



**Testimony of United Neighborhood Houses
Before the New York City Council Committee on Women and Gender Equity
Council Member Tiffany Cabán, Chair**

Introduction 941: Establishing Free Child Care for All City Residents

**Submitted by Paula Inhargue, Policy Analyst
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Thank you Chair Cabán and members of the New York City Council Committee on Women and Gender Equity for the opportunity to testify on the child care crisis in New York City, the need for universal child care, and the steps New York City must take to stabilize its early childhood education system. My name is Paula Inhargue, and I am a Policy Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing neighborhood settlement houses that reach 770,000 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.

Settlement houses began some of the first kindergarten programs in New York State in the early 20th century, and early childhood education programs remain an important component of serving their communities. Settlement Houses run approximately 75 child care programs of all modalities (contracted center based programs, contracted Family Child Care networks, Direct Headstart programs, and private pay), serving their communities with dedication and quality care. UNH represents its members interests and needs across several platforms, including through its active membership in the Empire State Campaign for Child Care. In addition, UNH runs the Early Childhood Mental Health (ECMH) Collaborative in partnership with the New York Center for Child Development (NYCCD) to provide professional development and consultation for our members' early childhood education professionals. This work includes identifying the mental health needs of young children and giving staff resources to help them address the children experiencing behavioral or emotional challenges.

Our testimony at today's hearing will focus on Intro 941-2023, as well as other more immediate recommendations to support and stabilize the early childhood education workforce and preserve access to care for families across the city. Recommendations beyond Intro 941-2023 include:

- Ensure that the Department of Education contracts with and pays its early childhood providers in a timely manner;
- Complete the path to salary parity for the early childhood education workforce;
- Continue and expand the Promise NYC program;
- Expand access to extended day/year programming; and
- Ensure 3-K for All continuity amid federal fiscal cliffs.

Intro 941-2023: Creating a Universal Child Care System in New York City

Now is the time for New York to commit to creating a high-quality, free, equitable, and universal child care system that both meets the needs of all children and families and offers strong support for providers. UNH supports the goals of Int 0941-2023. It recognizes the importance and value of early childhood education for both young children and their caregivers. We thank Council Member Gutierrez for her leadership in developing this legislation in partnership with community stakeholders. In particular, we appreciate the following components of the bill:

- Intro 941 requires that the City create child care options for all city residents, regardless of immigration status. This is important, as immigration status should not be a barrier to accessing care.
- The bill calls for the Office of Child Care to coordinate with the many City agencies responsible for making the City's child care system work (such as the Department of Buildings, the Fire Department of New York, etc). This is crucial and something that is often overlooked now. The City's child care system is complex and many City agencies play a role in its oversight and regulation. These agencies currently often do not coordinate well with each other, causing headaches for families and providers. Intro 941 seeks to remedy that.
- The bill encourages the provision of night/weekend child care, something that is extremely important to working families and is often very difficult to find. Not all parents/caregivers have a Monday-Friday 9am-5pm job, and so having care options for their schedules is important.
- The bill calls for the continuity of care for a child from ages 0-5, which is important for their continued development and for stability for families.
- The bill calls for a living wage for child care workers, and that these wages be in line with Department of Education employees. This is discussed later in this testimony.

We hope that Intro 941 is the start of a process and conversation for New York City to achieve a universal child care system for children ages 0-5. A recent *New York Times* article found that families in New York City had to earn more than \$300,000 a year to meet the federal standard of child care affordability (that child care takes up no more than 7% of total household income) for just one child. Based on this threshold, more than 90 percent of New York City families could not afford center-based care for one infant or toddler. Child care is often the biggest financial burden that families have after their housing costs. Furthermore, according to a second wave of surveys of more than 1,000 families with the UNH network conducted by UNH and UNH member Educational Alliance during the winter of 2022-23, 18 percent of parent respondents with children under the age of five reported that they experienced difficulties with paying for child care in the past month. A lack of affordable child care drives parents out of the workforce, and families out of New York City seeking more affordable places to live. The City must address this issue urgently.

At the same time, we know that the system needs significant support before expansion can be successfully advanced. If we do not attend to the underlying issues facing the sector, the system's foundation will not be stable enough to continue moving forward. Therefore, in addition to Int 0941-2023, UNH has identified a number of actions the City can take to help reach the shared goal of universal child care.

Ensure DOE contracts with and pays early childhood providers in a timely manner

Early childhood education providers who contract with the DOE have experienced significantly delayed contract reimbursements for the last two fiscal years. Despite the persistent attention to this issue over the last year, meaningful progress has not been made across the board for CBOs, and providers still report challenges with prompt payment from the DOE. As a result of delayed payments for FY 2022 and FY 2023, providers in the UNH network experienced cash flow issues that led to financial hardships like scrambling to make their payroll, or drawing down on their lines of credit. We are now in the start of FY24, with all early childhood programs (school-day and extended-day) programs underway, and some providers report still not having budgets for this year or registered contracts. This is unacceptable, and is a cycle we must get out of if we are going to stabilize the system.

SeaChange Capital Partners conducted an analysis of how much the contracted early childhood system was owed and found that as of January 19, 2023—over halfway through the City's fiscal year—the DOE still owed providers \$399 million for FY 2022 contracts. These delays in payment make it extremely challenging for providers to operate, when their finances are so precarious. The FY24 Adopted Budget contained terms and conditions that will require the DOE to report quarterly on the process of contract registration versus payment. This will be a crucial step to understanding this issue across the sector, and once the first reporting starts, we are ready to work with all partners in City government to address this issue going forward.

Complete the path to salary parity for the early childhood education workforce

UNH settlement house members report that the main obstacle for hiring and retaining staff in early childhood education programs is low salaries, which are required due to low contract values. For New York City providers, there is an added challenge because those low salaries are not at parity with salaries for similar positions working at the NYC Department of Education (DOE). On average, a head teacher with a master's degree working for a settlement house-run early childhood education program earned \$63,507 a year in 2021, 24 percent below the annual salary earned by their DOE counterparts. Lack of parity between the DOE and the CBOs is leading to higher vacancy rates and making it difficult for CBOs to fill and retain critical positions. Center-based programs are left with staff shortages, preventing them from running at full capacity due to required children-adult ratios. One settlement house reported that their enrollment is impacted by staffing issues, noting that "one of our enrollment challenges continues to be competition with the DOE for certified teachers and other staff so we can't enroll more children beyond who we can safely serve." Another reported that it has received requests for child care support from asylum-seeking families but are unable to serve them due to staff shortages: "We have a waiting list of about 65 kids and a bunch of empty classrooms, but we don't have the staff." Furthermore, high turnover rates threaten the stability and continuity of care that is necessary for young children's behavioral and cognitive development.

Labor negotiations between the City, DC37 and the Day Care Council of New York are underway, and we are hopeful they will result in a contract that compensates CBO staff—including teachers

and support staff—in the same way as their DOE counterparts. To expand the early childhood education services that New Yorkers need, we need to ensure that all providers are able to offer competitive salaries and wages to their staff, as staff are the underpinning of programs. For the City to offer quality education of families' choice that is safe, accessible, and affordable, first and foremost, we need to support the workforce.

Continue and expand the Promise NYC program

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 were contracted to serve a total of 600 children citywide for the remainder of the fiscal year through June, and the program was renewed for FY24.

The Promise NYC program has emerged as a beacon of support for families grappling with child care challenges across New York City. While it has received widespread acclaim from the families it was able to serve, it quickly became evident that the need exceeded the number of contracted slots, especially considering the number of new asylum seekers in New York who need safe and affordable child care. For those families that were able to participate in Promise NYC, they have shared that access to child care has allowed them to seek out work opportunities, to pursue ESOL classes, and to participate in workforce training programs.

For NMIC (Northern Manhattan Improvement Corporation), this venture into child care services was new for the organization, yet they were chosen due to their presence in both Manhattan and the Bronx and the strong relationships they hold with the community they serve. Remarkably, they did not need extensive outreach efforts; the program's popularity was swift and substantial, emphasizing the pressing need for child care services, particularly among undocumented community members. However, the budget allocation still falls short of addressing the demand, with NMIC only being able to serve 110 children in Manhattan and 125 in the Bronx, while having over 400 children waitlisted. While the program received an extension for another year, the approved budget of \$16 million doesn't allow providers to expand the program to include more families.

Providers have shared that the Promise NYC program is not just about child care; it is a pathway to educational opportunities for children. Participation in Promise NYC has allowed providers to help families connect with child care and then ensure that these children move on to the public school system. With an expanded budget, the hope is to further facilitate families' access to care and serve as a pipeline into the K-12 school system, solidifying its status as a crucial community resource. In sum, Promise NYC has emerged as a lifeline for families facing childcare challenges, illustrating the positive impact that accessible child care can have on individuals, families, and communities.

Expand access to extended day/year programming

3-K for All and Pre-K for all are two important programs that make up the City's early childhood education continuum, providing care for nearly 100,000 3 and 4 year olds across the city. Though these programs are essential, they often do not provide the hours of care that this

population needs. 3-K for All and Pre-K for all only provide school day/school year (SDY) programming, with daily hours from roughly 8 am to 3 pm from September to June. Extended day/year (EDY) programs offer care from 8am-6pm year round, and these slots typically have been funded through the federal Child Care Development Block Grant or the DOE's federal Head Start grant. These slots are also means tested, with children qualifying if their family earns less than 300% of the Federal Poverty Level.¹ 3-K for All and Pre-K for All are typically funded with city tax levy funding (though there is currently a large amount of federal stimulus funding supporting 3-K programs).

There are not enough EDY slots to meet the demand; in 2020, only 36% of 3 year olds were in EDY programs, but approximately 70% are income eligible (from CCC's Keeping Track). The de Blasio Administration prioritized building an early childhood education system that provided school day/year care but failed to invest in boosting capacity for extended-day/year seats. Capacity for school day seats increased 8% between the 2019-2020 and 2021-2022 school year, but extended day, year-round capacity decreased by 20% over the same time period.² Settlement houses envision a system modeled after federal Head Start, with extended day/year hours and wrap-around supports that focus on the whole family and prioritize kindergarten readiness.

UNH hears consistently from settlement houses about the lack of extended day/year programs, especially for 3 year olds. These are the type of slots that working families often want and need, as they may not be able to afford paying for wrap around hours. There also has been attention on under-enrollment in the 3-K for All system; we hear anecdotally from settlement houses that parents express that these programs do not always work for their schedules and do not provide enough hours of care. The City Council took an important step this year by funding a \$15 million pilot to convert 1,800 school-day/year 3-K for All seats to extended-day/year seats. We urge the DOE to allocate these slots as quickly as possible so that 3-K providers can work to get families connected to this care. We look forward to hearing the results of this pilot, and hope that the DOE and City Council will monitor closely so that we can develop a greater understanding of family needs and choices when it comes to child care.

Ensure 3-K for All continuity amid federal fiscal cliffs

The City's expansion of 3-K for three-year-olds has largely been fueled by federal COVID-19 relief funding that will expire by the 2024-2025 school year. Yet, the expansion of 3-K is at risk. After COVID-19 relief funds expire, the IBO projects that the 3-K program will be faced with a shortfall of \$92 million for the 2025-2026 school year. This is a national crisis; the Century Foundation estimates that 3.2 million children will lose access to child care across the country when COVID relief dollars expire.³ We strongly support the federal Child Care Stabilization Act, which would provide \$16 billion in mandatory funding over the next five years to avoid a child care fiscal cliff. But absent federal or state action, New York City must lead to ensure that children do not lose access to care once COVID funds expire. We urge the City to backfill any gaps in funding to

¹ New York State is expected to increase the income threshold even further, expanding eligibility up to 85 percent of the State Median Income (SMI), which will take effect in the second quarter of FY 2024. City of New York. September 2023. Mayor's Management Report.

https://www.nyc.gov/assets/operations/downloads/pdf/mmr2023/2023_mmr.pdf

² From the Citizen's Committee for Children's *The Youngest New Yorkers*:

<https://s3.amazonaws.com/media.cccnewyork.org/2023/04/CCC-2023-The-Youngest-New-Yorkers-Full-Publication.pdf>

³ <https://tcf.org/content/report/child-care-cliff/>

guarantee continuity of care for families and to keep the child care system stable in New York City.

Thank you for your time. To follow up, you can contact me at pinhargue@unhny.org.