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“This Is No Way To Operate A Critical Service For Children And Families!”

How the Lack of Long-Term Investment in After-School and Early Childhood Education Programs Affects NYC’s Children and Families

At a time when 1 out of every 3 New York City children is living in poverty, city-funded child care and after-school programs serving these low-income children are more crucial than ever.

Child care and after-school programs are proven to help close the achievement gap by ensuring children are prepared to start school and continue to achieve once they are there. They also act as critical supports for working parents because they provide a safe, educational place for parents to leave their children while they maintain employment to support their families.

The benefits of investing in high quality early childhood education and after-school programs, particularly for low-income children, are well known. At a conference in June 2012, Ben Bernanke, the Chair of the Federal Reserve Bank, spoke about the return on investment in early childhood education:

“Economically speaking, early childhood programs are a good investment, with inflation-adjusted annual rates of return on the funds dedicated to these programs estimated to reach 10 percent or higher. Very few alternative investments can promise that kind of return. Notably, a portion of these economic returns accrues to the children themselves and their families, but studies show that the rest of society enjoys the majority of the benefits, reflecting the many contributions that skilled and productive workers make to the economy.”

Ben Bernanke,
The Chair of the Federal Reserve Bank

Similarly, studies have shown that after-school programs lower high school dropout rates, improve school performance, reduce crime, prevent teen pregnancies and prepare students to be higher wage earners.² The return on investment for after-school programs has generally been found to be \$3 for every \$1 invested, without accounting for the reduction in crime. We also know that the hours of 3-6PM are the times when children and youth not engaged in positive programming most often find themselves in trouble with the law³ or victims of crimes.

Many of New York City's elected and appointed officials understand the value of early childhood education and after-school programs. Mayor Bloomberg's administration developed and implemented both the new Early Learn model for child care and the Out-of-School Time (OST) model for after-school programs.

City Council Members have long stood up for these programs by staving off budget cuts and restoring funds one year at a time. In addition, many New York City elected and appointed officials have recently been speaking out about how important it is for the City to prioritize early childhood education and after-school programs.

"[W]e're investing in programs that will prepare our youngest students for a lifetime of success. More and more research points to the importance of early education in closing the achievement gap and helping children of all backgrounds achieve academically, and we are prioritizing the services that will help our students reach their full potential,"

Mayor Michael Bloomberg, September 24, 2012.⁴

"The time we spend with children in their earliest years, when science shows learning begins, presents a tremendous opportunity to influence their short and long-term paths. These two major initiatives are designed to seize that unique opportunity in a child's development, and to ensure that our youngest students are on course for success in school and beyond—no matter what ZIP code they hail from,"

Schools Chancellor Dennis Walcott, September 24, 2012.⁵

"Working parents need to have their children protected and cared for while they are at work. Children need to receive a high quality educational experience at an early age... We are saying that child care can and must be part of a lifelong education that continues with pre-K, through Kindergarten and that ultimately leads to every child graduating high school ready for college. That is our ultimate goal, and it begins with academic day care, and it begins with what we have built here today,"

Speaker Christine Quinn, June 25, 2012.⁶

"Throughout the budget process, we heard from New Yorkers by way of public testimony, phone calls, e-mails, petitions and letters. They told us they wanted core services maintained. Most of all, hard-working parents wanted a safe place for their children to go to during the day or after school,"

**City Council Finance Committee Chair
Domenic M. Recchia, Jr., June 28, 2012.⁷**

"We need more early education. Every expert will tell you that early education makes a difference and it makes the difference for life. The statistics are overwhelming. Children who receive early education perform 25% better on math by the second grade, 20% better on English, 30% are more likely to graduate from high school, 32% are less likely to be arrested as a juvenile,"

Governor Andrew Cuomo, State of the State Address, January 9, 2013.⁸

"For our kids [to] compete and become the workforce we need, our mantra has to be learning earlier and learning longer. For parents, this means that at age four the wheels automatically start turning on your child's education. And it means that they have a safe, productive place to go every day during those transformative middle school years,"

Public Advocate Bill de Blasio, October 4, 2012.⁹

"What happens after the final school bell of the day rings is as important as what goes on in the classrooms,"

Mayor Michael Bloomberg, January 4, 2012.¹⁰

Although so many of our elected officials have prioritized child care and after-school programs in their policy positions and in budget negotiations, both systems are dangerously unstable and underserving those who need them most. In the child care system, both the funding instability and the under-funding of Early Learn undercut the promise of the Early Learn model, which was to create a more stable, high quality subsidized contracted child care system in New York City. A fully funded Early Learn system would have provided the sufficient and stable resources to enable programs to meet the quality standards that are fundamental to its success. Similarly, financial instability in the after-school system undermines the ability of providers to deliver reliable, quality educational and social support for children.

This past year, the New York City Council made a historic \$150 million restoration to save child care and after-school programs for more than 47,000 children who were at risk of losing care due to budget cuts. While this valiant effort has been invaluable to families, children and communities, the City Council is only able to restore funds for one year at a time. As a result, both the child care and after-school systems now have two different sets of contracts: providers with one-year contracts funded by one-year City Council funds, and providers with three year contracts through the City's typical contracting process with city agencies. While this was the only option for the City Council to save child care and after-school for 47,000 children this past year, and a far better option than seeing children and families lose vital care as hundreds of programs closed across the city, it created additional instability in the two systems.

Because of underfunded contracts and the constant need for the City Council to save programs with one-year funding, children, families, and providers suffer. While the need for services increases, fewer children are being served; parents are living under the constant threat of losing care for their children; parents

and providers at child care centers will once again receive letters in January telling them their center will be closing in June; children are being shuffled from program to program, trying to find an open slot; providers are constantly unsure whether they'll have the promised funding to open their doors; and more.

Despite all of this instability and the thousands of low-income children who are not being served, there is currently no plan in place to stabilize either the child care or the after-school systems in New York City. Alternatively, the instability is on track to get worse: in addition to the anticipated loss of nearly \$121 million in one year funding from the City Council, the Mayor is already planning to cut \$10 million (3,632 slots) from the Out of School Time (OST) after-school program.

How does this instability impact individual programs, their staff, and the children and families they serve? In December 2012, the Campaign for Children surveyed the City's child care and after-school providers to learn more. The providers' candid responses document the impact this massive instability is having in both the child care and after-school systems, and posits how NYC's elected officials can work to create stable, fully-funded, high-quality systems going forward.

Surveying Child Care and After-School Providers

The Campaign for Children administered its online, anonymous survey during the week of December 10, 2012. There were 118 survey respondents – representing 387 programs – whose agencies are providing city-funded child care and/or after-school programs. Eighty-five of the respondents provided early childhood education at a total of 182 programs, and 75 respondents provided after-school at a total of 205 programs. The charts below provide more information about the type of child care and after-school programs provided by the respondents.

Early childhood education:

Number of Survey Respondents (agencies)	85
Total number of programs	182
Number of Respondents/agencies with Early Learn Contracts with ACS	61
Number of Respondents/agencies with 1-year City Council Discretionary Contracts	22
Number of Respondents with Family Child Care Networks (Early Learn and City Council Discretionary)	17-Early Learn 6- City Council Discretionary

After-school programs:

Number of Survey Respondents (agencies)	75
Total number of programs	205
Number of Respondents/Agencies with New OST Contracts with DYCD	36
Number of Respondents/Agencies with 1-Year City Council OST Awards	49
Number of of Respondents with Beacons	31
Number of Respondents with Other types of After-school programs	46

The survey results dramatically demonstrate that the city's child care and after-school programs, regardless of what type of contract they currently have, are struggling with numerous challenges created by the instability the systems have historically faced and continue to face today.

The survey asked providers to rank how difficult the following issues were for their programs this past year: staff recruitment; staff turnover; staff morale; recruitment of children; registering their contract; making payroll; maintaining the lease; handling

parent anxiety about whether programming will continue; fundraising; and planning for future academic years.

Both the child care and after-school providers rated fundraising and planning for future academic years as two of the most difficult issues for their programs. These answers clearly indicate the detrimental impact financial instability has on programs—child care and after-school providers cannot plan for the future, and the uncertainty of public funding negatively impacts the willingness of foundations and private donors to invest in their programs

and the children they serve. In turn, this instability impacts the children and families that depend on these programs for both academic preparedness and economic stability.

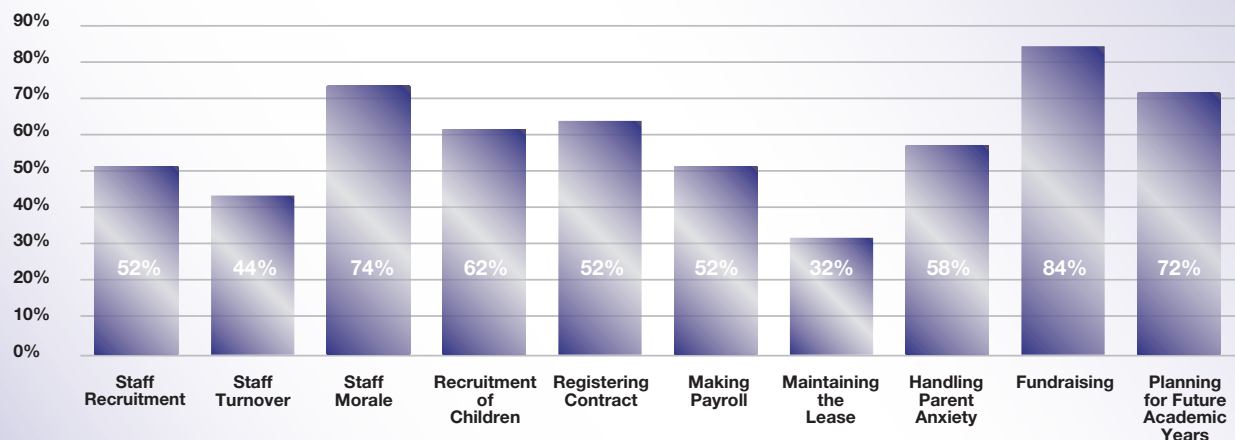
Early childhood providers were also grappling with many other issues they ranked as extremely difficult or somewhat difficult, including registering their contracts, staff morale and the recruit-

ment of children. After-school providers also faced significant challenges handling parental anxiety, staff morale and staff recruitment.

The following graphs illustrate the percent of providers who ranked an issue either as extremely difficult or somewhat difficult for their programs this past year:

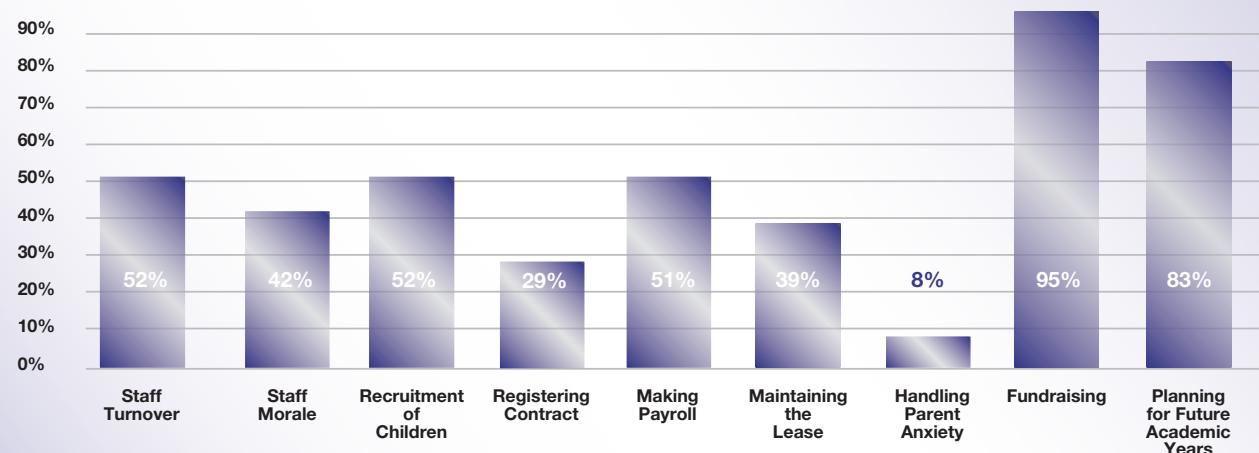
Child Care Providers:

Percent of Providers Indicating an Issue was Extremely or Somewhat Difficult:*



After-School Providers:

Percent of Providers Indicating an Issue was Extremely or Somewhat Difficult:**



* Providers who selected N/A (Not Applicable) were excluded from the base when calculating percentages.

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The inability to plan for the future negatively impacts children, families and communities. It creates low staff morale, leads to staff seeking more stable employment, and then leads to high staff turnover. This creates instability for the children who benefit from a consistent, well-trained and experienced teacher throughout the school year. It also leads to parental anxiety and thus difficulties recruiting children, as parents seek out other more stable options. Each tremor of instability triggers additional instability – absent the influx of long-term investment, these tremors could cause the child care and after-school systems to crumble.

One after-school provider may have summed it up best:

“As with all markets, uncertainty leads to reluctance to invest. This reluctance may be from the community, school, parents, the instructors, or in the worst case scenario the directors of the programs. The uncertainty has led staff to seek other professional options outside the after-school field as the field is thought of as erratic. It makes training and developing a highly skilled staff difficult and maintaining morale a constant battle.”

In Their Own Words:

Below, a sample of the responses of both child care and after-school providers, sheds light on the particular challenges facing these two systems.

CHILD CARE:

In their responses, child care providers discussed the negative impact instability and uncertainty has had on their programs, their staff, the children and families they serve, their communities and their ability to plan for the future.

Impact of Early Learn (EL):

A fully-funded Early Learn system would have included sufficient and stable resources to provide New York City's low-income children

with access to high quality programs in their communities. Unfortunately, not only did Early Learn reduce the system's capacity, but the Early Learn rate is not adequately funding the child care programs. In addition, the change in health care coverage has led many child care staff to seek other employment or opt out of health insurance coverage. In fact, it is estimated that 60% of the staff opted out of health care coverage – this will have a huge impact on the future of the system as staff fail to seek primary care and make more use of emergency rooms.

In the Campaign for Children survey, we asked whether the Early Learn rate was sufficient. Forty-four providers answered this question, with 39 reporting it inadequate (89%) and 5 reporting it to be adequate (11%).

Below are selected responses from providers about the impact of EL:

Impact of EL on Families, Children and Communities

“This transition has been difficult and little by little more and more is taken away from families and assisting the community [is] almost impossible.”

“It simply has created anxiety for our families. Unfortunately word gets around and families did not know if the center was going to continue servicing their children. Also, staffing has been a question for parents. There is no sense of continuity. Are teachers going to be leaving?”

“Not knowing is so difficult - the level of stress among all is overwhelming - it makes it very difficult to ensure quality care for our community.”

“Families are aware that our program is struggling to make ends meet and they are concerned that we might not be able to run the center with present funding.”

Impact of EL on Staff and Programs:

“Keeping staff has now become a greater challenge because of current cuts to health care. Certified teachers are not fools. They know that pay is less than DOE... The benefits are being cut more and more. Again, valuable staff will leave as soon as another opportunity is available.”

“The hiring of qualified staff in the midst of turmoil has been difficult since staff do not want to work for agencies that can't guarantee them long term positions.”

“Since the implementation of EL we have lost our longest tenured certified teacher. We are aware that several others are presently looking for employment. Hiring qualified staff was always a challenge but now the low salaries and lousy insurance combo makes it extremely difficult.”

“Our NYC Early Learn awarded site is not operational and 57 families are waiting to receive services. We have not been able to hire staff for this site or to develop it because the contractor is only able to sustain financially the existing program with funds that by now far exceed the contractor’s contribution.”

“The Early Learn contract reduced funding by 33% and changed the eligibility requirements for families to receive child care. With 33% less money and lower reimbursement rates, requirements for agencies to cover health coverage, and less staff, the program is unable to operate properly.”

Impact of One-Year City Council Discretionary Child Care Funding:

There is no question that one-year funding has been an invaluable resource to parents, children and providers. Many of the survey respondents acknowledged this in their responses. That said, it is also clear that not knowing whether their child care program will have funds to remain operational six months down the road is detrimental to families, children, providers, programs and communities. Below are selected responses from providers about the impact:

Impact on Families, Children and Communities:

“First let me state I am grateful for the funding from the Council which allowed us to stay open and serve our community. However, you can only plan for one year of service. We are already being told to send out notices to parents that we will be closing in June. I am sure some parents are going to start looking for other providers who will be around past June 2013. Regarding staff - we are fully staffed but the best people leave and look for jobs that have some stability.”

“Families will not know about their child care options until the last minute, creating a great deal of anxiety and confusion and challenging transitions for children.”

“We have had great difficulty in recruiting children. We do now know what the future holds.”

Impact on Staff and Programs:

There is a great deal of uncertainty that affects all levels of this program. Parents do not know if their trusted, child care network will be available to them in the future, providers are concerned about their livelihood and the potential loss of a trusted relationship with this agency. The agency is concerned about the potential loss of a critical service we have provided to our communities for over 30 years and the potential for significant staff layoffs.”

“Relieved to be able to operate this year. Anxious about next year.”

“It is very difficult to plan with the cloud of uncertainty hanging over your head. ACS doesn’t consider your program as active and provides no support. We have no problem recruiting children, but do have problems with getting private students.”

“Having the child care center funded for one year has a great impact on the future goals and plans for the programs. The classrooms have been cut and staff had to be terminated in order to operate on the funds given by the discretionary funds.”

“It has definitely impacted our retention of staff as we are uncertain of next year. We will have to lay off all the current staff as of June 30th.”

“This is an insecure position for basically low income staff.”

AFTER-SCHOOL:

Like the child care providers, after-school providers discussed the negative impact instability and uncertainty has had on their programs, their staff, the children and families they serve, their communities and their ability to plan for the future.

Responses from Providers with Longer-Term Contracts with DYCD (such as Out-of-School Time and Beacons):

Impact on Families, Children and Communities:

“The RFP was an extremely high pressure process and everyone was well aware that if we did not receive the funding, hundreds of families would really be in trouble without after-school programs and close to 100 staff from the communities we serve would be without employment. In addition, staff were very anxious about the impact possible closing would have on the children that they work so closely with. Needing to focus solely on the RFP created difficulty in properly planning for the upcoming year. Not knowing if we would operate and at what capacity did not give staff the information they needed to properly plan for programming in the most effective way.”

“Uncertainty if the program will continue is a huge stress for parents, children and staff. It effects morale and makes long term planning very difficult.”

“This uncertainty creates added stress for administrators who are juggling the Beacon programming requirements, the needs of families and children, and the staff anxiety about employment. As well, agencies are expected to make up the short-fall - and cannot accurately budget from year to year, it is all very last minute and reactive. This is no way to operate a critical service for children and families!”

“The after school program had to significantly decrease the number of students it served with the loss of an OST program. Many students and families were left without an after-school program.”

“Parents and children were very aware that their after-school program was on the line and could potentially lose all funding. Many parents were panicked about what they would do for next year. Both parents and children took part in our advocacy efforts wanting our elected officials to understand the urgency of the situation.”

Impact on Staff, Programs and Planning:

“The planning process began later than usual this year since we did not receive word of the restorations until late June. However, we had many systems in place from previous successful years that helped us to recruit students for our programming in the summer.”

“The delay left gaps and voids in the resources needed to facilitate the activities, trips and staffing planned for programming. A lot of activities, events and trips were postponed due to the lengthy process.”

After-school Programs Fully Funded by City Council One-Year Discretionary Funds:

As with the child care system, one-year funding has been an invaluable resource to parents, children and providers – yet not knowing whether their after-school program will remain operational year-to-year is detrimental to families, children, providers, programs and communities. Below are selected responses from providers about the impact:

Impact on Children, Families and Communities:

“One program was only partially funded (e.g., lost slots). We held a lottery. This was SO stressful for staff and families.”

“Going year to year is difficult. Staff is anxious about jobs. Parents are anxious about services.”

“We are always uncertain if our fiscal picture will be realized (the City Council money is always last minute and uncertain) parents are asking if there will be services, external partners do not know if they will be working with us, staff do not know if they will have the same hours as last year.”

“The one year funding has helped up to keep a program going and our staff, parents and children are grateful, but it makes it very hard to plan for future programming and retain valuable staff not knowing if we have a program next year.”

“It makes families anxious. It also erodes away our credibility. Families do not feel that they can count on us. They do not know if we will be there for them. Or we tell them we will not be there and then we wind up being there anyway.”

Impact on Staff and Programs:

“Before the discretionary contracts were awarded, our program had been closed for good. As far as any of us knew, summer camp 2012 was the last programming we would offer. Our staff consequently began making other

plans for school and other work for the fall. When we were awarded the discretionary contract, staff already had their alternate plans in place and we were unable to get them back.”

“We reassigned staff to other programs. Once we found out programming could occur, we were behind in recruiting program leadership. It was very difficult and impacted the quality of the programming and staffing, because we had to hold off hiring until we were sure there was funding.”

“We hope that funding is continued for this important program in the school. We would have preferred that the funding was baselined and our program added to the RFP for consistency.”

“As always we appreciate the money [from the City Council]- we are so extremely underfunded that any money helps considerably.”

“No problem recruiting children because the demand far exceeds the supply. Very difficult for staff because we had to move them around to where we had the funding, and had to lay off some people. Very difficult for principals because of the lateness of the decision making.”

Conclusion:

As one provider stated, “This is no way to operate a critical service for children and families!” The proven benefits of child care and after-school programs, combined with providers’ testimony about the negative effects instability and uncertainty have on children, families, and staff, leaves the resolution for NYC’s elected officials clear. Our leaders must take action as soon as possible to create stable, fully-funded, high quality early childhood education and after-school systems. These two systems are an integral part of the education of New York City children--we must treat them as such.

In the short term, the millions of dollars of one-year funds must be base-lined. This is not new money – it is money currently in the systems that must be maintained in the future. Furthermore, parents, youth, providers and advocates must not be called on to spend every spring fighting for these same funds – the funding must be stable and secure and not subject to the roller coaster of annual budget battles.

The Campaign for Children is committed to working with New York City’s current and future leaders to ensure that over the long term, New York City’s children have access to high-quality early childhood education and after-school programs – so that children can succeed and parents can work to support their families.

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