Testimony of United Neighborhood Houses
Before the New York City Council Committee on Immigration
Council Member Shahana Hanif, Chair
Oversight - FY 2024 Preliminary Budget
Submitted by Lena Cohen, Senior Policy Analyst
March 7, 2023

Thank you, Chair Hanif, and members of the New York City Council Committee on Immigration for the opportunity to testify. My name is Lena Cohen, and I am a Senior Policy Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing 45 neighborhood settlement houses, 40 in New York City, that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York’s settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

**Adult Literacy Education**
UNH advocates for an adult literacy system that provides quality, comprehensive, and accessible educational services for New Yorkers to improve their literacy skills, learn English, obtain a High School Equivalency diploma, and enter training and post-secondary education.

Today in New York City, there are currently about 906,000 adults living in New York City with limited to no proficiency in English (i.e. those who reported that they did not speak English or did not speak English well)

Moreover, over the past year, more than 44,000 asylum seekers and refugees have arrived in New York after fleeing life-threatening social, political, and economic conditions in their home countries. For many of these adults, limited skills impact almost every aspect of their lives, making it difficult to support their children in school, access health care, secure and maintain living-wage jobs, advocate for their rights, and fully participate in their new communities.

1 UNH tabulations of 2021 American Community Survey data from the US Census Bureau.
**FY2024 Budget Recommendations**

Rather than committing to bolster the resources and critical services that New Yorkers deserve, the Mayor has proposed significant budget cuts to crucial programs, including adult literacy education. To address the gap in funding for community-based adult literacy services, UNH calls on the Mayor and the City Council to:

1. **Restore the full amount of baselined and one-year funding** that DYCD-funded adult literacy programs were allotted in the FY23 Adopted Budget;
2. **Renew the $2.5M City Council Discretionary Adult Literacy Pilot Project** and **expand it to $5M** under the new title **“Adult Literacy Program Enhancement,”** now that the pilot has proven to be a resounding success.
3. **Renew the $4M City Council Discretionary Adult Literacy Initiative**, with added flexibility so that programs that receive this funding are not bound by the problematically low $950 per student DYCD funding rate.

The Mayor’s FY24 Preliminary Budget proposal includes about $8.26M in City Tax Levy for DYCD-funded adult literacy programs. This is based on our understanding of the budget but given that DYCD’s PEG is listed as simply “less than anticipating spending across agency contracted programs” and not itemized, we need greater clarity on the city's total spending on adult literacy. In contrast, the FY23 adopted budget allocated approximately $20.4M in city funds for adult literacy. The breakdown of last year’s funding included $5.7M in established baseline funding, $8M in expansion funding that was baselined in FY22, and $6.7M that was added for additional expansion in FY23.

**Program Overview**

As a whole, the city’s adult literacy system provides over two hundred classes that reach New Yorkers in need of English literacy, health literacy, digital literacy, and the ability for parents to independently support their children’s education. The success of adult learners is often predicated on how well programs can accommodate their other social service needs. A working parent without reliable access to childcare, an adult learner with mental health challenges, or a skilled professional from abroad in need of immediate employment, can more easily commit and benefit from classes if those needs are met. While the level of support services offered vary by provider, resources in community-based organizations like settlement houses include case management, workforce development programming, child care assistance, college planning guidance, legal assistance, behavioral health services, and housing assistance.

**Increased Rates**

One of the significant challenges of the adult literacy system is that it is seriously underfunded, and where funding does exist, it is at reimbursement rates that do not fully cover the cost of delivering high-quality adult literacy classes. A 2017 DYCD-commissioned report conducted by the Literacy Assistance Center – titled Investing in Quality – analyzed the true costs of providing quality adult literacy programming and found that on average, adult literacy programs cost
about $3,600 to provide instruction and support to each student they serve. Instead, the city’s current reimbursement rate is about $950 per student. This rate has not been raised in years, despite significant increases in the costs of running programs and maintaining living wages for staff. This means that many adult literacy providers are actually experiencing a loss on contracts when they provide literacy services to their community and must raise private dollars to support this program.

While we have not yet reached that goal, the $2.5 million Adult Literacy Pilot program passed by the City Council two years ago and that was renewed in the FY23 budget provides a template for what a fully funded adult literacy program looks like. The adult literacy pilot increases the amount of funding for students in those programs without requiring additional students served. This has enabled programs to make significant improvements to the quality of services they provide, including updating and expanding curriculum, adding and improving remote services, increasing focus on digital literacy, increased student outreach and support, and more. It has also allowed for programs to address the needs of particular populations like parents, or respond to immediate needs in their communities.

**Extend Promise NYC with $20 million in FY 2024**

Due to restrictions on certain funding sources, the only public early childhood education programs that undocumented children can directly join are 3-K and Pre-K programs and federal Head Start. This leaves a major gap in child care for undocumented immigrants, including the more than 47,000 recent asylum seekers in New York City. To help address this challenge, we urge the City to invest $20 million in FY 2024 to extend the new Promise NYC program to provide subsidized child care to low-income undocumented children.

Under Promise NYC, four providers, including three settlement houses, have contracted with the Administration for Children's Services (ACS) to implement a child care voucher program in each of their respective boroughs (NMIC in the Bronx and Manhattan, Center for Family Life in Brooklyn, Chinese-American Planning Council in Queens, and La Colmena in Staten Island). The 6-month program launched in January 2023, and after a six-week period of administrative preparation, providers were able to begin outreach to families in February. Providers are contracted to serve a total of 600 children citywide for the remainder of the fiscal year from January through June.

Though the program is still in very early stages, providers report overwhelming success and need for the program. Demand is high, especially in neighborhoods with high concentrations of undocumented children and families, and providers do not expect challenges meeting their contracted numbers. ACS was collaborative with providers in building out the program, payments are timely, and - crucially - families do not need to provide documentation or specific forms to qualify, ensuring low barriers to entry.

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Access to subsidized child care through Promise NYC has enabled asylum-seekers to obtain employment or attend ESOL classes: One parent noted that “This is a great opportunity for me because I want to work and I have no one to leave my son with, I have no family or friends. It’s only been two months since we arrived in New York.” Another parent said, “I want to take English classes but I don’t have the money to pay for daycare for my daughter, so leaving her in a safe place gives me the opportunity to prepare for later finding a job.” These successes make clear the need to continue this program beyond its current end date of June 2023.

Like any new program, there are a number of challenges in the roll out that UNH would like the City to address moving forward.

- A number of technical challenges have arisen as the program has rolled out. Matching families with child care providers, as well as managing invoicing and sign-ups for these providers, have been time consuming and required more staff time than previously anticipated. Many undocumented families or recent asylum seekers may not have a bank account, and there were unanticipated tax impacts to giving vouchers directly to families, which was the City's original vision. The four providers are now paying child care providers directly for providing care, so additional time was needed to sort out these payment issues with both the City and providers. Additional technical support from the City would help smooth out these challenges, including providing a list of child care providers and guidance on the financial process.

- Because the program is new and has not been promoted widely by the City, many child care providers have expressed skepticism about the legitimacy of the program, leading to some delays in signing families up for care. There has also been some wariness from child care providers about ACS's involvement, because ACS's pre-existing child care voucher program is known for delays. Contracted providers are overcoming this challenge by promoting the program with their own local branding, instead of leading with ACS. Still, the City could do some additional outreach to child care providers about the Promise NYC program.

- Reflective of systemic issues in the City's early childhood and care system overall, there are not enough infant and toddler seats to meet demand. While average ages of Promise NYC participants varied by borough, it was universally more difficult to identify child care providers with infant and toddler seats. This is a broader challenge that the City must address. ACS should partner with DOE and DOHMH to ensure that capacity in the child care system across the City is being maximized in the best way possible. In particular, ACS and DOE should analyze underutilized child care slots (particularly 3-K slots) and convert those slots to match demand.

- The six-month program timeline is short. While family approval for vouchers happens relatively quickly, matching families to a child care provider can take time, especially if the family does not already have a provider in mind or if local providers do not have capacity. There is also concern that as we get closer to June, providers will be less likely
to accept a voucher that only lasts a few months. This puts pressure on contractors to spend all of their money by the end of June. The City should consider a timeline extension for the spend down of FY 2023 funds.

Promise NYC was funded with $10 million in the City’s FY 2023 budget after extensive support and negotiation from the Council. However, this funding was secured before the majority of new asylum seekers arrived in New York City, and it was not baselined, so programs are anticipating that child care will end on June 30th and undocumented families will abruptly be left without a child care arrangement. We urge the City to extend funding for Promise NYC in the FY 2024 budget so that undocumented families can continue to access the affordable, subsidized child care they need. A $20 million investment will allow these providers to serve the same number of children over a full one-year period (since in practice the program started halfway through the fiscal year), including funding for increased staff capacity necessary for invoicing and matching families to available child care providers. Moving forward, we hope the City will consider adding new contractors or subcontractors who can effectively reach high-need neighborhoods. We also encourage an analysis of the citywide need for care for undocumented families, and if warranted to increase investment into the program so it can reach more families.

**Conclusion**
Thank you for your consideration. We look forward to working with the City Council to improve the lives of immigrants living in New York City. For more information, please contact Lena Cohen at lcohen@unhny.org.