



TESTIMONY OF
THE UNITED FEDERATION OF TEACHERS

BEFORE THE NEW YORK STATE SENATE FINANCE COMMITTEE
AND ASSEMBLY WAYS & MEANS COMMITTEE

REGARDING THE HUMAN SERVICES BUDGET PROPOSAL

FEBRUARY 9, 2016

Good afternoon. My name is Anne Goldman, Vice President for the more than 45,000 members of the United Federation of Teachers who do not work for the New York City Public Schools. I want to thank you for this opportunity to testify before you today. I look forward to sharing our perspectives on the executive budget proposals, and to answering any questions that you may have.

I particularly want to thank the chairs of each committee involved in today's hearing, including Senator Young of the Finance Committee and Assemblyman Farrell of the Ways & Means Committee and the Senate and Assembly Chairs of Aging, Children and Families, Labor and the Social Services Committees. I also want to commend Senator Majority Leader Flanagan, IDC Leader Senator Klein and Speaker Heastie for your fierce advocacy on behalf children and issues important to working families.

The UFT proudly represents 15,000 home-based family child care providers in the five boroughs of our great city. If you are a parent who receives government-subsidized child care and sends a child to home-based care, then your child is cared for by someone represented by the UFT.

Home-based family child care is an essential component of the city's subsidized child care system, which serves more than 300,000 children. This type of care allows tens of thousands of hard-working, low-income New Yorkers, predominately people of color, to work. The quality care that our members provide gives parents peace of mind. In addition, and just as important, children who attend high-quality early-childhood programs are better prepared to

enter school, do better in school and accomplish more later in life compared to children who do not have access to these programs.

Currently, the universe of child care services is undergoing a momentous transition due to new federal regulations designed to ensure that children and families have access to stable, quality care in an environment that is both safe and nurturing. These new regulations recognize the importance of high-quality care that studies have shown produces better outcomes for children. New York State faces a major challenge in how it will meet these new expectations and successfully implement these regulations.

Making the Investment

This brings us to the point of today's hearing, which is the executive budget proposal as it concerns the subsidized child care system in the state. The questions before all of the stakeholders here today are as follows: Does the proposal provide enough funding to maintain current services for the neediest children and families in this state? Does it include enough money to cover the new health, safety and eligibility requirements mandated by the federal government? And most important, does the proposal acknowledge the critical service that quality and accessible child care provides both as an economic engine and in educating children?

New York State is making significant investments in economic and business development to grow our economy, particularly in struggling upstate communities. Affordable, quality child care is a critical support for both workers and the multitude of businesses that employ them. This is why access to high-quality, subsidized child care allows families to focus on job responsibilities and performance. When child care is not an issue, workers can remain employed, develop new job skills, increase work hours, earn higher wages and advance their careers. Employers also benefit since worker turnover is costly for business.

New York's ability to sustain continued economic growth requires a strong workforce. For a working family, child care subsidies can mean the difference between making ends meet and living in poverty. New York thrives when people are working. When unemployment goes up, we see a decrease in tax revenue and an increase in government assistance.

In addition, studies have shown what happens when children go to school without the preparation early education provides. The findings show that the cost of remedial education in elementary school is much higher than the cost of early childhood education. Studies have also shown that early childhood education has a direct impact in keeping our young people out of jail later in life.

Access to quality child care that provide cognitive, social and emotional development is critical to a child's success both in school and in life. Our family child care providers have the skills to impart valuable lessons to their little pupils. Our providers are sometimes on the front line of identifying children with developmental delays. The UFT encourages the state to fund training for our family child care providers on this topic so early interventions can be put into effect.

The state's ability to provide high-quality, subsidized child care yields other benefits to society as well. First, New York State requires children to receive immunizations against childhood diseases when they attend government-subsidized day care. This component is critical for a city as large as New York City to manage, control and treat infectious diseases. Cutting the number of subsidized child care seats would result in more young children going unimmunized.

Secondly, New York's poorest families depend upon the meals their children receive in family child care. It is not an exaggeration to say that these meals may be the most nutritious food the child receives all week. At a time when we have become more aware of the critical relationship between nutrition and learning, our family child car providers can be an important line of defense against malnutrition.

The Burden of Federal Unfunded Mandates

The federal government has now handed the state a bill for tens, maybe hundreds, of millions of dollars in unfunded mandates. The last time this happened — can anyone here say Common Core without cringing? — the state wasted hundreds of millions of dollars on failed policies and poorly implemented programs.

This time the state has the opportunity to do it right the first time and avoid a rush job that will require costly remediation. We owe it to the children, families and child care providers of this state to proceed in a thoughtful and deliberate manner despite what are unreasonable federal mandates with unrealistic timelines.

The UFT applauds the pragmatic approach of the Office of Children and Family Services (OCFS) contained in the state's plan outlining what must be done. However, full compliance requires significant legislative action, the creation of new IT systems, upgrades in current IT systems, and an increase in staffing at the state level. The extra \$10 million included in the state operations portion of the OCFS allocation clearly is not enough to pay for all this.

The regulatory processes and requirements of the State Administrative Procedure Act will

also extend the timeline for compliance. We believe it is a critical step that allows the public, namely parents and child care providers, to comment on regulations that control, respectively, their children's care and their livelihoods.

The UFT and the child care providers we represent anxiously await OCFS's detailed proposal of how the state will comply with the unfunded federal mandates. We strongly oppose forcing our child care providers to shoulder the expense of these new health and safety requirements, including background checks.

The UFT is also staunchly committed to achieving a raise for family child care providers. Child care providers will not see their compensation increase because they are considered independent contractors whose rate of pay is set by the state's "market rate survey." The state's recent decision to decrease the percentile of that market rate from 75% to 69% has, on the contrary, translated into a drop in pay for family child care providers even as the costs of living and doing business increase.

Quality care enables young children to thrive, families to work and providers to stay in business. Currently, according to the most optimistic estimates, only 27% of income-eligible families have access to subsidized care in the five boroughs. What does this say about our state's priorities? What does it say about our state's commitment to the workforce?

OCFS and the Division of Budget (DOB) estimate the cost of implementing the new federal health and safety standards to be \$90 million. Both OCFS and DOB have also acknowledged that the cost of implementing new parent-eligibility standards will be substantial, but have yet to provide a figure. Based on the cost of full implementation in other states, we estimate the cost of expanded parent-eligibility standards alone will be approximately \$100 million. That means the federal mandates will cost at least \$190 million in total.

In closing, we reiterate that it is imperative that the state budget reflects a strong commitment to New York State's children, families, and workforce. The state must invest in subsidized child care for low-income families and set aside funding to cover the cost of implementing the unfunded federal mandates.

We leave you with a basic question: How can New York be a leader in supporting our working families when so many of parents in this state are forced to choose between staying at home or leaving their children in substandard child care while they go to work?

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