Small Children, Big Opportunities: Strengthening Subsidized Child Care for New York City’s Babies and Toddlers

By Kendra Hurley
With Angela Butel
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The Center for New York City Affairs is dedicated to advancing innovative public policies that strengthen neighborhoods, support families, and reduce poverty.

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Executive Director:
Kristin Morse

Editorial Team:
Kendra Hurley
Kristin Morse
Angela Butel
Bruce Cory
Abigail Kramer
Kamille Vargas

Design:
Milan Gary

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New York City’s early childhood world is on the brink of a major transformation: Mayor Bill de Blasio has begun expanding his signature “Pre-K for All” program to include 3-year-olds. At the same time, the City is preparing to move EarlyLearnNYC, its complex subsidized child care system, from its current home at the Administration for Children’s Services (ACS) to the City’s Department of Education (DOE). This means that the DOE will be adding babies and toddlers to their already substantial portfolio.

Increasingly, policymakers and researchers regard early education as providing one of the greatest returns on public investment, holding the potential to level the academic playing field for children born into disadvantage and prevent the need for more costly interventions later on. Because brain development is most rapid and pronounced during a child’s first three years of life, experts hold that care for babies and toddlers should be of particularly high quality. As the first major city to place very young children under the care of its education system, New York City now has both the opportunity and obligation to be a leader in this arena.

Of course, shifting the City’s subsidized child care system to the DOE will be an enormous undertaking both for the City and its early education providers, many whom are still reeling from changes resulting from the 2012 EarlyLearn reform and 2014 institution of Pre-K for All. The logistics involved in this latest shift are weighty, and there are many facets of the City’s subsidized child care system that are new to the DOE. These include the family casework piece in Head Start programs; the challenge of overseeing and supporting the hundreds of women who care for babies and toddlers in their homes as part of EarlyLearn; and the complexity of early education funding streams, each source bringing with it different, and sometimes conflicting, regulations and requirements.

To be successful, DOE staff will need to get up to speed on these aspects of the system quickly and make careful decisions about how to manage and support providers. They will need to articulate a vision of what a continuum of early childhood services should and can look like in New York City, and how the many pieces that comprise it align with one another.

Over the past year, the Center for New York City Affairs (CNYCA) has been looking closely at one crucial piece of the City’s subsidized child care for infants and toddlers: Care that is provided in early education centers.
By design, very few infants and toddlers (only about 3,000 through EarlyLearn) are cared for in these centers, with most children (over 5,200) in this age group served in the less expensive and less regulated home-based family child care programs.

But families benefit from having a choice of child care settings, and national studies have found home programs to be, on average, of lower quality than center-based programs. In particular, children with developmental delays and special needs are more likely to be identified and to receive the services and supports they need in center-based settings.

The Pre-K for All program and, now, the Mayor’s commitment to provide universal early education programs for 3-year-olds are freeing up space for more early education centers to “age down” to serve younger children. In theory, at least, new money earmarked for pre-K and 3-K expansion could also free up funds for children younger than 3 years old. If allocated accordingly, this money would allow growth of infant and toddler programs, making it an exciting time to envision the ideal network of learning environments for very young children.

At the same time, Pre-K for All, while a tremendous boon to families with 4-year-olds, has had the unintended consequence of leaving many centers struggling to retain students and teachers. These are problems 3-K for All may exacerbate if centers’ particular challenges and needs are not addressed in the 3-K rollout.

When centers with room for babies and toddlers close, the City loses precious capacity for center-based infant and toddler care.

One of our overarching findings, then, is cautionary: Despite growing interest in center-based care for very young children, the capacity for City-contracted centers to serve infants has fallen in recent years, and what capacity remains is itself vulnerable unless the City makes a deliberate decision to prevent further loss.

In the recommendations following our key findings, our advisory board of early education practitioners, policymakers and other key stakeholders argues that the City must go further than simply protecting what capacity there is for this age group: It must take advantage of this moment by investing in additional baby and toddler seats.

Following are the key findings of CNYCA’s investigation into where the capacity is for babies and toddlers in early education centers, how it’s working, and what the challenges are to sustaining and building on it.

More details on each finding can be found in earlier pieces in CNYCA’s series on babies and toddlers in subsidized child care centers. This series, at www.centernyc.org, includes:

- *Making Room for Babies: Which Early Education Centers Have Infants and Toddlers, and How Do They Make It Work?* (2018)
- *New York’s Tale of Two Child Care Centers* (2017)
There is not enough subsidized infant and toddler care in licensed child care centers to meet parents’ demand for it, and the demand appears to be growing.

Staff interviewed at child care resource and referral agencies report that a growing number of New York City parents are interested in infant and toddler programs in child care centers, possibly as a result of Pre-K for All and its messaging to parents about the benefits of early education. Between 2015 and 2017, the number of slots for children under 2 in licensed child care centers grew by 10 percent, also indicating high interest in center-based care for this age group. (By contrast, total capacity for all slots in licensed centers grew by only 2 percent during the same time period.) However, the growth in infant and toddler slots is almost exclusively in private programs that can charge parents for the cost of expansion. In the subsidized centers, on the other hand, capacity is not keeping up with demand. Instead, these programs have been growing their waitlists. Meanwhile, very young children from low-income families—the ones that research says benefit the most from quality child care—have limited access to child care centers. (For more details, see brief “New York’s Tale of Two Child Care Centers.”)

The capacity for subsidized NYC child care centers to serve infants and toddlers has fallen in recent years.

In 2012, the City capped the number of slots for infant care in subsidized centers, with a goal of serving infants and toddlers in the less expensive home-based family child care programs instead. Some of those slots have since been restored by the City Council. Still, five years after EarlyLearn’s launch, enrollment of 0-2-year-olds in subsidized centers was 12 percent lower than before EarlyLearn. CNYCA’s analysis of data from the City’s Department of Health and Mental Hygiene (DOHMH) and ACS suggests that capacity for EarlyLearn centers has continued to decline, with about 100 slots for children under 2 in subsidized centers lost in EarlyLearn centers between 2015 and 2017. This capacity fell even further in 2017 when ACS ended its contract with Brightside, one of the city’s large providers of infant and toddler care, which served 114 children younger than 2 in January 2017. (For more details, see “New York’s Tale of Two Child Care Centers” and “Making Room for Babies,” p. 2.)

Unless the City makes a conscious effort to preserve its capacity for center-based infant and toddler care, what remains is vulnerable to dwindling even further due to unintended consequences of Pre-K for All and 3-K, as well as gentrification.

Many of the child care centers that serve infants and toddlers are being destabilized through two unintended side effects of Pre-K for All: attrition of teachers and attrition of
children enrolled at the centers. Qualified early education teachers can earn significantly more money for fewer hours of work in pre-K programs run by the DOE than at child care centers, so center directors report losing some of their strongest teachers to DOE programs. Centers are also losing many of their 4- and 5-year-olds (and soon, most likely, many 3-year-olds) to DOE programs, which threatens their enrollment numbers and financial stability. (For more details, see “What’s Needed for ‘3-K for All’ and Child Care Centers to Work and Play Well Together?” and “Making Room for Babies.”)

In addition, many child care centers are vulnerable to gentrification, perhaps especially centers with the sprawling footprints necessary to serve large numbers of infants and toddlers. For example, according to our analysis of data on NYC Open Data, the City leases close to 80 early education centers. Many of these buildings which were built in the 1960s and 70s with child care in mind. They are unusually well-suited for meeting the regulations required of infant and toddler care, with many classrooms on the first floor, sprinkler systems, and large open spaces such as yards and gyms for gross motor skill development. But such spaces are expensive to maintain, and the prospect of selling them to developers when their leases come up for renewal could prove attractive, especially in gentrifying neighborhoods.

4. Pre-K for All expansion has opened up the opportunity for some centers to “age down” and create infant and toddler programs, but many are deterred by the expense.

With Pre-K for All, the supply of pre-K classrooms for 4-year-olds greatly expanded throughout New York City. Parents receiving subsidized care now have many more options for their 4-year-olds. As a result, enrollment in pre-K EarlyLearn programs has decreased by nearly 20 percent between 2014 and 2017.

Some such centers have turned to serving more 3-year-olds, resulting in an 11 percent increase in 3-year-old enrollment in EarlyLearn centers between 2014 and 2017. However, as 3-K expands, enrollment of 3-year-olds may decline as well.

Many centers would like to continue “aging down” to serve even younger children, but converting a preschool classroom to one suited for babies is difficult and costly. Because infant and toddler care requires a different permit from the Department of Health and Mental Hygiene, along with different space and staffing requirements, it requires a significant investment upfront. (For more details, see “What’s Needed for ‘3-K for All’ and Child Care Centers to Work and Play Well Together?” and “New York’s Tale of Two Child Care Centers.”)

5. Infant and toddler programs benefit from economies of scale.

The bulk of the City’s subsidized capacity to serve infants in child care centers rests in large, multi-service organizations with multiple child care sites, which are better equipped than smaller ones to absorb high expenses. In January 2017, over 25 percent of the nearly 3,000 0-2-year-olds enrolled in child care centers through EarlyLearn were concentrated in only four organizations: Friends of Crown Heights (the largest); B’Above; All My Children; and Brightside Academy (now no longer part of EarlyLearn). Centers that are part of large organizations can pool resources, buy supplies in bulk,
and share staff, which helps offset the costs of infant care. (For more details, see “Making Room for Babies,” p. 7.)

6. **Diversifying sources of income can help a center create a more stable financial base while sometimes providing children the benefits of socioeconomically integrated classrooms.**

During the transition to EarlyLearn, when the City reduced the number of infants and toddlers in child care centers, some subsidized centers in gentrifying neighborhoods filled lost subsidized slots with babies whose families pay privately for their care. This provided centers an important new revenue stream. Some of these centers have embraced the socioeconomic diversity that accompanied the shift, and have noted benefits to children as well as to teachers and parents. Meanwhile, emerging research suggests that socioeconomically integrated classrooms have the potential to enhance learning. But other providers maintain classrooms that separate children receiving subsidized care from children whose families pay out-of-pocket, which has the danger of creating a “two-tiered” system. (For more details, see “Making Room for Babies,” pp. 13 and 15.)

7. **Head Start programs, another important means for diversifying revenue, have the potential to increase both capacity and quality of subsidized care. Early Head Start programs, which are Head Start programs designed for very young children and their families, have been one of the few pockets of growth in center-based, subsidized infant and toddler care over the past few years.**

Head Start programs come with federal funding and rigorous program guidelines to help ensure quality. Over the past few years, the federal Office of Head Start has allowed for more Early Head Start slots in child care centers in two important ways:

- By funding partnerships in which Head Start programs support subsidized child care programs in adopting Early Head Start standards as a way to improve their quality; and
- By allowing some centers to convert empty Head Start slots—many left empty in part due to pre-K expansion—into Early Head Start seats.

Using these methods, ACS, which has historically administered many of the Head Start programs in New York City, has for the first time brought Early Head Start programs to EarlyLearn. (For more details, see “Making Room for Babies,” p. 11, and “New York’s Tale of Two Child Care Cities.”)

8. **Capacity for infant and toddler care does not automatically imply quality; infant care is very different from preschool and requires specific training and support.**

Teachers and directors with expertise in working with 3- and 4-year-olds cannot automatically transfer that knowledge to infant and toddler classrooms. Tailored education and training is needed to make sure infant and toddler teachers are providing children the care and support they need during this finite and critical time of growth and development. (For more details, see “Making Room for Babies,” p. 17.)
RECOMMENDATIONS FROM THE FIELD

The transition of EarlyLearn to the City’s education department provides an opportunity to dream big when it comes to babies and toddlers, and to create a continuum of care for infants onward that lays a strong foundation for future learning and prevents the need for more intensive interventions down the line.

This vision must include a plan for strengthening the city’s network of family child care providers, where most babies and toddlers receiving subsidized care spend their days. It must also find ways to build the city’s capacity for high-quality center-based care for infants and toddlers.

Following are recommendations for center-based care, put forth by our advisory board of early childhood experts, who recognize that the city’s capacity for such care is endangered and must be protected.

These recommendations also acknowledge that quality infant and toddler programs rely on a talented workforce of leaders and teachers who have a clear understanding of the developmental needs of infants and toddlers and who have ample support and opportunities to continue growing professionally.

The recommendations are guided by three overarching goals: to preserve what slots are currently available for infants and toddlers in subsidized centers; to grow the capacity for subsidized center-based care for infants and toddlers; and to help ensure that all of the capacity offers high-quality care.

The City’s next opportunity to adopt many of these recommendations will be in its new round of contracts for EarlyLearn centers, which the DOE expects to issue by September 2020. The current contracts for EarlyLearn centers and family-based child care were issued by the Bloomberg administration in 2012. Given the remarkable additions that Mayor de Blasio has made to the early childhood system with pre-K and 3-K, these contracts are now woefully out of date. These centers simply cannot exist as is in a dramatically altered environment where the opportunity and challenge is to “age down” the children they serve.

ENSURE THAT ALL SLOTS FOR INFANTS AND TODDLERS ARE OF HIGH QUALITY

- **Create a division for children birth through 3 at the DOE.** With the many changes afoot in New York City’s early education landscape, a division focused on the youngest children is critical to ensuring that they and their families’ specific needs receive ample attention. Staffed with people who have deep content knowledge
of the developmental needs of this age group, this division should be tasked with ensuring that all of the department’s early childhood programs are aligned and developmentally appropriate. Already the DOE has set up an advisory group for years 0-3, which is an important first step.

- **To curtail the loss of experienced teachers to more highly paid UPK and 3-K positions at public schools or DOE’s standalone Pre-K centers, DOE and City Hall must create pay parity between all equally qualified teachers in EarlyLearn programs and DOE positions.** Certified teachers in EarlyLearn programs should receive salaries and benefits that are comparable to the package for DOE teachers.

- **Ensure that all infant and toddler teachers and their directors receive ongoing professional development—and, ideally, coaching—specific to providing high-quality comprehensive services for children birth through 3 years of age.** Infant and toddler care is not preschool. The first few years of life are a time of rapid and significant brain development and set the stage for lifelong cognitive, social, emotional, and physical gains. High-quality care for this age group, which must include identifying and responding to delays early and supporting language development, requires a specific expertise and support.

- **DOHMH should amend the requirement that new infant and toddler teachers obtain an associate’s degree to require that the degree be content-specific to infant and toddler education and development.** Similarly, directors of child care centers creating infant and toddler programs should have expertise specific to infants so that they can effectively support teachers. Even a focus on education or child development generally does not capture the specificity needed to nurture infants and toddlers.

- **DOE and colleges must continue building career pathways for early childhood educators, including infant and toddler teachers, and should support staff in progressing through them.** Clear opportunities for advancement and meaningful training and coaching should be easily accessible from entry-level positions through teacher, head teacher, and director positions. Examples of career-ladder support exist. For example, to prepare teachers for its newly created Early Head Start programs, ACS partnered with the Early Childhood Professional Development Institute at the City University of New York to enroll potential teachers in a credit-bearing Child Development Associate (CDA) program that counts toward coursework in three local community colleges. This allows the new Early Head Start teachers to be compliant with both federal Early Head Start’s teacher’s requirement of a CDA while positioning the teachers to begin meeting the City requirement that they earn an associate’s degree. ACS released child care staff from work and paid them to complete this CDA program.

- **Take steps to limit the number of education settings a child attends between birth and kindergarten.** Responsive, consistent caretaking is key to supporting the healthy development of very young children. But in the current EarlyLearn model,
babies and toddlers attend family child care; preschool-aged children attend a child care center at 3 and often a new UPK program at 4; and then kindergarten begins. This creates an enormous number of transitions for children during a time when it’s vital to nurture their attachment to caretakers.

- **As the City prepares to re-compete for a Head Start contract, DOE should plan to continue and build on ACS’s project to create Early Head Start–child care partnership programs, ideally expanding them to serve children younger than 2 as well.** These partnerships provide an important way to increase quality in child care programs. Early Head Start has many of the components of a high-quality early education program and the City should encourage these wherever possible.

- **The City should expand QualityStars,** the statewide quality rating and improvement system, which provides a clear framework for early childhood education excellence and offers providers resources they need to improve their practices. It also has the potential to flag quality programs for parents.

- **In the next round of EarlyLearn contracts, encourage centers to reserve some slots for “private pay” families, but require that these children are served in the same rooms as children whose care is subsidized.** Provide technical assistance to encourage and help centers achieve this. Emerging research suggests that economically integrating classrooms may raise their quality. Organizations that are already successfully mixing children from families receiving subsidies with children whose families are paying out-of-pocket, such as NYU Langone or University Settlement, could be engaged as consultants.

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**PRESERVE AND BUILD THE SUBSIDIZED SYSTEM’S CAPACITY TO SERVE INFANTS AND TODDLERS IN CHILD CARE CENTERS**

- **Increase the number of slots for infant and toddler care in centers.** EarlyLearn capped the number of center-based infant and toddler slots it awarded and thereby diminished such capacity. Currently, EarlyLearn serves only about 3,000 0-2-year-olds in centers. In the next contract, the DOE should allow for additional slots. We recommend aiming to increase center-based EarlyLearn enrollment of 0-2-year-olds to 4,500, which represents a close to 50 percent increase. In the new request for proposal (RFP), child care centers interested in aging down to serve younger children should be encouraged to do so. They should be asked to demonstrate whether they have space available to age down, whether the space is appropriate for children younger than 2, and whether there is anyone on staff with experience in working with babies and toddlers. This information will help DOE know who is already capable of serving infants and toddlers and where to target technical assistance and training.
• When issuing new contracts for child care centers, allow for infant and toddler slots to exist wherever there is the physical capacity for these slots. The need is so high and physical costs and limitations so acute that the system should prioritize maximizing slots over neighborhood targeting. Families have shown that they will travel for quality center-based care. Some of the capacity is now filled by families who pay privately.

• As the City prepares to re-compete for a Head Start contract, it should negotiate with the Office of Head Start to continue and build on ACS’s work converting empty Head Start slots to Early Head Start slots, and ideally expand these programs to serve children younger than 2, as well. Thousands of Head Start seats have been left empty and ACS has begun the process of converting some to be Early Head Start seats that serve younger children. Converting more unfilled Head Start seats to Early Head Start provides an important opportunity to build capacity for children younger than 3 years old while also retaining Head Start funding.

• In partnership with ACS, the DOE should plan strategically to preserve and expand quality space for infants and toddlers in centers. This planning should look to a variety of approaches, including preserving direct-lease child care centers where appropriate (where the buildings are in good shape and economically viable). It should also include building child care space into new or reconstructed school buildings, and considering local need for child care space in all new construction, especially affordable housing.

• Conduct a cost analysis to understand what it takes to create a viable business model for high-quality center-based infant and toddler care. Many centers report that they shy away from infant care because it is too expensive. However, in the EarlyLearn system, infant care garners per diem rates that are comparable to Early Head Start, which is generally considered to be adequately funded. Without a realistic and up-to-date analysis of the costs, it is difficult to propose a solution that would encourage more centers to open infant rooms. Is it a cash-flow issue because of the up-front capital investment centers must make to care for infants and toddlers? Is it because centers would need more slots than they are contract-ed for to make ends meet? Or is it really because the cost of caring for infants and toddlers is higher than the current EarlyLearn rates support? DOE should work with centers that provide high-quality infant and toddler care, including First Step NYC in Brownsville and Magical Years in Sunset Park, to determine the real cost of high-quality infant and toddler care, and to identify the strategies that centers are using to build blended funding models. The analysis should inform the next round of EarlyLearn contracts and create cost models that other programs can replicate.

• Conduct a cost analysis to determine whether new investments in 3-K and Pre-K for All have freed up resources that can be used to make a deeper investment in babies and toddlers.
STABILIZE QUALITY CHILD CARE CENTERS THAT ARE STRUGGLING WITH ENROLLMENT AND THE SHIFTING EARLY EDUCATION LANDSCAPE

- When marketing Pre-K for All to families, use DOE’s full capacity for outreach and enrollment to help families understand their options, including the differences between Pre-K for All (and now 3-K as well) programs at schools and those at child care centers. DOE should help the centers showcase their strengths, including that they provide year-round, 10-hours-a-day programs that meet the needs of working parents. DOE should help advertise that these centers may also provide subsidized full-day, full-year infant and toddler care, which may serve a pre-K student’s younger siblings.

- Allow child care centers providing EarlyLearn infant and toddler care to be “flexible and nimble” with their contracts, so that they can respond to the changing demographics of their neighborhoods, for instance, opening “private pay” slots if needed.

- Investigate where and how capacity for infants and toddlers can be strengthened in 3-K targeted school districts. Pre-K for All and 3-K for All present a unique opportunity for child care centers to age down to serve younger children and for the early education system as a whole to reinvent itself. But to do so, it will be important to closely watch the districts where 3-K is being piloted to explore how it is impacting child care providers, including family child care providers, as well as the districts’ capacity to serve very young children. It will also be important to look for opportunities to link services to providers and to look closely at whether and how the needs in these communities change as 3-K becomes a reality. The slower-paced rollout of 3-K will allow for adjustments throughout implementation, and understanding these factors will offer lessons for DOE as it takes on EarlyLearn and crafts its forthcoming EarlyLearn RFP.
This brief is the final report in a series looking at New York City’s subsidized child care centers capacity to provide quality care to infants and toddlers. This series also includes:

New York’s Tale of Two Child Care Cities (2017)

Growing interest in early education has led to more infant classrooms in child care centers—but they’re mostly for wealthy families.


In late April Mayor Bill de Blasio announced two new plans that could determine the future of the country’s largest child care system for poor and low-income families.

Making Room for Babies: Which Early Education Centers Have Infants and Toddlers, and How Do They Make It Work? (2018)

This report looks at ways that affordable and subsidized centers who provide infant care make it work.