

**CENTER FOR NEW YORK CITY AFFAIRS
THE NEW SCHOOL**

Big Dreams for New York City's Youngest Children:

The future of early care and education

EXECUTIVE SUMMARY, FINDINGS AND RECOMMENDATIONS

Full report to be released Summer 2014

by **KENDRA HURLEY AND ABIGAIL KRAMER**

**CENTER FOR NEW YORK CITY AFFAIRS
AT THE NEW SCHOOL**

June 2014



This report is made possible thanks to the generous support of the Child Care and Early Education Fund.

Big Dreams for New York City's Youngest Children:

The future of early care and education

EXECUTIVE SUMMARY

In October 2012, New York City put a plan into action that would upend its system for providing subsidized child care to working class and low-income families. The Bloomberg administration set out to take the city's large and unwieldy assortment of early care and education programs—ranging from subsidized babysitting services to nationally accredited preschools—and blend them into a unified, holistic system serving children aged 6 weeks to 4 years old. Officials intended for this new system to spur improvements in quality, giving children the kind of rich learning experiences that would set them on track for educational success for years to come.

These reforms followed on seven decades of subsidized child care in New York City, reshaping a system that had grown into a cumbersome and many-headed creature. For years, programs had been financed by a snarl of federal, state and city funding sources, each with a different mission and each subject to a separate set of regulations. “A child might lose eligibility for child care, but still be eligible for pre-k. Does the program keep the child and swallow the loss of funding?” asks Betty Holcomb, policy director at the Center for Children's Initiatives, an early childhood advocacy organization. “The competing and sometimes conflicting regulations made it very hard to deliver the services smoothly, and to make sure programs best meet family needs.”

With its new \$486 million initiative, EarlyLearnNYC, the city merged the largest funding streams and channeled them into classrooms and family child care homes to offer the best elements of each of the previously existing models. Under the new vision, babies and young children would get far more than a safe space while their parents worked: The new approach would take advantage of that finite time when a child's brain is developing most rapidly, laying the foundation for positive and lifelong cognitive, social, emotional and physical gains.

The EarlyLearn plan reflected fast-growing knowledge of the limitations of traditional child care. Nationwide, studies have shown that most child care arrangements fail to support young children's development in a meaningful way, with most child care centers being rated poor to mediocre—particularly those serving low-income and minority children. In New York City, government assessments of child care centers had long focused less on children's experiences and learning than on whether, say, the refrigerator was maintained at the correct temperature. In some family child care programs in people's homes, toddlers whiled away large chunks of their first years watching videos.

Under EarlyLearn, child care practices would be grounded in research about what works in early education. It would require a talented workforce of teachers; extensive professional development; low child-teacher ratios so that children would receive individualized, developmentally appropriate attention; and improvements in program quality rooted in thoughtful assessments of each child's growth. As in Head Start, EarlyLearn providers would engage families as active partners in their children's development.

The city's institutional child care providers and antipoverty advocates applauded this new vision. However, when ACS announced its contract awards in May 2012, it became clear that the new approach would cause a massive upheaval in the system. Many longstanding child care programs lost their contracts, while others received funding to serve neighborhoods where they had little or no history. Programs became more concentrated under large organizations. Dozens of small programs were eliminated.

As these organizations prepared to implement EarlyLearn in the fall of 2012, a fundamental problem became clear: The funding allotted to the initiative was not adequate for the grand scope of its vision. The remaining small child care programs suffered the most. The new system expected them to adopt more rigorous standards—many of which had long existed in the Head Start model—while giving them less money per child than Head Start programs, and paying most teachers the significantly lower salaries of child care workers. Even many large programs soon struggled with the funding. Indeed, the mismatch between funding and expectations has turned out to be the initiative's single biggest stumbling block.

"The idea and the prospect of what they planned to have happen are great," says Jinny Zhong, a program director at Hamilton-Madison House, Inc. "It's great for the family and it's great for the kid. The downside of it is making sure the quality is there without the technical support."

"The model is powerful. The intent is good. EarlyLearn has been completely underfunded," says Sherry Cleary, executive director of the New York City Professional Development Institute for early educators at the City University of New York.

"They came up with a good model but they forgot to fund it," agrees Michael Zisser, the executive director of University Settlement, a century-old nonprofit with early childhood programs in Manhattan and Brooklyn. "You can't pay for the things you signed up to do with the money you were given."

More than a year and a half after the city rolled out EarlyLearn, the Center for New York City Affairs at The New School conducted several dozen interviews with program directors, early childhood experts, policy makers, advocates, parents, front line workers, union leaders and other stakeholders to assess EarlyLearn's impact: Had the strength of its vision compensated for the shortage in funding? If not, was the child care system merely experiencing growth pains that would eventually lead to better outcomes for children? Or has EarlyLearn, in fact, hurt the quality of child care?

Our findings are mixed. Children, families, and the programs themselves have experienced gains in some areas and setbacks in others. Our key findings include:

- Enrollment has proven to be a major problem system-wide. This is nothing new: The city's child care system has remained stubbornly under-enrolled for nearly a decade, with utilization rates languishing between 80 and 85 percent since 2007 and dropping sharply at the start of EarlyLearn. Enrollment has recently rebounded to close to 90 percent. Under EarlyLearn, however, providers' funding is tied to enrollment—the city no longer pays for empty seats as it once did. Therefore even a few missing children can destabilize a program's budget, making it harder to achieve the quality improvements at the heart of the EarlyLearn reform.

- The total number of children enrolled in city-subsidized child care declined by 17,000 between January 2012 and January 2014. In January 2012, there were 118,374 children enrolled in contracted programs or paying for care with vouchers. In January 2014, there were 30,207 children in city-contracted EarlyLearn programs; 66,992 receiving vouchers; and about 4,100 in City Council-funded programs that are managed separately from EarlyLearn, for a total of about 101,300 children.
- Large programs, which have been able to draw from their own resources to fulfill the new requirements, have generally fared best under EarlyLearn. Some have used the initiative as a springboard to forge truly creative programming and collaborations and to dramatically strengthen the quality of their programs. Lutheran Social Services has partnered with an education school to train its teaching staff in some of the latest practices in early childhood education; Brooklyn Kindergarten Society has carved out time for its teachers to use child assessments to deepen their work; EarlyLearn has motivated Episcopal Social Services to expand its staff to provide families with more onsite services, including a mental health consultant.
- Many smaller programs now operate at a deficit, and their directors say the programs have been starved of resources and their workforces neglected. Some fear having to close their doors, and have come to see the quality improvements heralded by EarlyLearn as burdensome, unfunded mandates.
- Although expectations of teachers have increased, their salaries have not. With the city's UPK expansion gearing up, directors at large and small programs alike say they are bracing for what may be a mass exodus of their most talented EarlyLearn teachers to the better-paying Department of Education jobs.
- The city's subsidized child care system is insufficiently funded from the top down—a reality that puts intense strain on the providers who run programs under EarlyLearn contracts with ACS. The cost of the child care system has ballooned over the past decade, almost entirely due to an increase in the use of child care vouchers, which the city is mandated by federal law to provide to families receiving or transitioning off of cash assistance benefits. Between 1999 and 2013, the number of children using mandated vouchers rose by more than two-thirds, to nearly 57,000. The result is a recurring \$90 million hole in ACS's budget—a structural deficit that squeezes the city's entire subsidized child care system as well as other parts of the children's services agency, according to city officials. Because it cannot overspend, ACS must shift the burden of voucher expenses internally, taking dollars away from other programs and services.
- Each year, the city also pays for thousands of non-mandated vouchers to help working class families pay for child care and afterschool programs. In theory, these vouchers should be

BEFORE EARLYLEARN: NYC SUBSIDIZED EARLY CARE

The EarlyLearn reform was intended to create greater coherence within the city's sprawling and unwieldy subsidized child care system. Its contracts attempt to integrate several distinct models of care, preserving and blending the best aspects of each.

Prior to EarlyLearn, the most significant subsidized early care and education programs included:

- Head Start programs, designed to provide high-quality early education to very poor children and offering intensive services and access to family supports—but often in as few as 3 ½ hours per day.
- Center-based child care programs that were primarily intended to allow low-income parents to work. These placed children in classrooms at community centers, storefront programs and in long-established settlement houses.
- Licensed, home-based family day care programs, also meant to cover the full workday, but typically with less of an educational focus, fewer associated services, and caregivers with only modest formal training.
- Community-based Universal Pre-Kindergarten (UPK) programs, which were focused on preparing 4-year-olds for school but, in most cases, provided just a few hours each day of care.

In some cases, community-based UPK and Head Start were linked with center-based child care, so that parents could rely on a full workday of care.

Since the mid-1990s, the city has also distributed thousands of child care vouchers each year to low-income families, which they can use in any setting they choose. The cost of these vouchers has ballooned over the past decade. Since the launch of EarlyLearn, ACS has made efforts to steer voucher recipients into its contracted programs, with limited success.

available to working families across the city. However, as of the beginning of 2014, nearly 50 percent of the vouchers for these families were used at child care and afterschool programs in the Williamsburg and Borough Park neighborhoods of Brooklyn—home to politically influential Orthodox Jewish communities. Even outside of those neighborhoods, yeshivas and other Jewish religious organizations were by far the biggest recipients of voucher funds: Of all the vouchers used at formal daycare centers and schools in January 2014, nearly 80 percent were paid to Jewish religious organizations, according to our analysis of city data.

Orthodox communities have a pressing need for subsidized child care. Borough Park has the highest density of income-eligible children of any neighborhood in the city, and the Orthodox community in Williamsburg is not far behind, according to Census data. What's more, subsidized secular programs may not be equipped to meet the needs of Orthodox families. However, other high-need communities such as East New York, Jamaica and the University Heights and Highbridge neighborhoods in the Bronx receive comparatively few of these child care vouchers.

- There are far fewer small, neighborhood-based organizations participating in city-contracted early care and education today, compared to two years ago. In 2012, there were 131 organizations running a single, city-contracted child care site, and 20 running a single Head Start. In 2014, there are just 60 single-site providers in the EarlyLearn program. While larger programs may be better able to weather the financial challenges of EarlyLearn. Smaller programs are often

embedded deeply into the fabric of communities, with the capacity to build leadership and trust. In some cases they have met communities' particular needs for generations.

- In the EarlyLearn vision, data and documentation are gathered to raise program quality. Information from child assessments, family intake forms, and programs' self-assessments are to be used to tailor instruction to students' and classes' particular needs; provide referrals for neighborhood services targeted to family needs; and offer technical assistance from ACS as well as in-house professional development catered to programs' needs. Gathering this data is time-consuming, and some programs struggle to keep up with the paperwork it entails. Programs that are rich on resources are most likely to use the data to inform and improve program quality. Some find the detailed information generated from child assessments and program self-assessments to be particularly insightful about teachers', classes', and students' unique strengths and challenges.

- The total number of child care slots for infants and toddlers has not significantly expanded, as the original EarlyLearn plan intended. Despite a high need for early care services for children under 3, the number of infants and toddlers in contracted, home-based care—where most young children are served—has barely budged, rising from 4,358 in July 2012 to 4,551 in January 2014.

Most advocates, directors, and policymakers continue to agree on one large positive aspect of EarlyLearn: its vision

REINVENTING THE SYSTEM: THE VISION OF EARLYLEARN

EarlyLearn attempts to improve quality throughout the city's child care system. By imposing more rigorous program requirements, it aims to leverage low-income parents' need for daytime care as an opportunity to provide their kids with rich learning experiences that can have lifelong benefits. Many of its standards come straight from the Head Start model and are intended to provide programming that responds to children's individual and developmental needs, and that supports not only children, but their families as well. Under EarlyLearn, child care centers and family child care homes are held to newly uniform standards:

- All programs, including in-home Family Child Care programs, must use a scientifically tested curriculum.
- All programs must formally screen children for developmental and mental health impairments within 45 days of beginning care.
- All programs must conduct formal assessments to track children's development and educational progress.
- Teaching staff at center-based programs must receive 12 days per year of professional development services. Staff in Family Child Care networks receive 6 days per year.
- All programs must provide support services to children's families.
- All programs must run for 8 to 10 hours per day and 12 months per year.
- All Family Child Care programs, which serve the majority of EarlyLearn's babies and toddlers, are connected to center-based programs where children can move when they turn 3.

of quality has held strong. By redesigning expectations of child care in the interest of benefiting kids, EarlyLearn has given the city a framework on which to build. If given the resources it needs to work as intended, some say, it could truly soar.

“After fifty or sixty years [of providing child care], we have finally put quality into the framework of the discourse,” says Myung Lee, who ran the division of Early Care and Education at the Administration for Children’s Services until early this year. “We’re actually getting questions about quality from child care providers. Whatever happens with EarlyLearn, I hope that doesn’t get away.”

“EarlyLearn says, ‘It’s a new day. We must focus on and meet the needs of children,’” agrees CUNY’s Sherry Cleary.

There is a great deal of work to be done quickly in order to strengthen the system for early care and education. The city must rationalize the relationship between the administration’s vast new expansion of UPK and its inevitable impact on current child care and early education organizations and their workforce. It must also determine what trade-offs may be necessary to ensure enrollment and adequate funding. In the next section, we outline a series of recommendations that could help resolve some of these challenges. ✱

Recommendations and Solutions

By establishing full-day, universal pre-kindergarten for New York City's 4-year-olds, Mayor Bill de Blasio has demonstrated a powerful commitment to early childhood education. His administration now has the opportunity to broaden that vision and strengthen the city's subsidized programs for early care and education serving the city's youngest residents, children aged 0 to 3. The following recommendations draw from scores of interviews and extensive research on the Administration for Children's Services (ACS) EarlyLearn initiative. They include next steps that can be taken quickly with minimal resources, as well as larger goals that will require more time and investment.

Our key recommendation includes this single overarching point: If the EarlyLearn initiative's vision of quality and individualized, developmentally appropriate services is to be realized, there will have to be fundamental changes in the financial underpinnings of the program. The city's current investment in its nonprofit early care and education providers is proving insufficient to achieve the program's goals. The current upward pressures on teacher compensation and insurance costs only underscore this vulnerability. At the same time, the steadily rising cost of federally mandated child care vouchers has damaged the ACS budget and further weakened EarlyLearn.

Significantly, the original vision of EarlyLearn was supported almost universally in discussions we had with a broad range of interested stakeholders. Those interviewed applauded:

- EarlyLearn's focus on quality programming and improved child outcomes, starting with routine child assessments required for all programs, including Family Child Care providers;
- The inclusion of family support services, such as the development of a "family plan" that builds on families' strengths and addresses challenges through referrals to appropriate community-based services, and
- The extension of hours to eight or 10 daily, depending on the type of program, to better meet the needs of working parents.

When it issued new contracts in 2012, ACS moved to a rate-based fiscal structure to allow programs more flexibility in allocating resources and to promote parity throughout the system. (There had been significant inequities among providers under the previous expense-based contracts.) Nonetheless, most individuals we interviewed agreed that there was simply not enough funding allocated to support EarlyLearn's ambitious plans.

ACS developed EarlyLearn with specific fiscal guidelines that were intended to save government money, prevent waste and extend funding to as many families as possible. Prior to EarlyLearn, programs received full funding even when they were under-enrolled. Because the state reimburses the city based exclusively on attendance, the city was forced to absorb costs when programs had empty slots. In a 2008 needs assessment, ACS estimated that it spent approximately \$40 million each year on empty child care seats. EarlyLearn sought to change this practice and stretch dollars as far as possible. "We cannot continue to pay providers for consistently empty seats," says Myung Lee, who was ACS deputy commissioner for early care and education until earlier this year. The new reimbursement structure, therefore, funds providers based on enrollment, not capacity, and also requires a 6.7 percent match from providers.

There have also been significant shifts in responsibility for health insurance, workers' compensation

and liability insurance, sharply increasing expenses of the provider organizations. These collective changes, combined with what is widely described as a rate structure that is too low to support competitive compensation for teachers and the ancillary family support and other services required under EarlyLearn, have undermined the reform's ambitious goals around quality. "The reimbursement rate is insufficient to cover a quality program. Everyone supports the EarlyLearn standards, but quality costs money," says Emily Miles, a policy analyst at the Federation of Protestant Welfare Agencies. "Between the low rates, what happened with health care and then liability insurance, programs are always waiting for the next shoe to drop."

Meanwhile, ACS has a structural budget deficit of close to \$90 million dollars, due almost entirely to an increase in the use and cost of child care vouchers. The city is mandated by state law to provide these vouchers to families receiving or transitioning off of cash assistance benefits. Between 1999 and 2013, the number of children using mandated vouchers rose by more than two-thirds, to nearly 57,000 kids. During the same period, federal and state funding for the child care system remained nearly flat.

At a City Council hearing in March 2014, newly appointed ACS Commissioner Gladys Carrión described the deficit as crippling to the agency's operations. "We stole from Peter to pay Paul," Carrión said. "We took money from other places in the agency that was unspent, and we quite frankly delayed hiring as much as we could to generate some accruals to be able to shift money around to meet those needs. You can't sustain that on an ongoing basis."

In fact, because the contracted EarlyLearn child care providers have been unable to maintain full capacity, the city has been able to divert some funding from them to cover the cost of the vouchers.

However, this savings is cut directly from the muscle of the EarlyLearn system: the contract early care and education providers which need to pay for teachers and staff; facilities; insurance; professional development; accountability and assessment; parent engagement and much more.

Now, with the city and state investing hundreds of millions of additional dollars in the expansion of universal pre-k, the financially sound choice for many nonprofits is becoming more clear: Some of them feel compelled to open up new pre-k classrooms rather than attempt to shore up the struggling EarlyLearn program for younger children.

This is far from a desired solution. However, there are a few alternatives:

RECOMENDATION 1: City Hall could devote more funds to care and education for children aged 0 to 4.

City Hall could allocate new funds to improve staffing patterns at the nonprofit provider agencies, improve teacher pay and cover the additional expenses explicit in the EarlyLearn vision of quality. An additional annual investment of about \$2,000 per child in the system would cost between \$60 and \$80 million.

New York State could restore its investment in early childhood care and education. While city contributions have increased in past years, the allotment from the state has decreased since 2010-11. When federal American Recovery and Reinvestment Act funds stopped flowing to states, New York State cut back on its commitment to early childhood education programs by \$82 million. Over time, this investment should increase so that the city and other jurisdictions can preserve slots and enhance the quality of early childhood care and education programs.

RECOMENDATION 2: City Hall and its agencies could begin to redirect existing funding to support EarlyLearn.

City Hall, ACS and the Human Resources Administration could collaborate to steer substantially

more recipients of mandated child care vouchers to EarlyLearn programs, promoting quality and shoring up these services. If public assistance recipients used their vouchers at EarlyLearn programs, the city would effectively feed funds back into the subsidized system. Historically, however, the differing priorities of the Human Resources Administration (HRA, which distributes public assistance benefits) and ACS have hampered collaboration. “They have fundamentally different missions,” explains Melanie Hartzog, executive director of the Children’s Defense Fund in NYC and the former deputy commissioner for early care and education at ACS. Nonetheless, if the city’s commitment to supporting quality care and education is to be maintained, then vouchers cannot be allowed to siphon funding from EarlyLearn.

In 2013, ACS sent a mass mailing to public assistance recipients, to market the benefits of EarlyLearn programs. The administration also launched a pilot project in the Bronx, which allowed agencies to staff a table at an HRA job center, recruiting parents directly. Lutheran Social Services, which runs several EarlyLearn programs in the Bronx, reports that they have found this to be a successful approach and have steadily signed up voucher recipients for their programs.

A proactive, creative marketing and outreach effort not only in HRA offices, but via social media and in public spaces like subways and buses, libraries, WIC offices and homeless shelters would encourage voucher recipients to take advantage of EarlyLearn programs for their youngest children. The campaign could also help to promote these programs to others in the community.

Action Step:

- HRA and ACS should give early childhood education programs the opportunity to meet with parents regularly at HRA job centers. ACS could provide an employee to staff the table, armed with information about specific, local EarlyLearn programs—especially those with low enrollment.
- City Hall, HRA and ACS should develop a social media and advertising campaign to educate voucher recipients about high quality child care and guide them—and others—to enroll in EarlyLearn programs.

RECOMENDATION 3: It must be City Hall’s responsibility to prevent the ACS budget from being undermined by an unfunded and unpredictable mandate, such as the rising cost of child care vouchers.

City Hall should automatically increase the ACS budget when there is an unforeseen increase in the utilization or cost of mandated child care vouchers. A recent analysis by the Citizen’s Committee for Children points out that when other city agencies incur increased costs associated with mandatory services, the city’s Office of Management and Budget (OMB) conducts a re-estimate to ensure the agency’s budget can sustain the increased cost. For example, when the homeless shelter population increases, the Department of Homeless Services receives a budget re-estimate. The same happens for HRA with regard to public assistance and for ACS with foster care. If OMB were to take the same action for child care vouchers, it would go a long way towards stabilizing the city’s child care system and resolving ACS’s structural deficit.

Action Step:

- Because child care is mandated for those on public assistance or transitioning off, OMB should automatically adjust the ACS budget when there is a change in the utilization or cost of mandated child care vouchers.

RECOMENDATION 4: As part of the shift to a broader early education strategy, City Hall and ACS should intervene to prevent the loss of experienced teachers to more highly paid UPK positions.

The pay and benefits packages for teachers in early childhood care and education programs must be improved. Teachers in EarlyLearn programs spend long days with children, with the expectation that they will nurture children’s healthy development. However, the city funds early childhood education programs at a rate that ensures low salaries for teachers even as they have held high expectations for teacher qualifications. The salaries of unionized child care and Head Start teachers have not risen in nearly a decade, and because EarlyLearn requires that staff now pay into their health care plans, their take-home pay has declined.

EarlyLearn programs often support teachers in completing their certification, sometimes providing training in-house to help individuals pass the certification exam. Once teachers are certified, however, many apply to the Department of Education (DOE) where they can earn more money and significantly better benefits. Under the UPK expansion, teachers of 4-year-olds at community-based organizations will receive starting salaries comparable to those at public schools, but teachers of younger children, aged 0-to-3 will continue to be paid less unless a new wage agreement is reached.

The city should maintain its high standards for teacher qualifications as a key component of program quality, but these standards should be accompanied by a salary and benefits package more comparable to that provided by the DOE in order to attract and retain strong teachers. “We need to make a plan for certified teachers so that they want to stay in early education,” says Ana Aguirre, executive director of United Community Centers.

Action Step:

- The administration should help negotiate a new collective bargaining agreement between programs and the unions. This agreement should offer teachers in early childhood education programs salaries and benefits that are comparable to the package for Department of Education teachers.

RECOMENDATION 5: Enrollment must be maintained at a substantially higher level than it is today if the EarlyLearn system is to remain sustainable. Step one is to improve the city’s centralized referral system.

ACS should update its centralized referral system, making it possible to inform families—in real time—about EarlyLearn programs in their neighborhoods, with current information on classroom openings. At present, the city has no centralized mechanism to guide parents to nearby, available, age-appropriate slots in subsidized child care programs. When families call 311, they are referred to the city’s network of Child Care Resources and Referral Consortium (CCRRC) agencies, which have extensive knowledge about local resources and help parents understand the range of options available to them. However, these agencies have no way of knowing which agencies have open slots, or for what ages those slots are appropriate.

ACS has made some effort to market EarlyLearn to income-eligible parents. In 2013, the administration ran an ad campaign in bus shelters and check-cashing locations and developed a texting feature to enable families to obtain additional information more easily. It also developed outreach materials and distributed them to EarlyLearn programs. Finally, ACS sent a mailing to more than 36,000 families living in public housing or receiving public assistance describing EarlyLearn programs. Unfortunately, these efforts have not solved the system’s endemic problem of under-enrollment.

Action Steps:

- The city should create a well-structured data system specifically for identifying where and when EarlyLearn seats are available, in real time. Unlike many other government social welfare data systems, this need not be held back by worries about privacy; while it would ideally receive data fed directly from the enrollment system, there is no need for children’s names or other individual identifiers to be included in the interface. This system would be shared with HRA and the city’s

CCRRC agencies, as well as umbrella organizations such as United Neighborhood Houses or the Federation of Protestant Welfare Agencies. Database information should also be available to parents seeking childcare through 311 and ACS's EarlyLearn texting feature.

- The administration should support ACS in partnering with the MTA to market EarlyLearn on buses and trains serving neighborhoods where under-enrollment is a major concern.
- Programs with lagging enrollment should be given focused technical assistance in recruitment, including help using marketing materials. These programs could also have access to HRA job centers to reach voucher recipients. If lags remain over time, ACS will need to determine the reasons behind the low enrollment (including whether or not there is adequate neighborhood demand for those slots and if there are concerns about quality of programming) and take action as necessary.

RECOMENDATION 6: ACS should explore and implement ways to streamline the enrollment process for families seeking spots in EarlyLearn programs.

ACS should explore development of a facilitated enrollment system that simplifies the application and approvals certification process and enrolls families quickly. The current enrollment process is burdensome for families and programs, as well as for ACS. Parents must produce extensive documentation, including myriad pay stubs—in some cases six bi-weekly or 12 weekly consecutive and current stubs. Programs assist with eligibility verification by obtaining all the necessary documentation from families and preparing the complete application packet. The information is then sent to ACS for final approval. “There are a lot of things that need to be streamlined and integrated. At the end of the day, there is a lot of paperwork,” explains Melanie Hartzog of the Children’s Defense Fund.

Once the paperwork has been delivered to ACS, the approval process is often slow. Program directors report they sometimes wait weeks or months to begin receiving payments for an eligible child. In order to avoid losing families, some programs allow children to participate in classrooms while they wait for ACS approval. Because there is no retroactive pay system, programs must absorb the cost of the child’s care until approval goes through. Myung Lee, a former deputy commissioner for early care and education, counters that sometimes the packages received by the programs are incomplete and ACS staff needs additional information before they can formally approve families. This underlines the complexity of the overall application process.

Certification is complicated by state and federal rules governing eligibility. Yet many states have experimented with ways to streamline enrollment and re-certification for families. Some jurisdictions have combined applications for subsidized child care with those for other benefits (such as food stamps) so that parents don’t have to fill out multiple forms that have overlapping information. Some places have made applications available at the offices of various public and private agencies so that parents can get help completing the form wherever it is most convenient for them. Finally, several states allow backdating the subsidy start date so that support can be paid retroactively once the subsidy has been approved.¹

New York State has some history with alternative enrollment mechanisms through the Facilitated Enrollment Project, which helps families apply for child care vouchers. In New York City, the project is operated by the New York Union Child Care Coalition and administered by the Consortium for Worker Education in coordination with ACS. Parents who live or work in specific areas of the city are eligible, and the project currently supports 711 children, from infants up to 13-year olds.

Facilitated enrollment occurs at community locations, such as large job sites, and hours are flexible to accommodate people during their lunch breaks, in the evenings, and on some weekends. The project uses a condensed child care enrollment form (only two pages), and staff work closely with

1. Strategies to Support Child Care Subsidy Access and Retention: Ideas from Seven Midwestern States, The Urban Institute, 2006, pp. 15-31.

parents to obtain all the necessary documentation. For example, if a parent is missing a paycheck stub, staff can provide an income verification form for the employer to complete. Parents can also submit information by e-mail, fax, or mail. Once applications are ready, the project's ACS liaison brings them to an ACS office to input the information into ACS's computer system. One early study, conducted by the Empire Justice Center, showed that most families who went through the enrollment process were eligible to receive subsidized care within two weeks.² While the number of children served is small compared with the EarlyLearn system, the project offers valuable lessons about reaching parents where and when they are available and streamlining the steps to get families approved.

Action Steps:

- All documentation requirements should be assessed to determine whether aspects of the process can be simplified or dropped.
- ACS needs to find a way for final decisions on application packets to be made more quickly. A reasonable standard turnaround time (5-8 business days) should be established and monitored.
- The city should work with the state to establish the option of backdating subsidies for those families who are ultimately approved. Even a couple weeks of retroactive pay would be helpful for programs that have allowed children to attend while approval was pending.
- New York State currently requires ACS to certify families' eligibility for subsidies to attend programs that receive child care funding. Yet contracted providers for all Head Start programs have the authority to certify families' eligibility for those programs. The city should seek state permission for a pilot project to take ACS out of the final approval process and allow selected providers to certify families themselves in order to determine whether this would expedite the certification process without creating other problems.

RECOMENDATION 7: To make programs more attractive to working families, the administration should work with New York State to create a new, more appropriate fee scale for parents. For a family of three earning less than \$25,000 per year, the annual fee is nearly \$3,000—an amount that many child care providers and parents consider to be unrealistic. Some providers report they keep children in their programs regardless of whether or not the parents are able to keep up-to-date on fee payments, and cover the costs of forgone parent fees.

Action Step:

- The city and state should determine more reasonable co-payment for working parents and adjust the scale accordingly. ✱

2. Facilitated Enrollment Project Report, 2004, obtained from the Empire Justice Center website: <http://www.empirejustice.org/assets/pdf/issue-areas/child-care/nyucc-facilitated-enrolment.pdf>

