessary experience to stimulate and shape young minds in the classroom.

The most important issue, in addition to health insurance, is the fact that individuals in this system have not had a cost-of-living increase in seven years. Their annual income has remained at such low levels with no discussions to raise it. Over this period, the inflation rate has raised by ...in NYC. We have had two subway fare increases since 2006. It is absolutely shameful that child care workers, especially women are being treated in such a callous way. We have tried to start labor negotiations with the City but they have refused. For five years, we made regular calls to the Office of Labor Relations until we were told to stop.

I cannot repeat enough and appeal to you enough that the issue of a COLA increase is the most pressing among our member agencies. I do not have to convince you that people need to be paid for their work. It has to be valued among our society. Our members are trying their best to maintain quality early childhood education standards and fiscal stability in these challenging times. They have specifically asked us to prioritize the issue of worker compensation. In *President Obama's Plan for Early Education for All Americans*, adequate compensation is one of the five elements of quality assurance, and is specifically defined as parity with K-12 staff. And while no one will argue about the

relationship between workforce stability, salary levels, and quality service delivery, the fact that our group teachers regularly transfer from child care to the Department of Education as soon as they receive their Master's Degrees confirms the historic underfunding of this sector.

And while we anticipate possible relief from a new administration, without a broader commitment to early education in our city which includes appropriate salary level that are commensory with the City Department of Education for those with the same credentials and for support staff who perform the same type of work.

In this spirit, the Day Care Council of New York would like to call for the immediate formation of a bipartisan commission focused on a fiscal strategy for the long-term funding of quality early education and youth service for families from all income levels. The City cannot sustain its increasing investment in these critical services without a master plan that mobilizes effective financial support from every sector, and at every level. We cannot afford to fail them by becoming the haven of a chosen few.

Thank you for the opportunity to speak to you today.

October 27, 2013