



March 5th, 2012

IMPACT BRIEF

photo courtesy of The After-School Corporation (TASC)



New York City's Diminishing Investment in NYC Children and Working Families

OVERVIEW

Research supports what all parents know. High-quality early childhood programs prepare children for school and lead to positive outcomes later in a child's life; and high-quality after-school programs improve school attendance and student connectedness to school, increase academic achievement, and help children avoid risky behaviors.

However, between 2009 and today, more than 43,000 New York City children have already lost access to affordable child care and after-school programs. If the Mayor doesn't restore funding, another 47,000 children and their working families will be shut out of child care and after-school programs – the building blocks for future success. The Mayor has introduced several initiatives and budget proposals that will result in these further significant cuts – and a dismantling of two systems designed to prepare children for school, help them succeed once they're there, and prepare them for success as adults.

This would mean that, come September, more than 90,000 children since 2009 will be left without care, at exactly the time when more children and families need these essential and core services.

New York City's effort to balance the budget, coupled with its laudable vision to improve quality, should not come at the expense of denying child care and after-school access to over 47,000 children. Working parents are counting on this affordable care for their children while they are at work, and children need high-quality programming that will prepare them for school and keep them engaged after school. A high-quality system available to only a few is not effective if the children who need it most are unable to access it.

The Mayor has laid out his priorities for education and economic development and has taken laudable steps to improve the lives of New York City youth in the juvenile justice system. He has made high-profile commitments to reduce racial and economic disparities in education and even invested his own money for the Young Men's Initiative, which is focused on improving the outcomes of young men of color in New York City. The significant reductions in the number of children who are able to access high-quality child care and after-school programming directly undermine these priorities because both early childhood education and after-school programs put all children on the path to success and prevent youth from engaging in risky behaviors, getting involved with the juvenile justice system and dropping out of school.

The Mayor's plan will leave thousands of young children unprepared to start school, and leaves children who are in school behind. The children affected by these cuts are often the most vulnerable and most in need of early childhood opportunities since their families are unable to afford private child care. The struggles continue as children start school and have no structured and safe place to go after school. Parents of 47,000 children will have to make difficult choices about remaining in their job and making alternative and potentially less safe arrangements for their children. In fact, 74% of polled parents of children in the OST after-school program said that the program made it easier for them to keep their job.¹ And, hundreds of child care teachers and professionals and after-school employees will lose their jobs, creating an additional burden on New York City's economy.

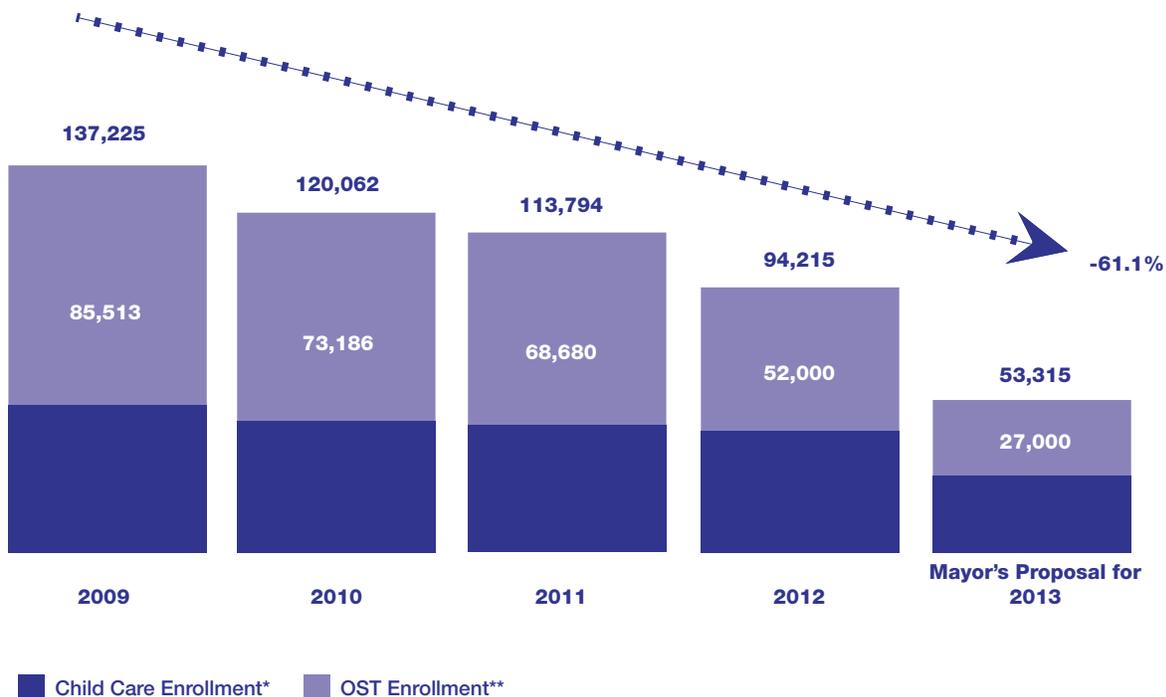
In order to improve educational outcomes and reduce youth involvement with the juvenile justice system effectively, the Mayor must invest in creating access to high-quality early childhood and after-school programs rather than dismantling them.

THE NEED GROWS WHILE CAPACITY DIMINISHES

Even before this new proposed round of cuts to the programs and before the economic crisis, the City was only meeting a fraction of the need for children and youth in both the child care and after-school systems. A needs assessment released in 2008 by the Administration for Children's Services (ACS) found that the City was serving only 27 percent of the eligible children in city-funded early childhood programs, and only 37 percent of all children under the age of six were being served in any early childhood setting.² Since that time there are at least 9,000 fewer children receiving child care, and thousands more families have slipped into poverty. The need is growing while access to services decreases.

At the same time, there are more than 1 million children in the New York City public school system. At its height in 2009, OST served 85,000 children. Today, OST is only serving 52,000 children and youth. The proposed cuts would reduce current capacity by half. With more families facing economic challenges,

**Children Served In Child Care & Out-of-School Time (OST)
New York City, 2009-2013**



* Child Care enrollment based on January enrollment data from ACS Child Care Snapshots.

** OST Enrollment based on fiscal year data contained in the Mayor's Management Reports.

fewer families can afford after-school programs. All of the City's after-school programs administered by the Department for Youth and Community Development (DYCD) - OST, Beacons and Cornerstone centers - are experiencing mounting waiting lists while resources erode. As a testament to existing demand for after-school programming, DYCD has just received over 1200 proposals for the new OST procurement; without an urgent investment of resources, 5 out of 6 of these proposals will go unfunded and half of the 418 currently-operating elementary and middle school programs will close their doors.

HISTORY OF CUTS TO CRITICAL PROGRAMS FOR CHILDREN AND YOUTH

Child Care (Note: all discussions about child care refer to non-public assistance families)

Child care is a critical early childhood program that prepares children for school and offers support to working parents. Yet the system continues to be downsized and destabilized as a result of years of cuts and program changes. As of January 2012 there were 42,215 low-income children receiving child care subsidies, 9,144 fewer than in January 2008.³

In addition, over the past several years the City has made it harder to access a child care subsidy by eliminating three categories of need for child care: parents who are looking for work, parents who are ill or have a medical condition, and families who have other social service needs. The eligibility level has also been reduced to 200 percent of the federal poverty level, from 275 percent. As a result the system has essentially been downsized to only serve children who have a child welfare case and children from low-income working families. *It is the children from working families who continue to lose access to early childhood opportunities as the City moves forward with the plan to underfund the system.*

After-school Programs

New York City's after-school system relies on three local funding streams: the Out-of-School-Time, or OST, Initiative (the City's largest), Beacon programs and Cornerstone programs.⁴

Out-of-School Time (OST) Initiative

In 2005, Mayor Bloomberg created the nation's largest and most cohesive after-school system – the Out-of-School-Time (OST) Initiative – by consolidating existing after-school program funding, shifting funds from school-age childcare slots and adding tax

levy dollars. The launch and continued improvement of the OST system under the Bloomberg administration put New York City at the forefront of the nation in building a high-quality after-school and youth development system that satisfies two critical and interconnected goals: 1) supporting young people's academic achievement and positive developmental outcomes; and 2) ensuring parents' ability to work knowing their children are involved in safe and engaging activities. This system is a critical part of the Mayor's legacy, affirmed by all stakeholders as a solid achievement of unquestioned value.

As Mayor Bloomberg himself recently stated, *“what happens after the final school bell of the day rings is as important to students as what goes on in the classrooms.”*⁵

At its peak in 2009, OST was funded at \$120 million and served 85,000 children and youth in NYC, and even then it served just a small fraction of the 1 million school-age NYC children. After several recent rounds of cuts, the system is currently funded at \$90 million and serves 52,000 elementary, middle and high school children in approximately 450 programs (418 of which are elementary and middle school programs) – a nearly 40% cut from 2009. The system has endured twelve (12) across-the-board reductions over the last three years, which have eliminated programs for some children and youth and greatly reduced services for others by significantly cutting the cost per participant.

In previous years, the New York City Council has been able to restore some funding to the system and has prevented the closure of some OST after-school programs throughout the City. However, after absorbing numerous rounds of across-the-board cuts, the OST system has reached a tipping point, and with the imminent loss of an additional 25,000 after-school slots, New York City's children and working families face the dismantling of a once strong and vibrant system.

Beacons and Cornerstone Programs

In addition, seven of the City's 80 Beacon programs are facing closure as of July 2012 without restoration of funding in DYCD's budget for FY 13. Each Beacon serves over 800 children, youth and adults annually (down from 1,200 in previous years) with a particular focus on serving middle school youth. All Beacon programs have endured six rounds of across-the-board budget reductions since 2009. Like OST, Beacon programs have reached a tipping point and further cuts will inevitably mean that programs will close. And finally, Cornerstone programs – a newer initiative

in NYCHA community center spaces that uses after-school programming to promote high school attendance, persistence and graduation – face cuts that will deny opportunity to over 1,200 young people and, if not reversed, may close some of these centers altogether. Youth living in public housing are often particularly isolated from positive community supports and opportunities, leaving them enormously vulnerable to negative influences including rising gang activity.

ABOUT THE PROPOSED CUTS

The Mayor's proposed FY 13 budget, coupled with planned systemic changes in the child care and OST after-school systems, would result in 47,000 additional children losing their child care and after-school program come September of 2012.

Child Care

The City's subsidized child care system has been under siege for almost a decade and is now facing cuts that will leave 15,900 more children without access to services. This loss is the result of two different actions: the failure to maintain existing funding for child care; and the underfunding of a new program model.

First, approximately \$52.94 million worth of child care services will be lost on July 1, 2012. Last year a successful public campaign stopped the Mayor's proposal to eliminate almost 17,000 child care subsidies. Nevertheless, \$52.94 million of this funding was only restored for one year (Fiscal Year 2012 which ends on June 30, 2012). Since the Mayor did not include this funding in his Preliminary Budget for Fiscal Year 2013 (starting on July 1, 2012), \$52.94 million in child care services will be lost on July 1, 2012.

Secondly, the City released a new model for the early childhood system in May of 2011. This new model – called Early Learn NYC – has the goal of creating a more coordinated and high-quality system that encompasses the subsidized child care system, Head Start and portions of the Universal Pre-Kindergarten (UPK) funding. There is strong support for the vision of Early Learn, but there are significant concerns about the level of funding provided to implement this new program. While the published rates appear to be higher than the current rates for child care providers, there are major structural shifts in the funding for health insurance, facilities, and pensions that raise many questions about the adequacy and fairness of the new rates.

What is also known is that Early Learn fails to ensure that the same number of children will have access to the new higher-quality services. At a minimum, the implementation of Early Learn will result in approximately 3,000 fewer children being served.

These two actions – the implementation of an under-funded Early Learn program, and the failure to stabilize and baseline the funding that was restored last year – will lead to 15,900 fewer children having access to child care by the end of 2012. In order to ensure that ACS continues to serve at a minimum the same number of children they are serving today (which is already more than 5,000 fewer than 2 years ago), the City must adequately fund the vision of Early Learn and baseline the funding that was allocated in last year's budget. In total, ACS has stated that \$104 million is needed to ensure that the current number of children being served can continue to receive child care in the next fiscal year at the Early Learn rates (which are probably too low to meet the standards and requirements).

After-School Programs

It is not an exaggeration to say that we are facing the pending dismantling of the after-school system in New York City, just when children and families need after-school programs the most. The children served by these programs overwhelmingly come from families who cannot afford to pay for market-rate alternatives. Many of these families will be faced with an untenable dilemma without a safe, affordable and high-quality option for their children after school. The after-school system faces a loss of 31,800 slots.

Out-of-School Time (OST) Initiative

If New York City's investment in after-school programs is not restored and stabilized, in September 2012 only approximately 27,000 children and youth will have access to OST after-school programs – a loss of 25,000 slots from FY 12 to FY 13, not to mention cut of more than 2/3 of the system from FY 09 to FY 13.

The 25,000 OST slot loss is due to three colliding factors:

- 1) The erosion of more than \$30 million in resources since 2009 – these cuts were largely implemented through twelve rounds of across-the-board cuts to the currently-operating programs, resulting in reducing the effective cost-per-participant rate and the days and hours of operation.

2) New cuts totaling approximately \$19 million, which combines reductions announced in the November 2011 mid-year budget modification and the failure to “baseline” (stabilize) restorations of cuts from past years for the FY 13 budget.

3) A new request for proposal (RFP) for all elementary and middle school programs, resulting in all current contracts expiring at the end of this summer. This new RFP restores some of the elements of the program – including days and hours of operation – that had eroded with repeated rounds of cuts and reductions in the cost-per-participant rate, while also building in research-based quality improvements including an educational specialist and mandatory summer programming to strengthen alignment with the school-day program.

If no action is taken to restore and baseline \$60 million for OST, nearly half of the approximately 420 elementary and middle school after-school programs will close in NYC. (The limited number of high school contracts were separately extended and are not currently facing cuts, though they have been greatly reduced over the last three years.) DYCD cannot award more than 220 multi-year awards with only one of year guaranteed funding. This is why the funding needs to be base-lined. If funding is not restored, more than 25,000 children – and their families – will be left in a lurch without a program.

Beacons and Cornerstone Programs

Additionally, restoration and base-lining of \$6 million is needed to prevent deep cuts, including program closures, to Beacon (5,600 slots) and Cornerstone (1,200 slots) programs. Loss of these programs would disproportionately impact middle and high school youth, particularly those living in public housing.

THE IMPACT

There is significant and undisputed evidence demonstrating the positive impact of high-quality early childhood education and after-school programs. Experts, professionals and political leaders have all acknowledged the critical role of these systems. Yet, year after year the number of children who can access these programs decreases significantly. Cuts to these programs have impacts far beyond just the children and families losing an essential service. These cuts will lead to increased economic insecurity for tens of thousands of families across New York City, decreased economic activity in some of the most challenged communities, and leave many thousands of children without critical academic and social support.

Change in Number of OST Programs - Current (FY2012) to Projected (FY2013)
All Elementary and Middle School Programs (Excludes High School)**

Borough	Current FY12 # of Programs	Total # of Programs be lost due to budget and RFP	Proposed # of Programs for FY13	% of Programs to be lost
Bronx	92	40	52	-43%
Brooklyn	153	76	77	-50%
Manhattan	71	44	27	-62%
Queens	83	32	51	-39%
Staten Island	19	6	13	-32%
Total	418	198	220	-47%

** excludes Beacon and Cornerstone programs

Impact on Children and Families

- Children will lose the opportunity to be prepared to start school. It is well documented that positive early childhood learning opportunities lead to more positive outcomes later in life. Over 75 percent of brain development happens by the age of five. Children who attend quality early childhood programs are more likely to graduate from high school, less likely to be involved in crime and less likely to become teen parents.⁶ The impact of early childhood programming on low-income children is even more pronounced. The social, cognitive and emotional development of low-income children is greatly supported and improved by participating in early childhood programs.⁷ The proposed reductions to the child care system will completely eliminate any opportunity many children have to attend an early childhood program and to develop the critical social and cognitive skills needed to be ready to start school. Those who enter school behind stay behind. Reducing access to quality services will only lead to more children starting school unprepared.
- Children and youth will lose the opportunity to be engaged during the critical after-school hours and have access to the kinds of academic and developmental enrichment activities that we know are crucial in closing the achievement gap. High-quality programs that provide academic support, enrichment and structure during out-of-school-time hours greatly enhance a child's success in school. Research continues to show that positive, reliable and structured activities for school-age children after school can help children's development, safety and academic performance, as well as reduce the risk of behaviors that lead to more serious trouble, such as drugs and alcohol use.⁸ In addition, high-quality after-school programs improve student connectedness with school and improve attendance. And, sadly, without access to after-school programming, many children and youth will be unsupervised or under-supervised after-school while their parents are still at work, potentially leading to many problems for children, parents, communities and schools.⁹
- Working parents will face an untenable choice. Working parents who lose access to child care and after-school programming will be forced to make the difficult decision between making alternative, less stable arrangements for their children and leaving the workforce. Working parents need safe, sta-

ble and supportive environments for their children while they are working. Many parents, especially single mothers, have reported that they would be unable to work without child care assistance. The costs of child care and after-school are prohibitive and for many, without a subsidy, it becomes impossible to meet essential household expenses and childcare and after-school costs. The after-school system was created specifically to help keep youth engaged in positive youth development while their parents are at work. Despite all of the rhetoric about helping people become employed and stay self-sufficient, these cuts will lead to many parents leaving the workforce and becoming more reliant on government supports, such as health insurance, food stamps, unemployment or public assistance.

Impact on Communities and Economy

- Economic decline in struggling communities. There are several ways that the child and youth-serving systems stimulate the economy. Research has found that child care is one of the best local economic engines returning \$1.89 for every \$1 spent. First, they employ many thousands of professional and administrative staff who usually live in the local communities. These systems also allow parents to continue working and to spend their money on other necessities, such as food, clothing, and transportation. The employees of these programs and the parents that utilize them are usually in the financial position where they are spending their money quickly and locally to support their families. Lastly, the programs and providers themselves often purchase supplies and other goods from local merchants. Overall, the loss of spending by now unemployed child care and after-school staff, as well as the loss of money spent by the parents who must either stop working or spend their money to pay for care, will hit communities hard during this fragile economic recovery.
- Loss of employment opportunities. Cuts of this magnitude to two child-serving systems will lead to a substantial loss of employment opportunities for people who work with children and youth. And, since the loss will be permanent and job growth in general is still very slow in New York, there will be few opportunities for those who lose their jobs to find new employment. As a result, many of the employees will end up utilizing public benefits such as unemployment insurance, food stamps and public assistance.

- **Under-resourced communities continue to be hardest hit.** While the new child care and OST after-school systems will give priority to “targeted zip codes,” these communities are already under-served and the overall capacity is so inadequate that the need will continue to be unmet. These are the same communities that are facing the highest unemployment rates, highest rates of youth arrests and have the lowest performing schools. Further decreasing capacity by any amount will only exacerbate the challenges facing the families and young people living there.
- **Providers unable to maintain quality services in unstable funding environment. Stability is a key component of any quality system.** Yet, year after year the child care and after-school providers face potential budget cuts and loss of funding. The City continues to expect providers to manage a quality program on a year-to-year basis without knowing how much funding they will have in the next year – or even if they will have funding. Attracting and retaining quality staff and making investments in quality improvements are much more challenging when the funding is at risk each year.

CONCLUSION

There is far-reaching acknowledgement of the importance of child care both from an economic and school-readiness perspective. The Mayor himself has embraced and promoted the importance of after-school programs through his creation of the Out-of-

School Time system and in his recent statements to the New York State Legislature, quoted above.

Now more than ever the City must make sure that children are prepared to start school, that students are supported in achieving success in school, and that young people have access to strong, developmentally-challenging programming to keep them on track and out of trouble while providing opportunities to make positive contributions to their communities. The current plan would result in more than 47,000 children and youth who are currently enrolled in a child care or after-school program losing their program come September. This is in addition to the 43,000 children who have already lost their program since 2009. This fact threatens the Mayor’s legacy and, most importantly, our children’s opportunity for a brighter future, their families’ efforts to participate in the workforce and the City’s economic recovery.

Investing in these programs today will make for a stronger New York City – right now and far into the future. Better prepared students, more engaged youth and more economically stable families will all lead to more successful adults and a more productive City. Our children – our future – should not be sacrificed because of budget shortfalls. Our children should be the priority. The legacy of the Mayor and his Administration’s lasting impact mark on New York City will be judged by the decisions he makes right now. Will the City abandon children and working families or will the City give every child a fighting chance to succeed? They deserve nothing less.

REFERENCES

1. Policy Studies Associate’s report of Evidence of Program Quality and Youth Outcomes in the DYCD OST Initiative’s First Three Years: http://www.nyc.gov/html/dycd/downloads/pdf/Policy_Studies_Associates_year3_OST_Evaluation_Report.pdf, September 2009
2. Administration for Children’s Services, Charting The Course for Child Care and Head Start: Community Needs Analysis of Early Care and Education in New York City, August 2008.
3. ACS Child Care Enrollment Report, January 2008 and January 2012.
4. This does not include after-school programs funded by City Council discretionary dollars
5. Mayor Bloomberg testimony before the State Assembly Ways and Means Committee and State Senate Finance Committee on the Governor’s Executive Budget and Reform Plan, January 24, 2012.
6. W. Steven Barnett, Ph.D., National Institute for Early Education Research, Preschool Education and Its Lasting Effects: Research and Policy Implications, September 2008; Richard Tremblay, Jean Gervais, and Amelie Petitclerc, Early Learning Prevents Youth Violence, 2008;
7. W. Steven Barnett, Ph.D., National Institute for Early Education Research, Preschool Education and Its Lasting Effects: Research and Policy Implications, September 2008.
8. Children’s Defense Fund, 2003: School-Age Child Care: Keeping Children Safe and Helping Them Learn While Their Families Work.
9. The Afterschool Alliance, 2007 : Afterschool Programs: Keeping Kids – and Communities – Safe http://www.afterschoolalliance.org/issue_briefs/issue_CrimeIB_27.pdf