



Day Care Council of New York



Federation of Protestant Welfare Agencies



**Testimony of United Neighborhood Houses, Advocates for Children,  
Bronx Community College Early Childhood Development Center,  
Child Care Inc., Day Care Council of New York Inc.,  
Federation of Protestant Welfare Agencies, UJA- Federation of New York  
Before the Committee on Finance and the Committee on General Welfare  
Of the New York City Council  
At the FY 2010 Preliminary Budget Hearing**

March 23, 2009

Good afternoon. Thank you Chair de Blasio and Chair Weprin and the members of the General Welfare and Finance Committees for the opportunity to testify. My name is Gregory Brender and I am a policy analyst for United Neighborhood Houses. I am presenting testimony today on behalf of United Neighborhood Houses and our partners in advocacy Advocates for Children, Bronx Community College Early Childhood Development Center, Child Care Inc., Day Care Council of New York, Federation of Protestant Welfare Agencies and UJA-Federation of New York.

New York City must meet its obligation to serve the youngest New Yorkers and adequately fund child care programs. ACS has for several years carried a structural deficit in child care spending but in previous years the City has remained committed to investing in early childhood education. This year, faced with a \$62 million deficit, the City is requiring ACS to fix this hole within its agency largely by eliminating or reducing core services that provide care and education for children from poor families.

City funded child care programs and the children and families whom they serve should not be expected to bear the brunt of the city's fiscal challenges. When the FY 2010 budget is passed, it should include the funding necessary for child care so that working families will still have access to safe and affordable child care. Avoiding cuts to the child care system, both the reductions in funding quality programming and overall capacity, will require the City to make child care and early education a priority and to increase funding to the system.

Most of the cuts to child care programs are taking place outside of the traditional budget process as ACS seeks mid-year cuts in order to close its structural deficit. ACS plans to close classrooms in several under-utilized centers and is preparing to remove 3,300 slots used to serve five-year old children in child care programs at the beginning of next school year. ACS has notified providers who offer Universal Pre-Kindergarten as part of a full day of care that they will lose tens of thousands of dollars.

Below is more detail on some of the cuts to child care and early education that have been proposed.

### UPK Cost Allocations

Universal Pre-Kindergarten (UPK) provides four year old children with educational opportunities that prepare children to succeed in Kindergarten and beyond. As State funding for UPK is limited to two and a half hours a day, this program is inaccessible to the children of working parents when it is not offered as part of a full day of care. We support the City's position that New York State should allow flexibility in UPK funding that will support full day programs and are glad that the city encouraged providers to offer extended days for children in UPK.

ACS contracted providers offer Universal Pre-Kindergarten to the children of working parents 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. Keeping these programs fully funded is necessary to ensure that the children of working parents have the same opportunities to access early education as the children of wealthier parents have.

These programs also help to leverage funds by making New York State funded Universal Pre-Kindergarten more accessible. Last year, New York City returned more than \$30 million to the state in unused funding for Universal Pre-Kindergarten and this year Governor Paterson has proposed to reduce funding for Universal Pre-Kindergarten by pulling all UPK funding which municipalities did not spend last year. If programs which make UPK available to the children of working parents are not able to continue because of budget cuts, New York City will likely be forced to return more state funds.

In November, ACS announced that it would calculate cost allocations for blending both child care and UPK which would lead to cuts from programs that had contracts both with ACS for child care and with DOE for UPK. By early January, providers were asked to submit their budget plans to ACS so that a formula could be applied to their budget. At this point, some providers began making difficult budget choices and in some cases reducing expenses in preparation for the cuts that were slated to happen. One provider, for example, removed arts and music from its UPK curriculum as they believed that the City would likely not continue funding this part of their program.

Providers received letters dated March 6 announcing cuts to their programs which were effective retroactively to February 1, 2009. These cuts are severe- sometimes as much as a third of the

program's budget. Most providers with whom we have spoken over the last week do not yet know how they will be able to absorb such drastic cuts and continue to provide services to children. Providers may be forced to lay off staff or reduce hours. Other providers may not be able to fund programs which meet the standards of UPK and may not reapply for these contracts.

The loss of opportunities for children to access UPK education as part of a full day of care would mean that children in need of school readiness programs would be less likely to have access to them. Furthermore, a child's need of full day care does not justify a lower level of compensation for implementing UPK curriculum and procedures. The City must find the resources to stop these cuts to devastating crucial services for our children.

### Capacity Reductions

ACS estimates that it serves fewer than 30% of eligible children and many providers report long waiting lists of eligible children whom they do not have the capacity to serve. Nonetheless, the City is proposing drastic reductions in the number of children able to be served by the city's contracted care system.

- Elimination of classrooms for five year olds. Beginning next school year, ACS will no longer provide funding for classrooms which serve 5 year old children. Children who are now four years old and will be five in the next school year are expected to enroll in kindergarten and Out-of-School Time (OST) if they need full day care.

Many providers have in recent years aged down five year old classrooms and given the current fiscal situation, the Department of Education, which has a significantly larger budget than ACS, should adequately fund services for kindergarten-aged children. However, the current plan to eliminate five year old classrooms does not allow centers to age down their classrooms to meet the needs of zero to four year olds. The slots that are eliminated because of this cut will not be replaced and the overall capacity of the City's child care system as well as the capacity of several centers will be decreased.

Furthermore, centers may be destabilized by the loss of funding for entire classrooms. Many of the centers with five year old classrooms could if given the opportunity expand their services for children zero to four and thereby ensure that ACS is not paying the lease for space which children would not be using.

This change will dramatically reduce the number of children able to receive subsidized care by removing approximately 3,300 slots.

- Elimination of capacity at several under-utilized centers. In November, ACS announced that 21 centers which were underenrolled at that time and which had a history of underenrollment would immediately face a reduction in capacity. It is our understanding that most of these centers were in fact not underenrolled and will therefore not have their capacity reduced. However, we remain concerned about this proposal because of the reduction in slots that the closing of classrooms will entail.

- 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.

New York City must fulfill its obligation to the youngest New Yorkers. Programs should be available which meet their needs and the needs of their families for care that enables parents to continue working and education that gives every child the chance to succeed in school and beyond. To do this we need to expand the options available to parents. Instead, the City is losing capacity and will in the future serve fewer children than it is able to serve now. At the same time early childhood education programs are having their funding reduced drastically which will make it more difficult to provide quality programs to preschool-aged children.

We urge New York City to keep early care and education as a top priority. While ACS does carry a significant structural deficit, the City should not expect that ACS fund the deficit entirely within its own agency. The city must preserve the capacity of the child care system and improve access to make enrollment in child care programs easier for parents so that every slot in the child care system is used to provide for a child. The City should also use its influence with the State and Federal governments to ensure that New York City receives child care and early education funding from the Federal stimulus funds as well as advocate for long-term investments in early care and education from other levels of government.

We also urge New York City to support UPK education as part of a full day of care so that the children of working parents have the same access to UPK education as the children of wealthier families have. To ensure that New York City's children have access to the highest quality care and education, the City must fully fund child care programs to support enriched activities, well paid staff and facilities which are safe, inviting and appropriate for young children.

The FY 2010 budget will be critical for determining the future of subsidized child care in New York City. With ACS' structural deficit and with providers already losing funding and capacity, the City will need to make child care and early education a funding priority to meet the basic needs of the youngest New Yorkers and their families.

Thank you again for the opportunity to testify. We look forward to working with you to provide care and education for New York City's children.