



**Testimony of Day Care Council of New York
Before the New York City Council Committee on Education,
Honorable Rita Joseph, Chair
At the Oversight Hearing for Early Childhood Programs in New York City**

October 19, 2022

Presented By Gregory Brender, Chief Policy and Innovation Officer

Thank you Chair Joseph and members of the New York City Council Committee on Education for convening this important hearing and for the opportunity to testify. Day Care Council of New York (DCCNY) is the membership organization of early childhood provider organizations in New York City. DCCNY supports its member organizations and New York City's early childhood field at large through policy research and advocacy, labor relations and mediation, professional development and training for early childhood educators, directors and staff and referral services for parents looking to find child care. DCCNY member organizations provide early care and education at over 200 sites in neighborhoods across all five boroughs.

Most DCCNY member organizations conduct their work through contracts with New York City Department of Education. Some member organizations also provide early childhood education through privately funded programs and through direct contracts with the Federal Office of Head Start. Our member organizations operate in all five boroughs and employ over 4,000 New Yorkers, most of whom are Black and Brown women.

DCCNY is proud to be a leader of Campaign for Children and our recommendations are aligned with that coalition.

The testimony that we are giving today is not what we hoped to be delivering at this point. There are many reasons for optimism about New York City's early childhood education system. New York State has made its largest ever investment in New York City's early childhood education system and enacted important reforms including increasing eligibility for child care subsidies.

And in his *Blueprint for Child Care and Early Childhood Education*, Mayor Adams takes the important step of acknowledging that "High-Quality, Affordable, Accessible Child Care is a basic right" and proposes important reforms such as increasing child care options for

infants and toddlers and removing barriers parents face when looking to access child care.¹

But this optimism is not experienced on the ground by the people doing the work of providing early care and education to New York City's children and families because of the fiscal crisis child care centers are facing due to delayed payments from Department of Education. Instead, child care centers working with new contracts are struggling to keep their doors open. One major provider of services to children and families has already made the painful decision to close their early childhood programs at the end of December 2022 and many more may be forced to do the same if this crisis does not end.

Delayed Payments from DOE

Late payments from DOE to early childhood education providers has reached crisis proportions. In July, the Day Care Council of New York conducted a survey of our membership about their FY 2022 fiscal experience. The 159 respondents operate child care centers and lead Family Child Care Networks through DOE contracts. The survey uncovered that:

- 29% of respondents had at least one unregistered contract
- Only 13.2% of respondents were able to submit an invoice through PreKids Vendor Portal for their June 2022 expenses
- 41.5% of respondents had missed payroll or delayed vendor payments due to delayed payments from DOE

And in September 2022 SeaChange Capital released a research note using data from Checkbook NYC showing:

- A cumulative cash flow deficit of \$464 million in City spending when comparing the funds approved to invest in early childhood education and the funds received by providers
- Nineteen organizations with a deficit of \$5 million or more
- Deficits as high as \$35 million in individual organizations.²

On the ground for providers this has translated into:

- Centers missing payroll, forcing their committed staff members to need to look for new jobs or struggle to make ends meet

¹ City of New York. *Accessible, Equitable, High-Quality, Affordable: A Blueprint for Child Care and Early Childhood Education in New York City*. June 28, 2022 <https://www1.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Childcare-Plan.pdf>

² SeaChange Capital Partners. *Early Childhood Education: How Much More Can Nonprofits Endure?* September 23, 2022 <http://gd7xi2tioeh408c7o34706rc-wpengine.netdna-ssl.com/wp-content/uploads/2022/09/SeaChange-Research-Note-Early-Childhood-Education.pdf>

- Missed payments to vendors
- Missed payments for employee benefits.

The City must act immediately to fix its systems. DCCNY makes the following recommendations:

- **Pay ALL providers their contract value for FY22 immediately;**
- **Migrate invoicing and payment processes from DOE PreKids system to MOCS (Mayor’s Office of Contract Services) Passport system, in line with other human services contracts which would simplify the process for providers;**
- **Pay FY23 invoices promptly assuring the ability for providers to bill for more than one month at time and that the lag between invoicing and reimbursement never exceeds 30 days; and**
- **Hold providers harmless from enrollment penalties as long as DOE controls enrollment.**

DCCNY also makes the following urgent recommendations to strengthen early childhood education in New York City.

Continue the Unfinished Work of Salary Parity

Thanks to the leadership of the City Council and Administration, the FY 2023 budget includes a \$46 million investment in bringing community based early childhood educators closer to salary parity with their counterparts in public schools as well as a Cost of Living Adjustment for the human services workforce. DCCNY looks forward to working with the City Council and the administration to utilize these and other funds to ensure that the community based early childhood workforce finally gets the parity that it deserves.

DCCNY urges the City to make the following commitments to the early childhood workforce:

- Implement longevity increases for the community based early childhood workforce on par with increases for comparable positions in public schools.
- Adjust salaries for directors and support staff to parity with comparable positions in Department of Education.

Implement Community Based Enrollment

The launch of DOE’s Centralized Enrollment System stripped community based organizations of the power to process their own enrollment. This change required all families to go through DOE’s Centralized Enrollment System and rendered community based organizations accountable for a metric- enrollment- that they could no longer control

Under DOE's Centralized Enrollment System, there have been significant wait times for families' applications for the approval of child care subsidies leaving vacant seats in child care centers and family child care homes and putting stressors on parents' trying to access affordable child care. Moreover, many families, including many immigrant essential workers are weary of engaging with a government agency and feel safer with a community based organization with whom they already have a trusting relationship.

Over the summer of 2021, DOE briefly allowed providers to enroll families after the CBO itself had done a complete eligibility check. This empowered CBO's to start serving eligible families immediately and helped them to leverage their community relationships. However, this policy ended with the start of the school year on September 10, 2021 and has not been announced for the summer of 2022.

Local community based early childhood providers have strong connections to the neighborhoods they serve. The City should leverage these strong relationships to ensure that families are able to quickly access the child care programs in which they want to enroll their children.

DCCNY urges the City to allow community based enrollment in contracted early childhood education programs.

Thank you for the opportunity to testify. I am happy to answer any questions and can be reached at gbrender@dccnyinc.org