

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GENERAL WELFARE

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HELD AT: Council Chambers - City Hall

B E F O R E: STEPHEN T. LEVIN  
Chairperson

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## A P P E A R A N C E S (CONTINUED)

Lorelei A. Vargas, Deputy Commissioner  
Early Care and Education  
NYC Administration of Children's Services (ACS)

Maria Benejan, Associate Commissioner  
NYC Administration of Children's Services (ACS)

Jill Krauss, Deputy Commissioner  
NYC Administration of Children's Services (ACS)

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Mabel Everett, President  
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Jeremy Hoffman, Director  
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Shayna Williams  
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Head Start Sponsoring Board Council

Lisa Caswell, Senior Policy Analyst  
Day Care Council (DCC)  
Appearing for Andre Anthony, Executive Director  
Day Care Council

Stephanie Gendell, Associate Executive Director  
Policy and Government Relations  
Citizen's Committee for Children (CCC)

Sandy Katz, Director  
Early Childhood Programs  
Jewish Child Care Association (JCCA)

Gregory Brender  
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United Neighborhood Houses

Tanisha Washington, Assistant Teacher  
Southeast Bronx Neighborhood Center  
Gwendolyn B. Bland Early Learning Center

Lisandra Fernandez-Silber  
Attorney and Legal Fellow  
Advocates for Children of New York

2 [sound check, background comments, pause]

3 CHAIRPERSON LEVIN: Good morning,  
4 everybody. My name is Council Member Stephen Levin,  
5 Chair of the Council's General Welfare Committee, and  
6 this morning, we are going to be examining the City's  
7 system of subsidized Early Childhood Education and  
8 childcare, Early Learn NYC. Before we begin, I would  
9 like to thank the staff that helped put together  
10 today's hearing Tonya Cyrus, Brittany Morrissey, and  
11 Andrea Vasquez. I would also like to welcome ACS  
12 Deputy Commissioner Vargas, and Assistant  
13 Commissioner Maria Benejan or Deputy Commissioner  
14 Maria Benejan, and-- Sorry, and Jill Krauss,  
15 Associate Commissioner. Associate Commissioner?  
16 Forgive me for not getting the titles, and all of the  
17 advocates and providers who are here to testify  
18 today.

19 Early Learn was launched in October of  
20 2012, and today a little over two years since its  
21 start we are here to examine whether the program has  
22 begun to achieve its goal of improving the quality of  
23 early child care here in New York City. Early Learn  
24 NYC Early Learn NYC is an early education model that  
25 merges subsidized childcare, Head Start and Universal

2 Pre-K into a single system for delivering education  
3 services for children ages six weeks to four years  
4 old. Early Learn was developed with the ambitious  
5 goal of improving quality standards, enhancing  
6 professional development and providing full day care.  
7 However, Early Learn has faced difficulties since its  
8 launch, including an overall loss in childcare  
9 capacity for the entire system, consistent under-  
10 enrollment, and an inadequate rate for providers.  
11 Prior to the start of Early Learn, rates received by  
12 contracted providers are calculated based on the  
13 actual cost of individual providers.

14           The cost incurred by those providers.  
15 Early Learn replaced that structure with a system  
16 wide rate based on average costs. Additionally,  
17 providers are no longer paid based on their capacity,  
18 but instead all providers are paid a daily rate in  
19 connection with the child's--with the children's  
20 enrollment or attendance. Further, health insurance,  
21 liability insurance and Workers' Compensation are no  
22 longer provided by the City. They changes confounded  
23 by the fact that the system has been under-enrolled  
24 since its inception have resulted in a rate that many  
25 providers and advocates agree is far too low to

2 provide high quality early education. And,  
3 adequately compensate well-trained staff. Early  
4 Learn requires a focus on curriculum, mandating staff  
5 training, and child assessments, which providers  
6 agree is all positive and beneficial to our children.  
7 But many providers state that they do not have enough  
8 funds to meet the minimum requirements.

9           There was a survey recently done by  
10 Campaign for Children that showed that the  
11 overwhelming majority of agencies struggled with the  
12 Early Learn rate. Eighty-three percent of surveyed  
13 agencies, which those that responded, 42 responded.  
14 Thirty-five of those that responded reported  
15 struggling with the Early Learn rate. Nearly half of  
16 those 17% or 17, which is nearly half of them  
17 reported that they actually spend more on their Early  
18 Learn programs than their contracted amount with the  
19 city. There is a deficit that is reported per  
20 agency. Those range those deficits from \$18,000 a  
21 year to \$827,000 a year per agency with a mean of a  
22 \$248,000 deficit per year. For agencies, this is an  
23 impossible reality, and the smaller the agency the  
24 harder it is to make up that deficit. And we need to  
25 make sure that we are responsive to that, and here

2 today we expect the Deputy Commissioner to tell us  
3 what ACS is going to do to rectify that glaring and  
4 precarious situation.

5           Research has long show that Early  
6 Childhood Education is an essential component in  
7 learning and development. Additionally, it is known  
8 that families of ability or inability to access  
9 quality childcare can create disparities in  
10 development of children. It is clear that everyone  
11 agrees with the goal of having a quality system. And  
12 the aspirational goals of the Early Learn system meet  
13 those standards. And we hear a consensus across the  
14 board that the goals of Early Learn are the right  
15 goals. However, what is not clear is whether Early  
16 Learn NYC is currently achieving those goals. I  
17 would like to welcome the testimony from ACS Deputy  
18 Commissioner Vargas at this point. Thank you.

19           [Pause]

20           CHAIRPERSON LEVIN: First, before you  
21 begin, we need to swear you in. Do you affirm to  
22 tell the truth, the whole truth and nothing but the  
23 truth in your testimony before this committee, and to  
24 respond honestly to council member's questions?

25           COMMISSIONER VARGAS: I will.

2 CHAIRPERSON WEPRIN: Thank you. Everyone  
3 that's planning to testify.

4 COMMISSIONER BENEJAN: I will.

5 CHAIRPERSON WEPRIN: Thank you. Go  
6 ahead.

7 COMMISSIONER VARGAS: Thank you. Good  
8 morning, Chair Levin, and members of the General  
9 Welfare Committee. My name is Lorelei Atelli [sp?]  
10 Vargas, and I'm the Deputy Commissioner for Early  
11 Care and Education at the Administration for  
12 Children's Services. With me today is Associate  
13 Commissioner Maria Benejan. Thank you for the  
14 opportunity to discuss our vision for subsidized  
15 Early Care and Education in New York City, and to  
16 update the Council on Early Learn NYC.

17 I joined ACS in November of 2014, and  
18 bring to this position a career of providing access  
19 and the highest quality service to children and  
20 families. I'm excited to be part of the  
21 extraordinary efforts that the Administration is  
22 undertaking to improve and sustain quality care and  
23 education for New York City's youngest children.  
24 Quality early education has an enormous impact on the  
25 development of cognitive, social, and emotional



2 skills for all children. This is especially  
3 important for children coming from highly stressed  
4 environments where strong skills and supports can  
5 help them mitigate the terrible impact of toxic  
6 stress. As this Council is aware especially in a  
7 year that's included in unprecedented pre-  
8 kindergarten expansion, children who have the  
9 opportunity to participate in quality Early Childhood  
10 Education are less likely to be held back in school,  
11 and more likely to graduate from high school, which  
12 can ultimately improve their socio-economic mobility.  
13 And yield an intergenerational progression of  
14 mobility.

15           The ACS Division of Early Care and  
16 Education administers one of the largest publicly  
17 funded childcare systems in the country serving  
18 approximately 100,000 infants, toddlers, pre-school  
19 and school age children. ACS provides services that  
20 enhance childhood development and assist low-income  
21 working families, eligible public assistance  
22 recipients, and families that are receiving child  
23 welfare services. ACS provides access to childcare  
24 by contracting with providers as well through  
25

2 vouchers issued to eligible parents, which may be  
3 used to purchase care in a variety of settings.

4           In the fall of 2012, ACS launched Early  
5 Learn NYC, an innovative Early Childhood Education  
6 model designed to raise educational standards,  
7 increase family supports, and strengthen professional  
8 development for teachers. The model prepares  
9 children for success in elementary school and beyond.  
10 Early Learn has the capacity to serve approximately  
11 35,000 children between the ages of six weeks and  
12 four years of age in Center Based and home-based  
13 settings. Several features set Early Learn apart  
14 from what came before. In order to maximize the  
15 impact of all child care funding, the system bundles  
16 numerous distinct funding streams including federal  
17 Head Start dollars, State Child Care Block Grant, and  
18 UPK funds as well as city tax levy, and privately  
19 raised monies into a single Early Care and Education  
20 system in which providers offer consistent services.

21           All Early Learn programs, Center Base and  
22 Family Child Care are premised upon developmentally  
23 appropriate research based curricula. Program  
24 support teachers to engage in meaningful interactions  
25 and settings where children can grow, learn, and

2 thrive. Early Learn embraces a holistic approach.  
3 All enrolled children receive health, mental health,  
4 and developmental screenings to address underlying  
5 needs that may affect their ability to learn. Early  
6 Learn provides vital supports for working families  
7 without which many could not be a part of the  
8 workforce. Programs offer extended hours, eight to  
9 ten hours of service per day, which includes services  
10 such as meals and physical exercise. All Early Learn  
11 programs include a family engagement component in  
12 their curriculum that embraces their cultural and  
13 linguistic diversity, and acknowledges the family's  
14 critical role in the care and education of their  
15 child.

16 To continue strengthening the Early  
17 Childhood workforce, Early Learn offers extensive  
18 professional development opportunities for the  
19 teachers in our programs. We require and fund 12  
20 days of professional development for all Center Base  
21 program staff, and six days for those in family child  
22 care settings. We also provide ongoing support to  
23 providers on a range of issues related to early  
24 childcare, physical and mental health, program design

2 and management as well as family and community  
3 engagement.

4           Universal Pre-Kindergarten is folded into  
5 the funding and the service of Early Learn. ACS is a  
6 proud partner in the city's historic expansion of  
7 quality full day, free Universal Pre-Kindergarten for  
8 four-year-olds in New York City. We collaborated  
9 with the Department of Education to bring Pre-K  
10 services and standards to 53,500 New Yorkers born in  
11 2010. Through Early Learn, ACS provides over 11,000  
12 of those seats. The citywide UPK expansion also  
13 allowed ACS to increase access to professional  
14 development for teachers, and increase investments to  
15 help ensure recruitment and retention of high quality  
16 UPK teachers with Early Childhood Certification.

17           The overarching goal of Early Learn is to  
18 lay the strongest foundation possible for the future  
19 of New York City's children. Since its  
20 implementation in October 2012, our staff and  
21 providers have been working tirelessly to ensure the  
22 success of this system. Currently, 132 contractors  
23 are providing services to over 30,000 children in 351  
24 centers and 1,485 family childcare providers in  
25 provider's homes across the five boroughs.

2 Enrollment is at 87%, and ACS continues to work with  
3 programs and families to make sure that families are  
4 aware of the nearest Early Learn Center in their  
5 neighborhood.

6           As many of you know, ACS is also in the  
7 midst of a request for proposal that will award an  
8 additional \$56 million annually in Early Learn NYC  
9 services. At the end of 2013, the prior  
10 administration baseline funding that the Council had  
11 used to support a number of child care providers that  
12 were unsuccessful in the Early Learn RFP issued in  
13 May 2011. The Council awards for fiscal year 2014  
14 were continued by ACS via a negotiated acquisition  
15 extension. At this juncture, city procurement rules  
16 require us to issue a competitive solicitation as an  
17 RFP towards these funds. We expect the RFP for which  
18 proposals are due this Friday to result in  
19 approximately 4,800 additional children accessing  
20 Early Learn NYC in 39 existing zip codes. The point  
21 scale for this RFP differs from the initial Early  
22 Learn RFP issued in 2011 in that more points are  
23 awarded for experience, emphasizing experience  
24 working the particular community, and prior and

2 anticipated engagement in the communities proposed to  
3 be served.

4 Over the past two and a half years, New  
5 York City has seen significant early education  
6 achievements. In 2012, the entire contracted  
7 subsidized system was transformed through Early  
8 Learn. In 2014, 53,500 pre-kindergarten seats were  
9 offered, and in 2015, an additional 4,800 Early Learn  
10 seats will be procured. Our Early Education system  
11 continues to improve, but it must be recognized that  
12 the system is still in the midst of necessary  
13 transformation. Particularly with regard to the  
14 subsidized system that serves our youngest New  
15 Yorkers much work remains. We're constantly striving  
16 to ensure that our vision for the entire Early  
17 Education System is realized. That vision shared  
18 throughout this administration is to create a  
19 comprehensive quality continuum for all children in  
20 New York City from early childhood through Pre-K to  
21 school age students.

22 While Early Learn is designed to raise  
23 educational standards, we recognize that execution  
24 has varied. Since its implementation advocates,  
25 providers and parents have raised concerns about both

2 contracted care and vouchers. In response, this  
3 administration has recognized the need for a  
4 comprehensive approach to address these concerns, and  
5 to continue improving services for children receiving  
6 subsidized care.

7           In October of 2014, Health and Human  
8 Services Deputy Mayor Lilliam Barrios-Paoli and ACS  
9 Commission Gladys Cariron convened a Task Force of  
10 key stakeholders to develop recommendations meant to  
11 enhance the city's Early Care and Education delivery  
12 system as a whole. Comprised of 44 key stakeholders,  
13 Task Force members represent a diverse group of the  
14 Early Care and Education community including of  
15 levels of government agencies, advocates, providers  
16 and child care consumers. The members are working in  
17 four separate work groups to address key components  
18 related to strengthening the quality and efficiency  
19 of the ECE system. Each work group has considered a  
20 wide range of opinions, data, experience, theory and  
21 best practices to develop recommendations for  
22 continuing to improve quality of care, increasing  
23 enrollment in contracted care, and determining how  
24 best to serve both public assistance and low-income  
25 families.

2           This Task Force is also exploring whether  
3 regulatory changes might reduce a significant amount  
4 of resources that providers must use in order to  
5 navigate complex regulatory procedures and policies  
6 in carrying out their work. After working diligently  
7 for months, the Task Force will meet for the last  
8 time at the end of January 2015 to finalize  
9 recommendations that will be presented to the Mayor  
10 for consideration. ACS actively participated in each  
11 of the work groups as well as all of the Task Force  
12 meetings , and I feel confident that the  
13 recommendations will serve the best interests of  
14 children and families. I look forward to discussing  
15 the finalized recommendations when they're released.

16           As the Task Force has been developing  
17 recommendations, the ACS Division of Early Care and  
18 Education continues to assess additional ways to  
19 improve the system. We are deeply invested in moving  
20 toward a coordinated and aligned Early Care and  
21 Education System that is good for children, easy for  
22 families to navigate, and efficient and streamlined  
23 for providers of services and for the numerous city  
24 agencies involved in early learning. In the coming  
25 year, ECE is working on several major projects to



2 serve this goal. The requirements associated with  
3 Early Learn created an essential shift for community  
4 based child care providers to alter their practice  
5 from solely providing services to providing services  
6 within the context of operating a small business.  
7 I'm very pleased to announce that ACS is exploring a  
8 partnership with the New York City Department of  
9 Small Business Services to address ways in which SBS  
10 may provide business support to our Early Learn  
11 agencies. Specifically around budgeting,  
12 bookkeeping, marketing skills and other essential  
13 business practices that may be new to many of our  
14 providers.

15 Another way we hope to be able to assist  
16 both providers and families is by exploring a mapping  
17 system using web-based geographic information system  
18 technology that could provide families seeking care  
19 with information about nearby real time vacancies.  
20 In tandem with the mapping system, ACS is working  
21 with the Department of Technology and  
22 Telecommunications and our partners to revamp our  
23 entire website to better serve our families. Our  
24 focus for the Early Care and Education web page is  
25 to clearly articulate for our parents, providers,

2 and partners the various options available for Early  
3 Care and Education, and to again introduce enhanced  
4 transparency to the process.

5           And finally, given these massive system  
6 transformations that have taken place in the past two  
7 and a half years, we need to re-examine where our  
8 services are located. As the demographics in the  
9 city shift so, too, must the services. ACS is  
10 planning to conduct an updated community needs  
11 assessment to ensure that our seats are located where  
12 the need for subsidized care is the greatest. We  
13 remain cognizant that pockets of poverty persist in  
14 otherwise affluent neighborhoods. And that the cost  
15 of real estate continues to skyrocket. Our aim is to  
16 create an approach that is as nuanced as possible in  
17 our analysis of the needs for subsidized care.  
18 Thankfully, some of this work is already underway,  
19 and we're eager to partner with advocates and  
20 research organizations throughout the city who are  
21 thoughtfully pursuing how to ensure that seats remain  
22 in or are relocated to the neighborhoods where the  
23 need is greatest.

24           While all three of these projects are  
25 just getting started, I'm hopeful that they will each

2 address some of the concerns that have been raised  
3 about the challenges that our providers and families  
4 face. I thank you again for the opportunity to  
5 update the Council about Early Care and Education  
6 services, and I look forward to partnering with all  
7 of you as we continue to refine our systems and  
8 approach. And I welcome your questions.

9 CHAIRPERSON WEPRIN: Thank you, Deputy  
10 Commission. I want to welcome two of my colleagues  
11 on the Committee Annabel Palma of the Bronx and  
12 Ritchie Torres of the Bronx. Thank you very much for  
13 your testimony, Deputy Commissioner. I want to start  
14 out focusing on quality so the overriding principle  
15 for Early Learn-- The reason why the City pursued  
16 Early Learn as vigorously as they did and overhauled  
17 the system was to meet the stated goals that  
18 Commissioner Mattingly at the time laid out. And  
19 they were laudable goals. They were important  
20 principles from the Concept Paper 2010 that  
21 Commissioner Mattingly presented on April 28, 2010,  
22 expanding--expansion of infant and toddler care to  
23 meet the needs of under-served populations. Increase  
24 child and family supports to build a holistic  
25 approach to early childhood development and better

2 support the entire family. The Uniform Program and  
3 Child Assessments for Higher Quality Services and  
4 more positive outcomes for children, and integrated  
5 early care settings for a more accessible and  
6 sustainable system.

7 In terms of quality, what does ACS do?

8 If you could please provide an explanation of the  
9 performance measures. How are we measuring success  
10 with our provider agencies? What are the performance  
11 measures, and how are assessment of Early Learn  
12 providers conducted, and who has oversight over those  
13 assessments?

14 COMMISSIONER VARGAS: Sure. So, I'm just  
15 going to step back a bit and say that ACS provides--  
16 we conduct visits to all of our providers, all of our  
17 Early Learn providers. And essentially the visits  
18 are geared to assess compliance with program staffing  
19 and appropriate standards. We provide a great amount  
20 of technical assistance, and that technical  
21 assistance is really in four key areas: Program  
22 design and management, education and disabilities,  
23 family and community engagement, health, mental  
24 health and nutrition. As of June-- between June 2014  
25 and November of 2014, we conducted 700 visits to our

2 providers. In terms of looking at the actual quality  
3 outcomes, we have had a--

4 [Pause]

5 COMMISSIONER VARGAS: In terms of looking  
6 at actual quality outcomes, in year one-- I should  
7 say just to answer your question Maria Benejan who is  
8 sitting right next to me has oversight in that area.  
9 And essentially, the data that we received in year  
10 one shows substantial gains for the children who--  
11 And Maria can speak more to the actual tools that are  
12 used throughout the city. In year one, the data that  
13 we received showed that the children had substantial  
14 gains. What we realized when we looked at the data  
15 little bit closely, there was a lot of variability in  
16 the data. And so, to address that variability, we  
17 introduced some professional development for our  
18 providers.

19 CHAIRPERSON WEPRIN: [interposing] Before  
20 you go there, can tell us what is the data? What  
21 data was collected and who collected the data?

22 COMMISSIONER BENEJAN: Okay, so let me  
23 tell you a little bit about the instruments and what  
24 we do in terms of looking at the performance of  
25 programs. We use some standardized instruments. So

2 we use the Early Childhood Environmental Rating  
3 Scale, which is a scale that looks at the environment  
4 of the children and the programs. We also do--

5 CHAIRPERSON WEPRIN: [interposing] And  
6 that--I'm sorry--and that's done through a-- Who  
7 conducts that assessment?

8 COMMISSIONER BENEJAN: So we have some  
9 outside folks, consultants who are reliable. So  
10 folks who do this early and we call it the ERS, (sp?)  
11 the Early Childhood Environmental Rating Scale, are  
12 reliable. They've been trained and are reliable to  
13 the instrument. We have some outside consultants.  
14 We've partners with the Department of Education and  
15 with UPK Classrooms. And so, some of those  
16 instruments are administered through an outside  
17 consultant. Some of them are administered through  
18 the Education Director of the program who has a  
19 master's degree or sometimes more even. We have some  
20 education directors with doctorate degrees also who  
21 have gone through the training and been sort of  
22 certified, and are able to do the instruments. So  
23 that's one instrument that we use. Another  
24 instrument that we use that looks at child and  
25 teacher interaction is called Class. It's commonly

2 used within Head Start programs. Head Start actually  
3 uses it nationally when they come out to review  
4 programs. Again there's reliability in terms of the  
5 person who's administering that instrument. That  
6 instrument is also used to really inform practice.  
7 The third sort of standardized instrument that's used  
8 is for child assessments. So All About Children, one  
9 of the standards that we did across the board, that's  
10 Center Based and we found with family childcare that  
11 all children need to be screened with a 45-day entry  
12 and then ongoing assessment that informs the  
13 practice. And so--

14 CHAIRPERSON WEPRIN: [interposing] Those  
15 assessments are conducted by the--

16 COMMISSIONER BENEJAN: The teachers.

17 CHAIRPERSON WEPRIN: --Education Director  
18 and teachers?

19 COMMISSIONER BENEJAN: The teachers.

20 Actually, teachers who are working with children  
21 because they have the most knowledge of that  
22 particular child and are using lots of information  
23 for that assessment. Because they're working with  
24 the parent as they're working through some home  
25 visits and parent-teacher conferences and discussions

2 that they have with the parent, and then the actual  
3 work that they're doing with the children. And so  
4 they do child assessments. Those child assessments  
5 are aligned with curriculum. So those are the sort  
6 of standard assessments that are used to gauge  
7 performance. Then as--

8 CHAIRPERSON LEVIN: [interposing] Let me  
9 go--I do want to step back there. With the  
10 performance measures that were implemented by the  
11 outside consultants of the programs themselves--

12 COMMISSIONER BENEJAN: Uh-huh.

13 CHAIRPERSON LEVIN: --is it--can you take  
14 me through the process of how that is conducted. Do  
15 they go out and do a site visit? Is it one day,  
16 multi-day based on interviews? What and then does  
17 that happen for every single program or is it--is it  
18 done kind of as a random assessment. So, if you can  
19 take me through that.

20 COMMISSIONER BENEJAN: Sure.

21 CHAIRPERSON LEVIN: Because there are a  
22 lot of programs that do that.

23 COMMISSIONER BENEJAN: Sure. So the  
24 number of days that a consultant may be out of the  
25 program depends on the size of the program. But for



2 instance on an ERS, that's a couple of hours. They  
3 usually spend like a three-hour, four-hour time  
4 period. There is a point in time that that  
5 consultant is coming in. But again, there are  
6 indicators that are nationally normed. And so,  
7 they're looking at specific items, elements that they  
8 should see in any classroom. It doesn't--regardless  
9 of the time period that you go in. These are some  
10 things that are across the board, an indicator of  
11 good quality. So for instance they would be looking  
12 all of the appropriate multi-cultural elements within  
13 that classroom. So are there books? Are they  
14 language that is responsive to the children that they  
15 serve. So there are indicators within a number of  
16 areas within that environment, the child development  
17 kind of piece, the set up of the classroom, parent  
18 engagement. So all those kinds of pieces are looked  
19 at within that ERS. And also within the class is  
20 also an instrument. The class it's usually for a  
21 longer period of time. Outside consultants may do it  
22 at a point in time and directors because they use it  
23 to inform practice are using that instrument over a  
24 consistent period of time. So there are different  
25 points in time that they do it. Again, because once

2 they identify a need in a classroom as used by  
3 example development in the appropriate cultural  
4 materials, then they're going to look back to see  
5 that those instruments--whether those instruments  
6 added. So to your answer, it varies on the amount  
7 that they are. They are set indicators that they are  
8 using, a checklist that they are using, and they rate  
9 the classroom based on that indicator.

10 CHAIRPERSON LEVIN: And is that in every  
11 program? Every program has an assessment like that?

12 COMMISSIONER BENEJAN: So every program  
13 has the ERS, you know, the class. Not every  
14 classroom may not.

15 CHAIRPERSON LEVIN: Sure.

16 COMMISSIONER BENEJAN: So--

17 CHAIRPERSON LEVIN: [interposing] But  
18 every program has an ERS?

19 COMMISSIONER BENEJAN: Will have an ERS  
20 and the class, and we take that as part of the  
21 information that we will use to gauge the performance  
22 measuring.

23 CHAIRPERSON LEVIN: And I guess my first  
24 question then is--would be then what is that data  
25 showing specifically?

2                   COMMISSIONER BENEJAN: So as Lorelei had  
3 said, the first year-- I want to put some context to  
4 this. We spent a lot of time and focus on training  
5 and professional development. So we limited our  
6 monitoring of our programs in the first year of Early  
7 Learn So that we could give the program that  
8 opportunity to sort of learn and really get  
9 themselves set. The second year in Early Learn we  
10 began to monitor the program where we did see, begin  
11 to see where some of our programs were needing  
12 additional professional development and additional  
13 technical assistance. So they were moving towards  
14 compliance, but not quite there. The first year we  
15 had many of our programs and the majority of our  
16 programs were within excellent and good. The second  
17 year, although the majority still remained in  
18 excellent and good, a fair number of our programs  
19 went from excellent to good. Meaning, we found--  
20 noticed that they need some additional professional  
21 development and technical assistance.

22                   CHAIRPERSON LEVIN: Okay. And then can  
23 you--is that information then publicly available of  
24 what the assessment then is of particular programs so  
25 a prospective parent is weighing two different

2 programs in a neighborhood. They could have could  
3 have some, you know, some information as to how to  
4 best choose the program that's best suited for their  
5 child.

6 COMMISSIONER BENEJAN: There isn't  
7 anything publicly like on our website that provides  
8 that information. We do encourage our programs to  
9 provide that information to their parents. ACS as  
10 sort of the administrator with our Head Start  
11 Program, our governing board does get this  
12 information on the quality of the programs and where  
13 they fall.

14 CHAIRPERSON LEVIN: And do programs-- So,  
15 if a--so what are they? You said there's excellent  
16 and good. What are the other therefores [sic] that--

17 COMMISSIONER BENEJAN: [interposing]  
18 Correct.

19 CHAIRPERSON LEVIN: And what happens if a  
20 program is, you know, has low marks? What happens  
21 then.

22 COMMISSIONER BENEJAN: So our aim is  
23 always to work with our programs and really sort of  
24 make them grow, and provide the best service that's  
25 possible. we have some red flags. They're sort of

2 like alerts where we go in and sometimes a program  
3 may be in compliance when we're monitoring them. We  
4 go back to make sure that they sustain that  
5 monitoring, that compliance. And if they're not,  
6 that's a sort of a red flag that a program is not  
7 able to maintain sort of compliance within a  
8 particular area. If a program for instance may have  
9 some incident, some critical incident or have  
10 unsupervised children or an incident of an  
11 unsupervised child, that puts them into a level that  
12 we call heightened monitoring. So our programs are  
13 all sort of on ongoing monitoring. When we see some  
14 issues that are surfacing as we're working as we're  
15 trying to be proactive as much as possible, we put  
16 them into heightened monitoring support. If a  
17 program doesn't move over a six-month period within  
18 that heightened monitoring-- Heightened monitoring  
19 means that we are aggressively providing technical  
20 assistance to this program. We are meeting on a  
21 monthly basis with the program. And if they don't  
22 within in a six-month period, then they go into  
23 correction action. Corrective action is serious.  
24 That's when we're looking at potentially not  
25 continuing the contract. All of this information is

2 provided through the program. So the programs come  
3 in. They receive letters to tell them what sort of  
4 category they're in.

5 CHAIRPERSON LEVIN: How many programs  
6 have gone into corrective action?

7 COMMISSIONER BENEJAN: I believe right  
8 now yes-- Right now there are three programs that  
9 are in corrective action.

10 CHAIRPERSON LEVIN: Currently?

11 COMMISSIONER BENEJAN: Right.

12 CHAIRPERSON LEVIN: How many over there--  
13 and that's-- There have only been three over the  
14 course of Early Learn that have had correction  
15 action.

16 COMMISSIONER BENEJAN: Yes.

17 CHAIRPERSON LEVIN: Have any of them lost  
18 their contract or--?

19 COMMISSIONER BENEJAN: No. Again,  
20 because we're working with them within their time  
21 period, and what may happen is that we go back and  
22 they're in compliance. And then we go back again,  
23 and they many not. So we're setting this inability  
24 to sustain compliance.

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2 CHAIRPERSON LEVIN: Okay, but nobody has  
3 lost a contract?

4 COMMISSIONER BENEJAN: No one has lost a  
5 contract based on performance.

6 CHAIRPERSON LEVIN: All right. Has  
7 anyone lost a contract based on something else or--?

8 COMMISSIONER BENEJAN: Some programs have  
9 voluntarily relinquished.

10 CHAIRPERSON LEVIN: How many have  
11 voluntarily relinquished?

12 COMMISSIONER BENEJAN: Three. Voluntary  
13 relinquished, three.

14 COMMISSIONER VARGAS: Three.

15 CHAIRPERSON LEVIN: Three contracts  
16 signed. Nine--

17 COMMISSIONER BENEJAN: [interposing] And  
18 nine.

19 COMMISSIONER VARGAS: --at nine sites.

20 CHAIRPERSON LEVIN: Nine sites.

21 COMMISSIONER VARGAS: Nine sites of three  
22 contractors voluntary relinquished.

23 CHAIRPERSON LEVIN: Okay, and then that  
24 would-- And have there been any programs that have  
25 involuntarily relinquished their-- I mean other than-

2 -other than corrective action or voluntary, there's  
3 no other--there's no other way that a program can  
4 lose its contract?

5 COMMISSIONER BENEJAN: No, not sites.  
6 Some have lost some slots because of square footage.  
7 We monitor them against the Head Start performance  
8 standards in the GOH in square footage. So some had  
9 a reduction because of licensing.

10 CHAIRPERSON LEVIN: Reduction in slots?

11 COMMISSIONER BENEJAN: Uh-huh. Oh, and  
12 some have lost leases.

13 CHAIRPERSON LEVIN: Okay, lost leases.  
14 How many have lost leases?

15 COMMISSIONER BENEJAN: Well, I have two.

16 CHAIRPERSON LEVIN: Two. Going back to  
17 the quality and tracking, is ACS tracking the  
18 graduate of Early Learn programs as they matriculate  
19 into the kindergarten and first grade looking  
20 towards, you know, seeing the impact, assessing the  
21 impact of Early Learn on their education?

22 COMMISSIONER BENEJAN: So we're involved  
23 with DOE and UPK do to some of that sort of study  
24 with the children as they move through UPK.



2 CHAIRPERSON LEVIN: Have the--moved  
3 through UPK, but you mean you moving through UPK in  
4 Early Learn Centers?

5 COMMISSIONER BENEJAN: Uh-huh?

6 CHAIRPERSON LEVIN: Or you move through  
7 UPK in-- I'm wondering whether or not ACS is tracking  
8 children after the age of four as they go into  
9 kindergarten and first grade to evaluate whether--  
10 How they're performing versus their peers?

11 COMMISSIONER BENEJAN: ACS is not. We  
12 have partnered with DOE to do some of that study.

13 CHAIRPERSON LEVIN: So DOE is going to be  
14 conducting that?

15 COMMISSIONER BENEJAN: Yes, yes.

16 CHAIRPERSON LEVIN: Okay. Are they  
17 currently conducting that or is that--

18 COMMISSIONER BENEJAN: [interposing] They  
19 I believe put it out for bid, and they selected a  
20 vendor that is a part of the whole UPK Expansion  
21 Evaluation.

22 CHAIRPERSON LEVIN: But then that would  
23 be measuring kids that come through UPK--

24 COMMISSIONER BENEJAN: [interposing] Yes.

2 CHAIRPERSON LEVIN: --not just Early  
3 Learn?

4 COMMISSIONER BENEJAN: Correct. All of  
5 UPK.

6 CHAIRPERSON LEVIN: We've been joined by  
7 Council Members Laurie Cumbo and Carlos Menchaca of  
8 Brooklyn. Council Member Palma, do you have a  
9 question?

10 COUNCIL MEMBER PALMA: Yes. Thank you,  
11 Mr. Chair. I just have a few questions. In regards  
12 to the centers that have totally relinquished their  
13 contracts or commitments for Early Learn, do you know  
14 why was that specifically? Was is specifically  
15 because they couldn't meet goals in terms of the six  
16 percent fundraising? Was it because they had an  
17 option to convert those fees into UPK fees rather  
18 than stay within the Earl Learn contract?

19 COMMISSIONER VARGAS: So, three of the  
20 contracts that were voluntarily relinquished were due  
21 to low enrollment. Four were what call sponsorship  
22 changes where the program moved in one piece to a new  
23 contractor agency. And then two were program site  
24 relocation and consolidations.

2 COUNCIL MEMBER PALMA: So in the  
3 sponsorship changes, that new sponsor took over all  
4 those seats that were in that the Early Learn  
5 contract?

6 COMMISSIONER VARGAS: Correct.

7 COUNCIL MEMBER PALMA: So they--did they  
8 remain in the Early Learn contract or did they just--

9 COMMISSIONER VARGAS: Yes, they did.

10 COUNCIL MEMBER PALMA: So technically  
11 those seats are still available at the Early Learn.  
12 It's just a change in--

13 COMMISSIONER VARGAS: In the provider so  
14 to speak, correct.

15 COUNCIL MEMBER PALMA: Okay, are the--  
16 How many providers are struggling to meet that six  
17 percent fundraising goal or match?

18 [Pause]

19 COMMISSIONER VARGAS: Our audits show  
20 that the programs are making it up through volunteers  
21 and donated goods. So we don't see a problem.

22 COUNCIL MEMBER PALMA: Is that six  
23 percent a matched part of the discussion that the-- I  
24 believe and I came in a little late for the testimony  
25 so I apologize. But part of that discussion that is

2 being had within the working group, if I may, to make  
3 those recommendations of any changes that can  
4 happened through the Mayor.

5 COMMISSIONER VARGAS: So the Mayor's Task  
6 Force on Early Care and Education I believe is what  
7 you're referring to. So the Mayor's Task Force is  
8 looking at a couple of--a variety of different  
9 issues. ACS has been involved in all of those  
10 conversations, and I can't say. We don't have the  
11 recommendations from the Task Force and the 6.7% was  
12 not a specific area per se that they asked to-- You  
13 know, a work group that was established through the  
14 Task Force. So I can't say with any certainty until  
15 we see the recommendations whether or not that's an  
16 area that will come out.

17 COUNCIL MEMBER PALMA: Are you still  
18 hearing a lot of concern about meeting the six  
19 percent goal from centers? Because I know when the  
20 RFP first came out, and when it was implemented, that  
21 was the huge concern and we still--many of the  
22 centers are struggling to meet that goal.

23 COMMISSIONER VARGAS: We are not hearing  
24 a lot around the 6.7%. There are other issues, which  
25 I think Councilman Levin highlighted in his earlier

2 statement that I think we hear more frequently than  
3 the 6.7%.

4 COUNCIL MEMBER PALMA: What has been the  
5 impact with UPK seats and Early Learn seats? And  
6 when one center has both in the--under the same roof,  
7 what has been the impact for the Early Learn  
8 enrollment?

9 COMMISSIONER VARGAS: So when it--

10 COUNCIL MEMBER PALMA: [interposing] I'm  
11 sorry, and I just along with that question and the  
12 fee for the parents? How is it affecting the fees  
13 for the parents and a parent having to see a higher  
14 fee come out of their pocket?

15 COMMISSIONER BENEJAN: So we have some  
16 programs that have both a direct UPK contact with the  
17 DOE and an Early Learn. That was a decision that the  
18 program made based on the children in the community  
19 where they saw a need and a desire by parents who  
20 wanted the UPK for the six hours and 20 minutes.  
21 That's separate and apart from the Early Learn.  
22 Early Learn goes for the ten hours whereas those  
23 direct UPK classrooms will go for the six hours and  
24 20 minutes. Early Learn is year round. The UPK  
25 classroom is not there during the summer and during

2 the closure. There was an impact in terms of the UPK  
3 because there was lots of options for parents, which  
4 is a good thing. There were options out there. And  
5 some parents took that option be it that they might  
6 have gone to a public school. For the most part it  
7 was the public school rather than going from an Early  
8 Learn program to another community based  
9 organization. What we're seeing and we have this  
10 anecdotally is that there were siblings in the family  
11 who were in public school. So it made it convenient  
12 for the mom or whoever was dropping off the children  
13 to drop off in one site as opposed to going to two  
14 and the doing the pickup in the afternoon. The  
15 piece?

16 COMMISSIONER VARGAS: Yeah. So as you're  
17 probably aware, there's a federal and state  
18 requirement that we--that we--that requires we  
19 repayments from our parents. And so, there are a  
20 couple of groups that are exempt from that fee, which  
21 are our cash assistance population, and our Head  
22 Start population. For children who are in the UPK  
23 program, parents when children are in the UPK program  
24 greater than six hours and 20 minutes. Then, again,  
25 our Early Learn programs between eight to ten hours.

2 Parents do pay the fee, which is the \$12. It's a  
3 part-time fee, which is \$12.

4 COUNCIL MEMBER PALMA: Except for those  
5 parents who are exempt?

6 COMMISSIONER VARGAS: Correct. So, just  
7 to give you a sense of what looks like system wide,  
8 we know that 90% of the children who are enrolled in  
9 our system pay either no fee, or they minimum fee,  
10 which is the \$12 or \$15 for the full day.

11 COUNCIL MEMBER PALMA: Has there been--  
12 has there been any talks about the insurance issue  
13 that has plagued the providers and staff in terms of  
14 making sure that workers are offered the opportunity  
15 to have insurance. Some of them have thought of it  
16 because it's so costly. Are there going to be any  
17 changes with the next RFP around the insurance issue,  
18 or is it going to remain the same?

19 COMMISSIONER VARGAS: So what you're  
20 referring to is the City administered insurance. So  
21 we transferred \$7.3 million that we were  
22 administering directly to the providers. In that  
23 process, we gave the providers exponential data so  
24 that they can make informed decisions about  
25 insurance. And we worked closely with them to review

2 the documents that they were submitting, and that  
3 they were receiving around insurance. At this point,  
4 you know, I would bundle the insurance issue into the  
5 rate issue that Council Member Levin highlight in the  
6 beginning--in his earlier statement. I think that's  
7 really where-- That's the area where people--that's  
8 what people talk about more than the specific  
9 insurance issue.

10 COUNCIL MEMBER PALMA: So with that--with  
11 that being said, the discussion then looking for an  
12 increase in the rates enable to providers to continue  
13 to be able to run their programs effectively and  
14 provide insurance programs for their staff.

15 COMMISSIONER VARGAS: So, as you know,  
16 the rate varies, and it's dependent on a number of  
17 different issues including the child's age, the model  
18 of the program, the setting. We do require the 6.7%  
19 contribution, as we discussed earlier. And it is a  
20 pay-for enrollment system. So programs that are not  
21 enrolled at 100% do not receive their full budgeted  
22 contracted amount. You know, I want to kind of take  
23 a minute to actually thank the Citizens Committee for  
24 the article, the paper that they released earlier--I  
25 guess it was last week at this point--together



2 because we're really committed to using data to help  
3 inform our practice and our decision-making. You  
4 know, the reality is Early Learn is a really large-  
5 scale system of reform effort. And it is in some  
6 ways in its infancy still. And so, I think there's  
7 room to explore, you know, the changes and  
8 alterations that need to be made in the system.

9 COUNCIL MEMBER PALMA: I'm happy to hear  
10 you say there is room to explore the changes that  
11 need to be made in the system. We know the contract  
12 is open to 2016, and so I would hope that, you know,  
13 unlike the previous time there is real engagement  
14 with the individuals and the stakeholders that are  
15 providing-- You know, that depend on these  
16 contracts, and that will be apply for the RFP as well  
17 as this Council to make sure that an RFP is put out  
18 as not only competitive and successful. But that  
19 really hones in to the issues that we've been seeing,  
20 we've been talking about since Early Learn.

21 I have one last question in terms of--in  
22 terms of the centers being--trying to meet the 100%  
23 goal. And I know that last year during the budget  
24 briefings and the budget hearings, Commissioner  
25 Carrion spoke about collaborating with Commissioner

2 Banks of HRA to make sure that we're getting as much  
3 information to those families who can really benefit  
4 from an Early Learn slot. How has that collaboration  
5 been, and has that made--had any affect in increasing  
6 enrollment in the Early Learn Centers?

7 COMMISSIONER VARGAS: Yeah, so, we have  
8 collaborated with--ACS has collaborated with HRA and  
9 NYCHA. In 2013, we distributed post card mailing to  
10 over 15,000 families, and children under four in  
11 NYCHA house and to 21,000 HRA families who were at  
12 that time receive a childcare subsidy through ACS,  
13 but weren't enrolled in Early Learn. We also piloted  
14 an equipment initiative in HRA job centers. The  
15 initiative allowed Early Learn programs and ACS staff  
16 to be on site at the job centers to provide  
17 interested parents with additional information on  
18 Early Learn. It's hard to assess the impact of that  
19 work given some of the changes in the system. Given  
20 the fluctuations that we've seen over the past year  
21 with the increase of UPK seats, the introduction of  
22 UPK into the system. So it's very difficult for us  
23 to assess whether or not that work made a huge  
24 difference.

2 COUNCIL MEMBER PALMA: Thank you so much.  
3 I hope that moving forward we're able to again just  
4 get more information on the impact of what UPK has  
5 done to the Early Learn slots. Because we want to  
6 make sure that providers don't have to continue--  
7 That the providers don't shut the doors, that they  
8 continue to give people support that they need to  
9 make Early Learn a success.

10 COMMISSIONER VARGAS: Thank you.

11 CHAIRPERSON LEVIN: Thank you, Council  
12 Member Palma. Sorry, just one question from earlier.  
13 Jill Krauss is Deputy Commissioner, and Maria Benejan  
14 Associate Commissioner. One follow up on a point  
15 that Council Member Palma asked about with the issue  
16 of insurance. There's a couple of points that have  
17 come out as part of the Citizens Committee survey  
18 that I want to focus in on a little bit. One issue  
19 that they spoke about is a phenomenon that we're  
20 seeing is that the cost for an individual worker,  
21 they're responsible for 15% of their health insurance  
22 costs. That many are deeming that that is a cost  
23 that is too high for them especially in lieu of the  
24 fact that they're-- If they turn down the health  
25 insurance, they receive a \$1,000 one-time cash

2 payment. And, that incentive combined with the 15%  
3 cost to the individual is causing many people to not  
4 take the health insurance. Do we have data or  
5 numbers on system wide what percentage of people are  
6 not taking the insurance?

7 COMMISSIONER BENEJAN: We don't have  
8 that.

9 COMMISSIONER VARGAS: No, we don't have  
10 that data.

11 CHAIRPERSON LEVIN: Is that possible to  
12 get? I mean it's in--

13 COMMISSIONER BENEJAN: We have tried,  
14 right, and we want to partner with the union and the  
15 Day Care Council also had partnered with us. The  
16 information that we can get is that sort of the  
17 programs have to be responsive to the question.

18 CHAIRPERSON LEVIN: So, just to be clear  
19 and for the record, 15% of health insurance cost is  
20 covered by the individual, 80% is covered by the  
21 agency itself, the not for profit and 5% is covered  
22 by 1707, the Union. This is for members of 1707.

23 COMMISSIONER VARGAS: [interposing] I--I  
24 don't--

2 CHAIRPERSON LEVIN: That's the numbers  
3 that we have.

4 COMMISSIONER VARGAS: Right, that's what  
5 the Citizens Committee found out in their survey of  
6 42 of the providers. We don't have that data. So I  
7 can't--we can't say for sure. We can't affirm or  
8 deny those numbers.

9 CHAIRPERSON LEVIN: Okay, but it speaks  
10 to another point, which is that agencies have said  
11 and some agencies-- There's a very interesting quote  
12 that's in here, that it's actually to the agency's  
13 benefit that so many people are not taking the health  
14 insurance. Because if they took the health  
15 insurance, the agency wouldn't be able to afford to  
16 stay in business, to keep their doors open. Because  
17 they're responsible for 80% of their health insurance  
18 costs. So, what we are seeing is that the incentive  
19 is to not take health insurance from the agency's  
20 perspective. There's an incentive not to take health  
21 insurance from the individual's perspective because  
22 they get a \$1,000 cash payment. And they have to pay  
23 15% of their health insurance costs. Versus the  
24 previous system where the city had a central  
25 insurance system that covered health insurance for

2 these workers that are doing the city service. These  
3 workers are doing a service akin to teachers, and in  
4 DOE they receive the city health insurance. So,  
5 that's why it's important that we get some data on  
6 how many people are actually taking this. Because  
7 what we're seeing, and I think it's important, and I  
8 hope that this Task Force is taking this issue head  
9 on. It's whether or not if an agency has--is  
10 covering all the workers-- Say an agency, all their  
11 staff members, their 1707 staff members are taking  
12 their health insurance whether or not they'll be able  
13 to stay open because their costs-- They don't get  
14 reimbursed at a higher rate the more of their workers  
15 are taking the health insurance, right? Because  
16 they're liable 100%, or 80% for the cost of that. So  
17 I'm hoping and I expect that this Task Force will be  
18 addressing this issue head on because the only data,  
19 the only information that we're getting on this issue  
20 is from the Citizens Committee.

21 COMMISSIONER VARGAS: Well, and I agree  
22 with you and I look forward to seeing the outcomes of  
23 the, you know, of the Mayor's Task Force Report later  
24 on this month.

2 CHAIRPERSON LEVIN: Uh-huh. I mean  
3 there's one and here's--and this is a direct quote.  
4 Another agency that is operating two sites both of  
5 which are high enrollment, 97% and 100% enrollment  
6 said if all of our staff took the health insurance  
7 coverage, we would not be able to function. Luckily  
8 we are--not all are taking, and of those who did take  
9 it, not all are requesting family coverage. That's  
10 another issue. If they were, we could not continue.  
11 And this is from the fully enrolled program.

12 COMMISSIONER VARGAS: And again, I'm  
13 appreciative to the Citizens Council for releasing  
14 that report and sharing the data with us because we  
15 don't collect that data. And so, it's important for  
16 us to be able to partner with advocates and other  
17 groups who are collecting the information to help  
18 inform our practice going forward so--

19 CHAIRPERSON LEVIN: Right, but it's also  
20 my hope that now that we're two years in, more than  
21 two years in that there's a level of dialogue between  
22 the provider agencies and ACS and with an issue like  
23 that is a persistent issue. We're seeing it  
24 anecdotally from or empirically from different  
25 agencies. One thing about the Citizens Committee

2 Report is there seems to be a consistency across the  
3 board about what agencies are saying. And, if that's  
4 something that's been--that's been persistent over  
5 the last two years, you it's really my hope that ACS  
6 would be aware of that prior to the Citizens  
7 Committee doing a survey. Which, again, we're very  
8 appreciative of but that--those issues should be--  
9 should be coming to your attention much sooner than  
10 that. Council Member Cumbo has questions.

11 [Pause]

12 COUNCIL MEMBER CUMBO: Thank you, Chair  
13 Levin. Good afternoon. Thank you all for your  
14 testimony and for being here. I wanted to just quote  
15 something from your testimony, and then ask questions  
16 about it just to refresh. It says that we expect the  
17 RFP for which proposals are due this Friday to result  
18 in approximately 4,800 additional children accessing  
19 Early Learn NYC in 39 distinct zip codes. Can you  
20 talk to me a little bit why there will be 4,800  
21 additional young people as a result of the issuing of  
22 this RFP?

23 COMMISSIONER VARGAS: Sure. So, on  
24 December 8th, we--ACS issued an RFP to award \$70.2  
25 million for the provision of Early Care and Education



2 Services. That's \$56 million annually, and the 72.2  
3 would be over a 15-month period. The funding is we  
4 anticipate it will support 50 contracts serving  
5 approximately 4,885 children. 3,885 of those would  
6 be in Center Based seats, and 1,000 would be in  
7 family child care seats in the 39 zip codes. So the  
8 proposals are due on Friday, January 16th, and we  
9 anticipate making the announcements in March or  
10 April, late March or early April. The contract term  
11 is scheduled to begin on July 1st and go through  
12 September 30th with a two-year-- With an option for  
13 a two-year renewal.

14 COUNCIL MEMBER CUMBO: I guess the reason  
15 why I asked that question is because it says, As of  
16 the Fiscal Year 2015 Budget Hearings, 34 centers were  
17 under-enrolled at 75% or less. So, I'm curious as to  
18 what are the dynamics of this change, although you  
19 stated it. But I still understand how if you're at  
20 under-enrollment, what else will happen other than  
21 the issuing of the RFP to attract all of these new  
22 children to the centers?

23 [background comments]

24 COMMISSIONER VARGAS: Yes, so we're  
25 targeting specific zip codes.

2 COUNCIL MEMBER CUMBO: [interposing] What  
3 does targeting mean?

4 COMMISSIONER VARGAS: It means that in  
5 the RFP we've identified 39 zip code areas for the  
6 Center Based providers. Family child care providers  
7 can be anywhere throughout the five boroughs. The  
8 family childcare providers are slated to provide  
9 infant care, which is not included in the Center  
10 Based providers.

11 COUNCIL MEMBER CUMBO: My other question  
12 goes into it says the point scale for this RFP  
13 differs from the initial Early Learn RFP issued in  
14 May 2011, and that more points are awarded for  
15 experience emphasizing experience working in the  
16 particular community. And prior anticipated  
17 engagement in the communities proposed to be served.

18 COMMISSIONER VARGAS: Yes.

19 COUNCIL MEMBER CUMBO: So, I suspect in  
20 the initial 2011 RFP those were not the central  
21 positions that you were issuing the RFP on. But in  
22 this RFP you will be emphasizing that.

23 COMMISSIONER VARGAS: Again, I think--  
24 You know, I go back to the evolution of Early Learn  
25 And we are learning as we go along. And so one of

2 the things we wanted to make sure of in this round  
3 was that the providers really had experience in the  
4 communities that they were providing. That is  
5 something that we've really come to understand as a  
6 real important and valuable piece of being able to  
7 provide services in your community. Do you know the  
8 community well? Do you know the families? I was  
9 visiting a program yesterday, and some of the  
10 families were talking about how important it is that  
11 as their children, the children that they have who  
12 are now older and in school, when they're walking  
13 down the street they know people in the community  
14 because the center that served them was there. And  
15 those people have built relationships with the  
16 family. So that's all that had informed our thinking  
17 around making sure that we provide a good amount of  
18 points in the RFP for experience in that particular  
19 community.

20 COUNCIL MEMBER CUMBO: So let me ask you  
21 a question. How many contracts were awarded in 2011?

22 [pause, background discussion]

23 COMMISSIONER VARGAS: 151.

24 COUNCIL MEMBER CUMBO: 151?

25 COMMISSIONER VARGAS: Yes.

2 COUNCIL MEMBER CUMBO: Of those, how many  
3 were MWBEs and/or how many particularly-- I'm most  
4 curious prior to that RFP, how many were specifically  
5 African-American and after that RFP proposal was  
6 issued and new contracts were issued, how many then  
7 were African-American?

8 COMMISSIONER VARGAS: We don't have that  
9 data.

10 [background comment]

11 COMMISSIONER VARGAS: But we could  
12 potentially--we can get the data to you.

13 COUNCIL MEMBER CUMBO: If you only award  
14 151 contracts, it would be I would suspect fairly  
15 easy during the time of this hearing to understand  
16 how many of those are RFPs were awarded. At the very  
17 least, do you know how many were awarded to MWBEs?

18 COMMISSIONER VARGAS: No, we can't answer  
19 that question right now.

20 COUNCIL MEMBER CUMBO: Because now you've  
21 changed the RFP moving forward in order to make sure  
22 that more points were rewarded for experience,  
23 emphasizing experience working in a particular  
24 community, and prior and anticipated engagement in  
25 the communities. So to me that shows that you

2 recognize that there was an issue with providers not  
3 having this experience, which I would imagine had  
4 been quantified. And so, now you're trying to  
5 address it, but you don't understand or know at this  
6 time what that, what the amounts of contracts were.

7           COMMISSIONER VARGAS: Again, I think--I  
8 think we don't have the data on us at this moment.  
9 However, we can potentially--we can get the data to  
10 you, and like I said earlier, it is a--it's an  
11 evolving process as we think about what makes the  
12 best center, who can provide the highest quality, and  
13 what goes into that understanding of quality.

14           COUNCIL MEMBER CUMBO: Is there any focus  
15 that you have on prioritizing MWBEs in this RFP in  
16 terms of awarding contracts?

17           [Pause]

18           COMMISSIONER VARGAS: So what we've tried  
19 to do is to structure the points so that people who  
20 have the experience in the communities can basically  
21 become the providers of the community. So there are  
22 more points awarded for your experience in the  
23 community, your knowledge of the community, your  
24 level of cultural competency. We've structured the

2 RFP so that more points are awarded in that  
3 particular area.

4 COUNCIL MEMBER CUMBO: Let me ask you  
5 specifically in my district because we have  
6 experienced that. You could have a lot of experience  
7 in a community, but if you're of Caribbean heritage  
8 or if you're Latino, or if you have different  
9 language differences, and all of these different  
10 sorts of things. Are you saying that in this RFP,  
11 there will be some cultural sensitivity in terms of  
12 having providers that are African-American, that are  
13 serving African-American. Or, that are Caribbean  
14 that are serving Caribbean children? Will there be  
15 any focus in that way?

16 COMMISSIONER VARGAS: So diversity and  
17 multi-culturalism is 20% of the score.

18 COUNCIL MEMBER CUMBO: It's 20% of the  
19 score?

20 COMMISSIONER VARGAS: Right.

21 COUNCIL MEMBER CUMBO: Can you talk about  
22 some of the other things that it will also include?

23 COMMISSIONER VARGAS: Yes, I can. So as  
24 I said earlier, 40% go to--goes to experience.  
25 Thirty percent to organizational capacity, which

2 includes budget management, and 30% to the quality of  
3 the approach.

4 COUNCIL MEMBER CUMBO: Okay, there are  
5 providers that cannot afford to out-bid other  
6 organizations in the RFP process to continue to  
7 provide childcare service. How can ACS put out RFPs  
8 that do not hurt the chance of the providers losing  
9 their space and/or program? Because we have an issue  
10 specifically in my district with 966 and 972 Fulton  
11 Street, Young Minds Day Care Center that has been  
12 there for decades. And they are currently in the  
13 process of not knowing if they will be able to  
14 provide those same set of services in the day care  
15 center facility that they have been working out of  
16 for decades in Central Brooklyn.

17 COMMISSIONER BENEJAN: [off mic] So  
18 there's a set daily-- [on mic] So there's a set  
19 daily rate in the RFP. It's a per-child rate. So  
20 it's across the board, a defined rate.

21 COUNCIL MEMBER CUMBO: I don't  
22 understand that.

23 COMMISSIONER BENEJAN: There is a-- In  
24 terms of the budget, it is rate based. So there's a

2 daily rate that we pay per child, and it is across  
3 the board, and it's the same as the Early Learn.

4 COUNCIL MEMBER CUMBO: So I--so in this  
5 bidding process then organizations that are large  
6 and/or small will have an equal chance at being  
7 successful in the bidding of the RFP process?

8 COMMISSIONER BENEJAN: Yes.

9 COUNCIL MEMBER CUMBO: Okay, and one  
10 other question. How does ACS work with providers  
11 that fall under the negotiated acquisition extension,  
12 and their landlords to renew lease agreements year to  
13 year?

14 [Pause]

15 COMMISSIONER BENEJAN: We don't. We  
16 don't. Those had come out of our portfolio in terms  
17 of our city leased facilities.

18 COUNCIL MEMBER CUMBO: Okay. Okay, thank  
19 you.

20 CHAIRPERSON LEVIN: Thank you very much,  
21 Council Member Cumbo. We've also been joined by  
22 Council Members Antonio Reynoso of Brooklyn and Ruben  
23 Wills of Queens. Just one thing, Commissioners, if  
24 you could state your name before you speak just for  
25 the record when the transcripts comes so that the



2 folks know who is delivering which testimony.

3 Council Member Wills.

4 COUNCIL MEMBER WILLS: Good morning.

5 COMMISSIONER VARGAS: Good morning.

6 COUNCIL MEMBER WILLS: I do want to  
7 apologize for being late a few minutes. So if I ask  
8 some of the questions, which I know one of them Chair  
9 already asked about. I'm not sure if he got an  
10 answer. Please excuse that. And I want to preface  
11 this with saying that we are fully aware that we may  
12 need more help from the state with some of the  
13 funding issues that we're bringing up. And we want to  
14 make sure that the questions that-- Especially me,  
15 the questions that I'm about to ask you the answers  
16 that are needed so that it can enhance our ability to  
17 go up and ask for that. We were very--I guess we  
18 were instrumental in making sure that we secured the  
19 subsidies for the homeless. I remember last year  
20 when we said--they said that we weren't going to get  
21 it, we went up and were able to speak to a lot of our  
22 colleagues. And we were able to get not as much as  
23 we wanted, but we got a lot more than we thought we  
24 were going to get. So we'll just keep that in mind  
25 with these questions. What is the rate per child for

2 the Early Learn Childcare only? I know the Chair  
3 asked that, but I don't know if he actually got the--

4 COMMISSIONER BENEJAN: One second. I  
5 think we've got it here.

6 COMMISSIONER VARGAS: So, the rate  
7 varies. We talked a little bit about it earlier.  
8 The rate does vary, and again it depends on the age  
9 of the child, the program type. So whether it's  
10 Center Based or family care.

11 COUNCIL MEMBER WILLS: Let's talk about  
12 Center Based.

13 COMMISSIONER VARGAS: Okay.

14 COUNCIL MEMBER WILLS: I think those are  
15 the ones that have suffered under the original Early  
16 Learn.

17 COMMISSIONER VARGAS: Okay, so Center  
18 Based again there's a range depending on whether or  
19 not it's in a city leased facility or if it's--or if  
20 the program runs its own facility. The range if the  
21 program is in a city leased facility is-- I'm going  
22 to give you. It's between \$41.82, which would be for  
23 a pre-school child to-- Let's see. The high here is  
24 \$87.63 would be for an infant.

2 COUNCIL MEMBER WILLS: Okay, and if it's  
3 not city leased and it's--

4 COMMISSIONER VARGAS: If it's not city  
5 leased, there's a what we call a facility add-on  
6 rate. And so, that range is \$44.16 for the pre-  
7 schooler. That's the minimum and then the maximum is  
8 \$90.74 for an infant.

9 COUNCIL MEMBER WILLS: Okay. So with  
10 those rates, the income eligibility for a family  
11 coming in is what for a child care facility that's  
12 not leased by the city. Or, I guess it would be the  
13 same thing? What is the income threshold that you  
14 would have to meet before you-- When you're not  
15 eligible any more for these benefits--for this type  
16 of program?

17 COMMISSIONER VARGAS: [off mic] So those  
18 are the-- [on mic] For childcare it's 200% above  
19 the poverty level.

20 COUNCIL MEMBER WILLS: Which is? I'm  
21 asking because--

22 COMMISSIONER VARGAS: [interposing] It  
23 varies depending on the size of the family. So it's  
24 not a fixed number.

2 COUNCIL MEMBER WILLS: So if we have a  
3 family of two parents and two children, what would it  
4 be?

5 COMMISSIONER VARGAS: Okay, let me see  
6 here.

7 COUNCIL MEMBER WILLS: Can we get those  
8 numbers?

9 COMMISSIONER VARGAS: Yes, we can  
10 absolutely get those numbers.

11 COUNCIL MEMBER WILLS: I'm asking that  
12 because--

13 COMMISSIONER VARGAS: [interposing] That--  
14 -let me just say one other thing because the number  
15 is also influenced by the-- You know, the reason for  
16 care, or your eligibility is influenced by your  
17 reason for care.

18 COUNCIL MEMBER WILLS: And there are  
19 three different--

20 COMMISSIONER VARGAS: [interposing]  
21 Right.

22 COUNCIL MEMBER WILLS: --eligibility--

23 COMMISSIONER VARGAS: So, whether or not  
24 you are in--receiving education or training.

25 COUNCIL MEMBER WILLS: Right.

2 COMMISSIONER VARGAS: If you're working  
3 more than hours a week, or-- I feel like there's a  
4 third one.

5 COMMISSIONER BENEJAN: [off mic] If  
6 you're receiving public assistance.

7 COMMISSIONER VARGAS: Receiving public  
8 assistance. So there are a couple of other, you  
9 know, reasons for care as well.

10 COUNCIL MEMBER WILLS: And with those  
11 reasons what I'm finding out by having a lot of  
12 discussions with my childcare facilities in my  
13 district, which were decimated by the original Early  
14 Learn. So I want to make sure that you know that we  
15 really appreciate this new RFP. I really am under  
16 the impression that first Early Learn contract was  
17 done intentionally. It would take it out of hands of  
18 certain cultural institutions that have been here for  
19 40 years. That's the reason why Council Member I  
20 believe that the contract number was so low. Because  
21 a lot of the other centers that came into the  
22 communities and knew actually nothing about them.  
23 They came in and took over like three or four centers  
24 where we had networks that had already been there.

2           They were decimated by that. So we do  
3 want to appreciate-- We do want to show our  
4 appreciation or thank you for this new RFP. But the  
5 new RFP doesn't speak to a lot of working poor that  
6 are above that percentage level, and can't--and don't  
7 have access to quality child care because they may  
8 make a \$1,000 more. So there needs to be something  
9 that we do now. And this is not something that can  
10 wait until next year, but something that we do now  
11 whether we create a new tier. So that those  
12 individuals can receive child care. Because the  
13 negotiated acquisitions that we had-- Because of the  
14 discretionary that we had put into the child care  
15 centers, a lot of the child care centers are now  
16 upset about the RFP because a lot of the working  
17 poor--and I don't even like to use that term.

18           That's a term that I'm getting--cannot  
19 afford their centers or afford to send their children  
20 there, and won't get the benefit of this program. So  
21 there needs to be something done in the immediate  
22 future to satisfy that. Also, one of the issues was  
23 the original centers the rent and everything was paid  
24 in a lot of these child care centers. And when the  
25 Early Learn RFP came along even when the

2 discretionary came along-- Because you have to  
3 understand that the Council responded to an  
4 emergency, right. But we weren't able to add that  
5 in, and in a lot of the centers the new leases came  
6 up. The landlords wanted more money. Some out of  
7 greed, and some just because they needed it. But  
8 when that happened, that wasn't built into the  
9 operational money of the center.

10           So then we have an issue, a conflict of  
11 providing a quality child care space the needed money  
12 to just stay in existence. So that's something that  
13 we definitely need to work on. There is a-- Because  
14 of the combinations with child care and Head Start or  
15 Child Care UPK, we've wound up again with a couple of  
16 conflicts. I was sitting in a meeting with one  
17 person here, and a few of the childcare centers. And  
18 Head Start was there, and some of the parents were  
19 there. One parent in particular said that she didn't  
20 like the child care center that here child went to  
21 because her child had dealt with-- Her son was  
22 dealing with issues, and they didn't address the  
23 issues. But when she put him in Head Start, the Head  
24 Start dealt with the issues and the family was made  
25 whole.

2           The young lady that's here actually spoke  
3 to us and told us and corrected the parent and said  
4 because Head Start is required to have a social  
5 worker. Where our child care centers are not. Now,  
6 when I've been digging into it in the '70s before the  
7 fiscal crisis, we were required to have the social  
8 workers. So myself and the Chair put forth a  
9 resolution to ask that we have child care--we have  
10 social workers in these centers that can deal with  
11 issues that our parents are dealing with. And make  
12 these families closer to whole than when they came  
13 in. I want to know what is your feedback on that?  
14 Are you support of that measure, and if so, where do  
15 we get the money to be able to fund that? Are you  
16 going to pay for that, or is that going to come out  
17 of the budget? And if so, we need to raise the rates  
18 so that they can pay for that? And those are just a  
19 couple of things. I have two other questions, and  
20 then I'm done.

21           COMMISSIONER VARGAS: Okay, so that's--  
22 there's a lot there, yeah.

23           COUNCIL MEMBER WILLS: That was a lot.

24           COMMISSIONER VARGAS: So, I guess the-- I  
25 want to-- Let's just start with the last point that



2 you're raising, which we are exploring that with the  
3 Day Care Council. I think, you know, when we talk  
4 about providing high quality early childhood  
5 experiences and education for our children, we have  
6 to think about the family as a whole, and the  
7 community as a whole. And so, in that respect the  
8 work that we do is not siloed from the work that some  
9 of our other agencies do, and other providers and  
10 partners. And I think it's--we really have to come  
11 together to figure out what we are going to do to  
12 make sure that, in fact, we are providing the highest  
13 quality service and experience for the child.  
14 Because you can have the best child care experience,  
15 but if we're not addressing some of the other issues  
16 that the family is experiencing, I think that that  
17 limits what the child--the high quality child care  
18 experience can do for a child. So that's my response  
19 to the first piece. So, you know, your question  
20 about putting or wanting our feedback on putting a  
21 social worker in every child care facility, there are  
22 a lot of things that I think our providers want.

23 COUNCIL MEMBER WILLS: But let me just be  
24 clear. It's not in every child care facility because  
25 we know we don't have the process--

2 COMMISSIONER VARGAS: [interposing] Sure,  
3 in our Early Learn facilities.

4 COUNCIL MEMBER WILLS: Right, so we're  
5 saying if you have I think it's 40 or even it can be  
6 25 or more students then a social worker should be  
7 there. I'm not talking about family care or  
8 something like that where there are five or six. We  
9 understand that.

10 COMMISSIONER VARGAS: [interposing] So--

11 COUNCIL MEMBER WILLS: I want to let you  
12 know we're not just reaching for-- You know, we're  
13 trying to be fair with how this is. [sic]

14 COMMISSIONER VARGAS: [interposing] I'd  
15 like to think so. [laughs] You know, our family--  
16 our centers do have a family and community engagement  
17 component. Early Learn does require a screening for  
18 children around mental health issues, and  
19 developmental issues so that we can identify those  
20 issues. And what we try to do through our technical  
21 assistance is encourage our providers to partner with  
22 other providers in the community. Maybe the local  
23 mental health clinic that can provide mental health  
24 services where you can-- You know, a child doesn't  
25 have to be on a wait list for a long time, and can

2 actually begin to receive the services that they need  
3 so--

4 COUNCIL MEMBER WILLIS: [interposing] When  
5 we look at that model, then we are starting to put  
6 ourselves into a position asking those entities that  
7 are already probably over-burdened to take on more.  
8 We're looking to have something specifically for the  
9 child care model. We're asking for that-- when that  
10 child comes in and that parent comes in then they can  
11 relate to that one specific person. And not have to  
12 go out to another network. That actually lends  
13 itself to more points of confidence in our  
14 communities.

15 COMMISSIONER VARGAS: So I'm not going to  
16 disagree with you, and I think we have to figure out  
17 how. You know, we're exploring it with the Day Care  
18 Council right now. And I think it's early days in  
19 those conversations, but clearly like I said earlier  
20 there's-- There are many things that it would be  
21 great to provide for our children in these centers  
22 this, of course, being--

23 COUNCIL MEMBER WILLIS: [interposing] The  
24 money--the money would need to come from where for  
25 that to be implemented?

2 [background discussion]

3 COMMISSIONER VARGAS: I'm going to-- You  
4 know, I'm not prepared to--to answer that.

5 COUNCIL MEMBER WILLIS: I'm just asking  
6 are we going to have to ask the State for more money.  
7 This is what I'm asking you. Is there something that  
8 we need to prepare and get it up for to ask the state  
9 for more. I'm not trying to put you on the spot.

10 COMMISSIONER VARGAS: [interposing] Yes,  
11 I appreciate that.

12 COUNCIL MEMBER WILLIS: I'm asking you so  
13 we can know what we need to do to get this thing  
14 done.

15 COMMISSIONER VARGAS: Yeah, I mean I  
16 think, you know, if we're talking about adding  
17 another person to our centers-- I mean we've talked  
18 this morning about, you know, the rate not being  
19 enough and the center struggling. Then, yes, I think  
20 it would have to come from the State.

21 COUNCIL MEMBER WILLIS: Who sets the rate?

22 COMMISSIONER BENEJAN: [off mic] I think  
23 we do.

24 COMMISSIONER VARGAS: So--

25

2 COMMISSIONER BENEJAN: [off mic] I think  
3 we set the rate.

4 COMMISSIONER VARGAS: So the Early Learn  
5 rate is set by ACS, and it's guided by the market  
6 rate in the state. We are above the market rate, but  
7 it is set by ACS. So then it would be fair to say  
8 that if we spoke to the state, and asked them to  
9 raise the rate, then we would still ask them for  
10 additional funding? Because we couldn't ask them to  
11 raise the rate and then you get stuck holding the bag  
12 of the additional money, right?

13 COMMISSIONER VARGAS: That's correct.

14 COUNCIL MEMBER WILLS: Okay. Another  
15 conflict that we've come into with this model of  
16 having these hybrid centers is we have Early Learn  
17 teachers teaching in the same center as Universal  
18 Pre-K and there's a pay inequity there. And a lot of  
19 our centers are losing incredible teachers because of  
20 that inequity. You can't have one teacher standing  
21 right into the next room with another teaching making  
22 \$30,000 less a year. How do we fix that?

23 COMMISSIONER VARGAS: So salary parity is  
24 an issue, and I understand there are ongoing  
25 negotiations with the union. So I'm not in a

2 position to comment on that. But I should also add  
3 that the Mayor's Task Force is looking at that issue  
4 as well, and so we look forward to seeing their  
5 recommendations at the end of the month.

6 COMMISSIONER VARGAS: I am in the hopes  
7 that their recommendations are not so that the union  
8 brings their salaries down, but that we raise the  
9 money for the other side. We have to make sure that  
10 the money is there so that those teachers who are  
11 doing the same work get paid the same amount. That's  
12 the goal of I think everybody here to make sure that  
13 everybody walks out of the door at the end of the  
14 day, and can support their families, but feels good  
15 about the honorable work that they're doing. I think  
16 that's basically all of the questions I have. I  
17 really do thank you for the answers, and I hope that  
18 we can sit with you. And the Chair can facilitate a  
19 private meeting so that we can get some of these  
20 things done before you go upstate. All right, thank  
21 you.

22 CHAIRPERSON LEVIN: Thank you Council  
23 Member Wills. We've also been joined by Council  
24 Member Corey Johnson who is here for a time. I want  
25 to follow up on a couple of questions before I turn

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2 it back to Council Member Cumbo. With regard to the  
3 rate issue.

4 COMMISSIONER VARGAS: [interposing] Uh-  
5 huh.

6 CHAIRPERSON LEVIN: Does ACS see the rate  
7 issue as a problem?

8 [pause]

9 COMMISSIONER VARGAS: We are--the rate is  
10 above the market rate. The rate that we provide is  
11 above the market rate.

12 CHAIRPERSON LEVIN: [interposing] The  
13 market rate for what? The market rate--

14 COMMISSIONER VARGAS: New York State.

15 CHAIRPERSON LEVIN: Okay, New York City  
16 is a lot--

17 COMMISSIONER VARGAS: [interposing]  
18 Correct.

19 CHAIRPERSON LEVIN: --higher cost of  
20 living than Schenectady so--

21 COMMISSIONER VARGAS: Correct. We have  
22 increased the rate twice in the last two years. So  
23 the rate has gone up in the last two years.

24 CHAIRPERSON LEVIN: What did those--what  
25 were those increase?

2 CHAIRPERSON GREENFIELD: [off mic]

3 COMMISSIONER VARGAS: Give me a second.

4 CHAIRPERSON LEVIN: Okay, I'm assuming  
5 they were fixed amounts so it's like--

6 COMMISSIONER VARGAS: Yes, they were  
7 fixed amounts.

8 [background comments]

9 COMMISSIONER VARGAS: I'm sorry. I'll  
10 have to get back to you on the exact number, on the  
11 exact increases.

12 CHAIRPERSON LEVIN: Okay.

13 COMMISSIONER VARGAS: So the rate was  
14 increased twice and, you know, there is a lot of  
15 conversation about the rate. And so we're committed  
16 to being responsive to what we're hearing from the  
17 providers.

18 CHAIRPERSON LEVIN: Okay. So is the  
19 Mayor's Task Force looking into that issue as part of  
20 his recommendations?

21 COMMISSIONER VARGAS: I don't know if  
22 that's a specific issue that the Task Force is  
23 addressing. I can tell you that the Task Force  
24 formed four subgroups. One was on quality. One was

25



2 on informed parent choice. One on the workforce, and  
3 one on monitoring regulation and contracts. We--

4 CHAIRPERSON LEVIN: [interposing] Where  
5 would this fall? Which one would this fall under?

6 COMMISSIONER VARGAS: The workforce.

7 CHAIRPERSON LEVIN: The workforce.

8 COMMISSIONER VARGAS: The workforce, yes.

9 CHAIRPERSON LEVIN: So, what I'm trying  
10 to get at is there's-- What we're hearing is that  
11 there's a clear--a clear problem because what we're  
12 seeing anecdotally is that-- You know, there is a  
13 wide range of providers in terms of their size, in  
14 terms of their location. You know, you have  
15 organizations that have the ability to raise funding  
16 privately. But if there's an average, an average of  
17 over \$200,000 deficit. The groups that responded to  
18 the Citizens Committee Survey, responded an average  
19 over \$200,000 because the maximum was like \$800,000  
20 annual deficit. How does--what does ACS advise? If  
21 an organization comes to ACS and says, I'm running a  
22 half a million dollar deficit, and I'm 97% enrolled,  
23 what does ACS tell that organization to do?

24 COMMISSIONER VARGAS: I think, you know--  
25 I think the research for me would want to know a

2 little bit more about what is going into the deficit.  
3 The budget, the contracted rate that the providers--  
4 that you know, we would offer the providers is based  
5 100% enrollment. So, we believe when we establish  
6 the rate that at 100% enrollment, providers would be  
7 able to provide the care. So with the program is  
8 coming back and saying--

9 CHAIRPERSON LEVIN: [interposing] But if  
10 we're hearing back from these organizations that  
11 they're at 97%, which is virtually 100%. I mean to  
12 say-- I mean that's a difference of-- If they have  
13 100 kids in their program that's three kids short,  
14 and if that's three three-year-olds short that's 140  
15 or 130 something or 140 something dollars per day  
16 with the facility add-on. You know that's--

17 COMMISSIONER VARGAS: [interposing]  
18 Again--

19 CHAIRPERSON LEVIN: In order for an  
20 organization to keep 100% enrollment that's a--that's  
21 a difficult task in and of itself. I mean it's  
22 certainly, you know, ACS system wide has an  
23 enrollment of 87% as you just said right now. And it  
24 has been fluctuating between-- You know, I think the  
25 max might have been 90%. but if an organization is

2 still reporting a deficit with 97% or 100%  
3 enrollment, there's-- I mean, there's-- what they're  
4 coming back and saying is facility costs, maintenance  
5 costs. These are the things that are causing  
6 deficits to a crew. And what is it? I mean I just  
7 don't understand if an organization is like, Look, I  
8 don't have the money to make my expenses, and the  
9 rate is not covering it, what does ACS say?

10 COMMISSIONER VARGAS: [interposing] So I-  
11 -

12 CHAIRPERSON LEVIN: What's going on  
13 there?

14 COMMISSIONER VARGAS: Right. So at this  
15 point, what we're saying doing and, you know, I can't  
16 say that we've had conversations with providers who  
17 have had such large deficits or trouble with the  
18 rates at such high enrollment that has not been our--  
19 The conversations we have had with our providers we  
20 haven't uncovered that. I'm not saying that that  
21 doesn't exist. I mean clearly it does, but one way  
22 we--

23 CHAIRPERSON LEVIN: [interposing] Are  
24 they just not reaching out to you there?

25 COMMISSIONER VARGAS: Sorry.

2 CHAIRPERSON LEVIN: Are they not reaching  
3 out to ACS? Are they not--

4 COMMISSIONER VARGAS: Well, I don't know,  
5 and I can't speak to that, but I'll say this. One is  
6 that we would provide a tremendous amount of  
7 technical assistance to really understand why that's  
8 happening for the center. Two, and I mentioned this  
9 in my testimony. We're partnering with Small  
10 Business Services because we recognize for a lot of  
11 our programs-- You know, a lot of our providers are  
12 people who love children, which is great and very  
13 important. And the shift to Early Learn really has  
14 required them to have a new set of business skills.  
15 And so, we are recognizing that there's an area of  
16 technical assistance that's needed, which is why  
17 we've reached out to the Small Business Services.

18 CHAIRPERSON LEVIN: Understood and I  
19 guess that--I suppose that there are--

20 COMMISSIONER VARGAS: [interposing] So  
21 today--

22 CHAIRPERSON LEVIN: Right, and I, but--

23 COMMISSIONER VARGAS: --that's, you know,  
24 that is what is currently happening in order to  
25 address the issues that we're hearing that are coming

2 back to us from providers saying hey we're really--  
3 You know, we're struggling with the rate.

4 CHAIRPERSON LEVIN: Right, and I--I  
5 suppose that the Early Learn model does require  
6 providers to have small business skills. However,  
7 they are still at their core not for profits that  
8 receive government funding, which is--which is--  
9 requires a different set of skills. It requires  
10 skills that are not aligned for not for profit  
11 management, which are, you are, you know, just--  
12 Which there's--

13 COMMISSIONER VARGAS: [interposing] Which  
14 are often more and more business skills having come  
15 from the non-profit sector.

16 CHAIRPERSON LEVIN: Right.

17 COMMISSIONER VARGAS: More and more of  
18 those are business skills.

19 CHAIRPERSON LEVIN: No, I get it, but if  
20 it's, you know, if we're talking about, you know--  
21 They can't increase their--they can't really increase  
22 their revenue. If you're a community based  
23 organization in a non--not a wealth community, and  
24 you don't have a lot of rich people that you can go  
25 to for money to fundraise. And you're, you know,

2 you're at a capacity. You know, you're at an  
3 enrollment that is approaching capacity, approaching  
4 100% capacity. Then, you know, the set of business  
5 skills-- You know in the private sector you can--  
6 You know, there are other ways to raise revenue. You  
7 could sell stuff. But, when you're not for profit,  
8 that's not-- It's a different mission. And so  
9 that's-- I think that what I want to see come out of  
10 this hearing is a commitment from ACS that we really,  
11 that they're looking at-- You're looking at--you're  
12 working with your provider organizations. You're  
13 engaged in a conversation that part of this Mayor's  
14 Task Force is looking at this issue in depth, and  
15 saying what is required to make sure that our  
16 provider agencies are not running deficits? Because  
17 that's an unsustainable. I mean if I was--if I was  
18 an organization I would say okay, maybe I could a  
19 year deficit. Maybe I could run two-year deficits.  
20 I can't run three-year deficits. I can't run bug  
21 deficits.

22 COMMISSIONER VARGAS: Sure.

23 CHAIRPERSON LEVIN: And then just on  
24 another issue along those lines, so in terms of the  
25 facility add-on that's a set rate. That's about a

2 \$3.00 per pupil per day. You know, it's about three  
3 bucks. Real estate prices are not the same  
4 throughout New York City. I represent a district  
5 where real estate prices are probably quadruple what  
6 they are in other areas. And yet, the facility  
7 costs, the facility allowance that ACS is giving  
8 organizations is the same across the board. So can  
9 you explain to me why that's--why that's appropriate.  
10 For an area like Downtown Brooklyn where the facility  
11 costs are literally double, triple, quadruple what  
12 they are in other parts of the city?

13 COMMISSIONER VARGAS: So, let me first  
14 address the first question or comments around the  
15 Early Learn rate. As you know, I've come into this  
16 position. I'm here all of about two months, not  
17 even. Shy--a couple days shy of two months.

18 CHAIRPERSON LEVIN: You're welcome here.

19 COMMISSIONER VARGAS: Thank you. It's  
20 been a joy, and part of the work that I want to do,  
21 and part of my efforts in the first six months is  
22 really going out and meeting with our providers. I  
23 want to hear from our providers what they're  
24 struggling with. I want to hear from our parents  
25 what they're struggling with, what's working, what's

2 not working. I've already started to do that. And  
3 so, I look forward to engaging with them in a more  
4 collaborative process to-- I think to refine the  
5 Early Learn, you know, program that we have here in  
6 New York City. [pause] I forgot. I think I forgot  
7 your last question. I'm sorry. [laughs]

8 CHAIRPERSON LEVIN: About the facility  
9 add-on.

10 COMMISSIONER VARGAS: Oh, the facility  
11 add-on.

12 [background comments, pause]

13 COMMISSIONER VARGAS: So the rate was  
14 established as an average rate, and--

15 CHAIRPERSON LEVIN: But that doesn't help  
16 those. I mean average-- You know, then if you're  
17 doing an average rate, then where facility costs are  
18 less than the average then that--then that is a--  
19 that's a, you know, it helps as a buffer I suppose  
20 for those organizations. But where facility costs  
21 are greater than average it's a problem. So half of  
22 them it's going to be easier, and for half of them  
23 it's going to be harder, right? I mean the average  
24 does not seem to, you know, meet the needs of those  
25 where the costs are higher than average.



2           COMMISSIONER VARGAS: So again I think  
3 this speaks to the need to look at the Early Learn  
4 rate. There are clearly a lot of issues that come  
5 under that umbrella of the rates that our providers  
6 seem to be struggling with so--

7           CHAIRPERSON LEVIN: Right, because then  
8 on top of that then-- I mean if an organization is--  
9 I mean I think that this is really a critical,  
10 critical issue because if we're looking-- If an  
11 organization wants to provide supplemental education  
12 services, wants new technology in the classrooms.  
13 Wants to be able to, you know, buy Smart Boards or  
14 light boards or other types of technology. They  
15 can't afford to do that if they're running a deficit,  
16 but all those things go out the window any  
17 supplemental services. I mean Brooklyn Kindergarten  
18 Society, which does have the ability to raise some  
19 above and beyond what they get from ACS, pays for an  
20 extra hour a week I believe for their staff to do  
21 extra professional development work.

22           Above and beyond what is covered by ACS.  
23 A lot of organizations can't do that. So that's the  
24 type of stuff that we're--that we--that we lose, and  
25 that ultimately affects the bottom line when we go

2 back to quality, the quality of services. And this  
3 is the reason for Early Learn, the whole premise of  
4 Early Learn is to achieve better outcomes for our  
5 young children. And that gets compromised. It all  
6 gets compromised if an organization is scrambling to  
7 meet their facility costs, to meet their rent, to  
8 meet their maintenance. The Citizens Committee  
9 Report has a recommendation around this issue. The  
10 rate must do a better of addressing disparate  
11 facility costs including rent, and be adjusted as  
12 costs increase.

13           The city should consider creating a  
14 capital fund to pay for repairs at child care centers  
15 so that these costs do not come out of the rate. You  
16 know, I would hope that ACS is looking at those  
17 recommendations as well as the recommendations that  
18 come out of the New School Report, which I see you're  
19 taking. [sic] And taking those seriously because if  
20 we're not-- My concern is if you're not getting this  
21 information direction from the providers for whatever  
22 reason, the I don't know. That's something that we  
23 need to look at. If we're hearing this from academic  
24 reports or informal surveys by CVOs or, you know, by  
25 the Citizens Committee, an umbrella organization.

2 But we're not--but there's not a--but we're not  
3 getting that, ACS isn't getting that directly from  
4 providers then that's another issue. Why are we  
5 finding out this stuff with these mechanisms and not  
6 directly from the providers?

7           So one other question before I go over to  
8 Council Member Cumbo. In terms of the long-term big  
9 picture, we have the current contract expiring in  
10 about 18 months. And, my first question is does ACS  
11 plan on doing a new RFP, which would have to come  
12 out, you know, within about a year, a little more  
13 than a year I suppose. Is ACS looking to do a new  
14 RFP?

15           COMMISSIONER VARGAS: So 2016 is actually  
16 a two-year renewal for the providers. So it's an  
17 opportunity to renew the grant that they have.

18           CHAIRPERSON LEVIN: So there is not going  
19 to be a new RFP? Early Learn is just going to be  
20 extended? It's going to do a two-year contract  
21 extension? Is that--?

22           COMMISSIONER VARGAS: We going to wait  
23 for the Task Force the Mayor's Task Force to give us  
24 recommendations on that.

2 CHAIRPERSON LEVIN: Okay, so the Task  
3 Force is going to tell us whether ACS is going to do  
4 a new--a new RFP or whether there is going to be an  
5 extension, right? Is that what you're saying? Are  
6 those the two options? What are the other options?

7 COMMISSIONER BENEJAN: [off mic]

8 COMMISSIONER VARGAS: So let me just  
9 clarify it.

10 COMMISSIONER BENEJAN: Yeah.

11 COMMISSIONER VARGAS: I'm sorry.

12 COMMISSIONER BENEJAN: Go ahead.

13 COMMISSIONER VARGAS: In 2018, we will  
14 issue a new RFP. So in 2018, the goal is to issue a  
15 new Early Learn RFP.

16 CHAIRPERSON LEVIN: Okay, that's news  
17 because the contract itself expires. Without  
18 extension, the contract without--with no extension it  
19 expires 18 months from now.

20 COMMISSIONER BENEJAN: Correct. The  
21 contract right now goes through 2016. There is a  
22 one-time, two-year renewal.

23 COMMISSIONER VARGAS: Right.

24 COMMISSIONER BENEJAN: An option, an  
25 option. Yes.

2 CHAIRPERSON LEVIN: So you're saying  
3 you're going to take that option.

4 COMMISSIONER BENEJAN: We don't know  
5 that.

6 COMMISSIONER VARGAS: We don't know and  
7 that's why we're waiting for the Task Force to give  
8 us a sense of--

9 CHAIRPERSON LEVIN: Okay, now either way,  
10 is the--even if the city does not take the option,  
11 can we expect that the rate issue and the facilities  
12 issue is going to be addressed by ACS independent of  
13 that? That that even that it will be addressed in  
14 the current contract. So say ACS decides we're going  
15 to do a new RFP, and it's going to be in 2016 that  
16 over the next 18 months, these programs can get--are  
17 going to be able to see some of these concerns  
18 addressed in the current contract?

19 COMMISSIONER VARGAS: I think in the--in  
20 the next several months we're going to want to get a  
21 really clear sense of what is driving the concerns  
22 around the rate. So that we can then make an  
23 informed decision about whether or not the rate needs  
24 to be increased, and if so, by how much.

2 CHAIRPERSON LEVIN: Okay, another  
3 question to kind of-- I know it weaves questions  
4 here, but workers' comp and general liability  
5 insurance as well. What we're hearing is that ACS is  
6 paying for workers' comp. That's supposed to come  
7 out of the rate, right? Workers' comp and general  
8 liability is supposed to come out of the rate.  
9 That's--they're supposed to-- Organizations pay for  
10 it themselves, but it's got to get covered somehow.  
11 So what we're hearing is that what the City is  
12 providing for that covers about 60% of the cost of  
13 workers' comp and general liability insurance. How  
14 does ACS-- So that's what we're hearing. That was a  
15 quote from a--not from a provider, but from an agent  
16 that does workers' comp insurance. There's the agent  
17 that sets up organizations with their workers' comp  
18 and general liability insurance. How does ACS expect  
19 the organizations to make up for the remaining 40%?

20 [Pause]

21 COMMISSIONER VARGAS: So the rate across  
22 the board is a flat rate, and it's not based on the  
23 experience of any individual provider. Again, I  
24 would fold this concern--

2 CHAIRPERSON LEVIN: [interposing] Into  
3 the rate.

4 COMMISSIONER VARGAS: --into the same  
5 umbrella of the rate.

6 CHAIRPERSON LEVIN: Right, but presumably  
7 if there's a marketplace and it's market rate for  
8 this, and the market rate is 40% for what the city is  
9 covering. So, that's a concern. I mean it's not--  
10 You don't need to be basing it on any individual  
11 experience. But if there's a market rate for this  
12 insurance and everybody is going out to the same  
13 marketplace to buy the insurance, right?

14 COMMISSIONER VARGAS: Yeah, we  
15 essentially, you know, took I believe it was \$7.3  
16 million that we were paying and put it out into the  
17 rate so--

18 CHAIRPERSON LEVIN: [interposing] But if  
19 that \$7.3 million equals 60% of the cost of it, then  
20 40--then the other 40% is coming out of somewhere  
21 that has to be-- This goes back to the rate question  
22 because it's getting squeezed out. You don't have  
23 the-- Especially if you're in an area where it's a  
24 little bit above average in terms of cost of rent. I  
25 mean you're just getting squeezed out.

2 COMMISSIONER VARGAS: So again--

3 CHAIRPERSON LEVIN: [interposing] Right.

4 COMMISSIONER VARGAS: --it goes under the  
5 umbrella of the rate, and I think the work for ACS in  
6 the coming months is to really assess what is  
7 driving, you know, the gap.

8 CHAIRPERSON LEVIN: Uh-huh.

9 COMMISSIONER VARGAS: How prevalent is  
10 that throughout all of our providers, not just a  
11 small number of them. And then to begin to think  
12 about what needs to be done with that. And again, I  
13 don't know if this is an issue that will be addressed  
14 for sure in the Mayor's Task Force, but we--if it's  
15 under--I suspect it might be under the workforce  
16 group.

17 CHAIRPERSON LEVIN: Okay.

18 COMMISSIONER VARGAS: And so, there might  
19 be some recommendations there that can inform our  
20 work going forward.

21 CHAIRPERSON LEVIN: I expect--I hope and  
22 expect that the Mayor's Task Force will address these  
23 issues because I don't necessarily-- I mean other  
24 than ACS doing a review on their own, I don't see  
25 what other mechanism we issued. This would be the



2 opportunity to explore those issues for sure, and  
3 come up with a set of recommendations.

4 COMMISSIONER VARGAS: Uh-huh.

5 CHAIRPERSON LEVIN: But, you know, that's  
6 like next week. So we hope--I'm hoping that they're  
7 cued up already in that preliminary report that's  
8 been presented to the Deputy Mayor at this point.  
9 And just--just to be clear with the CCC Report, 54%  
10 of respondents said that facilities were an issue,  
11 and 35% said that the insurance costs were an issue.  
12 Council Member Cumbo has a question.

13 COUNCIL MEMBER CUMBO: I just want to  
14 follow up on a line of questions that you were  
15 asking, Chair Levin, that were very interesting to  
16 me. It was a point that was brought up, and I would  
17 just like further clarification on it. One of the  
18 providers that I discussed in my district was  
19 concerned that in responding to the RFP, that  
20 potentially a provider that's responding to the RFP  
21 would be able to cover the rental costs of that  
22 building at a higher rate or higher level than they  
23 would be able. And their fear was that they  
24 potentially could get out-bid by an organization that  
25 could actually cover the costs of the rental space of

2 that facility. Is that at all taken into account in  
3 the RFP process?

4 [Pause]

5 COMMISSIONER VARGAS: So, that is not  
6 something that is-- We have a daily rate--

7 COUNCIL MEMBER CUMBO: [interposing] Uh-  
8 huh.

9 COMMISSIONER VARGAS: --which is clearly  
10 articulated, but that is not something that a  
11 provider would lose points for or gain points for  
12 either way in the RFP.

13 COUNCIL MEMBER CUMBO: Okay. So an  
14 organization that would say even in response to this  
15 RFP we can cover because we're a huge massive  
16 provider. We provide all across the five boroughs  
17 assuming the rental costs of this space would not be  
18 anything we would even have to blink an eye at.  
19 We've got the cost for this space. Above and beyond  
20 that, if they say that in their proposal, is that  
21 looked upon favorably in terms of the city being able  
22 to say this is a savings here. Because this facility  
23 in a high gentrified community such as Fort Green,  
24 Clinton Hill the costs for that facility are  
25 astronomical. And so, their fear is that provider

2 that's a larger facility provider that they could  
3 potentially take on that space without needing the  
4 support of the city to cover their rental costs?

5 COMMISSIONER BENEJAN: So, there are  
6 cases, and it varies, but they could probably use  
7 some of that in the 6.7 contribution. Anything that  
8 they are putting that's core to the program. But  
9 there are some caveats to that in terms of who owns  
10 the building and monies that they're getting for the  
11 building that they can use towards the 6.7  
12 contribution. So anything above the rate it's  
13 considered within that because they look at the 6.7.  
14 They're able to make their contribution that way.

15 COUNCIL MEMBER CUMBO: So was your  
16 ability to be able to provide resources and support  
17 in your RFP in terms of private resources and other  
18 contributions, none of that is factored in to the  
19 success of your application or you response to the  
20 RFP?

21 COMMISSIONER BENEJAN: There's a section  
22 in organizational capacity. We have a program that  
23 would be able to give that kind of information what  
24 are the community partnerships that they have. What  
25 kinds of programs and what kinds of revenues they can

2 bring in. So that's in organizational capacity,  
3 which is 30%.

4 COUNCIL MEMBER CUMBO: Which is 30%.

5 COMMISSIONER BENEJAN: Uh-huh.

6 COUNCIL MEMBER CUMBO: So your ability to  
7 secure private dollars and/or resources from other  
8 revenue or other sources will be prioritized here at  
9 a rate of potentially 30% of--

10 COMMISSIONER BENEJAN: [interposing]  
11 It's in organizational capacity. Yeah, there are  
12 other things.

13 COUNCIL MEMBER CUMBO: I know such as the  
14 other 20% that talks about if you have a relationship  
15 with the community and so on--

16 COMMISSIONER BENEJAN: Correct.

17 COUNCIL MEMBER CUMBO: --and so forth.  
18 But I guess with the numbers being 30% for one and  
19 20% for the other, obviously I guess the 30% might  
20 weight more heavily than your connections or ties the  
21 community.

22 COMMISSIONER BENEJAN: It's 40% for  
23 experience; 30% for organizational capacity; and 30%  
24 for approach.

2 COUNCIL MEMBER CUMBO: Okay. Let me ask  
3 you above and beyond--above and beyond your--the  
4 percentage breakdowns of what you prioritize, is  
5 there any interest or specific focus on child care  
6 providers that lost their contracts in 2011? Is  
7 there any thought about it? Because I would imagine  
8 that for those that did lose that and those  
9 previously, they have been at your doors. They have  
10 been pleasing their case. They've been to the  
11 Council. Is there any thought about prioritizing  
12 those that were doing great work, but however the  
13 point system was created at that time, they lost  
14 their contract, and now they're here again.

15 COMMISSIONER BENEJAN: It's an open  
16 competition. So by regulation we can't make it  
17 favorable to one group or another. It's an open  
18 competition.

19 COMMISSIONER VARGAS: But we've also  
20 identified-- I mean the reason why we identified the  
21 zip code areas is because we recognize-- So you  
22 know, we have very specific zip code areas in this  
23 RFP. We recognize that there--that there continues  
24 to be need in those communities.

2 COUNCIL MEMBER CUMBO: And also the same  
3 with those organizations that are in existing spaces.  
4 Is that prioritized or looked upon favorably. You're  
5 already in the space. You've been in the space for  
6 some time. You're at almost 100% capacity. You  
7 passed the goals of the group. Is the fact that  
8 you're already in the space in any way prioritized in  
9 this RFP process?

10 COMMISSIONER BENEJAN: So this RFP in  
11 terms of experience is specific to the zip code. So  
12 that particular program that you're speaking to  
13 that's in the space if it's in that zip, now it's  
14 going to be able to show that they have experience in  
15 that zip, and operate a childcare program in that  
16 zip. So that's the 40 points in terms of experience.  
17 So that's where it would be rate.

18 COUNCIL MEMBER CUMBO: Only in the zip.  
19 Not in the space?

20 COMMISSIONER BENEJAN: In the zip, but  
21 the space has to be in the zip.

22 COUNCIL MEMBER CUMBO: I get that, but  
23 you could be in the zip--

24 COMMISSIONER BENEJAN: Uh-huh.

2 CHAIRPERSON LEVIN: [off mic] And not be  
3 in the space.

4 COUNCIL MEMBER CUMBO: Right. [laughs]  
5 There you go, and that's really very important  
6 because the continuity is critical particularly in  
7 this type of service. And let me ask you because  
8 Council Member Levin brought up some very interesting  
9 points in terms of-- What I want to understand is  
10 that in this RFP those that are awarded the contract  
11 are you saying that those organizations can renew  
12 their contract in two years, or do they have to  
13 respond to another RFP in two years?

14 COMMISSIONER BENEJAN: It's an option.  
15 At 2016 it's an option for a two-year renewal. ACS  
16 makes that option. You know, exercises the option.

17 COMMISSIONER VARGAS: So all of the  
18 providers including the new providers that will come  
19 on July 1st of 2015 that will be selected through  
20 this RFP process will be allowed to participate in  
21 that renewal.

22 COUNCIL MEMBER CUMBO: Okay, and so then  
23 the renewal would allow them to stay in that space,  
24 and then, as was stated, another RFP would be issued  
25 potentially 2018?

2 COMMISSIONER VARGAS: Correct.

3 COUNCIL MEMBER CUMBO: So, you could  
4 potentially stay there for three years or so, and  
5 then you could lose the RFP, and another group could  
6 come into your space. And then you would be out.  
7 And then maybe if you respond successfully to an RFP  
8 a few more years later, you could be back in.

9 COMMISSIONER VARGAS: I think there's a  
10 lot. I mean that's a-- That particular scenario  
11 would require a lot of things to happen, you know, in  
12 order for a program to potentially lose its space. I  
13 mean what we're looking at is who can come in and  
14 provide the best quality service to the children and  
15 families that reside in that area, and who will be  
16 using that service.

17 COUNCIL MEMBER CUMBO: Okay. I just want  
18 to conclude by saying that for so many women of  
19 color, the ability to provide Early Child Care  
20 Services has been one of the major streams of  
21 entrepreneurship in our communities. And so while  
22 the example that I described sounds extreme, many  
23 women of color did lose contracts in the last  
24 process, and many organizations of color as well. So  
25 for me as Chair of the Women's Issues Committee, and,



2 of course as an African-American woman, it's very  
3 important for me to see that it's prioritized here  
4 that individuals, organizations, companies that are  
5 from the community are prioritized in that way. And  
6 that you do have real MWBE goals that are set that  
7 you want to fulfill in order to make sure that  
8 everyone has an opportunity to benefit from the RFP  
9 process in the City of New York. Thank you.

10 COMMISSIONER VARGAS: Thank you.

11 CHAIRPERSON LEVIN: Thank you, Council  
12 Member Cumbo. Council Member Antonio Reynoso.

13 COUNCIL MEMBER REYNOSO: Thank you,  
14 Chair. Welcome.

15 COMMISSIONER VARGAS: Thank you.

16 COUNCIL MEMBER REYNOSO: Thank you for  
17 your testimony and your time here. I do want to say  
18 that in my experience of ACS through the years, and  
19 I've been working with them for about eight years.  
20 It has been a tough relationship. A very tough  
21 relationship, and it seems that a lot of the anger or  
22 frustration that was exhibited by previous council  
23 members to the RFP seems to be somewhat justified  
24 here today by this administration stating that you  
25 want to modify what the RFP standards are. We were

2 crying and kicking and screaming about history, about  
3 experience, about community, character, identity.  
4 All things that went over the heads of the previous  
5 administration. In doing so, a lot of damage was  
6 done in our communities. Specifically, communities  
7 of color, and I want to just speak to Community Board  
8 1 or 11211 and 11206. It's called Williamsburg. And  
9 it's been hit with something called gentrification,  
10 which has also been hit, which means that rents have  
11 gone up. It seems that ACS, the planning it does, or  
12 I don't know if planning happens at ACS when you look  
13 at what's happening in my district. I wanted to ask  
14 how does leasing work in ACS?

15 COMMISSIONER VARGAS: [Clears throat] So  
16 ACS currently has 78 city leased sites, and the  
17 process for the renewal of the leases are that, you  
18 know, first-- Well, in most cases in a perfect  
19 scenario this is the process. First ACS determines  
20 whether or not we want to remain in a particular, you  
21 know, space and place and then we let-- we bring that  
22 information to DCAS and then DCAS negotiates with the  
23 landlord. What we've seen, and I know that you are  
24 very familiar with it, and even though I've only be  
25 on board for a couple of months, I've been privy to

2 some programs in your district that have been  
3 impacted by this. Is that we're seeing rents in some  
4 cases double. So landlords asking for twice what  
5 they were asking before. We're seeing landlords not  
6 even wanting to negotiate with us because they want  
7 to tear down the child care facility and bring  
8 residential--a residential building. I think this  
9 speaks to a need to conduct a very comprehensive  
10 community needs assessment. We have to really  
11 understand particularly in our communities where  
12 we've experienced gentrification-- I mean the New  
13 York City today is not the same New York City of five  
14 and ten years ago. And so, as our communities have  
15 changed, we have to be able to go in and assess  
16 whether or not, you know-- Whether we're in the  
17 right places, whether we have areas that are over-  
18 saturated with child care. We need to identify areas  
19 where we have what I call child care deserts where  
20 there is just one provider in a large area that  
21 people are going to. But, we have to do it in a very  
22 nuanced way because there is still need in your  
23 district.

24 COUNCIL MEMBER REYNOSO: So speaking of  
25 nuanced ways, so far it seems like it completely

2 absent from the administration or from ACS. When I  
3 speak, I want to speak to two cases. One that  
4 Nuestros Ninos Day Care Center is the day care center  
5 that I went to when I was child. That's the first  
6 thing. Also, I had a child care provider mother. I  
7 also worked as my first job as an organizer is  
8 assisting the UFT in organizing the child care  
9 providers so they can be part of a union so they can  
10 get better rates. So it seems like a big portion of  
11 my life has been dedicated to making sure that people  
12 see this as a glorified babysitting. It truly is  
13 earl childhood education. So first, I just want to  
14 give a shout out to all the child care providers,  
15 everyone that's working in these day care centers. I  
16 love you very much, and I'm extremely grateful. I'm a  
17 product of your work, and this is why this is so  
18 important to me. Nuestros Ninos. I find out two  
19 weeks before the lease is up that the lease is  
20 expiring. So first, communication doesn't exist, and  
21 possibly the person in that community that could  
22 possibly help in organizing and figuring out a way to  
23 work together to find a site or maintain the site.  
24 So that doesn't happen. Two weeks I find out, and I  
25 find out because a parent reaches out to me. Not

2 because ACS responded to me, and I called ACS and  
3 they told me yes we're scrambling to try to extend  
4 the lease. They extended the lease for six months in  
5 a location, prime real estate location. You will be  
6 gone in six months because they're building condos on  
7 that site. You will be gone. You cannot compete  
8 unfortunately. You cannot compete so you are getting  
9 displaced the same way 14,000 Latinos got displaced  
10 from Williamsburg. The City is getting displaced  
11 now. You're feeling the affects of gentrification  
12 just like we are. But there's no plan. You have 260  
13 additional seats that you're trying to add to zip  
14 code 11211. You have that sites that's going to  
15 leave in six months, a site of 90 children that  
16 already left in Bushwick United. Who already lost  
17 the building to condos this December. We're going to  
18 lose this building in six months. There's been no  
19 assistance regarding 211 Ainslie [sic] if any. So  
20 we have about-- over 500 seats. There is no physical  
21 space in Williamsburg to put children in. So what  
22 happens when you can't provide a service to hundreds  
23 of children? What? You have a responsibility to  
24 provide services. When there is no physical space,  
25 you can no longer do it. There seems to be no long-

2 term planning happening with ACS and how we figure  
3 that out. And there is definitely not short-term  
4 work that we're having together to try to figure that  
5 out because no one is coming to my office asking me  
6 if we can work together to figure this out.

7           COMMISSIONER VARGAS: So this is clearly  
8 a challenge for us. As I said earlier, and you used  
9 the words we're being squeezed out. Yes. That is a  
10 problem, and as the City tries to negotiate with  
11 landlords who don't want to negotiate. I'm very--

12           COUNCIL MEMBER REYNOSO: [interposing]  
13 I'm sorry. I just want to be very clear at the site  
14 of Bushwick United two years ago the landlord  
15 attempted to work with the City to sell it at a  
16 cheaper price that was sold to the current landlord.  
17 So he was giving us a discount, and the City decided  
18 not to move forward it. So I want to keep that--  
19 And a lot of the people in your administration that  
20 are working with you right now were working then, and  
21 are aware of all these situations. So I want to say  
22 that there was an opportunity for the Bushwick United  
23 site to stay where it was, and that wasn't exercised.  
24 So it's not only the landlords that are doing what  
25 you would expect them to do, which is to try to get

2 the most money they can. It was also when  
3 opportunities arose, ACS didn't take advantage of it.  
4 And in your--at ACS a lot of the people within your  
5 group are not. So I just want to be very mindful  
6 that there were opportunities to save at least one  
7 building out of the three that I'm talking about, and  
8 that didn't happen. So it's not just the landlords.

9 COMMISSIONER VARGAS: Okay. Within ACS  
10 what we are trying to is to be more mindful and  
11 planful and think more and use information to inform  
12 our decisions about how we're going about doing this  
13 work. And this includes our city lease sites. It is  
14 actually an issue that is of high priority because  
15 it's not only affecting-- You know, it's affecting  
16 your district. It's affecting a lot of other  
17 districts across the city. And we need a long-term  
18 strategy. And so, I'm committed to putting a long-  
19 term strategy in place because we're committed to  
20 providing the services to the children.

21 COUNCIL MEMBER REYNOSO: I want to be  
22 helpful. You know what it's called, but the way poor  
23 people in gentrified communities stay in their homes  
24 is they were lucky enough to, or had the foresight to  
25 purchase their homes when they were affordable when

2 nobody wanted to be there. For example, in  
3 Williamsburg, there is a level of homeownership that  
4 was had by people buying the properties, three  
5 stories for \$20,000 and now worth \$2 million. It's  
6 called buying and it's called purchasing sites. Not  
7 leasing sites, and right now OMB and the City of New  
8 York works through a process. They will not pay for  
9 more than the value of the property. They won't pay  
10 for it if it's over the assessed price of it. It's  
11 called the real estate market. You need to make  
12 sacrifices in these communities especially like  
13 Williamsburg and Fort Green, which is not what's  
14 happening right now. There's no investment from the  
15 City regarding capital investment to just purchase  
16 sites. Unless you want to pay \$500,000 a month--a  
17 year for leases and then come back to this Committee  
18 and say, you know, even with 100% enrollment these  
19 folks can't catch up. We need to purchase sites, and  
20 if you don't purchase sites, there's something called  
21 eminent domain, which is real. And right now, ACS  
22 doesn't talk about eminent domain. The  
23 administration shies away from eminent domain.  
24 They're scared. When others, when even Bloomberg  
25 used eminent domain at times to try to get things



2 done. Nuestros Ninos needs eminent domain, and you  
3 need to start that process right now. It is 160  
4 seats I believe maybe even more seats in that  
5 location. It's the largest location in my entire  
6 district, and we're going to lose it unless we're  
7 smart about. Forget about looking for space. We've  
8 tried that regarding 211 Ainslie, tried to move them  
9 to another location. There is no space in  
10 Williamsburg. Everything is-- I think somebody  
11 built on a patch of land the size of probably what  
12 we're seeing here, they built a two-bedroom home.  
13 They're anywhere. If it's a parking lot, they'll  
14 build there. They don't care by eminent domain. And  
15 if you guys don't have that conversation with my  
16 community, then you're not helping. You're not  
17 trying to help. That's what nuanced means. That's  
18 what creative means. Use the power that you have to  
19 finally make a commitment to the people in poor  
20 communities that are being gentrified, and I haven't  
21 seen that effort from ACS yet.

22 COMMISSIONER VARGAS: Well, I look  
23 forward to working with you on addressing the issue  
24 and to working with you community as well as the

2 other communities that have been impacted by the same  
3 issue.

4 COUNCIL MEMBER REYNOSO: I hope like we  
5 can talk like tomorrow. [laughs]

6 COMMISSIONER VARGAS: Okay.

7 COUNCIL MEMBER REYNOSO: Because this is--  
8 --this is happening right now--

9 COMMISSIONER VARGAS: [interposing] Yes.

10 COUNCIL MEMBER REYNOSO: --and just wish  
11 and--

12 COMMISSIONER VARGAS: [interposing] I'm--  
13 I'm with you.

14 COUNCIL MEMBER REYNOSO: And maybe bring  
15 in a circle of people that say we have solutions and  
16 not these are problems, solution-oriented folks that  
17 can figure it out. And there's a lot of in-fighting  
18 that's also happened because of the RFP. So right  
19 now-- I used to have day care-- The Council Member  
20 Reyna the one before me had a day care council group  
21 where all the day care centers used to meet together  
22 to figure out ways to work together to survive pretty  
23 much in Williamsburg. Now, they can't even talk to  
24 each other because of the RFP. There is in-fighting  
25 because of what's happened, and currently ACS is

2 still doing things that continue to cause that. You  
3 talk about community history and experience being  
4 important. We have another site in the system that  
5 is city-owned where the provider that you chose  
6 abandoned the community because they're not from the  
7 community. So when things got hard, they just left.  
8 They didn't lease. They said we're not going to do  
9 these services here. What does ACS do? They go find  
10 a provider from another community to come into that  
11 building when it was co-located with a provider  
12 called Nuestros Ninos that was there before. There's  
13 just no--it makes no sense, and this is the new  
14 administration that did this. And which is what I'm  
15 talking to you about that people in your circle are  
16 part of the old regime that still do things the old  
17 way. And I'm very concerned about anything happening  
18 in ACS. And I'm looking--I'm going to look like a  
19 terrible council member if I let three sites in my  
20 district in my first two years disappear and that we  
21 can't provide services for our children. I'm  
22 extremely frustrated, extremely concerned, and I feel  
23 like I'm alone in this battle and that the  
24 administration and ACS has not been a part of it. So  
25 I just wanted you to know where my frustration comes

2 from. Thank you for your time. I really appreciate  
3 it.

4 COMMISSIONER VARGAS: Thank you.

5 CHAIRPERSON LEVIN: Council Member Laurie  
6 Cumbo. Last question. So the review of the  
7 proposals that's where my questions come. Who  
8 actually will be responsible for reviewing the  
9 proposals and saying who moves forward to the next  
10 level? What does that composition of those  
11 individuals look like?

12 COMMISSIONER BENEJAN: So that is made up  
13 of ACS staff, who are familiar with programming,  
14 quality programming and also DOHMH staff who license  
15 facilities.

16 COUNCIL MEMBER CUMBO: How many people  
17 will be on that particular review panel.

18 COMMISSIONER BENEJAN: So there-- Yeah,  
19 there are 30 readers, 20 from ACS and 10 from DOH.  
20 Each panel has three folks reading each proposal.

21 COUNCIL MEMBER CUMBO: Do you have any  
22 criteria on the panel in terms of demographics, in  
23 terms of geography, in terms of anything? Is there  
24 anything about those panelists that would ensure that  
25 there's diversity of men, of women, old or young,

2 African-American, Latino, Asian? I mean is it  
3 possible and would that be fine if everyone on the  
4 panel were all women? Would that raise a red flag to  
5 you, or would you all say we've got to get some  
6 diversity here? Or if everyone on the panel was all  
7 Latino or everyone on the panel was a black or if  
8 everyone was all white? Would those raise flags for  
9 you to say we need to do something to make sure that  
10 those that are reading these proposals are in some  
11 ways reflective of the community? But the agency  
12 that I'm the most aware of is the Department of  
13 Cultural Affairs. That's the experience that I come  
14 from, but on those panels you have to have panel  
15 readers from the borough president's office, from  
16 your local elected officials. From those that are in  
17 the field that are experienced with it, and those  
18 individuals people that have direct experience that  
19 are working in the field are the readers of those  
20 applications. And they determine who gets the award,  
21 or the grant. But in this process it's all very  
22 internal, and through this experience power is being  
23 taken out of the Council's hand and put into the  
24 agency's hand. And I really have no understanding of  
25 who is going to make that determination and what that

2 room is going to look like. Because what the room  
3 looks like determines in so many ways who is going to  
4 get what.

5 COMMISSIONER BENEJAN: So our ACS staff  
6 as DOH are a very diverse, and sometimes especially  
7 with the ACS staff they were actually administrators  
8 of programs in their prior career before coming on to  
9 ACS. That's part of sort of their qualifications so  
10 they are people who have run programs and are  
11 familiar with programs. And come from a diverse  
12 community.

13 COUNCIL MEMBER CUMBO: I hear you. I  
14 just want to say with all due respect that panel  
15 that's before us right now is not that diverse. It  
16 wouldn't be diverse in my comfort zone if I had a  
17 proposal submitted to the agency. So, you know, at  
18 this stage it's like the final hour and, you know,  
19 I'm very disappointed that the proposal review  
20 process is going to look how it's going to look and  
21 that we have no input in it. At this point, all I  
22 can do is just really hope that you will put energy  
23 and time into making sure that the panel process is  
24 diverse, and that's it. Thank you.

25 COMMISSIONER BENEJAN: Uh-huh.

1 COMMITTEE ON GENERAL WELFARE

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2 CHAIRPERSON LEVIN: Thank you, Council  
3 Member Cumbo. I just have one final question about  
4 the current RFP the small RFP that's out. Did all of  
5 the current negotiated acquisition providers--because  
6 their response is due in two days--are they on track  
7 to submit applications or proposals?

8 COMMISSIONER VARGAS: All of them have  
9 been pre-qualified so as far as we know yes.

10 CHAIRPERSON LEVIN: All have been pre-  
11 qualified?

12 COMMISSIONER VARGAS: Yes.

13 CHAIRPERSON LEVIN: Because we heard as  
14 of last week that they were not.

15 COMMISSIONER VARGAS: No, I think that as  
16 of--

17 COMMISSIONER BENEJAN: [off mic]

18 COMMISSIONER VARGAS: As of last week  
19 there was one that had one document due.

20 CHAIRPERSON LEVIN: Okay.

21 COMMISSIONER VARGAS: And we're working  
22 with them to try and make sure that they are  
23 completely pre-qualified in the system.

24 CHAIRPERSON LEVIN: Okay, but if they  
25 miss the Friday deadline that's it, right?

2 COMMISSIONER VARGAS: That's it. That's  
3 correct.

4 CHAIRPERSON LEVIN: No more program and  
5 that's it?

6 COMMISSIONER VARGAS: Right, that's  
7 correct.

8 CHAIRPERSON LEVIN: So we want to make  
9 sure the message goes out there to any provider that  
10 is a negotiated acquisition site or Council funded  
11 site that you must have your application into ACS by  
12 this Friday.

13 COMMISSIONER VARGAS: Correct.

14 CHAIRPERSON LEVIN: Time?

15 COMMISSIONER VARGAS: 2:00 p.m.

16 CHAIRPERSON LEVIN: 2:00 p.m. Okay, by  
17 2:00 p.m. this Friday. No exceptions. All right. I  
18 want to ask about enrollment, and take kind of a  
19 larger picture look at this. What was the original  
20 predicted capacity of Early Learn broken down center  
21 and MCC?

22 [pause, background comments]

23 COMMISSIONER VARGAS: So the original  
24 enrollment was-- Sorry, capacity was 42,000 total--



2 COMMISSIONER BENEJAN: [off mic] Center  
3 Based.

4 COMMISSIONER VARGAS: Center Based.

5 CHAIRPERSON LEVIN: Center Based.

6 COMMISSIONER VARGAS: And 8,600 family--  
7 family care.

8 CHAIRPERSON LEVIN: Okay, and what is the  
9 current capacity?

10 COMMISSIONER VARGAS: The current  
11 capacity is 27,187 Center Based, and 7,700 family  
12 child care.

13 CHAIRPERSON LEVIN: Okay, so obviously a  
14 large decrease in overall capacity and particularly  
15 within Center Based programs. What accounts for that  
16 decrease?

17 COMMISSIONER VARGAS: So the majority of  
18 that decrease can be attributed to 4,500 seats that  
19 we lost during the re-competition for Head Start. It  
20 should be noted that while Early Learn lost those  
21 seats, there were I believe 16 head start providers  
22 that used to be delegates of Early Learn who now are  
23 working directly with the State on Head Start, and  
24 have their own contracts through the State on Head  
25 Start so--

2 CHAIRPERSON LEVIN: [interposing] And  
3 may very well have an Early Learn program in  
4 addition, right?

5 COMMISSIONER BENEJAN: No.

6 CHAIRPERSON LEVIN: No, none of them have  
7 that.

8 COMMISSIONER BENEJAN: They may. They  
9 may have that.

10 COMMISSIONER VARGAS: They might yeah.

11 CHAIRPERSON LEVIN: There's one in my  
12 district I think that has Early Learn and its own  
13 Head Start contract. Okay, so that accounts for-- So  
14 if we have a decrease there of 15,000, 4,500 are  
15 accounted for by Head Start programs contracting  
16 directly with Head Start. So there is still roughly  
17 10,000, a little more than 10,000 in reduced  
18 capacity. What's the reason for those?

19 COMMISSIONER VARGAS: Yeah, so there's a  
20 couple of reasons for the balance. Um, we lost an  
21 additional 1,600 seats in May for several different  
22 reasons ranging from-- And we talked about this  
23 earlier, provider voluntarily relinquishing their  
24 seats.

2 CHAIRPERSON LEVIN: So those weren't  
3 then-- There was not a replacement provider brought  
4 in? Those seats just disappeared?

5 COMMISSIONER BENEJAN: In some cases they  
6 weren't because those went to vacancies elsewhere.

7 CHAIRPERSON LEVIN: They went to  
8 vacancies elsewhere.

9 COMMISSIONER BENEJAN: Uh-huh.

10 CHAIRPERSON LEVIN: But the slots for the  
11 children went elsewhere, but the slots themselves  
12 disappeared?

13 COMMISSIONER BENEJAN: In some cases.

14 COMMISSIONER VARGAS: Others include  
15 providers receiving direct UPK grant from--from the  
16 DOE.

17 CHAIRPERSON LEVIN: How many are there?  
18 How many slots?

19 COMMISSIONER VARGAS: That's kind of  
20 within the 1,600 that we lost in May.

21 CHAIRPERSON LEVIN: Okay.

22 COMMISSIONER VARGAS: Also ACS reduced  
23 the number of seats to some providers who were  
24 licensed to serve a certain number, but were  
25 chronically under-enrolled. And 900 of the seats

2 were lost from Family Child Care Networks. So Early  
3 Learn--

4 CHAIRPERSON LEVIN: Right, right, 900--  
5 900 were lost but do we still have-- I mean so if  
6 we're talking 1,600 lost in May due to UPK and  
7 voluntary relinquishing of a contract, we have the  
8 4,500 for Head Start. There are still significant  
9 balances of seats that-- Were all of those then just  
10 reduction in individual program's capacity. I don't  
11 quite see how the numbers add up to like 15,000. So  
12 we're like 5,000 short.

13 COMMISSIONER VARGAS: Right so the--the  
14 original RFP, and so the first question was about the  
15 original capacity.

16 CHAIRPERSON LEVIN: Right.

17 COMMISSIONER VARGAS: And although the  
18 original RFP estimate was 42,000 we actually awarded  
19 less than 42,000 seats. So the original capacity  
20 actual that, you know, capacity that was awarded was  
21 less than the 42,000.

22 CHAIRPERSON LEVIN: Was less than the--  
23 Okay, so in other words the targeted enrollment, the  
24 original targeted enrollment was lower than the  
25 actual capacity. If the capacity is 42,000, the

2 targeted enrollment wasn't 42,000, is that what  
3 you're saying?

4 COMMISSIONER VARGAS: No, actually  
5 they're both kind of capacity numbers. So the  
6 capacity that was stated in the RFP and that was  
7 estimated originally was 42,000. When the RFPs were  
8 awarded, that number was adjusted. So the capacity  
9 number was then adjusted slightly lower. Do you have  
10 it?

11 COMMISSIONER BENEJAN: No.

12 COMMISSIONER VARGAS: Okay, so the number  
13 was adjusted slightly so we're not talking about the  
14 full 42 to 34,000 now in terms of the difference.

15 CHAIRPERSON LEVIN: Okay, I think that  
16 this warrants a little bit further conversation  
17 because we're-- Were we seeing--? I mean according  
18 to--I'm looking at the New School Report that came  
19 out. It says the total number of children, and this  
20 is factoring in vouchers as well. It says the total  
21 number of children enrolled in City subsidized child  
22 care declined by 17,000 from January 2012 to January  
23 2014. In January 2012, there were 118,274 children  
24 enrolled in contracted programs or paying for care  
25 with vouchers. So that's contractor programs, FCCs,

2 plus centers, plus vouchers, 118,000. In January  
3 2014, there were--it decreased by 17,000 with 66,992  
4 in vouchers and 30,204 in city contracted or learn  
5 programs. If the current-- That number I think has  
6 gone down even since then because you're seeing  
7 27,000 right now. What's the overall enrollment in  
8 Early Learn?

9 COMMISSIONER VARGAS: So overall  
10 enrollment right now is 30,241.

11 CHAIRPERSON LEVIN: Okay. All right so  
12 it's right where it was a year ago.

13 COMMISSIONER VARGAS: Uh-huh.

14 CHAIRPERSON LEVIN: And that's split up  
15 between--

16 COMMISSIONER VARGAS: A center and  
17 family, correct.

18 CHAIRPERSON LEVIN: Still overall a  
19 decrease of 17,000 across the system from--over the  
20 last two years, according to this--according to the  
21 New School Report. So I--my issue here is that there  
22 seems to be a decrease in capacity/enrollment, and we  
23 don't seem to have a clear picture of where all those  
24 have gone. I know that you provided some of that,  
25 but we still seem to be short.

2 COMMISSIONER VARGAS: I'd like to come  
3 back to you with that. I'd like to look at that a  
4 little bit more closely.

5 CHAIRPERSON LEVIN: Okay. In terms of  
6 enrollment right now, we are--we are at 87% as you  
7 said?

8 COMMISSIONER VARGAS: Correct.

9 CHAIRPERSON LEVIN: With 30,241. Being  
10 that the overall system has a problem. Each  
11 individual has a problem or agency has a problem  
12 functioning at that level of enrollment. If every  
13 program had an 87% enrollment, every program would  
14 have a hard time meeting their obligations. What--  
15 and over the last 12 months the enrollment has  
16 increased by 40 or 35, right? If it was January 2014  
17 and there's 30,207 and January 2015, 30,241, that's a--  
18 - You know, that's a statistical blip. What has ACS  
19 done over the last year to increase enrollment, and  
20 what is--what's your assessment of your efforts?

21 COMMISSIONER VARGAS: So, we've done a  
22 couple of things to increase enrollment. You know,  
23 one is that we convened an internal child welfare  
24 governance group to identify children from six weeks  
25 to age five with active child welfare cases. To

2 ensure that they have access to quality child care.  
3 I'll remind--I'll remind you that New York State has  
4 a law around parent choice. So while we believe that  
5 Early Learn is the highest quality and the best place  
6 for our children to be, parents have a choice. And  
7 they can choose not to go to an Early Learn Center.  
8 So this fall, we placed 135 UPK eligible children  
9 with active, preventive and protective or foster care  
10 cases in Early Learn programs as a result of that  
11 work group. We also partnered with DHS to identify  
12 children from six weeks into four years in shelter  
13 settings to ensure that those children were also  
14 having access to and parents knew and were aware of  
15 the benefits of Early Learn centers. And then we do  
16 a variety of different technical assistance. And  
17 what I kind of think about as marketing where we have  
18 recruitment materials that get sent out. We work  
19 with our providers on Center Based recruitment  
20 events. We've done targeted mailings to children and  
21 families, and we're looking also to strengthen our  
22 partnerships with other providers, and other  
23 consortiums that help inform parents about their  
24 options. So that's kind of what's happening to try  
25 to move the enrollment rate.



2 CHAIRPERSON LEVIN: But obviously it has  
3 not--has not really moved the needle over the last  
4 year if we're seeing an increase of 30 children.  
5 What's your assessment of it? What's ACS doing about  
6 it now because clearly this, whatever we're trying  
7 has not been--

8 COMMISSIONER VARGAS: [interposing] It's  
9 difficult to assess whether or not the work that  
10 we've done has actually moved the needle especially  
11 given the introduction of UPK.

12 CHAIRPERSON LEVIN: Yeah.

13 COMMISSIONER VARGAS: So it's really  
14 difficult to assess that, and we're not-- You know,  
15 I--

16 CHAIRPERSON LEVIN: [interposing] Because  
17 you'll be losing. Because Early Learn programs are  
18 losing potential children to DOE based UPK programs  
19 is that correct?

20 COMMISSIONER VARGAS: That's fair to say,  
21 uh-huh. You know the goal is--the goal is make sure  
22 that our children are in really high qualified  
23 spaces. So, you know, the UPK option is a great  
24 option for our children. And again, parents have  
25 that choice--

2 CHAIRPERSON LEVIN: [interposing] Right.

3 COMMISSIONER VARGAS: --to decide and a  
4 lot goes into a parent deciding where they want their  
5 child to attend.

6 CHAIRPERSON LEVIN: One concern that I  
7 have is as we're-- You know, definitely that has  
8 happened and so there's a certain number of slots  
9 that have been lost to UPK. They-- ACS has not  
10 backfilled those slots with infant to three-year-old  
11 slots. And so, those instead of-- It's one thing in  
12 saying that the slots have kind of disappeared over  
13 the last couple of years. What we haven't done, and  
14 I can understand why ACS is doing that because you  
15 guys have a budget deficit that you have to try to  
16 figure out how to deal with. And so, I understand  
17 that you're trying to pay, essentially try to pay  
18 down your deficit of \$80,000 or whatever it, and I'll  
19 ask about that next. But, overall the system itself  
20 the capacity continues to be reduced. So every  
21 opportunity-- It seems what's going on is every  
22 opportunity ACS has to-- You know, somebody says--  
23 throws up their hands and says I can't do it any  
24 more. All right, well those are, you know, 100 more  
25 seats that we don't have to pay for. If Head Start

2 picks up 4,500, those are 45,000 seats that we don't  
3 have pay for. If UPK picks up another how ever many  
4 it is-- And it's just a-- Because what's happening is  
5 a gradual reduction of slots in the Early Learn  
6 system. And being that there's a systemic or  
7 structural deficit that you run every year, my  
8 concern is that every opportunity that ACS has to  
9 reduce capacity you're going to take because you have  
10 to pay down your deficit.

11 COMMISSIONER VARGAS: I can appreciate  
12 that. That might--that the sequence of reductions  
13 might appear that way. However, I think it's  
14 somewhat of an unfair characterization given some of  
15 the effort that's gone into trying to help the  
16 programs increase their enrollment. Again, I think  
17 it's an area that we have to look at more closely,  
18 and understand. I said earlier that one of the  
19 things we have to assess we have areas that are  
20 really over saturated with providers, and then we  
21 have areas where we don't have that many providers at  
22 all. So, we're committed whether, you know, having  
23 the deficit is almost a separate issue, but we're  
24 committed to providing the services to the children  
25 and families who need the services. And so--

2 CHAIRPERSON LEVIN: [interposing] Well,  
3 it's not--

4 COMMISSIONER VARGAS: --we've done--we  
5 done a lot over the course--

6 CHAIRPERSON LEVIN: [interposing] Sorry,  
7 I don't--Sorry, it's not-- I just interrupted you.  
8 It's not a totally separate issue in that when--last  
9 year when UPK was introduced and there were  
10 essentially savings to ACS as a result, and we went  
11 through this with Commission Carrion at the time in  
12 our budget hearings. And then there was another  
13 issue where the Governor actually came up with some  
14 funding or the State came up with some funding, and  
15 one shot it was like \$27 million if I remember  
16 correctly. And that was--and that was also used to  
17 pay down the deficit. So there's--there's, you know  
18 these. There's--every time there's some extra money,  
19 that's where it goes to and understandably because it  
20 needs a structural solution. It can't be that it  
21 comes out of the--out of the system that we're  
22 supposed to be providing. That's my point and I  
23 didn't mean to mischaracterize it, but that's--that's  
24 how I see it. What is the current FY15 deficit that  
25 ACS is running?

2 [background comment]

3 CHAIRPERSON LEVIN: And if you can  
4 identify yourself for the record.

5 SUSAN NUCCIO: Sure. I'll identify  
6 myself. Susan Nuccio, Deputy Commissioner for  
7 Financial Services at Children's Services. Okay, so  
8 the vouchers--on the voucher side we're projecting  
9 that we're going to be about \$70 million over budget,  
10 a little bit less than last year.

11 CHAIRPERSON LEVIN: And then, and this is  
12 all inter-related here. So, how many--so voucher  
13 families, families that we see with vouchers for an  
14 Early Childhood slot, can take that voucher to an  
15 Early Learn Center or an FCC, correct?

16 SUSAN NUCCIO: Yes.

17 CHAIRPERSON LEVIN: What percentage of  
18 families receiving vouchers, and I mean for Early  
19 Childhood vouchers. So not for school age vouchers  
20 but for early childhood vouchers what percentage are  
21 going to Early Learn programs, FCCs or Centers?

22 SUSAN NUCCIO: 1,251 children that are in  
23 our Early Learn enrollment numbers are part of those  
24 that are mandated cash assistance families.

2 CHAIRPERSON LEVIN: Okay, and that's out  
3 of denominator of--

4 COMMISSIONER VARGAS: That's the 30,000

5 COMMISSIONER BENEJAN: [off mic] On the  
6 cash assistance side.

7 COMMISSIONER VARGAS: Oh, you're asking  
8 me?

9 CHAIRPERSON LEVIN: Of vouchers, of cash  
10 assistance-

11 SUSAN NUCCIO: Oh, the vouchers?

12 CHAIRPERSON LEVIN: Of mandated vouchers,  
13 mandated vouchers. What's the mandated vouchers?

14 SUSAN NUCCIO: 55,000.

15 CHAIRPERSON LEVIN: 55,000 mandated  
16 vouchers. This is now low-income vouchers. This is  
17 P1 through 4.

18 SUSAN NUCCIO: Correct.

19 CHAIRPERSON LEVIN: Okay, so that's low,  
20 right? That's like two percent. Sorry.

21 [Pause]

22 SUSAN NUCCIO: We're just qualifying that  
23 all the cash assistance children could not have-- Do  
24 not--we do not have available seats in Early Learn

2 for all of them just because a lot of those 55,000  
3 are school age.

4 CHAIRPERSON LEVIN: But that's why I'm  
5 asking. I'm saying not school age.

6 SUSAN NUCCIO: Okay.

7 CHAIRPERSON LEVIN: So of the Early  
8 Childhood Vouchers, which is about half. I mean so  
9 it fluctuates, but it goes from like 42% to 58% so  
10 that's the average.

11 SUSAN NUCCIO: [interposing] So 20--it's  
12 like 28,000 on the cash assistance side would be age-  
13 and low income--would age-appropriate for Early Learn  
14 seats.

15 CHAIRPERSON LEVIN: Say that once more,  
16 Susan.

17 SUSAN NUCCIO: 20... about 28,000.

18 CHAIRPERSON LEVIN: 28,000. Okay, it's  
19 28,000. Okay, so then it's 4% because then we've got  
20 1,251 out of 28,000, four or five percent. So that's  
21 low. I realize there's parent choice out there, but  
22 as you're running--as you're running a deficit, as  
23 you have enrollment numbers that are--that are at  
24 87%, and there are 25,000 families that are not--that  
25 could go into these centers. That there is not even

2 enough seats for 25,000 families, but there's-- I  
3 mean obviously there seems to be-- There's a reason  
4 why parents are not going with the Early Learn  
5 option. And so have we determined as one the  
6 questions that I have is have you convened the parent  
7 group to find out why--what are the reasons why  
8 families are not going for the Early Learn option.  
9 Because presumably they could go into an FCC. They  
10 could go into a center. So you have options there,  
11 right. If you don't want a structured-- If you want  
12 a family based scenario, you know, if you don't want  
13 your child in a highly structured environment you can  
14 go into FCC. It's an option that's available.

15 COMMISSIONER VARGAS: So again as there  
16 is parent choice we know anecdotally, and we know  
17 from research not specific to New York City, but  
18 there are a lot of reasons why parents choose the  
19 type of care that they choose. Parents look for  
20 things that are close to work. They look for a  
21 program that's close to home. They look for a  
22 program that fits with their work schedule. They  
23 feel more comfortable with mom or grandma or an aunt  
24 taking care of their child. So a lot goes into a  
25 parent's decision making. Some parents know right



2 away they want Center Based care. Some parents know  
3 right away they want their grandmother taking care of  
4 their child. And nothing else will, you know,  
5 compare to that experience. And by law we have to  
6 comply with that.

7 CHAIRPERSON LEVIN: Okay, it's obvious  
8 we've spoken about this before over the last two  
9 years, and it continues to be a significant issue.  
10 Certainly in light of the fact that programs  
11 themselves, as I said are, you know, when they don't  
12 have full enrollment, it to the extreme detriment to  
13 the program. And they have challenges making their  
14 payroll and so on and so forth. All right. Sorry,  
15 taking one step back again, I just want to make sure  
16 we have a clear picture of the numbers right now. So  
17 actual, and we can break it down into FCC and Center  
18 Based. So, our--I'm going to ask for our capacity  
19 for Center Based and FCC

20 COMMISSIONER VARGAS: The capacity for  
21 Center Based is 27,187.

22 CHAIRPERSON LEVIN: Okay.

23 COMMISSIONER VARGAS: The capacity for  
24 Family Child Care is 7,700. Total capacity is  
25 34,887.

2 CHAIRPERSON LEVIN: It is. Okay.

3 COMMISSIONER VARGAS: The enrollment--

4 CHAIRPERSON LEVIN: [interposing] Right.

5 COMMISSIONER VARGAS: --is for Center  
6 Based is 23,282. For Family Child Care it's 6,959.  
7 Total enrollment is 30,241.

8 CHAIRPERSON LEVIN: I see. Okay. We've  
9 been joined by Council Member Vanessa Gibson.  
10 Council Member Gibson, do you have a question? With  
11 Centers, the Center Based programs, in terms of the--  
12 going back to the rate issue. Are they--they're  
13 reimbursed on enrollment--

14 COMMISSIONER VARGAS: [interposing]  
15 Correct.

16 CHAIRPERSON LEVIN: --not attendance, is  
17 that right?

18 COMMISSIONER VARGAS: That's correct.

19 CHAIRPERSON LEVIN: So, it's--it's not  
20 fluctuating day by day. FCCs are reimbursed by  
21 attendance day-to-day. Is that right?

22 COMMISSIONER VARGAS: Correct.

23 CHAIRPERSON LEVIN: Okay, so I'll make  
24 that right. Does ACS track--is there a requirement  
25 for the percentage of children that a program must

2 have a minimum number of students with disabilities?

3 Is there a requirement there, and if so, what are the  
4 programs adhering to that requirement?

5 COMMISSIONER BENEJAN: In Head Start 10%  
6 of the children would have a disability. Ten  
7 percent.

8 CHAIRPERSON LEVIN: Okay.

9 COMMISSIONER BENEJAN: In child care we  
10 encourage programs to work with children who have a  
11 disability.

12 CHAIRPERSON LEVIN: And are we tracking  
13 that?

14 COMMISSIONER BENEJAN: We are working on  
15 our system to track that.

16 CHAIRPERSON LEVIN: But we're not yet?

17 COMMISSIONER BENEJAN: We have that  
18 information from the program. We don't have an  
19 automated system for that.

20 CHAIRPERSON LEVIN: Okay.

21 COMMISSIONER BENEJAN: We do that through  
22 surveys, and when we monitor a program.

23 CHAIRPERSON LEVIN: And that's--so when  
24 you have--I'm assuming you have this internally like  
25 a profile of a program that's a--that's one of the

2 points in their profile is the percentage of children  
3 with disabilities?

4 COMMISSIONER BENEJAN: Yes, on the Head  
5 Start side we have to provide that information on a  
6 basis to the fed through a Program Information  
7 Report. So we run in Head Start somewhere on an  
8 annual basis somewhere about 12% or 13% of our  
9 children have a disability.

10 COMMISSIONER VARGAS: As of the budget  
11 hearing in--the FY15 budget hearing last spring, 34  
12 centers were under-enrolled at 75% or less. Has this  
13 improved as of this point? And can you provide the  
14 number of programs that are enrolled at 75% or less?

15 COMMISSIONER VARGAS: So of the 200--  
16 Sorry. So we have 123 centers that are enrolled  
17 between 95% and 100%.

18 CHAIRPERSON LEVIN: 123?

19 COMMISSIONER VARGAS: Correct.

20 CHAIRPERSON LEVIN: Okay.

21 COMMISSIONER VARGAS: 61 that are  
22 enrolled between 90 and 94%. 99 that are between the  
23 75 and 89% range, and then 67 that are under 75%.

24 CHAIRPERSON LEVIN: Okay, so that's gone--  
25 --that's doubled in the last year.

2 COMMISSIONER VARGAS: That's correct.

3 CHAIRPERSON LEVIN: Okay, is this setting  
4 alarms at ACS that that's increased that  
5 dramatically?

6 COMMISSIONER VARGAS: Yes, we are trying  
7 to-- Again, we're trying to understand what the  
8 issues are with the low enrollment. I said earlier  
9 one of the things that we want to make sure that we  
10 do is the community needs assessment. We have--we  
11 know that we have programs that are in areas that are  
12 over-saturated with child care.

13 CHAIRPERSON LEVIN: And also you-- I  
14 mean, we've heard that certain areas are--have a lot  
15 of UPK programs as well, is that--

16 COMMISSIONER VARGAS: [interposing]  
17 That's correct. That's correct, and again, with UPK  
18 coming into the pictures, it's--it's been difficult  
19 for us to assess what the issue is. But we're trying  
20 to understand the root cause of the low enrollment so  
21 that we can address it appropriately.

22 CHAIRPERSON LEVIN: Okay, are you  
23 tracking that month by month. I mean is it just--

24 COMMISSIONER VARGAS: [interposing] Yes.

25 CHAIRPERSON LEVIN: I'm like so--

2 COMMISSIONER VARGAS: Absolutely, we look  
3 at numbers weekly.

4 CHAIRPERSON LEVIN: [interposing] Did  
5 it--did it coincide with September when UPK or August  
6 and September when UPK was first operating? [sic]

7 COMMISSIONER VARGAS: [interposing] So  
8 what we saw when we looked at the data is we saw a  
9 dip in June, which is a normal dip for us--

10 CHAIRPERSON LEVIN: [interposing] Right.

11 COMMISSIONER VARGAS: --in terms of  
12 enrollment for the summer months. But then we saw a  
13 lot of programs come September not be able to come  
14 back up to the capacity. So, typically we'll see the  
15 dip, but then in September the come right back up.  
16 And in some cases they are programs that have--that  
17 are coming from very strong organizations that have  
18 had histories of solid capacity. So we are looking  
19 into what is driving the low enrollment.

20 CHAIRPERSON LEVIN: Right. All right,  
21 that's concerning obviously.

22 [pause, background comments]

23 CHAIRPERSON LEVIN: One other thing, does  
24 ACS have a relationship with DHS so that--? Because  
25 one thing that we're seeing over the last couple of

2 years since 2011 is a significant increase in the  
3 number of children that are in our shelter systems.  
4 Right now, there are 24,000 or 25,000 children in the  
5 shelter system.

6 COMMISSIONER VARGAS: Yes.

7 CHAIRPERSON LEVIN: Are you not just that  
8 path, but I mean are you at-- are you working with  
9 providers, shelter providers--

10 COMMISSIONER VARGAS: [interposing] Yes.

11 CHAIRPERSON LEVIN: --so that then those  
12 services are available?

13 COMMISSIONER VARGAS: Yes, we are working  
14 with DHS to again try to engage as many families as  
15 we can, and drive those children to our centers.

16 CHAIRPERSON LEVIN: Is there anything  
17 more that you can share about that I mean in terms  
18 of-- Is there an interagency council? Is there kind  
19 of ongoing conversations or can you characterize the  
20 conversations that you're having with DHS about, you  
21 know, who is going to cover those resources?

22 COMMISSIONER VARGAS: So, we have a Task  
23 Force that was formed in the fall to begin to match  
24 kids who are in the shelters with Early Learn--with

2 local Early Learn providers. So that's the process  
3 that we're going through right now.

4 CHAIRPERSON LEVIN: Okay, all right. So  
5 a couple of other random questions here. One of the  
6 early, as I read before, in the Concept Paper for  
7 Early Learn back in 2010 one of the state goals had  
8 to do with infants and toddlers. Are greater--what's  
9 the--how many slots within Early Learn are dedicated  
10 to infant and toddler care? Because I know it's more  
11 expensive, and per slot? And how does that relate  
12 the system as a whole prior to Early Learn, and is  
13 it--what's our target and are we achieving that  
14 target?

15 COMMISSIONER VARGAS: So there is a high  
16 need for infant care in New York City. Most of the  
17 infant care goes to our Family Child Care providers.  
18 So a fair number of our--of infant care kind of lives  
19 in the Family Child Care provider area. In terms of  
20 numbers, our contracted capacity for infants is 2,688  
21 or 8% of the total capacity. And then enrollment is  
22 2,767. So enrollment is kept. It is actually one  
23 percentage point higher than the contracted capacity.

24 CHAIRPERSON LEVIN: Okay, thank you. In  
25 the past there have been requests for an independent



2 evaluation of Early Learn as a whole as a system.

3 Has ACS contracted with any outside assessment agency  
4 to do an evaluation, an independent evaluation of  
5 Early Learn outside of ACS so that you're kind of  
6 getting an outside opinion? Has that been set up at  
7 this point and--?

8 COMMISSIONER VARGAS: No, it has not.

9 CHAIRPERSON LEVIN: Does ACS have any  
10 plans to do anything like that?

11 COMMISSIONER VARGAS: I think we want to  
12 complete the Needs Assessment first so that we can  
13 look at our enrollment and address enrollment issues.  
14 We're waiting the results for the Mayor's Task Force  
15 and recommendations from that that will also help to  
16 inform some next steps. I wouldn't rule it out.

17 CHAIRPERSON LEVIN: [interposing] Right.

18 COMMISSIONER VARGAS: It's just no  
19 happening, you know, right now.

20 CHAIRPERSON LEVIN: Right, I think--I  
21 think it, if I may, that it may be warranted based on  
22 what we're seeing with the under-enrollment, the  
23 continuing decreased in enrollment, and decrease in  
24 capacity. The feedback that we're receiving from  
25 providers that-- You know, I don't think that these

2 providers just like to complain, you know. I think  
3 that they're expressing serious and legitimate issues  
4 that they're facing day-to-day running their program.  
5 You know, there's like a-- I have a quote here in  
6 the-- There's a great quote in the, in the New  
7 School Report and he gives his name bravely, Michael  
8 Zisser, the Executive Director of University  
9 Settlement. He said, They came up with a good model,  
10 but they forgot to fund it.

11           You can't for the thing you signed up to  
12 do with the money you were given. And obviously,  
13 University Settlement is not a fly-by-night  
14 organization. And I think that that kind of clearly  
15 lays it out. Sherry Cleary, the Executive Director  
16 of the Early Childhood Professional Development  
17 Institute and early educators at CUNY said similarly:  
18 The model is powerful, the intent is good. Early  
19 Learn has been completely under-funded. So the  
20 reason why I bring this up is because in the context  
21 of an outside evaluation is that having a Task Force  
22 under the jurisdiction of the Deputy Mayor and the  
23 ACS Commissioner is great. We welcome that, but  
24 it's-- You know, it's like evaluating yourself.  
25 You would kind of just sooner that the programs do

2 self-evaluations. You know it's not easy to like do  
3 a negative evaluation of yourself.

4           And so, I think that in light of the fact  
5 that what we're seeing from programs throughout the  
6 city is that they're on board. They want it to work.  
7 They support the mission. They're not out there  
8 trashing the goals of Early Learn. They're saying,  
9 No, we want to go back to the old way, or we don't  
10 want standards. They're not saying that. They're  
11 saying we support the mission. We don't have the  
12 money to do it. And so, I hope that ACS thinks about  
13 it. I mean I think that it would be a wise  
14 allocation. I know that would then cost money. You  
15 would have to then hire an independent contractor to  
16 do an evaluation. That might cost a few hundred  
17 thousand dollars. And then somebody is going to be  
18 out there say that was a waste of money. But I think  
19 that it's important to get an outside evaluation  
20 without any participation from the administration so  
21 that it's, you know, totally 100% independent.  
22 Great.

23           And then lastly, I do want to just for  
24 the record because I found both of these reports to  
25 be so interesting and clear-eyed and helpful. I want

2 to read the recommendations for you on the record.

3 So if you'll indulge me for a moment. Council Member  
4 Gibson, do you have any questions?

5 COUNCIL MEMBER GIBSON: [off mic] I  
6 don't.

7 CHAIRPERSON LEVIN: Okay, this is from  
8 the New School Report.

9 Recommendation 1: City Hall could devote  
10 more funds to care and education for children 0 to 4.  
11 City Hall could allocate new funds to improve  
12 staffing patters at the not-for-profit provider  
13 agencies, improve teacher pay, and cover the  
14 additional expenses explicit in the Early Learn  
15 vision of quality. That's recommendation number one.

16 Recommendation 2: City Hall and its  
17 agencies could begin to redirect existing funds to  
18 support Early Learn.

19 Recommendation 3: It must be City Hall's  
20 responsibility to prevent the ACS budget from being  
21 undermined by a unfunded and unpredictable mandate  
22 such as the rising cost of child care vouchers.

23 Recommendation 4: As part of the shift  
24 to a broader early education strategy, City Hall and  
25 ACS should intervene to prevent the loss of

2 experienced teachers to more highly paid UPK  
3 positions. And I know that you spoke about that and  
4 I am very much looking forward to the recommendations  
5 of the Task Force addressing that very serious issue,  
6 and I didn't go into it myself, but my colleagues.  
7 But this issue of pay disparity between the teachers  
8 in the UPK programs and the teachers of three-year-  
9 olds is a serious issue. And if not addressed, could  
10 serve to undermine the system. I know that you said  
11 that it would be likely addressed in the  
12 recommendations. I await that response.

13 Enrollment must this is Recommendation 5:  
14 Enrollment must be maintained at a substantially  
15 higher level that it is today if the Early Learn  
16 system is to remain sustainable. Step one is to  
17 improve the City's Centralized Referral system.

18 Recommendation 6: ACS should explore and  
19 implement ways to streamline the enrollment process  
20 for families seeking spots in Early Learn programs.

21 Recommendation 7: To make programs more  
22 attractive to working families, the administration  
23 should work with New York State to create a new and  
24 more appropriate fee scale for parents.

2           Those were--that was the recommendations  
3 and I'll quickly go through the recommendations out  
4 of the CCC Survey. Salaries must be increased for  
5 child care staff including salary parity with DOE.  
6 The rate must be adjusted according.

7           Second is the rate must do a better job  
8 of addressing disparate facility costs including  
9 rent. When they adjust those costs increase, the  
10 City should consider creating a capital fund to pay  
11 for repairs at child care centers so that these costs  
12 do not come out of the rate.

13           Number three, to ensure high quality  
14 classroom experience, the City needs to ensure that  
15 the rate is sufficient to enable agencies to invest  
16 in necessary classroom materials and technology. The  
17 City should consider using some of the State Smart  
18 Board funds for the purchase of technology for  
19 classrooms.

20           Four, the City should--the City needs to  
21 make adjustments to how insurance is paid for and  
22 provide for child care staff. Agencies need to be  
23 paid a rate that is high enough that they are able to  
24 purchase health insurance for all of their staff as  
25 well as for general liability insurance and workers'

2 comp. Furthermore, the City and the union must work  
3 together to ensure that the new union contract  
4 includes adequate salary and benefit for child care  
5 staff.

6           And lastly, the City should reconsider  
7 the current metrics for full enrollment and implement  
8 a reimbursement system that better ensures that  
9 agencies have funding for their fixed costs, as well  
10 as more certainty about their reimbursements so that  
11 they can better plan for their programs.

12           And this speaks to-- One provider  
13 suggested reimbursing at full if a program is at 85%  
14 or higher. Because one thing that we're hearing back  
15 as well is that if programs are under-enrolled, then  
16 they're under-funded. So they can't get--they can't  
17 get in front of the 8 ball, if you will. They're  
18 constantly stuck where they can't hire the teacher  
19 without the money front, but they can't get enough  
20 enrolled. And you can't enroll without the teacher.  
21 So those are the list of recommendations. I wanted  
22 you to hear them on the record here, and I look  
23 forward to working with you all and Commissioner  
24 Carrion as we move forward here. But I want to thank  
25 you for your time. You've been very patient. You

2 kept it for three hours here. So, you know,  
3 hopefully you can go have some lunch, and enjoy the  
4 rest of your afternoon. But I do think that a lot of  
5 these issues raised today warrant serious attention  
6 and we need to just-- There are certain things that  
7 we can't fix in 18 months or 12 months. They need to  
8 be fixed today. Thank you very much for your time.

9 COMMISSIONER VARGAS: Thank you.

10 CHAIRPERSON LEVIN: We will call up our  
11 first panel. Dr. Randi Herman from the Council of  
12 School Supervisors and Administrators; Kimberly Barry  
13 of the DC1707; and Mabel Everett of DC1707.

14 [Pause]

15 CHAIRPERSON LEVIN: Thank you very much.  
16 So we are--we have a three-minute clock, but-- So, is  
17 it three? Good. Thank you very much for your  
18 patience in this interview, the administrations  
19 testimony. I had question. And whoever wants to  
20 start can go ahead.

21 DR. RANDI HERMAN: Good afternoon. My  
22 name is Randi Herman and I'm the First Vice President  
23 of the Council of School Supervisors and  
24 Administrators. The collective bargaining unit is  
25 6,100 principals, assistant principals, supervisors,



2 and education administrators who work in the New York  
3 City public schools. And, most importantly today,  
4 200 directors and assistant directors who work in  
5 city subsidized centers for Early Care and Education.  
6 CSA also has nearly 6,400 retired school supervisors  
7 in its retiree chapter, and important for today, 112  
8 retired early childhood professionals have joined as  
9 well.

10           On behalf of President Ernest Logan and  
11 Executive Vice President Mark Cannizzaro, I thank  
12 Chairperson Council Member Levin and the members of  
13 this committee for the opportunity to be heard here  
14 today. As principals and administrators, we value  
15 Early Childhood Education. On the first day of  
16 school, classroom teachers easily recognize children  
17 who came from an early childhood education program.  
18 They are the children who raise their hands, wait  
19 their turn, respond to direction, and know how to  
20 line up. Early Childhood Education works for those  
21 families and children who are fortunate enough to  
22 find a seat.

23           Mayor de Blasio and this administration  
24 are to be commended for providing more than 53,000  
25 new pre-K seats this year. We all agree that this is

2 an auspicious beginning, and we are confident we did  
3 the right thing. But happens before Universal Pre-K?  
4 The answer to that question brings us to Early Learn.  
5 That's why we're here today. In New York City Early  
6 Learn launched by RFP in May 2011 became the ACS  
7 contracted Early Childhood Education Program--excuse  
8 me--program only available to those families that  
9 meet its eligibility requirements. You talked a  
10 great deal about that today. While CSA has  
11 consistently expressed support for the pedagogy  
12 behind Early Learn, we also believe that the  
13 financial structure that has deliberately and  
14 consistently under-funded Early Learn has compromised  
15 its chance for success. The self-funding requirement  
16 of 6.7% of operating costs combined with the  
17 unreasonably low market rate, the burdens of ACS  
18 eligibility requirements that's a 40-page eligibility  
19 book, folks. And the limited resources of community  
20 based organizations located in the poorest New York  
21 City communities brought this promising structure to  
22 its knees. Centers, as you've heard, often fail to  
23 achieve compliance with the quality standards of  
24 Early Learn due to an insufficient inconsistent  
25 operating budget. CSA members are hopeful that

2 beginning with this hearing we can begin a real  
3 conversation about building a successful continuum of  
4 Early Childhood Education not about how to run a  
5 successful small business.

6 Now, there are just a couple of things I  
7 have to clear up before we really get into this. You  
8 heard a lot of references today about the Mayor's  
9 Task Force. [bell]

10 CHAIRPERSON LEVIN: You can keep going.

11 DR. RANDI HERMAN: Okay. The Mayor's  
12 Task Force I'm not quite sure who's on it, but I can  
13 tell you CSA is not. It's 205?

14 KIMBERLY BERRY: [off mic] I think 1707  
15 is.

16 DR. RANDI HERMAN: 1707 is.

17 KIMBERLY BERRY: [off mic] And the  
18 Executive Directors.

19 DR. RANDI HERMAN: And the Executive  
20 Directors are, but CSA isn't. I just wanted to make  
21 that point. Now, we talked a lot about leases,  
22 negotiated acquisitions, things like that. Well,  
23 schools don't have leases. They're always a part of  
24 the community that they serve. There's a consistency  
25 and stability there, and I think we all agree that we

2 need that consistency and stability in order Early  
3 Childhood Education as well. Just think for a minute  
4 how many placements a child might have before they  
5 hit kindergarten. Definitely more than one. More  
6 than two, more than three. It could be four. So, I  
7 think we all agree upon one fundamental non-  
8 negotiable premise. Just as in Universal Pre-K and  
9 kindergarten, there has to be a seat for every child  
10 who wants one. The Mayor's Universal Pre-K expansion  
11 for 2014 included 53,604 seats, and 2015 and 2016  
12 that's projected to grow to 73,250. That doesn't  
13 translate into an Early Learn seat for every child  
14 that has a seat in Universal Pre-K. So there's  
15 something wrong with that formula. Council Member  
16 Wills suggested that a new tier, a category be added  
17 for eligibility to increase that pool. Not a bad  
18 idea but we have to decide whether or not we want to  
19 continue to invest in Early Learn.

20           President Obama recently reminded us  
21 during ceremonies marking the 50th Anniversary of the  
22 war on poverty that child's course in life should be  
23 determined not the zip code she's born in, but by the  
24 strength of her work ethic, and the scope of her  
25 dreams. I'm embarrassed to say that I heard this

2 morning that Early Learn does, in fact, say that the  
3 zip code can and does determine available seats. The  
4 RFP that's open right now to Friday actually  
5 identifies the zip code and the number of seats  
6 allocated. And I was gratified to hear ACS actually  
7 admit that that needs to be revisited, especially at  
8 a time when all across our city neighborhood  
9 demographics, as Council Member Reyes said, seems to  
10 change from week to week. Just ask any real estate  
11 agent. So that was really good to hear.

12           So, I have to point out that prospective  
13 families--and I mentioned it earlier--first have to  
14 meet with the center director to navigate a 40-page  
15 Early Learn eligibility manual. I can't even imagine  
16 that. Turbo Tax isn't that complicated. So, it's  
17 our position that this isn't the foundation upon  
18 which to build a continuum of quality Early Childhood  
19 Education. So, what do we do next? We have to first  
20 take responsibility and face the facts. Despite  
21 everyone's best intentions and most sincere efforts,  
22 the time has come to change course. The Early Learn  
23 model, as it was implemented, hasn't been successful.  
24 So where do we go from here? I think we all agree  
25 that whether Early Childhood Education is offered

2 within a public school or by contract through a  
3 community based organization, every child in every  
4 zip code is entitled to a recognized standard or  
5 quality and instruction and resources. I think we  
6 can also agree that eligibility should be based on  
7 nothing more than birth certificate and New York City  
8 residence. It's our collective responsibility here  
9 to be sure that every child is provided with the same  
10 educational opportunity and access independent of  
11 those zip codes.

12           We have to ask ourselves this question:  
13 Are we willing to accept less for our youngest  
14 children than we demand for our school age children?  
15 If the answer to that question is no, then we look to  
16 the New York City Department of Education that has  
17 one responsibility only, the education of the  
18 children of the City of New York. From Universal  
19 Pre-K to high school, the Department of Education is  
20 responsible for the education of every child in this  
21 city. There aren't any other competing priorities in  
22 its portfolio. If we believe that Early Childhood  
23 Education is education, then it must come under their  
24 jurisdiction. The common sense solution here is that  
25 education is best left to the educators.

2           Now, before I close, I have one comment  
3 to make about the market rate and parity. New York  
4 City teachers under the UFT, the CSA principals and  
5 assistant principals and education administrators  
6 under the CSA have successfully negotiated contracts  
7 with the City of New York. We represent Early  
8 Childhood members as well. Why should they settle  
9 for less? I'll be happy to answer any question.

10           CHAIRPERSON LEVIN: Well, thank you very  
11 much, Dr. Herman. I appreciate your testimony, and I  
12 appreciate, and I know we all appreciate the work of  
13 your members in this difficult task of keeping this--  
14 their programs and thereby the whole system afloat  
15 when--extending the metaphor the boat has leaks.  
16 And, I just--I think that it's--I'm very disappointed  
17 that CSA has no representation on that--on that Task  
18 Force because obviously you bring an important and  
19 central perspective to these conversations these  
20 discussions. And certainly the issue of the  
21 Department of Education is something that we should  
22 be exploring.

23           DR. RANDI HERMAN: They do a very good  
24 job of administering all the UPK contracts.

2 CHAIRPERSON LEVIN: Right. But again, we  
3 just--we thank you very much for, and certainly  
4 acknowledge the dedication of your members because as  
5 we all can see they're not in it for the money.  
6 They're in it for the love of the children, and  
7 making sure that they have quality childhoods and  
8 grow to be outstanding citizens. So we want to  
9 express our appreciation.

10 DR. RANDI HERMAN: Thank you.

11 CHAIRPERSON LEVIN: Thank you very much.  
12 Speaking of the UFT, by the way, we neglected to call  
13 up Jeremy Hoffman on behalf of the UFT as part of  
14 this panel. I would like to do that now.

15 [Pause]

16 KIMBERLY BERRY: Good afternoon. My name  
17 is Kimberly Berry. I'm the Director of Day Care Head  
18 Start for District Council 1707. I am pleased that  
19 the General Welfare Committee is having today's  
20 hearing, and ask pertinent questions regarding  
21 resumption of RFPs for Early Learn vendors. District  
22 Council 1707 representatives that represent thousands  
23 of public center based day care centers and Head  
24 Start employees. These are employees who have served  
25 our children and families in community based non-



2 profits and helped create the nation's most  
3 comprehensive and respected child care network. I  
4 worked in the system for over 30 years, and I know  
5 how it was effective for the families we service,  
6 providing safe, affordable and quality care that was  
7 solely needed then and now.

8 I am pleased to speak to you today  
9 regarding my union's position on Early Learn. As  
10 much as the previous administration proposed and  
11 implemented Early Learn, it becomes the schools  
12 [sic]against our children, parents and the works who  
13 were charged to implement it. I will attempt to keep  
14 my remarks plain and simple. When the Bloomberg  
15 Administration used Early Learn to relentlessly strip  
16 long-term dedicated community based organizations  
17 with some inexperienced and union vendors, a number  
18 of whom lack the necessary standards and credentials  
19 to even open shop. The Union hopes that ACS' focus  
20 on providing safe, affordable, quality child care to  
21 the children and parents of New York City. The  
22 Bloomberg plan was the first step to eventually  
23 decrease public funding of unionized public center  
24 based child care. The Bloomberg Administration  
25 created questionable standards of selection for their

2 vendors. It was to the credit of the City Council  
3 that resisted the hypocrisy of the previous  
4 administration and too a rare heroic stance to save  
5 public center based day care in the five boroughs and  
6 restore funding to the scores of centers that would  
7 have been lost otherwise. We continue to commend the  
8 General Welfare Committee and the entire Council. It  
9 is hoped that the body can work together with the  
10 Administration to provide continuation of the  
11 dedicated vendors who have serviced their communities  
12 for years. And not attempt to replace them with for-  
13 profit and greedy vendors who have little care for  
14 our children, and lack the progressive vision that  
15 will also respect the workers who daily service our  
16 communities and our families. [bell]

17 CHAIRPERSON LEVIN: Thank you very much,  
18 Ms. Berry.

19 KIMBERLY BERRY: I would just like--I  
20 would just like to add two things before--in closing.  
21 In terms of what was mentioned here today about in  
22 negotiations, we are currently no in negotiations for  
23 a contract. So, I think that was mentioned by ACS  
24 that they are currently negotiating. We are not  
25 currently in negotiations, one. And in terms of the

2 RFP, which is due on Friday at 2:00 p.m. as they  
3 clearly stated in here, and they're stating that the  
4 vendor, the providers are returning them without any  
5 difficulty. They are having problems, and some of  
6 them don't know who to contact, and they cannot  
7 contact their colleagues because their colleagues are  
8 afraid to provide them with information because they  
9 think it's a competition. So in terms of being  
10 Friday at 2:00 p.m. that may be a little difficult.  
11 And think the question--I think the question that you  
12 asked them was that if they don't provide the RFP on  
13 Friday is that it? And they said yes. So that's  
14 going to be kind of difficult for some of our  
15 providers.

16 CHAIRPERSON LEVIN: And I think--and  
17 that's why I asked the question is I wanted to make  
18 sure that every provider has at least something so  
19 that-- Because, you know-- And as you mentioned in  
20 your testimony, we at the Council had to--felt the  
21 need to step in during the budget to rectify some of  
22 these awarding issues that came out of Early Learn. I  
23 know I had multiple ones in my district, and this is  
24 serious stuff. I mean programs that were operating  
25 for 40 years have lost their contract. And, when the

2 Council-- Lost their contract, and lost their sites,  
3 too--

4 KIMBERLY BERRY: [interposing] Yeah.

5 CHAIRPERSON LEVIN: --to other  
6 organizations. And, when the Council did that, it  
7 was--it turned out that system actually worked pretty  
8 well. You know, the Council funded program outside  
9 of Early Learn from the provider's perspective I  
10 think was not as onerous. You know, and obviously  
11 they were maintaining the same standards. But  
12 having, you know, in terms of funding it was based on  
13 the old model, which was they were funded at a flat  
14 rate, and constantly at enrollment level. So, yes,  
15 I'm very concerned that after having gone through two  
16 years of providing funding for these programs, they  
17 would be out on the street again. And that's not an  
18 acceptable scenario. So I want ACS to be aware that  
19 every program-- You know, that there's support  
20 services out there, and that they're--that they're  
21 doing them. So, if they're--and the proof is in the  
22 pudding. So if there are programs are not submitting  
23 proposals by Friday, then that's something that we're  
24 going to have to deal with on a larger issue. And  
25 it's going to involve the entire Council.

2 KIMBERLY BERRY: Okay.

3 CHAIRPERSON LEVIN: But thank you. I  
4 want to say just really quickly how much I appreciate  
5 your members work and their dedication because just  
6 like the members of CSA, they're not in it for the  
7 money either. They're in it for the service, and we  
8 at the Council truly appreciate your members' work.

9 KIMBERLY BERRY: Thank you.

10 DR. RANDI HERMAN: To clarify, CSA isn't  
11 in negotiations either, although we did send a letter  
12 to Day Care Council as required for the expiration of  
13 the contract indicating that we were ready to sit  
14 down for collective bargaining. And from all  
15 accounts, Day Care Council has unsuccessfully tried  
16 to engage the City of New York in talks around those  
17 negotiations, but we sit and we wait.

18 CHAIRPERSON LEVIN: Well, hopefully, the  
19 recommendations from the Task Force will be that the  
20 contract with CSA and 1707.

21 MABEL EVERETT: Excuse me. Good  
22 afternoon, my name is Mabel Everett, the President of  
23 Local 205 of District Council 1707. I truly want to  
24 thank the Councilmen for saving the 60 centers that  
25 they did save. And I sat here today, you know, we

2 have all the features that we want. But I think that  
3 you all basically covered all of our, most of our  
4 issues. To sit here and list to ACS again with all  
5 of this rhetoric of everything that they have done,  
6 and being a President, I now see and listen to the  
7 center based situations, and want to have RFP. There  
8 is such an assumption in the centers.

9           At one time when they mentioned that the  
10 ones who read are the consultants and used to work  
11 for ACS, I don't know why they're even in place in  
12 the first place. And let us keep our ed consultants.  
13 I know. I taught at a day care center for 34 years,  
14 and my site was taken over. On assessment we always  
15 got 100. We met with all the compliance, and when I  
16 hear them talk about the different standards, all of  
17 our teachers in day care are masters teachers, and  
18 they're not babysitters. So we get tired of them  
19 putting us down time and time again for nonsense.  
20 It's not there. It's not working. Now, we're having  
21 a problem with the different salaries. We have  
22 teachers that in the UPK who's getting one salary,  
23 and a teacher next door with credentials and may have  
24 more than that teacher and their salary different.

2           We need to go back to the table so we can  
3 negotiate for this piece as we've had, as we've  
4 always had UPK. For the last nine or ten years, and  
5 it worked out fine, but we had a full day and it  
6 didn't end at 2:20. We have parents who now move  
7 their children over to the Board of Ed but they have  
8 the problem with after school. And then we have the  
9 parents who are keeping their children there, but  
10 they have to pay a fee. These are things that need  
11 to be cleared up as soon as possible. And hopefully  
12 that the Council in the past will help us. And the  
13 other piece is when they're saying that the  
14 discretionary centers they're now in competition  
15 again because it's opened up to everybody, I don't  
16 think that's very fair. We have proven ourselves.  
17 We are experienced, and we would like to stay and  
18 keep day care centers open. Thank you.

19           CHAIRPERSON LEVIN: Thank you very much,  
20 Ms. Everett. And again, that's certainly the concern  
21 and I think that the proof is going to be in the  
22 pudding on who's applying for this current RFP. I'm  
23 concerned, and I've expressed this concern early on  
24 that having just a wide open RFP we would see the  
25 same thing that we saw the first time around where

2 larger providers came in. We were able to hire  
3 consultants to write their proposals with a lot of  
4 bells and whistles, and take over sites. I'm  
5 awaiting what we're going to see on Friday, but it's  
6 my hope that they'll be some-- Certainly some  
7 collegiality within the program so that some programs  
8 aren't coming in and trying to take over other  
9 programs' spots.

10 MABEL EVERETT: [off mic]

11 CHAIRPERSON LEVIN: Okay. But thank you  
12 again for your testimony and for your service. Mr.  
13 Hoffman.

14 JEREMY HOFFMAN: Hi, good afternoon. My  
15 name is Jeremy Hoffman. I'm the Director of Child  
16 Care Policy at the United Federation of Teachers, and  
17 it's nice to sit at the table once again with my  
18 colleagues and labor who in different ways we're all  
19 struggling with many of the same issues. If I could  
20 just take a brief moment and explain family child  
21 care, which was often a little--it gets a little  
22 overlooked in here given the complexity of the center  
23 dynamics and just the totality of the issues.

24 Family child care providers, which are  
25 the members of UFT can care for--for those that are



2 in the Early Learn system can care for up to 14  
3 children. They have assistants. They work at many  
4 child care centers. I think there have been some  
5 characterizations in the workforce by ACS earlier  
6 that wasn't quite accurate as it relates to the  
7 portion of the workforce that is in Early Learn.  
8 These are licensed and registered providers. Those  
9 are the only ones that are allowed to be in Early  
10 Learn. These are not the providers that are  
11 employing caregivers in the city as well. But are  
12 currently excluded from Early Learn participation.  
13 Our providers who are effective in the Early Learn  
14 system affiliate with what's called a family child  
15 care network. Pre-Early Learn, these family child  
16 care networks used to be 60 odd number of them, 60  
17 and above. They are much smaller community based  
18 organizations. One of the things that happened in  
19 Early Learn is the City contracted with a number of  
20 family child care networks, about 28. And in almost  
21 all cases except one or two, they're actually sub-  
22 entities of the child care centers. So what this  
23 means is that they are interwoven and their finances  
24 are interwoven with the child care centers. And I'm  
25 going to get back to interwoven with the finances.

2           Since the implementation of Early Learn,  
3 many of our issues it seems have just gotten worse as  
4 it relates to not all, but a number of the family  
5 child care networks. There were issues before Early  
6 Learn, and they've deepened. And I'm not going to go  
7 through all of the issues. We don't have really that  
8 time. I've listed a number of them in my testimony,  
9 but let me just highlight a couple. Providers in  
10 the-- affiliated with the Early Learn Family Child  
11 Care Network are almost uniformly paid less than  
12 market rate. The market rate is determined bi-  
13 annually by the State of New York in accordance with  
14 federal law. The City of New York is one region. So  
15 the market rate in the City of New York is different  
16 than the market rate Upstate, the Southern Tier or  
17 whatever it is. The city as a whole is one region.  
18 According to Federal Rules, that's supposed to be the  
19 federal rate of pay for home based family child care  
20 providers. The rate that the City pays the Family  
21 Child Care Network in almost all cases is higher than  
22 the market rate. But, nonetheless, our members,  
23 family child care providers, are paid less than the  
24 market rate. And that's a problem, and it's a  
25 deepening and worsening problem. Incidentally, I

2 should mention that we represent every family child  
3 care provider in the City of New York who serves and  
4 subsidizes children. We don't bargain with the city,  
5 in the case of the experience [sic] with our  
6 colleague right? [bell]

7 CHAIRPERSON LEVIN: You can keep going.

8 JEREMY HOFFMAN: Okay, thank you. I'm  
9 happy about that. We bargain with the state.  
10 However, these--our workers are independent  
11 contractors. They are affiliated Family Child Care  
12 Network. They are not employees of the Family Child  
13 Care Network. That is why we bargain with the state.  
14 I think that's just a very important distinction to  
15 make. So in addition to the providers being paid  
16 less than their monthly rate, and that can be either  
17 because of the rate itself, the base rate is lower.  
18 There are also many networks that add on additional  
19 fees. So it further depresses the needs of the  
20 family child care providers, who are already even at  
21 market rate are the lowest paid early educators that  
22 we have in the state. We continue to be plagued with  
23 a significant problem of erratic payment to  
24 providers. Networks, and this is once again not all  
25 networks. There are some outstanding networks in the

2 city. So I don't want to cast--cast too broad of a  
3 brush. But there are a number of networks that do  
4 not pay on time. They delay it a day or two or  
5 weeks. We dealt with a network that went six weeks,  
6 six weeks without paying their providers. It was  
7 probably over 100 providers. It's just outrageous.  
8 These are early educators. These are workers. They  
9 are low-income workers that are struggling to pay  
10 their bills, and then to have a network that goes--  
11 I couldn't live without a pay check for six weeks. I  
12 would end up having court, and a number of our  
13 members dealing with eviction proceedings.

14           The relationship between the family child  
15 care provider and a network should be delineated in a  
16 written affiliation agreement. And that's important  
17 and that agreement should stipulate some basic things  
18 like rate of pay, what are the fees, policy,  
19 procedures. All those issues. Many of our providers  
20 do not have written affiliation agreements. Many  
21 providers have reported to me they might have a  
22 written affiliation agreement. They were told to sign  
23 it on the spot. They were not allowed to take it  
24 home to review it. They were not given a copy of it,  
25 and have struggled, struggled to get a copy of their

2 agreement with the network. I mean these are just  
3 pretty sleazy labor practices. Once again, not all  
4 networks, but there are clearly some networks.

5 CHAIRPERSON LEVIN: Which I'll find if  
6 you can tell which ones they are.

7 JEREMY HOFFMAN: Yeah, right, absolutely.

8 CHAIRPERSON LEVIN: I'll find them.

9 JEREMY HOFFMAN: But some of these  
10 networks are not the smaller. Some of them are  
11 single--single service, single borough child care  
12 entities. Some are very established multi-borough,  
13 multi-type service entities. So they really do run  
14 the gamut and the ones with the problems.

15 The last thing I'll mention as a problem  
16 is a very shifting cost burden for the family child  
17 care provider from the networks. Where we see that  
18 happening most primarily is with a number of networks  
19 requiring that the family care providers to indemnify  
20 the network in their insurance policies. So if  
21 you're a family child care provider and you work from  
22 home, you should have insurance. And insurance to  
23 cover your assistants and cover your place of work.  
24 There is no reason why it should cover the network,  
25 which is a different place of work. If something

2 happens to the child in a network, then the network  
3 offices they should be covered by the network policy.  
4 This actually increases the insurance rate, the  
5 insurance costs for a provider. It is actually  
6 freeloading on the insurance policies of the lowest  
7 paid workers. It is nonsensical. It is crazy. It  
8 is a new practice that we have not experienced prior  
9 to Early Learn.

10 I think the reason, and there are a  
11 number of other issues and you can review them later.  
12 I think what's happening here is that the networks  
13 are now part of the centers. Their finances are  
14 interwoven. So, to the extent that there is under-  
15 enrollment in the center, to the extent that the rate  
16 paid to the center is insufficient, and we've heard a  
17 lot about that. To the extent that it all [sic]  
18 happens that puts financial pressure on the center.  
19 They have to balance their budgets. They are  
20 literally, not all, but a number a literally  
21 balancing their budgets, or to a great extent the can  
22 balance their budgets on the backs of their lowest  
23 paid workers. Hence the shipping costs. Hence the  
24 underpayment of providers. And this is a real--a  
25 real point of concern for the workforce. It is

2 making it incredibly challenging for many workers to  
3 make their means--to make ends meet. The financial  
4 solvency of the Family Child Care model is really at  
5 risk. And something we should think about because if  
6 we lose Family Child Care, and something that we  
7 heard ACS mention a couple of minutes ago, that is  
8 disproportionately the source of care for infants and  
9 toddlers. There will eventually--I'm not saying now--  
10 -but eventually be a crisis in assisted care for  
11 parents.

12                   So just real quickly I know this is long,  
13 but not that long, our recommendations are as  
14 follows:

15                   We have spent a lot of time in our  
16 negotiations with the State, and I recently concluded  
17 contract negotiations to build in right to protect  
18 the Family Child Care providers that are affiliated  
19 with networks. I've listed them all in the  
20 testimony. I think it's a starting point for any  
21 discussion about the Early Learn and reforms and  
22 making the system work better is honoring, respect,  
23 and incorporating those rights. And that issue--  
24 those rights deal with a lot of issues of fairness,

2 financial transparency, written affiliation  
3 agreements, and things along those lines.

4           Secondly, I am deeply concerned that ACS  
5 does not have all the accountability that we even  
6 read in the contracts. [sic] If anything like that  
7 is true, then ACS would have been horrified,  
8 generally horrified that there was a network that did  
9 not pay providers for six weeks. And they are good  
10 people in ACS and they are frustrated. They knew the  
11 problem. They got. It still took six weeks to  
12 resolve. We waived the issue after one week. So  
13 clearly they have a problem with contracts. Clearly  
14 there is an inability of the city to intercede  
15 appropriately and efficiently. So I think that needs  
16 to be examined.

17           Thirdly, we believe very strong in the  
18 City respecting the rights of parents to choose the  
19 care that best fits their needs. We've heard a lot  
20 about that. And I know that that's a contentious  
21 idea for the City. It means you have existing room.  
22 However, it is federal law. And the reason that's  
23 especially a concern for is as the city eliminates  
24 ACS vouchers, it requires more parents to access care  
25 through the contracted system. And if that



2 contracted system that is paying providers less and  
3 less, providers feel like, our members feel like  
4 they're being forced into a system that is depressing  
5 their wages. You make more money with a voucher.  
6 These are paid the market rate. So unless the  
7 payment is figured and all these other problematic  
8 financial practices are cleaned up--and we hope that  
9 will happen with Randi, [sic] Vera [sic] and I on the  
10 Task Force that the Mayor convened and happy to do  
11 so. It's hard for our members to actually engage in  
12 conversation about what we consider to be steerage  
13 and a violation of parents' choice.

14           And the last thing I'll say is we do  
15 think that it's incumbent on the city to conduct a  
16 financial stress test of networks. The fact that  
17 they are having trouble meeting payroll from month to  
18 month is a problem. And I would contend and UFT  
19 would content these are probably entities that the  
20 City should not be contracting with. It's just basic  
21 financial management. It's financial resources and  
22 it's having very transparent financial practices.  
23 That said, we are thankful once again Council Member  
24 for your diligent attention to this issue. We are  
25 excited about the Mayor. We are excited about the

2 UPK expansion. We are excited with the Mayor's  
3 focus, and it includes also the child care sector.  
4 We are thrilled with the change of command with the  
5 administration, that this administration engages  
6 stakeholders in a constructive dialogue about this.  
7 And we are confident that we're going to be able to  
8 work together with our colleagues at the table and  
9 the city to resolve these issues. So that there is  
10 more fairness to the providers, more access to child  
11 care for parents, and increased quality of child care  
12 for the children. Thank you.

13 CHAIRPERSON LEVIN: Thank you very much,  
14 Mr. Hoffman. We're going to be sending a follow-up  
15 letter to ACS to inquire about some of these issues,  
16 and I apologize for not raising them during the  
17 questioning of the administration. I was noticing  
18 that it had gone on for three hours and that was  
19 good, but they were eager to leave. But we'll be  
20 doing follow-up questions around this issue.

21 One thing that did come up in the  
22 hearing, the testimony from the administration was  
23 that there's been a decrease in the number of  
24 enrolled, the enrollment over last year in FCCs.

25 JEREMY HOFFMAN: They said 900.

2 CHAIRPERSON LEVIN: Sorry?

3 JEREMY HOFFMAN: They said 900.

4 CHAIRPERSON LEVIN: 900 right, right.

5 JEREMY HOFFMAN: Yeah, but I just--well  
6 that's a fairly insignificant number in terms of the  
7 overall system for that individual family child care  
8 provider that could put you out of business.

9 CHAIRPERSON LEVIN: Right.

10 JEREMY HOFFMAN: Right. So I just kind  
11 of wanted to say that.

12 CHAIRPERSON LEVIN: It's significant in  
13 the sense that you know it's still-- I don't know  
14 about 1/7th over. You know, it's like--

15 JEREMY HOFFMAN: [interposing] And  
16 there's still 900 children--

17 CHAIRPERSON LEVIN: Right.

18 JEREMY HOFFMAN: --that could be doing  
19 child care. And I was stunned by it because what  
20 I've been hearing reports for the last couple months  
21 is parents who have been--who have received an  
22 eligibility termination letter from ACS are told that  
23 they have to go to an Early Learn Center Network to  
24 receive care. To decide whether the spirit is good

2 or not good, call these centers and the centers tell  
3 these parents, we are--we're at capacity.

4 CHAIRPERSON LEVIN: Uh-huh.

5 JEREMY HOFFMAN: So it's a little bit  
6 because bear in mind that if you're a network and if  
7 you have maybe a contract to fill the slots, and you  
8 have 600 slots for them to fill, you know if you're a  
9 parent with that eligibility termination letter, that  
10 network can't take you, right, right. Because that  
11 would be one, only one spot. Even though the  
12 capacity exists within the Family Child Care  
13 provider's home with lots of spots available. I  
14 think this is an issue, and I think it warrants  
15 deeper analysis. I think this goes back to the issue  
16 of is the child care availability geographically  
17 where the need is? One thing under Early Learn is  
18 the networks is whether the sense of--wasn't the case  
19 prior to Early Learn at least in the formal is those  
20 networks have a geographic service area. So they  
21 said if you're a parent, and you have an eligibility  
22 termination letter from ACS, but you live in the zip  
23 code, and go to that network and it's full, then  
24 you're done. Maybe you can try to find a network,  
25 and this is probably true for some as well, you know

2 where you work. But the geographic access and we all  
3 know with transportation limitations how hard that  
4 can be. So parents are really bearing the brunt of  
5 that.

6 CHAIRPERSON LEVIN: Thank you. It was a  
7 very moving testimony.

8 DR. RANDI HERMAN: And just to his point  
9 where we were discussing the decrease in numbers of  
10 slots and the barriers to enrollment, ACS cited  
11 Universal Pre-K as their factor. There was a small  
12 group that was convened to explore those barriers.  
13 What we found was most disturbing. Parents were  
14 being told when they came to say the Nicholas Cardell  
15 Day Care Center Vermilyea Avenue that there was a UPK  
16 spot for them, but they had to be eligible for the  
17 Early Learn to get it.

18 CHAIRPERSON LEVIN: Right.

19 DR. RANDI HERMAN: That was pulled back  
20 after several weeks, several months. If I was a  
21 parent and I got that word in September, I'd find  
22 myself another place. I didn't come back to the  
23 Nicholas Cardell Day Care Center. So they were left  
24 with an empty Pre-K seat and an empty Early Learn  
25 seat. Now, if the empty Universal Pre-K seat was

2 filled by a UPK eligible child not eligible for Early  
3 Learn, reimbursement was \$10,000. If the seat was  
4 filled with a child that was Early Learn eligible the  
5 reimbursement was \$3,000 more. Which would you  
6 incentivize?

7 CHAIRPERSON LEVIN: Right, right. And  
8 now, we're going to ask that question as well in our--  
9 --in our follow up, to the Commissioner. Thank you  
10 very much. Thank you very much to this panel, and  
11 gain thank you to all of your members for the good  
12 work that they do and for their dedication.

13 [Pause]

14 CHAIRPERSON LEVIN: Okay, we're going to  
15 call up the next panel. It's going to be a large  
16 panel, a five-member panel starting with Stephanie  
17 Gendell, Citizens Committee for Children; Lisa  
18 Caswell, Day Care Council of New York; Gwen  
19 McEvelley, Head Start Sponsoring Board; Sandra Katz,  
20 JCCA; and Shayna Williams, Episcopal Social Services  
21 of New York.

22 [Pause]

23 CHAIRPERSON LEVIN: Oh, you have to turn  
24 on the mic.

2 SHAYNA WILLIAMS: Good afternoon. My  
3 name is Shayna Williams. I'm an Ed Director from  
4 Episcopal Social Services. Thank you, Chair Levin,  
5 and members of the New York City Council Committee on  
6 General Welfare for the opportunity to provide  
7 testimony on Early Learn. Episcopal Social Services  
8 runs high quality early childhood education and youth  
9 development and communications and family wellbeing  
10 programs in New York City's highest new communities.  
11 Positively impacting nearly 20,000 people annually,  
12 our Early Childhood Education programs serves over  
13 1,400 children ages 0 to 5 in 11 centers in Bronx,  
14 Manhattan, Queens and Brooklyn. We strongly support  
15 the goals for Early Learn as it represents a critical  
16 intervention the lives of young children. It is  
17 imperative that youth are able to access high quality  
18 education that strengthens their academic, social and  
19 physical development. And we are pleased to be a  
20 part of the City's growth and innovations in this  
21 area. In addition to the positive effect of Early  
22 Learn on children it also supports the entire family  
23 unit by provide and effective Early Childhood  
24 Education option for low-income parents.

2           Given our successes in dramatically  
3 advancing the development of children, and  
4 positioning them for long-term achievement, we are  
5 deeply interested in promoting Early Learn's future  
6 sustainability.

7           Instructional Quality: We are placed to  
8 see Early Learn's evolution toward the Head Start  
9 model, a program that we have run for several years.  
10 Head Start requires a comprehensive array of services  
11 in order to fully serve the child and the family,  
12 which is nationally recognized as two-generation  
13 approach. However, the funds allocated to implement  
14 the Early Learn program are not sufficient to  
15 adequately staff the program with vital specialists  
16 such as family service coordinators, family service  
17 workers, health service coordinators, mental health  
18 coordinators, nutritionists and education  
19 coordinators. Even after we pay for these vital  
20 roles out of our general operating budget, our  
21 resource constraints still result in staff members  
22 being over-stretched. For instance, the Office of  
23 Head Start recommends one family service worker for  
24 50 families. Yet, our caseloads are over 100  
25 families per family service worker. Consequently, we



2 are unable to maximize a quality relationship with  
3 families while adversely affecting our staff morale.

4           Early Learn's funding issues extended to  
5 salaries and professional development for staff. Our  
6 Early Learn salaries are not commensurate with the  
7 level of effort or impact by our staff members. In  
8 addition to lower paid for certified teachers, the  
9 rates for other staff are more appropriate for  
10 custodial day care than an educational focused  
11 program. Early Learn funding cannot cover necessary  
12 components of a high quality program from providing  
13 ongoing staff development to installing necessary  
14 support positions and assessing educational  
15 technology. We have attempted to counter the  
16 situation by directing private fundraising in a small  
17 annual drawdown from our endowment toward salary  
18 enhancements. The Early Learn salary for a master's  
19 level certified UPK teacher is \$39,000 yet we use  
20 organization funds to increase the salary to \$42,000.  
21 [bell]

22           CHAIRPERSON LEVIN: Keep going.

23           SHAYNA WILLIAMS: Although this salary is  
24 slightly more competitive, it's still significantly  
25 lower than the DOE average of \$50,000. The situation

2 is exacerbated by the recent increase in salaries for  
3 DOE Universal Pre-Kindergarten teachers. Salary  
4 differentials have resulted in the loss of several  
5 qualified teachers, placing centers at risk and  
6 forcing us into a constant cycle of hiring, training  
7 and turnover due to competition. Although we like  
8 other Early Learn providers are receiving funds to  
9 increase the salaries of selected UPK teachers, we  
10 still face the challenge of disparate salaries within  
11 sites. Having two qualified teachers in side-by-side  
12 classrooms with one making more than the other is  
13 leading to lower morale in an already unlevel playing  
14 field.

15           In addition to staffing our programs with  
16 high quality educators, we need to prepare our  
17 children to compete in the 21st Century. This  
18 strategy requires a significant investment in  
19 technology and the quality of the teaching  
20 environment. These enhancements are particularly  
21 valuable for special needs children who can benefit  
22 from differentiated teaching methods that are  
23 valuable through technology. Unfortunately, the  
24 Early Learn rate is not sufficient to pay for any  
25 problematic enhancements. As a result, we have used

2 our organization general operation funds to pay for  
3 Teach Smart White Boards, class and computers and  
4 other investments that are necessary to meet the  
5 demands of our rigorous curriculum.

6           In spite of the demonstrated value of  
7 such enhancements are significant costs above the  
8 Early Learn rate creating an untenable situation and  
9 jeopardizing our entire Early Learn effort  
10 facilities. Our resources are further strained by  
11 exorbitant facility costs. The majority of our  
12 program sites are located in old NYCHA facilities  
13 that are littered with a myriad of issues. Varying  
14 problems ranging from unforeseen gas leaks to pipe  
15 damage occur on a daily basis. If these issues are  
16 not immediate remedied, the site can be placed out of  
17 compliance with the DOH or FDNY. In spite of our  
18 best efforts to maintain the quality of our sites,  
19 these random and laborious events have led to repair  
20 costs, staff overtime, violations and tribunals that  
21 cost our organization thousands of dollars.

22           We urge the City to consider a capital  
23 fund that pays for repairs at child care centers.  
24 Facility considerations should be limited to base  
25 repairs. In line with our aforementioned points

2 about the teaching environment, it's important that  
3 Early Learn funding provides for technological  
4 upgrades. For example, our sites are located in  
5 buildings that are not constructed to support the  
6 wiring necessary for Wifi. Given the critical  
7 importance of Internet access for instructional  
8 efforts, communications, and data management, we  
9 strongly recommend funding in Early Learn in the NYCHA  
10 budgets to upgrade the technology infrastructure of  
11 the facilities.

12                   Other Sustainable Concerns: The  
13 retention of highly qualified staff is a paramount  
14 importance for ongoing pragmatic impact and financial  
15 stability. In addition to hire low wages to account  
16 for salaries and instructional enhancements, it's  
17 important that funding allows for health insurance to  
18 be purchased for all staff. This includes general  
19 liability insurance and workers' compensation.  
20 Please note there's a typo here. At ESS half of our  
21 staff, 49 out of 97 staff members were forced to opt  
22 out of health insurance because they could not afford  
23 the employee contributions. When coupled with the  
24 difficulties faced by staff members by virtue of  
25 lower salaries, the overall compensation situation is

2 a cause for alarm. We hope the new Union contract  
3 will include a level salary and benefits that is not  
4 only competitive for staff members, but also  
5 reflective of their tremendous on your lives.

6           Additionally, Early Learn's enrollment  
7 stipulations have disrupted the continuum of care.  
8 The current reimbursement system leads to a cost and  
9 sense of uncertainty because they are tied to  
10 enrollment requirements that do not reflect the  
11 reality in which we operate. Enrollment currently  
12 has three categories: Head Start, 50%; Dual, 30%;  
13 Child Care, 20%. However, the actual needs of  
14 families will vary on a community-by-community basis  
15 forcing us to enroll children by quota rather than  
16 necessity. We recommend Early Learn adopt metrics  
17 that are more flexible and aligned with each  
18 provider's community of operation, which would create  
19 stronger freedom for their program's operation.

20           Chair Levin and the Committee, we thank  
21 you for your interest in advancing the development of  
22 the city's youngest children. We have seen that  
23 investment in Early Childhood Education leads to  
24 significant gains for not only the children but also  
25 their families, communities, and the city at large.

2 We hope the City Council will act on our  
3 recommendations to strengthen Early Learn, and we  
4 look forward to working with you to build a brighter  
5 future for our city's children. Thank you.

6 CHAIRPERSON LEVIN: Thank you very much  
7 for your testimony. And if I could ask when-- I'm  
8 not going to cut folks off when the--after three  
9 minutes, but if you could after three minutes, after  
10 the buzzer work on summarizing a little bit because  
11 we do--I do have to be out at 2:30. We have one more  
12 panel after you.

13 GWEN MCEVILLEY: Okay. My name is Gwen  
14 McEvilley and I'm the Director of the Head Start  
15 [bell] Sponsoring Board Council--

16 CHAIRPERSON LEVIN: [interposing] Not  
17 that buzzer. Thanks.

18 GWEN MCEVILLEY: --organized to be a  
19 liaison between the Administration of Children's  
20 Services the Head Start Delegate agencies. We also  
21 represent the Head Start workers in the Collective  
22 Bargaining Unit. The Head Start program is a program  
23 of the United States Department of Health and Human  
24 Services that provides comprehensive education,  
25 health, nutrition and parent involvement services to

2 low-income children and their families. The program  
3 services and resources are designed to foster stable  
4 family relationships, enhance children's physical and  
5 emotional wellbeing and establish an environment to  
6 develop strong cognitive skill. But we all know that  
7 Head Start is so much more than that. Educating a  
8 Head Start child educates the entire family. Our  
9 programs have successfully been doing this since  
10 1965.

11           The premise of Early Learn is good. The  
12 execution not so much. The problem is funding. The  
13 rate doesn't cover any of the major cost increases  
14 that our agencies have faced. For example, agencies  
15 now pay the pension, medical insurance, long and  
16 short-term disability, life insurance, and workers'  
17 compensation. The cost accounts for at least 30% of  
18 the bottom line, but agencies start out at only 93%  
19 of their total budgets to begin with. Everything is  
20 no in the rate as ACS says. ASC Head Start agencies  
21 have a mere 73 cents per child to cover the cost of  
22 healthcare after the central insurance plan stops  
23 covering employees. Head Start employees waited over  
24 two years to receive their 2012 COLA of 0.72%, and  
25 there has been no increase in the rate covering the

2 salaries going forward. We still await the 2014 COLA  
3 of 1.3%.

4           As stated in the Analysis published in  
5 the summer of 2014 by the Center for New York City  
6 Affairs at the New York School when Administration of  
7 Children's Services announced its contract awards in  
8 May 2012, it became clear that the new approach would  
9 cause a massive upheaval in the system. Dozens of  
10 small programs were eliminated despite the fact that  
11 they were experienced quality programs. The funding  
12 allotted to the initiatives was not adequate for the  
13 grand scope of its vision. The remaining small  
14 programs suffer the most. The new system expected  
15 them to adopt more rigorous standard, many of which  
16 have not existed in the Head Start mode while giving  
17 less money per child. Indeed, the mismatch between  
18 funding and expectations has turned out to be the  
19 initiative's biggest stumbling block.

20           A result of a poll that I took yesterday  
21 of our agencies suggested the following to ACS. In  
22 order for agencies to continue to run high quality  
23 programs, [bell] the rate needs to be substantially  
24 increased. Quality costs money in terms of qualified  
25 staff and great facilities in order to create the



2 best learning environments for children. Improved  
3 communication between ACS and the contracted agencies  
4 by truly supplying support to the agencies. Agencies  
5 receive mixed messages from ACS, and find it  
6 distractive when they are asked the same information  
7 from a number of different ACS department. The  
8 increase in paperwork is at 50% since the  
9 implementation of Early Learn. This reduces program  
10 productivity. We have to make sure that staff is  
11 concentrating on children and families and supporting  
12 their needs and not duplicating documentation across  
13 ACS systems.

14                   Head Start enrolled--Head Start  
15 Enrollment has been impacted by both Early Learn and  
16 UPK. Some agencies have reported that families have  
17 left as late as November because of calls to parents  
18 from DOE and the Early Learn catchment areas. Many  
19 agencies have had to close sites and lay off  
20 employees as well as dealing with the loss of  
21 qualified teachers to the DOE. Even though agencies  
22 have extended hours for families, and remind them of  
23 programs running a 12-month cycle, it makes little  
24 difference. The 261 days required by agencies to  
25 stay open affects budgets when agencies have to pay

2 substitutes to cover staff vacations. Several  
3 agencies have reported 75% decrease in attendance of  
4 children during August and December vacations.

5           And it amazes me today that ACS each time  
6 they were asked about the rate, they couldn't give  
7 you the actual rate. I can give you the rate. For  
8 Head Start only it's \$47.11 per child. The Head  
9 Start Child Care Dual Rate is \$44.66. And as I said  
10 before, when they said that they gave an increase, it  
11 was 73 cents to cover insurance.

12           CHAIRPERSON LEVIN: That's what the  
13 increase--when they said that they gave an--two  
14 increases over the last two years--

15           GWEN MCEVILLEY: [interposing] Right,  
16 exactly.

17           CHAIRPERSON LEVIN: --we know what they  
18 were, yeah, 73 cents.

19           GWEN MCEVILLEY: 73 cents.

20           CHAIRPERSON LEVIN: Right. That ain't  
21 gonna cu it.

22           GWEN MCEVILLEY: [laughs]

23           CHAIRPERSON LEVIN: Thank you very much,  
24 and I would like to talk after the hearing. I  
25 understand that there's been-- The Federal Head

2 Start Office has conducted, is in the midst of  
3 conducting an assessment on ACS.

4 GWEN MCEVILLEY: Right.

5 CHAIRPERSON LEVIN: And--

6 GWEN MCEVILLEY: [interposing] The legal  
7 process. Yes.

8 CHAIRPERSON LEVIN: And they don't have  
9 their report available yet?

10 GWEN MCEVILLEY: Right. Because they  
11 were just here probably-- I think it was early  
12 December. So they were there for 12 days. So we  
13 haven't heard the results of it yet, but--

14 CHAIRPERSON LEVIN: [interposing] It's  
15 coming soon. I did talk to them--

16 GWEN MCEVILLEY: [interposing] Yeah.

17 CHAIRPERSON LEVIN: --and they said that,  
18 you know, within the end of this month easily so--

19 GWEN MCEVILLEY: [interposing] Well, I  
20 think the agencies do have an issue.

21 CHAIRPERSON LEVIN: Uh-huh.

22 GWEN MCEVILLEY: But ACS as a super  
23 grantee has an issue.

24 CHAIRPERSON LEVIN: That's what I heard.

25 GWEN MCEVILLEY: Yes.

2 CHAIRPERSON LEVIN: But I didn't hear  
3 anything more specific than that.

4 GWEN MCEVILLEY: Right. You won't.  
5 [laughs]

6 CHAIRPERSON LEVIN: We'll wait for it,  
7 and then we can--we can-- I'd like to talk to you  
8 about it when it comes out, and we can-- We're going  
9 to be asking about it. We have a budget hearing up  
10 in March, and we'll ask about it then.

11 GWEN MCEVILLEY: Okay. We'll be here.

12 CHAIRPERSON LEVIN: Thank you.

13 GWEN MCEVILLEY: Thanks. [laughs]

14 CHAIRPERSON LEVIN: Thanks.

15 LISA CASWELL: Okay. My name is Lisa  
16 Caswell, and I'm the Senior Policy Analyst for the  
17 Day Care Council. I'm reading the testimony of my  
18 Executive Andre Anthony. I want to thank for the  
19 breadth of your question earlier with ACS and for the  
20 comments of my prior advocates. Right now we are 66  
21 years old, 106 non-profits, 200 child care centers.  
22 I'm going to focus on the--my executive's desire to  
23 really concentrate on recruitment and retention of  
24 qualified individuals for management and teaching  
25 positions. We're looking at salaries, the provision

2 of health insurance and the expansion of UPK to full-  
3 time, which has caused major disruptions. I'm just  
4 going to read directly from those paragraphs.

5           The Salary Gap. The workers and Day Care  
6 Council member agencies, which are Early Learn  
7 programs and unionized under DC1707 Local 205  
8 representing teachers and support staff and the  
9 Council's supervisors and administrators and  
10 represented directors. We are the management  
11 representative charged with negotiating the  
12 collective bargaining agreements on behalf of our  
13 member agencies with these two labor unions. We do  
14 this work in collaboration with the City's Office of  
15 Labor Relations. To further clarify, salaries and  
16 benefits are incorporated into the Early Learn rate.  
17 But it is the City Administration that decides the  
18 level of compensation through the labor negotiations.  
19 These negotiations have not been held since 2005.

20           As such, the workers in both unions have  
21 not had salary increases in nine years. For example,  
22 let's take a look at the salary of a certified  
23 teacher who started working in Early Learn--in the  
24 Early Learn Center nine years ago. She began her job  
25 in September of '05 with a salary of \$39,350, as

2 delineated in the collective bargaining agreement.

3 Today, in 2015, she is still making the same salary.

4 If we applied a compounded 2.2 cost of living

5 increase over the nine years, her salary would now be

6 \$47,305, a difference of \$7,955. Furthermore, if we

7 compared this salary with the new UPK salary for

8 certified teachers of \$50,000, the difference would

9 still be \$2,695. Projected one step further, if the

10 city began labor negotiations with the Day Care

11 Council and the unions today, we would request the

12 same or a better wage increase that has been given to

13 other unionized workers in our city, which is two

14 percent. Adding a two percent increase to the

15 projected salary of \$47,305 equals a new salary of

16 \$48,451. Granted, this certified teacher is still

17 making less than a UPK teacher, but the difference

18 would be \$1,549 annually not \$10,650 that it is

19 currently.

20 In addition, it is inequitable to have

21 three separate pay scales for certified teachers in

22 our Early Childhood Education system. The starting

23 salary for a master's level certified teacher in

24 child care is \$39,350. For Head Start it is \$48,509,

2 and [bell] \$52,459 for teachers with the same  
3 credentials at the DOE.

4           We strive to recruit and compensate  
5 individuals who invest the time and money to achieve  
6 a higher educational degree, and pass the State  
7 required licensing test. Shouldn't we work toward  
8 figuring out a way to equal this playing field for  
9 the people who expect to achieve great results for  
10 our children. This will be fast.

11           The next one. Health Insurance. We will  
12 now take a look at one of the most important benefits  
13 for workers in any sector, health care insurance.  
14 Last year due to the closure of the central--the  
15 City's Central Insurance Program, unionized child  
16 care workers were terminated from the City sponsored  
17 health insurance program that provided this benefit  
18 at no cost to workers. Approximately 3,000 workers  
19 were affected by this closure. We negotiated with  
20 the unions what we perceived was the lowest cost  
21 health insurance plan. Unfortunately, about half of  
22 the workers opted out of the plan because they could  
23 not afford it. The actual health insurance costs  
24 were established after the Early Learn rate was  
25 released by ACS, and they were significantly higher

2 than what was built into the rate. Our members  
3 stated that they have--the would not have been able  
4 to afford the health insurance if all their staff  
5 enrolled in the plan.

6           Keep in mind, these workers have made the  
7 same salary for nine years, and were told that their  
8 current health insurance plan was being eliminated,  
9 and they would be responsible for 20% of the monthly  
10 premium. In effect, this was a salary cut. We must  
11 also note that the Day Care Council DC1707 Welfare  
12 Fund is contributing five percent for workers towards  
13 the monthly premium payments. This assistance  
14 reduces their contributions to 15% with 80 from  
15 employers and 5 from the Welfare Fund.  
16 Unfortunately, the Welfare Fund, DC1707 Welfare Fund  
17 will eventually deplete its reserve fund without any  
18 additional public funding.

19           CHAIRPERSON LEVIN: And just to interject  
20 one thing that--

21           LISA CASWELL: [interposing] Yes.

22           CHAIRPERSON LEVIN: --the Counsel for the  
23 Committee and Andrea Vasquez [sic] just brought up is  
24 that this year workers that don't have health  
25 insurance will be penalized under--



2 LISA CASWELL: [interposing] Yes.

3 CHAIRPERSON LEVIN: --under a monetary  
4 penalty. [sic]

5 LISA CASWELL: Yes, yes, yes.

6 CHAIRPERSON LEVIN: With that penalty.

7 LISA CASWELL: Yes.

8 CHAIRPERSON LEVIN: That's what they have  
9 to look forward to.

10 LISA CASWELL: Yes. Well, UPK. Finally,  
11 the Early Learn sector has been grappling with the  
12 introduction of full-day UPK and its impact on  
13 staffing, morale, and the confusion over worker  
14 benefits. We acknowledge the tremendous achievement  
15 of our Mayor in securing \$300 million in State  
16 funding to make UPK accessible for all four-year-old.  
17 In highlighting recruitment and retention of workers  
18 in Early Learn programs as a number one priority.  
19 Our concerns with the implementation of full-day UPK  
20 are:

21 1. The Mayor's director provide higher  
22 starting salaries for certified UPK teachers in non-  
23 profit settings, does not include equal benefits  
24 packages or incremental increases based on years of  
25 service.

2           2.     The lack of parity for qualified  
3 teachers for two and three-year-old classrooms who  
4 are now making less than the counterparts in UPK  
5 classrooms.

6           3.     Let's not forget the certified  
7 directors who administer child care programs. In  
8 some cases, we have directors earning less than their  
9 newly hired PK teachers. We must also, of course,  
10 absolutely include the needs of assistant teachers,  
11 custodians, and folks who are in desperate need of  
12 proper compensation.

13           Last paragraph. To address the salary  
14 increases and health insurance benefits, the most  
15 expedient ways to begin labor negotiations  
16 immediately with a clear understanding that the City  
17 is willing to contribute sufficient funding to meet  
18 these special circumstances. This is where we need  
19 your support, and hope that you will convey your  
20 concern for child care workers in the Early Learn  
21 programs. It's shameful that these individuals who  
22 educate and support young children have not had a  
23 salary increase in nine years, and more than half do  
24 not have health insurance because they cannot afford.  
25 We sincerely thank you for pulling this together, and

2 hope that there is something you can do to move  
3 things along.

4 And the Department of Labor has been  
5 talking to us and working with us. There has been an  
6 exchange of a great deal of information, but it's--  
7 We're getting nervous.

8 CHAIRPERSON LEVIN: Thank you very much  
9 for your testimony, and thank you the Day Care  
10 Council for your very important and diligent work.

11 STEPHANIE GENDELL: Good afternoon. I'm  
12 Stephanie Gendell, the Associate Executive Director  
13 for Policy and Government Relations at Citizen's  
14 Committee for Children. I first want to thank you  
15 for holding this hearing, and for your consistent and  
16 relentless commitment to the Early Childhood  
17 Education system, and for--also for reading every  
18 word of the Campaign for Children Report and for  
19 reading the recommendations into the record.

20 CHAIRPERSON LEVIN: I'm sorry if I stole  
21 your thunder, my dear.

22 STEPHANIE GENDELL: No, that's okay  
23 because I have other things to ask for now. [laughs]  
24 So we--I will support everything that's already been  
25 said about the rate being insufficient, and the

2 salary and benefits need to be addressed. And  
3 actually, I'm going to focus on a couple other  
4 things. I found question to ACS about having an  
5 outsider look into the system interesting since it  
6 was the former Public Advocate, now Mayor who had  
7 originally suggested that several years ago to do  
8 sort of the equivalent of the Medicaid Redesign Team  
9 for Early Childhood. So I thought that was  
10 interesting. Thank you. We, in fact, are extremely  
11 supportive of the Mayor's plans to expand Universal  
12 Pre-Kindergarten to all four-year-olds. And that the  
13 success of that initiative requires strengthening the  
14 entire Early Education system that we have in New  
15 York City.

16           And so, we look forward to working the  
17 Administration to strengthen Early Learn to expand  
18 access for all children 0 to 4 and not just four-  
19 year-olds because tomorrow's four-year-olds are  
20 today's three-year-olds. Along those lines in terms  
21 of capacity included in our testimony today is a  
22 chart that shows the decreasing number of children  
23 served over time even though in Fiscal Year 2008, ACS  
24 released a report saying that they were only serving  
25 27% of children in need. In 2010, we served 120,000

2 children and today we're serving about 97,000 in  
3 child care. So we are decreasing and so we're headed  
4 in the wrong direction.

5 I also thought it was interesting that  
6 they talked about in terms of the number of infants  
7 served, and I couldn't tell if that included the  
8 toddlers. But they're not having an enrollment  
9 problem there, and we really do need to figure out  
10 how we can expand access for infants and toddlers as  
11 we bring in other funding to support four-year-olds.  
12 The City in its entirety should be able to find the  
13 resources for the younger children.

14 That said, I did want to draw attention  
15 to an upcoming additional problem that we have in the  
16 works, which is related to starting with the federal  
17 government and then moving to the state. Beyond Head  
18 Start, there's the issue of the Child Care  
19 Development Block Grant having been reauthorized and  
20 requiring it to show requirements that the State is  
21 saying is going to be very costly. And so, if the  
22 State doesn't add resources to the State Child Care  
23 Block Grant to accommodate the new requirements from  
24 the federal government, it's always capacity that  
25 ends up as the loser on that coming from the State.

2 CHAIRPERSON LEVIN: Most likely the  
3 federal government is not going to be giving the  
4 funding to comply with.

5 STEPHANIE GENDELL: No, the federal  
6 government is not giving the funding. They added \$75  
7 million [bell] the entire country more to accommodate  
8 and substantial requirements including home visits to  
9 every informal provider to check their safety.

10 CHAIRPERSON LEVIN: Right,

11 STEPHANIE GENDELL: Which throughout the  
12 State there are a lot of informal providers, some of  
13 whom, you know, would need staff in the city to do  
14 that But outside the city, there are informal  
15 providers in very rural areas as part of our people  
16 access that type of care there because there is no  
17 center. And so they have to have staff go all over  
18 the state. So it will be expensive, and so--

19 CHAIRPERSON LEVIN: [interposing] Right.  
20 Somehow I don't think the Republican Congress is  
21 going to like this.

22 STEPHANIE GENDELL: So, they don't--  
23 they're not adding any more money. I'm not sure how  
24 the Republican Senate in the City, I mean the State  
25 is going to handle that. But, of course, we're non-

2 partisan and support them all. [laughs] And then I  
3 did want to also address the data issue. One of the  
4 things we really would be interested in is  
5 understanding how pre-kindergarten, for example,  
6 impacted the service of three-year-olds. We don't  
7 really know how many three-year-olds are served, and  
8 whether or not we lost capacity for three-year-olds  
9 as we expanded capacity for four-year-olds, which is  
10 definitely not the intent. Which leads to this  
11 longstanding issue of the need for more data from the  
12 city. So we support efforts to increase data. They  
13 seem to have it, but they started providing some  
14 numbers and some of the answer to today's questions.

15 CHAIRPERSON LEVIN: Well, I think we're  
16 working on a bill to get that--

17 STEPHANIE GENDELL: [interposing] Yeah, I  
18 think I heard about that.

19 CHAIRPERSON LEVIN: --to get that data.

20 STEPHANIE GENDELL: And I think that's  
21 all I have besides the recommendations related to the  
22 rate that are already in the record. And, of course,  
23 the--and ensuring that the staff receive adequate  
24 salary and insurance coverage and that the agencies  
25 are reimbursed appropriately for that. Thank you.

2 CHAIRPERSON LEVIN: Thank you again for  
3 the--the survey which was, you know, very helpful  
4 obviously for us as the committee with oversight over  
5 this. But I think also it seemed to inform ACS of  
6 some issues that they didn't seem to otherwise know  
7 about so--

8 STEPHANIE GENDELL: Yes. [laughs]

9 CHAIRPERSON LEVIN: Thank you.

10 STEPHANIE GENDELL: Thank you.

11 [Pause]

12 Good afternoon. My name is Sandy Katz,  
13 and I'm the Director of Early Childhood Programs of  
14 the Jewish Child Care Association. Thank you Council  
15 Member Levin, Chair of the General Welfare Committee  
16 for this opportunity. We are very excited to have  
17 the opportunity to apply to be part of the Early  
18 Learn system with our Family Child Care Network, and  
19 provide ongoing support to families who have been  
20 benefitting from our long time experience providing  
21 the Family Child Care Program for generations. JCCA  
22 did not win an Early Learn Award in 2011 because  
23 greater consideration was given to those agencies  
24 that proposed center based care along with starting  
25 Family Child Care Network. Thanks to the City



2 Council's restoration of our program for the last  
3 three years, we have been able to maintain this vital  
4 resource to 1,000 children annually and 140 provider  
5 homes through discretionary funding and a negotiated  
6 acquisition. We appreciate the opportunity to  
7 present today the assets of the Family Child Care  
8 brings to Early Learn as we apply for a contract with  
9 the program. We believe Family Child Care is a  
10 critical--is critical in addressing the shortage of  
11 child care for children especially under the age of  
12 two, which centers cannot fully accommodate. It  
13 allows for high standards of early education while  
14 still providing the stability and comfort of a home  
15 environment. JCCA has operated our child care  
16 network in Brooklyn-Queens for over 50 years  
17 providing care to families with young children from  
18 ages six weeks. Seventy-five percent--75 to 80% of  
19 our child care providers are first and second  
20 generation Russian speaking immigrants from the  
21 former Soviet Union, and the same is true for the  
22 parents and children who we--who use our services.

23 In our first contact with parents, we  
24 inform them of all child care options, which can best  
25 meet their family needs. We have found that family

2 child care is an important option for the immigrant  
3 populations we serve. Our homes and our office are  
4 geographically located within their communities, and  
5 are linguistically and culturally aligned. Our  
6 network has not only been an economic engine for  
7 them, but also for the providers, and ensures  
8 enriched and culturally sensitive child care.

9 JCCA informs, engages and empowers  
10 families to become active in their child's learning.  
11 The staffers that work with our immigrant families  
12 are fluent in one of the languages spoken by them  
13 including Russian, Farsi, Bukhori and Spanish. JCCA  
14 understands that social service delivery must be  
15 grounded in a deep respect for culture and a  
16 continuous and committed effort to understand the  
17 many ways in which culture shapes experience.

18 We recruit, screen, train and directly  
19 monitor the child care providers, mostly women who  
20 are independent contractor with an agreement, I want  
21 to add. We ensure that all providers are licensed by  
22 the New York State Office of Children [bell] and  
23 Family Services, and are in compliance with all New  
24 York State regulations. And we maintain a rigorous  
25 program of requirements including educational

2 curriculum, development, screenings, and educational  
3 workshops. These standards allow our Family Child  
4 Care Network to act as an asset not only to the  
5 families and children we serve, but also to the Early  
6 Learn community.

7           Again, we believe that the Family Child  
8 Care Networks have a very important role to play in  
9 Early Learn, and we look forward to being at the  
10 forefront of helping to raise the standards and  
11 practice of family child care and remain available to  
12 the Council to share our experience and knowledge.  
13 Because of your past and present support, we have  
14 been able to provide an ongoing recourse and care for  
15 children and families across the City. And we are  
16 excited to continue to do so if awarded a contract.

17           CHAIRPERSON LEVIN: Great. Thank you  
18 very much, Ms. Katz. It's very important to have  
19 your voice at the table as well as the Family Child  
20 Care Network. We just make to sure that your  
21 organization and other organizations like yours are  
22 not getting lost in the shuffle because of the  
23 clearly important work that you do.

24           SANDRA KATZ: Thank you.

2 CHAIRPERSON LEVIN: And I thank this  
3 panel very much for all of your diligent work, for  
4 your patience with sitting through the hearing, and  
5 for your important testimony. We look forward to  
6 working with you all in the months ahead, as we look  
7 forward what the panel, the Taskforce recommendations  
8 are and then acting on them if they're good. And  
9 commenting on them if they're not so good. But thank  
10 you again for all your great work. Thanks.

11 Okay, the last panel. Mohan and I'm  
12 going to have a hard time with the last name.  
13 Washington? No? Okay, sorry. Kanisha Washington,  
14 Lisandra Fernandez, and Gregory Brender, and James  
15 Madison if he's here.

16 [background comment]

17 CHAIRPERSON LEVIN: Okay. Whoever wants  
18 to begin can start off.

19 GREGORY BRENDER: I guess I'll start off.  
20 I am Gregory Brender from United Neighborhood Houses.  
21 I'm not going to read our entire testimony into the  
22 record, but we are fully supportive and part of the  
23 Campaign for Children. So the recommendations, which  
24 you read we support 100 and a thousand percent. The  
25 one thing I do want to address coming from the

2 testimony, and I was really glad to see the questions  
3 about timing regarding the release of the Early Learn  
4 RFP because the issues around salary parity are going  
5 to be a growing concern. So a teacher who is  
6 similarly qualified, a teacher in the DOE say in May  
7 26, 2013 would be earning about \$13,000 less than a  
8 similarly qualified teacher with a master's this  
9 year. By 2018, we expect the new RFP to potentially  
10 come out if we go for that extension.

11 That would be a difference of \$20,000 and  
12 have a much more dramatic in the system. And so I  
13 have included in the testimony--which I won't read  
14 off the thousands of numbers--demonstrations of how  
15 similarly qualified staff lines working with the  
16 DC1707 contract or with the Head Start contract are  
17 getting paid differently. And in every case lower  
18 than the staff members at public schools. So with  
19 that I just also wanted to sort of pivot to our other  
20 speaker who is Tanisha Washington who is coming from  
21 the Southeast Bronx Neighborhood Center. She is a  
22 teacher in Hunts Point who can give some of the  
23 direct perspective on what we've been talking about.

24 CHAIRPERSON LEVIN: Thank you, Gregory,  
25 and thank you for your good work.

2                   TANISHA WASHINGTON: Hi, I am Tanisha  
3 Washington, Southeast Bronx Neighborhood Center. I'm  
4 working--currently working at Gwendolyn B. Bland  
5 Early Learning Center, and I'm the assistant teacher  
6 in the UPK program for the four-year-olds. And I've  
7 been there since I was 19 years old. My only job.  
8 So what I've been doing at the day care is working  
9 with children doing everything that I can for them to  
10 get them prepared for kindergarten. And I'm working  
11 very hard next to, with my other staff members.  
12 We've gotten the kids ready for school, and basically  
13 where I'm in the day care-- I just got lost. I just  
14 came here basically to talk about my salary. I'm  
15 making--I'm not making as much as the other [sic]  
16 school setting. I work in the Pre-K program, and the  
17 teachers get paid less. I get paid less than the  
18 other teachers. When they come in the teachers are  
19 making--Two of the-- Oh, my goodness, I forgot.

20                   CHAIRPERSON LEVIN: You're in a UPK  
21 program?

22                   TANISHA WASHINGTON: Yes.

23                   CHAIRPERSON LEVIN: Yes.

24                   TANISHA WASHINGTON: And, um--

25

2 GREGORY BRENDER: [off mic] [interposing]

3 So as an assistant teacher if you were doing the same  
4 job in the public schools you would be making at  
5 least \$10,000 more.

6 TANISHA WASHINGTON: At least, yes. At  
7 least \$10,000 I would be making if I was working as  
8 an assistant teacher in a public school setting.

9 CHAIRPERSON LEVIN: In the UPK program?

10 TANISHA WASHINGTON: In the UPK program.

11 CHAIRPERSON LEVIN: Okay.

12 TANISHA WASHINGTON: It would be working  
13 in a classroom, I'm-- [off mic] I don't know. I just  
14 forgot.

15 CHAIRPERSON LEVIN: So they--so then they  
16 did parity because we were under the impression that  
17 they did teacher parity, pay parity for teachers in  
18 the UPK program. But I guess for assistant teachers  
19 there still remains this wide disparity?

20 TANISHA WASHINGTON: Yes.

21 GREGORY BRENDER: So because she's an  
22 assistant teacher, it's only--the only teachers who  
23 have received parity, and it's only a starting salary  
24 parity, are those who are head teachers in a UPK  
25 classroom.

2 CHAIRPERSON LEVIN: I didn't realize  
3 that.

4 GREGORY BRENDER: Yes, within an Early  
5 Learn Center you have all the teachers teaching  
6 infants, toddlers, and three-year-olds as well as all  
7 of the assistant teachers. Any teacher who is not a  
8 head teacher they don't have the same salary  
9 increase, and neither do their directors actually.

10 CHAIRPERSON LEVIN: And how many years of  
11 experience do you have.

12 TANISHA WASHINGTON: I've been working  
13 there since I was 19 years old. So I was working in  
14 the UPK for--

15 CHAIRPERSON LEVIN: [interposing] I won't  
16 ask your age. So that's fine. [laughter]

17 TANISHA WASHINGTON: For more than 16  
18 years.

19 CHAIRPERSON LEVIN: All right, so there's  
20 glaring-- And thank you very much for bringing this  
21 to our attention. I did not realize that there  
22 needed to be that disparity.

23 TANISHA WASHINGTON: And I also one of  
24 the people that will be getting penalized for not  
25 taking the health insurance because I could not



2 afford it. My salary is too low to be able to do any  
3 of that stuff. [bell]

4 CHAIRPERSON LEVIN: Well, thank you very  
5 much for your testimony, and for highlighting this  
6 for us. We're going to bring that back certainly to  
7 ACS. As they're seeking-- You know, I'm not sure  
8 exactly what they were going to--what they're going  
9 to be doing as part of this Mayoral Taskforce  
10 recommendation, but they seem to want to address the  
11 issue of parity for teachers for three-year-olds to  
12 be on the same level as the UPK teachers. But  
13 clearly the issue of assistant teachers is in there.  
14 We didn't--it wasn't--I didn't know. So we'll be  
15 working on that, and bringing that to their  
16 attention.

17 TANISHA WASHINGTON: Okay.

18 CHAIRPERSON LEVIN: When they're address  
19 that, they will be addressing this as well. Thank  
20 you.

21 LISANDRA FERNANDEZ: Thank for the  
22 opportunity to speak with you. My name is Lisandra  
23 Fernandez-Silber, and I'm an attorney and legal  
24 fellow at Advocates for Children of New York where I  
25 focus on Early Childhood Education. For more than 40

2 years Advocates for Children has worked to promote  
3 access to the best education New York City can  
4 provide for all students, especially for students  
5 especially for students of color and students from  
6 low-income backgrounds and we're also a proud member  
7 of Campaign for Children.

8           Given the important role of Early  
9 Childhood Education, Advocates for Children has  
10 strong supported the vision of Early Learn, and we  
11 continue to do so. However, we continue to be  
12 concerned that the Early Learn rate is insufficient  
13 to support the high quality standards that the  
14 program requires. In order to meet the promise of  
15 providing a comprehensive high quality early  
16 childhood education, programs must receive adequate  
17 funding and also training and technical assistance  
18 and support. These components are particularly  
19 important when it comes to serving pre-schoolers with  
20 disabilities, children living in temporary housing,  
21 children in foster care, and dual language learners.

22           One of the clients that we assisted was a  
23 low-income working Spanish speaking parent whom I'll  
24 call Sonya. Sonya's son, a dual language learner  
25 with a disability was in the full-day Early Learn

2 program. Although Early Learn programs are  
3 responsible for coordinating with the Department of  
4 Education to ensure that pre-schoolers with  
5 disabilities receive their special education  
6 services, Sonya's son went months without receiving  
7 his mandated bi-lingual speech therapy. After we  
8 brought this case to the Department of Education's  
9 attention, the Department of Education worked out an  
10 arrangement that would require Sonya to leave her  
11 job, take her son out of pre-school, and bring to and  
12 from a speech therapy agency more than a hundred  
13 blocks away from the pre-school during working areas.

14           Given the hardship that this arrangement  
15 imposed, Advocates for Children contacted providers  
16 ourselves, and found a bi-lingual therapist who could  
17 travel to the Early Learn site. In the process, we  
18 also discovered that two other children at the same  
19 Early Learn site had special education  
20 recommendations for bi-lingual speech therapy in the  
21 same language and had not received any speech  
22 therapy. We arranged for the provider we found to  
23 work with these children as well. And in our written  
24 testimony you can also read about an eligibility  
25 issue that we subsequently assisted Sonya with, which

2 the Early Learn program did not have the capacity or  
3 resources to help her with either.

4           There are so many families like Sonya's.  
5 Without Early Learn her son may have fallen through  
6 the cracks as many pre-schoolers with disabilities  
7 and dual language learners from low-income  
8 backgrounds do before they even begin kindergarten.  
9 While Sonya was grateful for the Early Learn program,  
10 she wished it had the capacity to get her child's  
11 service in place. Early Learn programs need adequate  
12 funding, training, technical assistance and support  
13 to serve all eligible pre-schoolers, including those  
14 who need additional support in order to succeed in  
15 the classroom and prepared for kindergarten. Thank  
16 you for this opportunity to speak with you today, and  
17 thank you for your commitment to Early Childhood  
18 Education.

19           CHAIRPERSON LEVIN: Thank you very much.

20 Now in those instances, was the Department of  
21 Education out of compliance with that hardship of the  
22 family having to travel 100 blocks for speech  
23 therapy?

24           LISANDRA FERNANDEZ: The law does require  
25 that children be served in the least restrictive

2 environment and for a child who is in a full-day  
3 Early Learn program, we would argue that the least  
4 restrictive environment is the pre-schooler.

5 CHAIRPERSON LEVIN: Right.

6 LISANDRA FERNANDEZ: But the Department  
7 of Education does sometimes use agencies to serve  
8 children, and then they are required to provide  
9 transportation.

10 CHAIRPERSON LEVIN: Right, so if they're  
11 required to provide the transportation, then how  
12 could they have required Sonya to leave her job to  
13 do--to take her son that distance?

14 LISANDRA FERNANDEZ: So, they didn't  
15 require her, but they weren't able to find a  
16 therapist who could work in the least restricted  
17 environment who was the pre-schooler, and because  
18 Sonya's son had a lot of needs, and because he was  
19 only three years old and she was just very concerned  
20 about him traveling such a long distance. That was  
21 something that she decided and took upon herself to  
22 work out with her employer to be able to do it. And  
23 actually given further issues in that case, she  
24 actually ended up losing her job because of

2 requesting too much time off to deal with her  
3 problems related to her son's education.

4 CHAIRPERSON LEVIN: That's very  
5 concerning to us because if that's happening here and  
6 it's likely not, I seriously suggest this case or  
7 this center.

8 LISANDRA FERNANDEZ: Yeah, we can tell  
9 you stuff from that certainly.

10 CHAIRPERSON LEVIN: And so I think that's  
11 an issue that, you know, as a three-year-old that  
12 falls under Special Ed Pre-K or that's only for four-  
13 year-olds. So this would be-- I thought Special Ed  
14 Pre-K was only for four-year-olds.

15 LISANDRA FERNANDEZ: So this case fell  
16 under the Committee on Pre-School Special Education  
17 on the DOE because this was a pre-schooler and that's  
18 only for four-year-olds.

19 CHAIRPERSON LEVIN: Okay. So that's like  
20 something we should be bringing our Education  
21 Committee, which I also serve on the Special  
22 Education Committee for Education. So, in the  
23 Special Ed Pre-K or Early Childhood Special Ed.

24 LISANDRA FERNANDEZ: Yeah, there's  
25 definitely a lot of intersecting issues, and we are

2 definitely in couch with the Department of Education  
3 to work on these issue with them, but we just also  
4 wanted to highlight how it relates the support and  
5 funding and training that the Early Learn sites don't  
6 receive as much of it as we would like to see.

7 CHAIRPERSON LEVIN: Well, thank you very  
8 much for your testimony. I want to thank this panel  
9 for all of your good work and for your dedication. I  
10 know you guys aren't doing this for money either. So  
11 it's really important that--that there's a system in  
12 place where we can incentivize people to go into this  
13 line of work. And that it's worth--it's worth their  
14 while to be able to do it, and you can support  
15 yourself in a city like New York while dedicating  
16 yourselves to the service of our children. So I  
17 thank you very much for that, and your organizations  
18 and look forward to working with you in the future as  
19 we kind of implement reforms moving forward. So  
20 thank you very much for your testimony. Thanks. And  
21 this is our last panel. So I want to thank you all  
22 very much for your patience in staying, and look  
23 forward to working with all of you. We have a lot of  
24 work to do, and let's make sure we're keeping our eye  
25 on the ball, and pressure on the administration where

2 it's necessary moving forward because the system is  
3 imperfect and there are opportunities to make it  
4 better. So thank you all very much, and at 2:36 this  
5 hearing is adjourned. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date January 16, 205