



**Testimony of Day Care Council of New York  
Before the New York State Senate  
Committee on Children and Families  
Honorable Jabari Brisport, Chair**

Prepared by Gregory Brender, Chief Policy and Innovation Officer  
And Hannah Plumb, CORO Fellow in Public Policy

**January 26, 2023**

Thank you Chair Brisport and members of the New York State Senate Committee on Children and Families for the opportunity to testify and for your commitment to including the voices of early care and education providers and families in conversations around the future of early childhood education. For the last two years, Senator Brisport has led his colleagues in the legislature in meeting with child care providers and the families they serve in every region of the State. We appreciate that this tour has included different types of providers – both center-based and home-based as well as small and large organizations including Day Care Council of New York (DCCNY) member organizations and the DCCNY membership at large. We also appreciate that Governor Hochul recently visited a DCCNY member organization, and we are excited to work with the legislature and Governor Hochul to move New York onto the path towards universal child care!

The Day Care Council of New York (DCCNY) is the membership organization of early care and education providers in New York City. DCCNY sees a future where all children have access to quality early childhood education and where early childhood providers and their workforce have the tools and resources necessary to offer the highest quality early childhood education.

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 operate with contracts with the New York City Department of Education (DOE), while a smaller portion work with federally funded Head Start contracts or through private funding. DCCNY member organizations seek to provide quality early care and education services to New York's children and families across all five boroughs. DCCNY member organizations employ over 4,000 New Yorkers – the majority of whom are Black and Brown women.

The Day Care Council of New York is an active member of the Empire State Campaign for Child Care and our testimony reflects the agenda of that coalition.

### **Where is New York on the Path to Universal Child Care**

We are at an inflection point for New York's early childhood education system. The actions that State and City government takes this year may determine whether New York moves forward on a path towards universal access to child care or whether we see the closure of child care programs and a deepening crisis for parents needing child care.

Last year, the State made historic investments in early care and education which increased eligibility, funded stabilization grants which supported providers recovering from the COVID-19 pandemic, and provided funding to seed new child care programs in child care deserts.

More recently Governor Hochul made child care a priority of her State of the State address. In her State of the State Address Governor Hochul proposed:

- Streamlining and centralizing child care enrollment
- Increasing eligibility for child care assistance from 300% of Federal Poverty Guidelines to 85% of median income. For a family of four, this would increase eligibility from \$83,250 to \$93,200.
- Capping co-pays at 1% of family income above Federal Poverty Guidelines
- Removing requirements that families seeking child care assistance must prove their income if they are enrolled in specific other means-tested programs
- Piloting new initiatives such as business navigators and supports to develop employer-supported child care programs.

While last year's investments and this year's proposals are crucial, they do not go nearly far enough. New York's recovery from the pandemic and its continued growth depend upon the strength of its early care and education systems to both support parents going to work and to educate children. Far too many providers continue to struggle to recover from the pandemic and far too many New York families can not afford a child care program that meets their needs.

Now is the time for both State government and local governments to invest boldly to develop universal child care in New York so that all families can access high-quality education for their young children!

## **State Budget**

In alignment with our partners in the Empire State Campaign for Child Care, DCCNY urges the State to adopt the following measures in its FY 2024 budget.

### **Invest in the early childhood workforce and providers so they have the resources they need to serve the state's diverse families and communities**

Establish a short-term workforce compensation fund to raise median child care worker pay by at least \$12,500 per year.

Establish health insurance premium support programs for child care workers as their income rises above Medicaid eligibility levels.

Enact legislation that would commit New York State to transition to a new provider reimbursement methodology and pay scale by 2025.

Provide a monthly per-child supplement for non-traditional hour care and start-up grant program for providers seeking to offer non-traditional hour care.

Increase rates for legally-exempt child care providers to 80% of the family child care rate and to 90% for providers who are eligible for the enhanced rate.

### **Help more New Yorkers access child care**

Extend child care assistance program eligibility to undocumented children statewide. New York City has recently launched Promise NYC which provides funding for undocumented children to receive child care.

Adopt categorical child care assistance eligibility for families enrolled in other public assistance programs (SNAP, Medicaid, WIC, etc.) and for children with disabilities, children experiencing homelessness, in foster care, in families receiving preventive services.

### **Priority: Break down unnecessary barriers preventing the child care system from working for families and providers**

Enact presumptive eligibility so families do not need to wait for paperwork processing to begin receiving assistance.

Develop online application, eligibility determination and recertification and provider payment processes.

Implement automatic market rate increases & decouple subsidy payment rates from private pay fees.

## **Early Childhood Education in New York City**

Putting New York on the path to Universal Child Care also requires the active engagement of local governments. And our local government, New York City has often been a leader in expanding access and providing high-quality programs.

During World War II, New York City led the nation developing one of the earliest contracted systems of child care centers, which became a model for Head Start at the Federal level. In New York State, New York City was one of the first municipalities to guarantee a Pre-K slot for every four year old child. And most recently, as mentioned earlier in this testimony, New York City took a major step towards equity by implementing Promise NYC which provides child care for undocumented children.

Sadly, however, New York City's early care and education system is in crisis and many longstanding high-quality child care programs in New York City are struggling to keep their doors open.

For New York City to lead again, it must take immediate action stabilize its network of community based early childhood education providers by:

- Ensuring on-time payments for child care providers
- Achieving salary parity between the workforce in community based organizations and their counterparts in public schools
- Establishing equity in enrollment procedures

## **On-time Payments**

The most immediate issue facing child care providers are the delays in payments from the Department of Education. 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.

This crisis of DOE missing reimbursements to child care centers has meant that centers have been missing payroll, missing payments for vendors and for employee benefits. This causes committed early childhood educators to have to make the difficult decision between staying and doing what they love or making ends meet. This deepens the equity issues already present within the early childcare field impacts the teachers, staff and directors who are already receiving inadequate salaries.

This crisis cannot continue! It threatens both the long-term viability of strong, trusted community-based organizations and the immediate availability of care for New York's families.

DCCNY urgently recommends that New York City:

Pay ALL providers their contract value for FY22 immediately

Move invoicing and payment processes from DOE PreKids system to MOCS (Mayor's Office of Contract Services) Passport system, to 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

Hold providers harmless from enrollment penalties as long as DOE controls enrollment

### **Salary Parity for the Early Childhood Workforce**

Research has consistently shown that a child's routine and their interactions with the adults who care for them are the key ingredient in an impactful early childhood education program. Reform efforts at every level of government have focused on increasing requirements for early childhood education teachers, directors and staff.

However, the formula of rising expectations and continued low pay is not working. With rising inflation, many committed early childhood education teachers, directors and staff cannot afford to stay in the jobs they love. And with higher paying salaries offered elsewhere including in Department of Education, they are understandably having to leave their jobs.

The low pay that highly-skilled community based early childhood education teachers, directors and staff receive is a legacy of sexism and racism that devalues an essential

workforce that is primarily made up of women and in which women of color are heavily represented. It is time to address this racism and sexism by closing the salary gaps between community based early childhood education teachers, staff and directors and their counterparts in K-12 public education.

Both the State and the City have an important role in closing this gap. In 2019, the City made an historic commitment to put the City on a path towards salary parity between the early childhood education workforce in community based organizations and the workforce in public schools. While this agreement was a significant first step, the work remains unfinished.

As of September of 2020, certified teachers in community based organizations are earning salaries on par with the starting salaries of teachers in the public schools. Community Based Organizations are not funded to offer their teachers the longevity increases that public school teachers receive. This inequity in 2022 remains stark and unaddressed. A certified early childhood educator in a community based organization may earn only 53% of what a similarly experienced, certified teacher earns for the same work in a public school setting.

This stark disparity presents a constant challenge to organizations looking to retain teachers who have developed expertise in early childhood education from their years of experience. The unfinished work of salary parity also includes the directors and the support staff in community based early childhood programs who continue to receive significantly lower salaries than their counterparts in public schools. Many centers struggle to retain directors who could earn more as a DOE teacher than they can as a community based director.

DCCNY urges New York City to make the following investments.

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

### **Establishing Equity in Enrollment Procedures**

In her State of the State address, Governor Hochul said that only 10% of families who are eligible for child care assistance are actually enrolled. She pointed out that this was “a legacy of a system that was difficult to navigate- by design”.

New York City has a meaningful opportunity to reform the Department of Education’s enrollment procedures for early childhood education so that it is not difficult to navigate and so that it leverages the connections that community-based child care providers have with the neighborhoods they serve.

Under the Department of Education’s Centralized Enrollment System which went into

effect with the transition of early childhood contracts from the Administration for Children's Services to the Department of Education, parents have limited ability to ensure that their child ends up in the Pre-K, 3-K or child care program of their choosing. Parents select up to ten schools or community-based placements on paper or through MySchools.gov.

The application allows families to rank up to 10 programs of their choice, but the priority rankings of each program, the algorithm used to place families into programs, and the knowledge of options remains unclear to many families. This often translates into families putting fewer choices on their applications and unknowingly putting themselves at a disadvantage by doing so. Additionally, families that do not fill out an application within the admission period, which often happens due to a lack of access to technology or lack of awareness around the admissions process, are severely penalized and lose access to the "right to choose" afforded to those families that applied within the admissions period.

Admission into an Extended Day/ Extended Year Child Care program requires meeting strict eligibility standards. This adds an additional layer of confusion and stress for families. When applying to a Child Care program for Pre-K, the application lists several questions that are aimed to help the algorithm determine who may or may not be eligible for child care. These questions include listing income, family size, and what if any government subsidies one might be receiving.

However, these questions are solely a preliminary line of questioning and are not the final decision on whether or not the family is eligible for the EDY program. When families receive an offer letter to a Child Care program they are often surprised that additional information is required of them to determine their eligibility. Parents are often not prepared for the secondary steps required to complete the enrollment process.

Community-based organizations often devote a significant amount of time and effort to ensuring that families can access their programs which is not the same as accessing a school-based program. While a family receiving an offer to a Pre-K seat in a DOE public school center is only asked to provide a birth certificate and proof of New York City residency to enroll their child. A family in Child Care program is faced with a more complex and time consuming process including demonstrating the parents' work status and the child's residency status. This adds to the worry that parents enrolling in Child Care will become easily deterred because of the enrollment process and will opt to enroll their child in a public school program rather than a center-based program, hurting Child Care programs' enrollment.

We have heard from many of our members that parents who wanted to be in their programs have only received offers from Pre- K or 3-K programs in public schools. At the same time, child care providers are being penalized for under-enrollment by DOE when DOE itself controls enrollment.

Similarly, there have been significant wait times for families' Child Care Assistance

applications to be approved, leaving vacant seats in child care centers and family child care homes and putting stress on parents trying to access affordable child care. Moreover, many families, including many immigrant essential workers, are weary of engaging with government agencies and feel safer with community-based organizations with whom they already have trusting relationships.

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 was not implemented in summer 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. This can be most effectively achieved by allowing community-based enrollment, wherein providers have the power to accept and enroll eligible families.

DCCNY urges DOE to take the following steps to improve enrollment procedures for early childhood education:

- Implement community-based enrollment so that providers can accept and enroll families who want to place their children in community-based child care programs
- Suspend the DOE's pay-for-enrollment system which penalized providers for under-enrollment as long as DOE controls enrollment

Thank you for the opportunity to testify. I am happy to answer any questions.