



TESTIMONY BEFORE THE
NEW YORK STATE SENATE
COMMITTEE ON CHILDREN AND FAMILIES
December 12, 2011

Good morning. My name is Lisa Caswell and I am the Senior Policy Analyst for the Day Care Council of New York. The Day Care Council is a membership organization of 175 nonprofit organizations that operate approximately 300 publicly funded child care and family child care programs in the five boroughs of New York City. The Council dates its origins to World War II when the City made a major investment in child care to support families when it was necessary for women to enter the workforce in large numbers to address the labor shortage. This year, the Council celebrated its 63rd year of service and remains the membership organization for 175 sponsoring boards that operate more than 300 child care programs, both center-based and family child care 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 low-income families. It is estimated that the Day Care Council's member child care programs serve more than 40,000 children from low-income working families on an annual basis.

Before I begin, we would like to thank you, Senator Diane Savino, for holding this hearing. As the Chair of the New York State Senate Committee on Children and Families, we appreciate the opportunity to express many of the concerns our member agencies are facing at this time. These concerns are truly challenging to the provision of publicly funded child care services in New York City.

There are a number of issues facing the child care system in NYC. The major issue facing the publicly funded child care system which services more than 100,00 families and employs in center-based and Head Start programs about 15,000 workers is the fact that workers, families and advocates are fighting in some respects a losing battle because of a tremendous deficit in the system. This deficit is forced to defend Over the past eight years, we have witnessed an significant decrease of child care slots from --- to ---; b

We would like to bring to the Committee's attention three major issues facing our member agencies: (1) the introduction of a new system wide change for publicly funded child care programs known as Early Learn; (2) the City's refusal to recognize the collective bargaining agreement between the Day Care Council and District Council 1707 representing teachers and other support staff in the system; and the Council of Supervisors and Administrators representing the directors and assistant directors; and

(3) lack of funding to support health care costs for the workers within the new framework of Early Learn.

Early Learn is the vision for publicly funded child care programs in New York. The concept paper was released in April 2010 with the request for proposals beginning released a year later, April 2011. During this one year gap from the introduction of Early Learn to the release of the RFP, ACS did not propose to conduct a demonstration project to assess if this major system change would be successful. Hundreds of organizations responded to the concept paper, including the DCCNY, however, many of the critical/comments/questions were not addressed in the RFP, i.e., such as the blended funding model involving Head Start and child care funding. Given the rigorous requirements placed on Head Start requirements, nonprofits should have been given some training, consultation on how such a model would work in the community. There are only a limited number of agencies that operate an integrated funding model. For many agencies, this model represents a significant change in the overall system. Another surprising and critical component of EL is that providers will now be required to financially support 6.7 percent of the overall budget. Our member agencies are befuddled on how they will meet such a requirement given the fact that EL will operate in targeted communities – assigned by ACS – with poor and low income families. Our member agencies conduct small scale funding activities generating some private funding to address vital needs in their program, like new books and other educational tools for the children. If you look at a budget of \$300,000 the 6.7 mandatory contribution is \$20,100. Such an amount is difficult to raise in these difficult economic times for large will First, I would like to begin by sharing some thoughts on the current infrastructure of this system.

The nonprofit, publicly funded child care system is a unique, long-standing service component for many communities of color and low-income families in New York City. For numerous individuals and families, the system is a life-line providing employment, critical safety and educational support for young children and business income for merchants in the immediate area where the child care centers are located. The complex infrastructure of this system includes:

- a network of small nonprofit agencies as well as large multi-service agencies and settlement houses;

- a unionized workforce of more than 5,000 which includes two labor unions, one for management and another for line workers;
- the only fully funded child care system (in the United States) that is solely dependent upon a government contract which supports all of the agencies' budgetary expenses; and
- a system that requires its teaching professionals and center directors to obtain the same educational credentials as their counterparts in the Department of Education but are not paid comparable compensation.

From its beginnings more than 60 years ago, the publicly funded child care system has existed and been viewed by the public as an extension of the city agency directed to oversee its services. In some communities, these child care centers are referred to as "city day care programs," not private nonprofits. Given the current effort to force nonprofits to spend less and become more self-sufficient, i.e., raise private dollars; it is especially important that new approaches changing the infrastructure of this system are implemented over time and with input from all affected parties.

It goes without saying that families rely heavily on this service and value the educational component. However, the economic impact of the service in neighborhoods is not always recognized. The vast majority of workers in this system are African American and Hispanic women who are heads of households. Many of these workers live and work in the community, which translates into rent payments, purchases at the neighborhood bodega, laundry facility, and beauty/barber shops. Yes, they are being paid for their service, but it is noteworthy to acknowledge their contribution and thank them for this important work. The income of these workers supports the economic development of numerous communities. As such, the publicly funded child care system is an important contributor and must be recognized as such.

Without help, the transition to the intended benefits in the "Early Learn" RFP will fail. The unions have taken a strong position against the RFP based on its inadequate rates. The advocates share this concern and are preparing another large scale campaign to address the rate issue, as well as the shrinking number of slots for families. As the membership body of the City's publicly funded child care centers, the Day Care Council continues to represent the interests of its sponsoring boards who are committed to maintaining both capacity and quality. Historically, the Council sat with the City across the table from the unions in labor negotiations. The most recent child care contract expired more than five years ago. The City has decided to remove itself completely from the labor negotiation process. This was done at the same time ACS informed the

What else can be done by the State to help early childhood programs in New York City? With potential cuts to Head Start at the Federal level, the City will face an even greater shortfall than the one that is currently anticipated. Child care advocates are preparing to battle it out again at the City level, competing against our allies who are fighting to maintain classroom size, and stop the further loss of fire stations, libraries, and senior centers. Should sufficient pressure be put on the Governor to reverse his position on the Millionaire's tax, the State could greatly assist the City in its efforts to make up for losses in federal child care funding in recent years. Early childhood programs are the most direct means of ensuring the academic success of all of New York City's children, while maintaining the long term economic and racial diversity of her citizens. These hearings are a greatly appreciated step in the right direction.