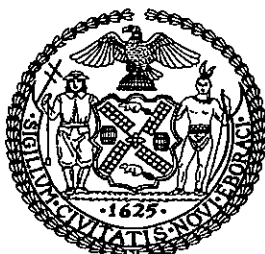


Staff: Oona Peterson, Legislative Counsel
Migna Taveras, Policy Analyst



THE COUNCIL

Report of the Governmental Affairs Division
Robert Newman, Legislative Director
Alix Pustilnik, Deputy Director, Governmental Affairs

COMMITTEE ON GENERAL WELFARE

Hon. Bill de Blasio, Chair

June 17, 2008

RESOLUTION NO. 1415:

By Council Members de Blasio, Brewer, Eugene, Fidler, James, Koppell, Lappin, Liu, Mark-Viverito, Nelson, Palma, Sanders Jr., Vann, Weprin and Yassky

TITLE:

Resolution calling upon the Administration for Children's Services to achieve stated goals herein including the creation of (i) a written procedure to be followed before closing centers; (ii) a searchable database for locating centers on the website; (iii) a centralized city waiting list; (iv) a system for reevaluating enrollment and capacity numbers; and (v) a report detailing monthly attendance and enrollment figures citywide for subsidized childcare for the last two calendar years and to report such achievements to the Council by July 1, 2008 before implementing Project Full Enrollment Initiative.

RESOLUTION NO. 1420:

By Council Members Reyna, James, Brewer, Mark-Viverito, Vann, Gonzalez, Barron, Gentile and Comrie

TITLE: Resolution calling upon the Bloomberg Administration to place a moratorium on the implementation of the Project Full Enrollment Initiative.

I. INTRODUCTION

On June 17, 2008, at 1 p.m., the General Welfare Committee, chaired by Council member Bill de Blasio, will hold a hearing to consider Resolutions 1415 and 1420. Union representatives, advocates, and other interested parties are expected to attend.

II. BACKGROUND

Over two years ago, on October 25, 2005, ACS released *Rethinking Child Care – An Integrated Plan for Early Childhood Development in New York City* (the “Strategic Plan”). The Strategic Plan laid out a number of reforms to strengthen the City’s child care and early childhood education system, and set forth a number of guiding principles: a focus on fostering healthy child development; community based and family focused programming; accessibility; continuity; efficiency; coherence, quality, and accountability.¹

Among other measures, the Strategic Plan proposed several ways to enhance efficiency in the delivery of subsidized child care, including requiring that City-funded child care facilities attain and maintain 100% enrollment, reallocate services to focus on expansion in geographic areas with the greatest unmet needs, and distribute services more equitably among age groups.² Part of this plan was a goal of shifting resources towards community-based enrollment and streamlining the application process for child care in order to facilitate access to services for low-

¹ Ajay Chaudry et. al., *Rethinking Child Care: An Integrated Plan for Early Childhood Development in New York City*, Administration for Children’s Services, iii (October 2005).

² Id. at 11-14.

income working families.³ ACS also set a goal of enhanced efficiency in facility expansion and management for child care facilities.⁴

ACS has already implemented several of the changes outlined in the Strategic Plan and, at the General Welfare Committee's March 10, 2008 Preliminary Budget hearing, ACS Commissioner John Mattingly testified about a number of other initiatives that are underway. Two of the more recent initiatives include Project Full Enrollment (PFE) and Web-based Enrollment and Attendance, which ACS has announced will be launched in Fiscal Year 2009.⁵

The PFE program will result in a change in ACS' contract and payment system. Instead of compensating center-based child care programs based upon the program's budgeted capacity, the program will be compensated based upon the actual number of children enrolled in and attending the program.⁶ ACS believes that this policy shift will serve as an incentive for centers to achieve and maintain full enrollment.⁷ PFE builds on ACS' two-year Full Enrollment strategy, which was part of the Strategic Plan. To implement the Full Enrollment strategy, ACS worked with programs to help parents access and apply for child care, and to promote full enrollment so that all slots are utilized.⁸ The Full Enrollment initiative has been rolled out in the Bronx, Queens and Manhattan to date, and ACS plans to complete roll out in Brooklyn and Staten Island in May 2008.⁹

³ *Id.* at 16.

⁴ *Id.* at 27-28.

⁵ City Council Preliminary Budget Hearing, New York City Administration for Children's Services, Testimony by Commissioner John B. Mattingly, March 10, 2008, p. 8 (on file with the Committee on General Welfare).

⁶ Letter from Commissioner John Mattingly of Administration for Children Services to Child Care Providers regarding Pay for Children Enrolled Initiative, February 4, 2008, available at http://www.nyc.gov/html/acs/downloads/pdf/childcare_pfe_letter.pdf.

⁷ *Id.*; see also Mattingly Testimony, *supra* note 5, p. 9-10.

⁸ Mattingly Testimony, *supra* note 5, p. 10. The Full Enrollment strategy is different from Project Full Enrollment which was previously known as Pay For Enrolled children.

⁹ *Id.*

Over the last two years, ACS has streamlined the application and enrollment process to help parents access child care. For example, the child care application was shortened to two pages, and, according to ACS, the time it takes a parent to enroll has been shortened in all boroughs except Brooklyn and Staten Island.¹⁰ Now, ACS' Division of Child Care and Head Start wants to enable providers to take advantage of the internet to enroll children who have been determined eligible by creating a web-based enrollment initiative.¹¹ Accordingly, by the fall of 2008, ACS intends to establish a web-based system that gives provider agencies real-time access to their own rosters so that they can enroll and drop children directly, and that will provide centers and parents with access to real time information regarding enrollment status.¹² Although a pilot of the web-based program was planned in the early spring, at the April hearing of the Committee on General Welfare, ACS Deputy Commissioner for Child Care and Head Start, Melanie Hartzog, testified that ACS was hoping to start the pilot program in June or July of 2008, with a city-wide rollout in September, 2008.¹³

Several concerns about PFE have been raised by advocates and other stakeholders since ACS introduced the PFE program. One concern is that natural fluctuations in enrollment that occur during the year in child care centers throughout the City may result in lower enrollment for centers, which will in turn lead to reduced funding. The committee has heard reports from Child care center directors who fear this will result in the centers being forced to close classrooms, lay off teachers for months at a time, or cut the hours of staff members paid on an hourly basis, such

¹⁰ Mattingly Testimony, supra note 5, at 10-11. ACS expects that enrollment at the Brooklyn Resource Area will be improved by late spring. Id. at 10.

¹¹ Commissioner John Mattingly of Administration for Children Services, Pay for Children Enrolled Initiative, (February 4, 2008), http://www.nyc.gov/html/acs/downloads/pdf/childcare_pfe_letter.pdf; Mattingly Testimony, supra note 5, at 10-11.

¹² Id.

¹³ Mattingly Testimony, supra note 5, at 11; New York City Council General Welfare Hearing, "Oversight: ACS' efforts to preserve child care centers in NYC," Transcript of testimony by ACS Deputy Commissioner for Child Care and Head Start Melanie Hartzog, April 10, 2008, p. 110 (on file with the Committee on General Welfare).

as those providing food and custodial services. Other fears about budgetary cuts based on the new system have surfaced in news articles.¹⁴ Additionally, concern has been voiced with respect to the technical capability of the web-based enrollment process. The following resolutions are connected to those issues, and today's hearing is intended to address those concerns.

III. RESOLUTION. NO. 1415

Resolution No. 1415 states that the Administration for Children's Services (ACS) intends to implement Project Full Enrollment (PFE) in September of 2008 in some subsidized childcare centers throughout the city, thus altering the reimbursement structure to ACS funded child care centers throughout the city from a budgeted system to a system based on monthly enrollment and attendance. The Resolution then states that ACS has left many policy issues and concerns to the discretion of the Full Enrollment Task Force and has not responded to many concerns regarding the PFE initiative. Resolution No. 1415 furthermore emphasizes the importance of ACS examining and acting on certain goals, and providing information to the Council about these goals, by July 1, 2008 and prior to continuing with the PFE.

Resolution No. 1415 points out that ACS Commissioner Mattingly has, in Council testimony, stated that under the PFE initiative some centers will close. Therefore, the Resolution explains, ACS should have a written protocol outlining all steps that ACS will take to prevent a center from closing, and stating how much time a center has to complete certain steps to prevent closure. Additionally, Resolution No. 1415 states, this protocol should be shared with the Council and should be publicly posted.

Resolution No. 1415 then requests ACS to create a searchable, web-accessible database that would allow the public to find child care centers with available space. Resolution No. 1415 also asks ACS to keep a centralized city-wide child care waiting list in order to ease the

¹⁴ Douglas Montero, Daycare cuts city won't pay for empty cribs, *New York Post*, February 13, 2008; See also Albor Ruiz, Uncaring Mike set to cut poor kids day care, *New York Daily News*, February 24, 2008.

eligibility and enrollment delays that are frequently experienced when spaces in programs become available.

Resolution No. 1415 states that discrepancies between the enrollment figures kept by ACS and those kept by centers has been a problem in the past. Because of this, the Resolution calls upon ACS to vet the pilot initiatives and data systems that are to work in tandem with the PFE program, particularly as they relate to ACS' information on center enrollment and capacity.

Resolution No. 1415 requests that ACS provide the Council with data from the last two years regarding enrollment and attendance of centers, so that the fluctuations of enrollment levels throughout the year may be evaluated.

Finally, Resolution No. 1415 calls upon ACS to create (i) a written procedure to be followed before closing centers; (ii) a searchable database for locating centers on the website; (iii) a centralized city waiting list; (iv) a system for reevaluating enrollment and capacity numbers; and (v) a report detailing monthly attendance and enrollment figures citywide for subsidized childcare for the last two calendar years and to report such achievements to the Council by July 1, 2008 before implementing Project Full Enrollment Initiative.

IV. RESOLUTION. NO. 1420

Resolution No. 1420 states that the Administration for Children's Services (ACS) is charged with the responsibility for determining eligibility for, and providing subsidized child care services to qualified families in New York City.

The Resolution explains that families whose incomes are between 200% and 275% of the federal poverty level, depending on family size, are eligible for subsidized child care services, and points out that these families often rely on such services to enable the adults to participate in the workforce.

Resolution No. 1420 notes that research has demonstrated that full-time child care is necessary for many working parents of young children, and that high-quality care can decrease

stress, improve productivity, and encourage greater participation in the work force by parents.

The Resolution states that ACS's recent Community Needs Assessment found that despite the fact that 350,000 children in New York City are eligible for subsidized child care, only 93,000 are actually using it. Resolution No. 1420 further states that because of the proven benefits of child care centers, ACS must examine why there is such a gap between those receiving services and those eligible to be served by subsidized child care centers.

Resolution No. 1420 explains that Project Full Enrollment (PFE), announced on February 4, 2008 with an effective date of September 2008, will change the reimbursement structure to ACS-funded child care centers throughout the City from a budgeted system to a system based on monthly enrollment and attendance.

Resolution No. 1420 further notes that ACS has stated that it expended \$40 million on vacant slots during Fiscal Year 2007, and that the PFE initiative will allow it to save money on unused slots and, at the same time, incentivize centers to increase enrollment.

Resolution No. 1420 then opines that the proposed reimbursement structure will be unmanageable for ACS due to the fact that ACS has an antiquated and fragmented system for tracking enrollment and eligibility.

Resolution No. 1420 explains that problems with ACS's tracking system may result in failures of the tracking system rather than failures of the center. Due to this, Resolution No. 1420 calls upon ACS to adopt a classroom-based approach to funding centers similar to the manner in which universal pre-kindergarten programs are funded. The Resolution further notes that there are natural fluctuations in center enrollment throughout the year, and a classroom-based approach would alleviate worries about resources being cut from centers under the PFE plan when these fluctuations occur.

Resolution No. 1420 states that a key feature of the PFE initiative is a web-based enrollment initiative, which was supposed to begin on April 1, 2008 in 17 centers in Brooklyn, but which has yet to be implemented by ACS. The resolution points out that this failure to implement the web-based system raises concern that ACS's projected timelines may not accurately reflect its progress and its ability to meet its specified goals. Resolution No. 1420 further notes that this web-based pilot program was supposed to serve as a test run, and that without such a test run the implementation of the program could result in problems and errors that would be detrimental to child care centers across the City.

Finally, Resolution No. 1420 states that the Bloom Bloomberg Administration should place a moratorium on the implementation of the Project Full Enrollment Initiative.

Res. No. 1415

Resolution calling upon the Administration for Children's Services to achieve stated goals herein including the creation of (i) a written procedure to be followed before closing centers; (ii) a searchable database for locating centers on the website; (iii) a centralized city waiting list; (iv) a system for reevaluating enrollment and capacity numbers; and (v) a report detailing monthly attendance and enrollment figures citywide for subsidized childcare for the last two calendar years and to report such achievements to the Council by July 1, 2008 before implementing Project Full Enrollment Initiative.

By Council Members de Blasio, Brewer, Eugene, Fidler, James, Koppell, Lappin, Liu, Mark-Viverito, Nelson, Palma, Sanders Jr., Vann, Weprin and Yassky

Whereas, The Administration for Children's Services (ACS) intends to implement Project Full Enrollment (PFE) in September of 2008 in some subsidized childcare centers throughout the city; and

Whereas, Announced on February 4, 2008 with an effective date of September 2008, PFE will change the reimbursement structure to ACS funded child care centers throughout the city from a budgeted system to a system based on monthly enrollment and attendance, according to ACS materials published on the issue; and

Whereas, ACS claims that it paid out \$40 million in vacant slots during Fiscal Year 2007 and that the PFE initiative will allow the agency to save and incentivize enrollment; and

Whereas, The Committee on General Welfare at the Council held a hearing on April 10, 2008 to examine ACS's efforts to preserve child care centers throughout New York City and ACS left many important policy issues and concerns to the discretion of the Full Enrollment Task Force and has since failed to provide more substantive answers on the most important issues concerning the PFE initiative; and

Whereas, While ACS has charged the Full Enrollment Task Force with the responsibility of establishing specific policy and procedures for key functions of the PFE

initiative, it is imperative that ACS examine and act on certain goals by July 1, 2008 and provide this information to the Council before moving forward with PFE; and

Whereas, As Commissioner Mattingly has in Council testimony stated that some centers will close under the PFE initiative, the Council, therefore, requires a written protocol outlining all steps that will be taken by ACS and the centers to prevent a center from closing, and stating how much time a center has to complete certain steps to prevent closure; and

Whereas, This protocol should be publicly posted and used for any center that is in danger of closing; and

Whereas, To facilitate transparency and ease of access to information for parents, ACS should create a searchable regularly updated database on its website that allows the public to use a zip code or street address as the search option to locate centers with available slots in their respective communities which should also include current vacancies in each center; and

Whereas, ACS should also keep a centralized city-wide child care waiting list of verified eligible parents to ease the eligibility and enrollment delays common to parents and center directors when slots open up, which will facilitate filling empty slots; and

Whereas, Multiple discrepancies between ACS's numbers and center numbers of children enrolled is a long standing problem that the Comptroller's office investigated and documented in April of 2003 in a report "Slots for Tots" and that various advocates and center directors have indicated is a key problem with the PFE initiative; and

Whereas, Before implementing PFE, ACS should properly vet the pilot initiatives and data systems that are to work in tandem with this initiative particularly as they relate to ACS's information on center enrollment and capacity; and

Whereas, ACS should provide data to the Council on the last two calendar years regarding enrollment and attendance to provide information regarding the upward and downward enrollment levels at centers throughout the year; and

Whereas, Calendar year information will provide the Council with general information on the trends of enrollment and attendance at centers and give ACS the opportunity to create an admissions campaign before or during months when child care centers will typically experience low enrollment numbers; and

Whereas, The sustainability of child care in the city of New York is critical to maintaining a healthy city and the goals outlined herein for ACS to meet are reasonable expectations for ensuring that we sustain and support childcare; now, therefore be it

Resolved, that the Council of the City of New York calls upon the Administration for Children's Services to achieve stated goals herein including the creation of (i) a written procedure to be followed before closing centers; (ii) a searchable database for locating centers on the website; (iii) a centralized city waiting list; (iv) a system for reevaluating enrollment and capacity numbers; and (v) a report detailing monthly attendance and enrollment figures citywide for subsidized childcare for the last two calendar years and to report such achievements to the Council by July 1, 2008 before implementing Project Full Enrollment Initiative.

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Res. No. 1420

Resolution calling upon the Bloomberg Administration to place a moratorium on the implementation of the Project Full Enrollment Initiative.

By Council Members Reyna, James, Brewer, Mark-Viverito, Vann, Gonzalez, Barron, Gentile and Comrie

Whereas, The Administration for Children's Services (ACS) is charged with the responsibility of determining eligibility for and providing subsidized child care services to qualified families in New York City; and

Whereas, Families whose incomes are between 200% and 275% of the federal poverty level, depending on family size, are eligible for subsidized child care services; and

Whereas, Low income families often rely on child care services to enable the adults to participate in the workforce, and limiting the availability of child care may limit the economic self sufficiency of these families; and

Whereas, Recent research demonstrates that full-time child care is necessary for many working parents of young children, and that high-quality care can decrease stress, improve productivity, and encourage greater labor force participation of parents; and

Whereas, Preliminary findings from the most recent Community Needs Assessment conducted by ACS indicate that 350,000 children in New York City are eligible for subsidized childcare while only 93,000 are actually using subsidized child care; and

Whereas, Given the proven benefits of child care centers, ACS must examine why there is such a gap between those receiving services and those eligible to be served by subsidized child care centers; and

Whereas, Announced on February 4, 2008 with an effective date of September 2008, Project Full Enrollment (PFE) will change the reimbursement structure to ACS funded child care centers throughout the City from a budgeted system to a system based on monthly enrollment and attendance; and

Whereas, ACS claims that it paid out \$40 million in vacant slots during Fiscal Year 2007 and that the PFE initiative will allow ACS to save money on unused slots and incentivize enrollment for centers; and

Whereas, The proposed reimbursement structure will be unmanageable for ACS, however, because of its antiquated and fragmented systems for tracking enrollment and eligibility, which ACS has acknowledged both in testimony to the Council and in the 2005 strategic plan on "Rethinking Child Care," where it stated that it has "fragmented record keeping"; and

Whereas, Child care center directors will be nonetheless held accountable for ACS's inability to accurately track enrollment and capacity numbers; and

Whereas, Using an inaccurate data system to fund centers will establish a system that is likely to fail citywide; and

Whereas, ACS should therefore adopt a classroom based approach to funding centers similar to the manner in which universal pre-kindergarten programs are funded; and

Whereas, Because there are natural fluctuations in center enrollment throughout the year, a classroom based approach will alleviate the PFE related concerns that center directors have raised about having to lay off teachers and cut back on cook and custodial hours on a monthly basis; and

Whereas, A key feature of the PFE initiative is a web based enrollment initiative which would give ACS, centers, and parents access to current eligibility and enrollment status; and

Whereas, The web based enrollment pilot program, which was set to begin on April 1, 2008 in 17 centers throughout Brooklyn, has not yet been implemented by ACS, which raises the level of concern that ACS's projected timelines may not accurately reflect its progress and its ability to meet its specified goals; and

Whereas, Evaluating the web based enrollment pilot program in the 17 centers and working to correct problematic variables in the pilot phase of the web based enrollment program before implementing the program citywide would be a more methodical, thorough, and logical approach; and

Whereas, Until the proper assessment and implementation of the web based enrollment initiative is conducted ACS should not move to implement the PFE initiative; and

Whereas, The PFE initiative in its current proposed form will be detrimental to child care centers across the City; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Bloomberg Administration to place a moratorium on the implementation of the Project Full Enrollment Initiative.

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