



New York State
Office of
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Services

Testimony of Suzanne Zafonte-Sennett
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to the

Council of the City of New York
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Joint Committee Hearing on Child Care
Oversight in New York City

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Chairman de Blasio, Chairperson Boyland, and members of the City Council, my name is Suzanne Z. Sennett, and I am the Director of the New York State Office of Children and Family Services' (OCFS) Bureau of Early Childhood Services (BECS).

On behalf of OCFS Commissioner John A. Johnson, I am pleased to have this opportunity to be back before the Council once again to discuss the progress that has been made toward raising the level and quality of oversight of regulated child care throughout New York City (NYC) and to continue a dialog on a number of other subjects that we initiated in my earlier appearances at these hearings. In addition, I have been asked to address (1) The status of the proposed State regulations to enhance oversight of legally-exempt informal child care supported through the child care subsidy program; (2) payment rates within the child care subsidy program; (3) NYC compliance with child care subsidy regulations in regard to client eligibility; and (4) New York's investment in enhancing the quality of child care.

Since July 2004, the partnership between OCFS and the NYC Department of Health and Mental Hygiene (NYCDOHMH) regarding the oversight of child care in NYC has been greatly invigorated through the restructuring of the NYC Bureau of Child Care, and the addition of a City-based unit of OCFS's Bureau of Early Childhood Services. Located in Lower Manhattan, this new unit is tasked exclusively with monitoring the work of NYCDOHMH's Day Care registration, licensing and monitoring activities performed under contract with OCFS. Among the key activities of this office are the following:

1. To continually perform desk and file reviews of day care applications, active provider files and inspections for adequacy of documentation and consistency with State law, regulation and policy;
2. To provide formal review and sign-off on enforcement actions requested by NYCDOHMH under State regulation – such as cease and desist requests when a provider is found to be operating illegally;
3. To review cases where a person with criminal charges or convictions is seeking approval to be a child care provider, or where a household member of a potential or current family child care provider is determined to have a criminal history; and
4. To provide ongoing technical assistance to NYCDOHMH as issues arise.

As a result of this continued State and local level commitment and focus, all the major indicators used to monitor regional progress continue to show significant, quantifiable results. I have included with today's written testimony the same table listing our key indicators that I shared with you in June of this year. A new column has been added to update progress as of the end of October. (See Table 1 on page 17.)

The majority of New York City's key indicator statistics remain above the norm in comparison to the other regions of the State. I would like to emphasize here that we do not intend to remain complacent and accept the current statistics as the best NYC can do. Our increased on-site, targeted supervision and monitoring continues to highlight structural issues requiring attention by NYCDOHMH if it is to continue to serve as our contract agent in NYC. We continue to uncover past actions, which require rectification. We believe the most recent key indicators reflect the need for continued improvements.

However, NYCDOHMH is worthy of recognition for work in progress.

I would like to take a moment to discuss other actions that OCFS has taken to support and complement the work of the NYCDOHMH:

- OCFS continues to offer intensified training support for all NYCDOHMH child care staff. We have asked each and every staff person to conduct an individual training needs assessment to assist us in placing all staff in the appropriate in-service training classes for the coming year. All staff will participate in training specific to building and fire safety codes as they relate to child day care as well as a course on evaluating criminal history results. In addition, all staff will be placed in at least two other classes based on their personal training assessment in areas ranging from understanding the role and procedures for licensing and registration in New York State to using effective communication to create and maintain professional relationships and a variety of other key topics.
- We have transformed the Child Care Facilities System (CCFS) – the day care licensing system of record, to be web-based, thus enhancing the speed of the CCFS database and allowing NYCDOHMH staff to have access to the system from any computer with Internet access.
- As we had previously committed, OCFS has upgraded its website so that it now provides access to a full profile report for all providers—other than day care centers operating in the five boroughs—including their inspection history for the previous two years. Staff has also been instructed to require providers to post on-site any profile reports for ALL instances where the inspection reveals a serious regulatory violation. The providers are required to maintain the on-site postings until the violation has been resolved.

Status of Enforcement of Egress Rules

In my past presentation to this body, I touched on what was then an emerging issue concerning the inconsistency of standards that were being applied within NYC in relation to approving family day care program secondary egress and evacuation plans. It had been my hope that this would be completed before the end of the summer. However, this initiative required a reevaluation of all cases where NYCDOHMH staff had identified an egress issue. This first step of the task required reviewing all inspection records for the past two years. Through this review we identified over 550 current providers where egress determinations had to be reevaluated. In addition, we also wanted to review any providers who had closed in the past year and a half where the closing may have been related to issues raised regarding egress. This brought into the mix an additional seventy-three providers. BECS also asked City staff to refrain from making final decisions on new applications where there were potential egress issues.

Before giving you a sense of where we are in this process, I want to specifically highlight the level of commitment and responsiveness demonstrated by both the NYC Fire Department (FDNY) and the NYC Housing Authority (NYCHA) throughout this process. As we have sought to shape practice guidance for field staff, we have consulted with the

FDNY at each and every step. In addition to professional, timely reviews of draft documents, they have been available to us for repeated phone consultation and have participated in various local meetings and discussions. NYCHA has identified specific contact people who have been able to provide us with information about specific buildings – usually within hours of the request. This level of cooperation has been instrumental in the progress we have made to date and will allow us to move forward.

In brief summary, we have finalized revised statewide guidance to field staff for assessing adequacy of egress and evacuation in child day care settings, as well as a set of guidelines for considering the “grandfathering” in of providers who may have been approved to operate without egress and evacuation plans that meet State guidelines.

While State guidelines remain in place requiring ALL providers to have two remote means of egress that lead to a public way, we have, with the support of the FDNY developed the following alternative standards for preexisting providers:

- 1) Providers previously approved to provide care on the fifth floor of a multiple residence where their second means of egress was a fire escape will be allowed to continue to operate. However, all new providers will be limited to the fourth floor or lower.
- 2) If the second means of egress leads to an enclosed alley or backyard, the children must be able to be evacuated at least fifty feet from the building. The path can either be directly back or to either side, as long as the exteriors of all the buildings along the evacuation path are constructed of non-flammable materials.
- 3) If the provider is in a multiple residence that is of fireproof construction, the provider may reside on ANY floor of the building. (This standard will be applied to new applicants as well.)
- 4) If the provider is on the first floor of a building and had been previously approved to use a first floor window as a second means of egress, that provider will be allowed to continue to do so, as long as the dimensions of the window are sufficient to allow easy egress and the provider can demonstrate his or her ability to safely evacuate all of the children relying exclusively on staff regularly present during child care hours.

To date, we have informed sixty-nine preexisting providers that they have been able to be fully grandfathered in based on these standards. This number changes daily. However, in the greatest number of cases we are still waiting for NYCDOHMH to submit information from their field visits or clarify information that has been submitted. We continue to impress upon NYCDOHMH the urgency of this issue. Furthermore, all preexisting providers continue to operate during this redetermination phase.

Monitoring of Child Care Providers with Regulatory Violations

As I am sure you are aware, there was recent media coverage of the degree to which NYCDOHMH staff were providing adequate and timely follow up in cases where a previous inspection had identified a regulatory violation. Let me start by stating that there are clear and specific guidelines to ALL field staff statewide detailing standards for

following up on previously cited regulatory violations. In summary they are this specific and this simple:

All violations continue to show as unresolved in CCFS and on the OCFS web site until corrective action has been verified. Thus, it is crucial to providers and parents that when a corrective action plan is received in house - it is to be reviewed and acted upon promptly.

The written policy addresses follow up on violations of all levels of severity. However, I will focus solely on more serious violations here. If a violation is deemed as "serious" or "imminent danger," there must be direct verification of the correction by staff. In most cases, this will take the form of another on-site inspection. However, in some limited circumstances, this verification can be obtained in other ways. For example, if the resolution of the matter required an inspection by another agency or professional, a written submission by that entity is acceptable.

In cases where the corrective action period has lapsed and a provider has NOT submitted a written corrective action plan; it is incumbent on the assigned worker to follow up with the provider. In the case of a serious violation, this should take the form of a follow up on-site visit.

There is a set listing of regulatory citations which when violated are "presumed" to be serious. However, in unique situations, an inspector, with the concurrence of his or her supervisor, may determine that there were mitigating circumstances that support a violation of a citation on this list to NOT be deemed serious. For example, it is considered a serious violation when a program does not have written sleeping/napping arrangements agreements, including back sleeping for infants. However, if we were to inspect a program and a newly enrolled infant did not have documentation that the parents and provider had made acceptable sleeping arrangements, but the child was clearly put to sleep in an appropriate fashion, and the provider took immediate action to formalize communication with the parents concerning sleep arrangements, it would be acceptable for an inspector to not deem as serious, the lack of the documentation of an agreement.

Conversely, there are times when a regulation not "presumed" serious may be deemed serious, due to a confluence of conditions or the repeated nature of the violation. A perfect example of this would be evacuation drills. A provider who missed one fire drill in a 12-month period would not be determined to have a serious violation – while someone who had not conducted a single evacuation drill for their evening care children in the past three months would surely be deemed to have a serious violation. Therefore, while there are formal guidelines, the actual determination is made by the inspector and his or her supervisor and the determination is entered into CCFS. The determination is displayed in the inspection report sent to the provider, on monitoring reports available to the inspector and on the OCFS web site. Thus, staff have access to the previous determinations they have made in planning follow up actions.

Compliance with these standards is one of the issues tested for in the sample file reviews conducted by BECS. However, in light of the recent media coverage, we conducted an assessment of ALL inspections conducted by NYCDOHMH staff in calendar year 2005. What we found was that in over forty percent of the inspections with an open violation,

the corrective action period had expired without a follow up inspection. However, it should be noted that these cases only constituted approximately seven percent of all inspections conducted. OCFS will continue to work with NYCDOHMH on how they organize field efforts to balance the competing priorities of these follow up efforts with other key activities such as initial and renewal visits, conducting safety assessments, investigating complaints and ongoing regular monitoring.

I will now review the status of our efforts to enhance the oversight of legally-exempt informal child care providers supported through the child care subsidy program. These are providers who ordinarily care for one or two children in either the provider's or the children's home.

Honoring Parental Choice/ Safeguarding Child Safety: Informal Child Care in Settings Legally-Exempt from Licensure or Registration

Making quality child care available and affordable has been an important underpinning of Governor Pataki's successful welfare reform agenda. The level of investment in child care has grown approximately 300% since the implementation of welfare reform. Funding is now available to support over 184,000 children in low-income or public assistance families. The Governor's long-term vision for strengthening the economic stability of families has recognized that parents must be confident that their children are in safe, stable and appropriate settings before they can be productive, conscientious workers. New York State's child care agenda has emphasized fundamental reforms and enhancements to the safety, quality, and availability of child care.

New York State has always honored the primary role and rights of parents and caregivers to decide the most appropriate child care settings for their own children, a requirement also reflected in federal law and regulation. New York's child care subsidy program provides parents and caregivers the right to select from among all forms of legal child care for their children, including legally-exempt informal forms of child care such as care provided by relatives, friends and neighbors. Legally-exempt informal child care providers are not required to be licensed or regulated by OCFS. As the State's child care subsidy program has grown, over 40 percent of parents have continued to select legally-exempt informal child care, most often provided by family, friends and neighbors. Their likelihood of selecting this type of care is similar to choices made by other families at different income levels.

As you know, Mayor Bloomberg has announced the initiation of a pilot to enhance oversight of legally-exempt providers. This pilot, in fact, is a positive and strategic action on the part of ACS and HRA to be in a position to effectively implement over the next year, a proposed statewide mandate. We are eager to work with NYC during this pilot phase, and in fact, in the statewide regulations that are in the process of promulgation, we have set an alternate timeframe for New City's implementation of the new requirements so that they can fully benefit from the results of this pilot project.

Let me take a moment to review what the statewide requirements will include. The Legally-Exempt Informal Child Care Initiative contains the following major provisions:

I. Increasing Basic Safeguards for the Health and Safety of Children

Legally-exempt informal providers and household members over age 18 will be checked against Division of Criminal Justice Services (DCJS) criminal database, the district's child welfare database, the statewide Central Register of Child Abuse and Maltreatment and, the OCFS Child Care Facilities System, to document whether the legally-exempt informal provider has ever been denied a day care license or had a license revoked. Providers will also be checked against the Sex Offender Registry. The results of these database checks will be shared with the parents or caregivers. In most instances, the information will be presented to the parents or caregivers so that they may make their choice with full knowledge of the provider's background. However, the district will be prohibited from making payments to providers whose background checks reveal certain crimes or child protection violations that would endanger children.

Portions of this initiative can and will be implemented through regulations currently being promulgated by OCFS. Other components, particularly those concerning full criminal checks against the State DCJS database and database checks against the statewide Central Register of Child Abuse and Maltreatment, require legislative change. While we were unsuccessful in receiving legislative support for these key provisions in the last legislative session, OCFS will be reintroducing this bill in the upcoming session.

In addition to background checks, the regulations proposed by OCFS require on-site inspections, on an annual basis, of 20 percent of the active legally-exempt informal providers who are not participating in the Child and Adult Feeding Program (CACFP).

I would note that for the balance of the State, the county child care resource and referral agency (CCRR) or child care council is being funded directly by OCFS to conduct enrollment and inspection activities. New York City has asked us to consider an alternative approach involving the use of a broader set of community based organizations in a manner consistent with the Mayor's newly released strategic plan. We are supportive of this direction and we will work closely with NYC officials in funding these legally-exempt enrollment agencies, rather than simply funding the five NYC-based CCRR's that are currently under contract with OCFS.

Also, CCRR efforts to assist informal providers in improving the safety and developmental appropriateness of their environments will be expanded to reach more legally-exempt informal providers.

II. Promoting the Healthy Development of Children

This initiative would create a two-tier payment structure for legally-exempt informal providers. Higher payment rates would be made to providers that complete ten (10) hours of approved training per year.

All legally-exempt informal providers will be automatically referred to CACFP. Districts will be given the option to make enrollment in CACFP a mandatory condition if a legally-exempt informal provider is funded to provide in excess of 30 hours of care per week.

III. Safeguarding the Investment of Public Funds

All districts will be required to establish more extensive formal audit/fraud detection strategies for their child care subsidy programs, both at the point of initial eligibility determinations and on an ongoing basis. OCFS will strengthen the following requirements: (1) those concerning the termination of payment to a provider that is not in compliance with health and safety standards; (2) recoupment of erroneous payments; and (3) refusal to re-enroll legally-exempt informal providers with a history of health and safety violations.

OCFS will continue to work with social services districts to develop automated supports for monitoring, enrollment, vouchering and payment.

Also related to this overall initiative, we have developed new checklists and other tools that will be equally as useful for a parent evaluating legally-exempt informal care as they are for a parent considering various forms of regulated care. These materials will be formally launched over the next two-to-three months as part of a new parent education campaign.

Again, to stress the point I made a few moments ago, in order for this initiative to be fully implemented, legislative action is required. The State Legislature needs to introduce and pass the Governor's proposed legislation that includes the authority we need to conduct criminal and child abuse background checks on individuals involved in the provision of publicly funded child care that is exempt from licensure.

In the meantime, those components that can be accomplished through regulatory change are about to be republished for a second round of public comment after having been revised to address issues raised in the initial round of public comment. Please be assured that we remain committed to implementing significant additional safeguards expeditiously.

Child Care Subsidy Eligibility Requirements

In June, we also touched on the degree to which NYC ACS and HRA had implemented all of the provisions of the child care subsidy regulations that at the time, had been finalized for almost a year. Of particular concern were those provisions of the regulatory requirement that makes child care subsidy policy and regulations consistent with the State's overall commitment to assist children to have access to the support of both custodial and non-custodial parents. This regulatory requirement reflects a commitment of our State to approach family self-sufficiency in a comprehensive, long-term way that combines immediate assistance in such areas as child care subsidy with long term strategies for family self sufficiency such as child support. As you may be aware, even with the significant growth in funding for the New York State Child Care Block Grant Subsidy Program, we are able to serve less than a quarter of the potentially eligible families. To allow non-custodial parents to abrogate their responsibilities, as hundreds of thousands of families remain un-served, is an inappropriate stewardship of public funds. Given the tremendous financial investment New York State has made in expanding the child care subsidy program over the past decade, the only logical and responsible course for State policy is to require that efforts be made to hold all parents responsible for their minor children.

As you know, the issuance of this regulatory standard was the result of a multi-year regulatory development process that included public comment. The regulations were promulgated on May 15, 2004. OCFS worked extensively with the Office of Temporary and Disability Assistance so that the protections applied to child care subsidy applicants are consistent with those for Temporary Assistance.

In developing the child support requirements, OCFS was concerned about protection of families in domestic violence situations and carefully addressed this issue similar to the Temporary Assistance program. The regulatory requirement states that to be eligible for a child care subsidy, the child's parents/caretakers must demonstrate they have a child support order in place, be actively pursuing a child support order or have a good cause not to pursue a child support order. OCFS is applying almost identical standards for the determination of the good cause exception, including those for victims of domestic violence, as those applied for applicants and recipients of Temporary Assistance and transitional child care. In fact, the standards for child care subsidy go beyond those for the Temporary Assistance program in that, for child care subsidy, a good cause exception is allowed if there may be emotional or physical harm to any member of the household, not just the parent or child. It is important to remember that domestic violence is one of several circumstances that fall under good cause.

In our discussions in June, the issue of "informal arrangements" was also raised. The active pursuit of a court order of support, rather than an informal arrangement, holds true for all program areas: Temporary Assistance, Medical Assistance, Food Stamps, child care for Temporary Assistance recipients and transitional child care recipients. In addition to New York State, 13 other states and the District of Columbia have a requirement to pursue child support for child care subsidy applicants. The establishment of paternity and a court order of support and related benefits are in the best, long-term economic interest of the child.

New York State has led the nation in securing economic stability for low-income families in a broad cross section of policies. Since 1994, we have experienced a 124 percent increase in child support collections, expanded eligibility for the Earned Income Tax Credit and reimbursable dependent care tax credit and supported child care subsidies to families that leave public assistance and those that choose self-sufficiency over temporary assistance.

Our efforts to coordinate child care subsidy policies within a coherent, comprehensive set of policies and programs that together move New York's most vulnerable families toward greater stability is a mark of leadership that OCFS proudly embraces.

In June, you asked whether OCFS would entertain a waiver request from NYC related to the City's approach to implementation of these provisions. At the time, I stated that OCFS would always give any waiver request a full review and assessment. Any and all waivers are evaluated based on the degree to which the alternate proposal offers a reasonable strategy for meeting the intent of the State regulation. Thus, in good faith, OCFS delayed the scheduling of any auditing or monitoring activities within NYC related to these provisions, even though the regulations had been in force for over a year. We did this with the expectation of receiving in a timely manner, a limited waiver submission from ACS and HRA. A waiver request was finally submitted dated October 13, 2005. It

was a much broader and less detailed submission than we had hoped. Thus, given both the significant delay in submission and the overly broad nature of the submission, OCFS has not yet finalized its review nor ruled on this waiver.

However, I must point out that we are now moving into Year-Two since this statewide requirement has been put in place. All other counties have fully implemented the requirement. While there have been the routine start up issues that one expects from any major implementation activity, none of the crises or backlogs predicted by various advocacy groups have come to pass. In fact, the anecdotal feedback from some districts is that the voluntary case closings that they have seen may be related to households where the “absent father” has now formally rejoined the household when the family was informed that child support had to be pursued at the time of recertification. I would note that other states that have implemented similar provisions have found that the single biggest impact has been the recognition that the non-custodial parent was actually a more regular part of the household than had been previously documented.

I provide all this background to state that while we will continue to give NYC’s waiver request all due attention and review; it must be evaluated within the context of our statewide experience. Also, we must quickly reinstate regular monitoring and auditing of the hundreds of millions of taxpayer funds that are currently being reimbursed to NYC through the Child Care Subsidy Program. Thus, a final decision on each specific aspect of the waiver submission will be issued shortly.

Child Care Subsidy Payment Rates

I was also asked by the Council at the June proceedings to speak about the issue of payment rates. The question was posed in connection to the matter of “pay equity between voucher and contracted providers.” You will recall that I provided a brief overview of the New York State Child Care Block Grant (CCBG) and the associated eligibility rules for child care subsidies. Since that time, the Mayor has released a new Strategic Plan for early childhood services. OCFS sees much to applaud in this document. At the same time, OCFS has reminded ACS and HRA that the ongoing implementation activities related to this plan must be developed in accordance with State law and regulation and we have expressed our interest in being active participants in the next stages of developing more detailed implementation strategies. As the City Council reviews this strategic plan, and as ACS proceeds in implementation activities, we offer the following reminder: the child care subsidy program is a benefit program for low-income families to assist in making the child care arrangements, which the FAMILY has selected, more affordable.

Local districts must inform parents applying for child care that they may:

- a) Choose to have care provided by one of the child day care providers with which the local social services district has a contract; or

- b) Request a child care certificate that enables families to select from a wide range of child care arrangements. The allowable child care arrangements include care by licensed day care centers, registered family day care providers, licensed group family day care providers, registered school-age child care programs, family child care, and legally-exempt informal and group child care providers.

Local districts must inform families of the full range of child care options that are eligible for payment, and provide them with information regarding factors to consider when selecting child care. This information is provided verbally or in writing, as appropriate.

Families must be given full discretion in selecting and arranging for the purchase of child care services from eligible providers. When a family elects to use a provider with which the local district has a contract, the child must be enrolled with the provider selected by the family, to the maximum extent practical.

When a family elects to use a child care certificate to self-arrange care, the local district is responsible for providing a certificate directly to the family. A child care certificate is valid for 30 days from the date it is issued. During this period, the family may present the certificate to any eligible provider.

It is crucial to emphasize that eligibility for child care subsidy is based on the family's income and the reason the child care is needed. Under no circumstances can the parent's preferred type of child care, or the mechanism for payment of child care—voucher or contracted—in any way be used to determine whether a case will be opened, or result in any kind of preference among eligible families.

The district is required to pay for the actual cost of care, up to but not to exceed the relevant market rate ceiling. The actual cost of care is typically defined as the fee that the provider charges other families who are not receiving a subsidy for child care.

Social services districts may negotiate a contract with individual providers. The negotiated payment rates may be the same as, or lower than, the rates charged to non-subsidized families. Even though the negotiated rate may be less than the usual charge to non-subsidized families, the negotiated rate is considered the actual cost of care for those child care services provided under a contractual agreement between the social services district and the provider. However a district may not require a provider to enter into a contract or join a child care network as a condition of receiving reimbursement through the child care subsidy program.

Market Rate Structure

To update you on the market rate structure since the June hearings: Payment rates are established for each district based on a market rate survey that OCFS conducts every two years. Federal and State law require New York State to establish payment rates for child care subsidies that are sufficient to provide equal access for eligible children, comparable to those subsidies provided to children whose parents are not eligible to receive assistance under any federal or State programs.

In addition, market rates must take into account the variations in costs of providing child care in different settings and to children of different age groups, and the additional cost of

providing child care for children with special needs. The federal Administration for Children and Families has determined that rates set at the 75th percentile of the market are sufficient to provide subsidized parents equal access to child care providers. Further, State law requires OCFS to establish, in regulation, the applicable market-related payment rate which will set a ceiling for federal and State reimbursement for payments for child care services. In accordance with federal regulatory requirements, OCFS conducts a telephone survey of a sample of regulated providers every two years. The most recent survey was conducted during the spring and summer of 2005, with new rates promulgated effective October 1, 2005.

The rate data is analyzed to determine the 75th percentile. The resultant rates are then clustered into five distinct geographic clusters of counties based on similarities in the rates among the districts. NYC comprises its own cluster.

2005 Child Care Quality and Special Projects Plan

Finally, I was asked to provide information on New York State's investment in promoting the quality of care and how it impacts child care in NYC.

The 2005-06 Budget continues the Governor's commitment to promoting the availability, affordability and quality of child care for New York State's families and children. The majority of federal and State funds continue to be available to counties to support subsidies for New York State's low-income families and families receiving public assistance. However, in order for that investment to have its full intended impact, it is essential for the State to invest in the infrastructure of the child care industry through a variety of crucial steps to monitor the health and safety of care, provide supports to providers and consumers of child care and invest in the development and maintenance of high quality child care settings. This coordinated approach is also envisioned in the federal legislation and funding streams that provide major support to New York State's child care program.

Outlined below are key aspects of our quality investments across the State through which NYC directly benefits.

1. Child Day Care Center Start Up and Expansion

In April 2004, a Request for Proposals (RFP) was released for the next two years for child day care center start up and expansion; expansion of hours of existing day care centers and school-age child care programs; innovative programs; health and safety grants; and accreditation. Here is a summary of awards made in 2004 and to date in 2005:

- 2004 Total Awarded statewide - \$7,965,210.00
- 2004 Total Awarded to NYC - \$2,824,301.00
- 2005 Total Awarded statewide - \$3,445,601.00
- 2005 Total Awarded to NYC - \$1,074,927.00

2. Child Care Resource and Referral Services

Through contracts with OCFS, the CCRR agencies have been a hub for child care activities at the local level for over a decade. In addition to the core resource and referral services, the network is supported by regional Infant/Toddler Resource centers and the statewide New York State Child Care Coordinating Council. OCFS funds five CCRR's in NYC for a total of \$5.2 million. statewide, the CCRR's receive \$17.3 million.

3. Automated System for Licensing and Oversight

In 1999, OCFS began an intensive effort to re-engineer all aspects of the licensing and oversight process. An automated system (CCFS) is being implemented that provides enhanced supports to the initial application and renewal process, inspections and complaint investigations, as well as criminal history reviews. The major additions still to be added will aid the legal unit as they process enforcements, and will provide direct feeds into the databases used by the CCRRs across the State. An automated directory of providers is also available on the

OCFS website, allowing immediate public access to information on the location and status of all regulated providers. An additional unit of CCFS will be added to support enhanced oversight of subsidized legally exempt providers, as discussed later in this overview. \$3.9 million are allocated in SFY 2005-06 for the support and continued development of this core system. This is a statewide system with equal impact for NYC as well as the rest of the State.

4. Inspection and Registration Staff

The State's capacity to maintain national licensing standards is made possible through the additional inspection and registration staff funded through 40+ registration performance based contracts statewide, including a contract with the NYCDOHMH. These contracts are performance-based, with payment being driven by meeting State-defined performance indicators related to the timeliness and quality of oversight activities. In general, these contracts have been funded at the same level as in the previous State fiscal year. However, an in-depth analysis of the reasons for low performance in the NYC contract has led to a number of important changes in the structure, training and oversight of current staffing, and the decision to expand the staffing in NYCDOHMH. Thus, this funding category is increased by \$3.25 million in SFY 2005-2006 for a total of \$18.75 million. Of the \$18.75 million, \$9.3 million is allocated to NYCDOHMH.

5. Administration of Medications Regulations

Recently passed legislation directed OCFS to review and revise its regulations related to the administration of medications to children in child care settings. While New York State has always had clear procedures for administering medications in child care settings, changes in many aspects of the profile of children in care required the State to update and refine these requirements by January 30, 2005. To assist providers in meeting the requirements of this new Law, a program was created to offset costs to providers receiving the required training to administer medication; a training and certification process for health care professionals seeking to provide the newly required Medication

Administration Training (or "MAT") was implemented; and, all of the CCRRs have brought on staff or developed contractual agreements with qualified medical professionals to serve as health care consultants. The portion of these funds that were allocated to NYC-based providers in 2005-2006 is \$1.2 million.

6. Health Insurance for Child Care Providers to Help Their Employees

In May 2004, \$2.2 million, including \$200,000 for systems related costs, was approved to help child care providers offer health insurance to their employees. The goal of the initiative is to promote quality by helping child care providers across the State recruit and retain quality staff. This initiative offers \$50 per month per individual and \$100 per month for two-adult or family premiums in the Governor's Healthy New York health insurance program for small businesses and the self-insured. Of the 452 licensed or registered programs that have applied and

were approved to participate, 52 are in NYC, which has resulted in 172 additional individual and family policies being opened by NYC workers through Healthy New York.

7. Professional Development/In-Service Training for Providers - \$15.49M

OCFS supports a comprehensive set of activities to promote the ongoing professional development and in-service training of the provider community. The two cornerstones of these resources are a national and international award winning series of interactive video teleconferences and the Educational Incentive Program (EIP). In 1997, OCFS created EIP to provide scholarships to help child care providers and staff receive the training and education they need to provide quality care. More than \$9 million dollars has been allocated for EIP in SFY 2005-06, a small increase over 2004. \$5,990,317 directly benefited NYC-based providers.

Separate funding to the statewide network of Red Cross Chapters is also provided to enhance access to first aid and CPR training.

8. Legally-Exempt Child Care Providers

Earlier in my testimony, I spoke about our initiative in the area of improving the oversight of legally-exempt care. Funds to support this initiative have been factored into SFY 2005-2006 program year. The SFY 2005-2006 NYSCCBG subsidy allocations include \$1.4 million for the first year costs associated with enhancing local district fraud detection and audit activities. Of the \$1.4 million, New York City's allocation is one-half, in proportion to its percentage of the legally-exempt provider population. NYC currently does not claim any child care audit costs to their NYSCCBG allocation.

9. New York City Day Care Center Worker Retention Project

During the budget development process, the Legislature added an additional special quality initiative. Four million dollars was added to support enhanced services provided and expenses incurred by AFSCME District Council 1707 for day care center worker recruitment, retention, training and education. This initiative is targeted exclusively to employees in child day care centers in NYC under contract with ACS for the provision of subsidized day care.

10. Child Care for Special Populations

Finally, while the majority of the child care subsidy activities are administered by local social services districts with the related funds allocated through local assistance, there are a few specific child care subsidy programs that will continue to be directly administered at the State level. We target migrant farm workers, through a collaborative initiative with the Department of Agriculture and Markets and low-income CUNY and SUNY students, through collaboration with their network of campus-based child care centers. In addition, there are a number of specialized facilitated enrollment projects, including the Liberty Zone project which targets lower Manhattan and similar projects that serve parts of Brooklyn and the Bronx. The various contracts in this category currently total \$42 million of which \$27.4 million or 65% are for NYC based projects. This is all above and

beyond the \$432 million allocated to HRA and ACS for the child care subsidy program, including \$5.5 million that NYC has chosen to transfer to child care from the Flexible Fund for Family Services.

Conclusion

As I said, this is only a portion of New York's investment in quality. This 2005-2006 Child Care Quality Plan is comprehensive and ambitious and continues to reflect progress toward Governor Pataki's goal to enhance the safety and quality of child care in New York State, even in a time of fiscal austerity.

In closing, I would again commend the leadership across a number of NYC agencies: ACS, HRA, NYCDOHMH, FDNY and NYCHA for the invigorated leadership and action across all aspects of the State/city partnership in making child care safe, healthy, and affordable for New York's children and families. I would also acknowledge and ask their continued commitment to the unfinished work ahead of us.

Thank you again for the opportunity to speak to you today. As always, OCFS is eager to continue to serve as a partner with NYC in promoting safe, affordable, quality child care.

**TABLE 1:
Key Compliance Indicators**

Key Indicator	June 2004 – NYC	May 2005 - NYC	October 2005 – NYC	State Monitoring Standard
Applications with processing times exceeding required six-month time frame	73%	40.8%	28.21%	5%
Facilities without all required criminal history checks completed	496	75	48	0
Percent of safety assessments overdue (crimes that are considered presumptive denials—completed within five days; crimes of a discretionary nature—completed within 30 days)	291%	72.9%	7.5%	0%
Facilities not renewed before the end of the previous registration or licensing period (net those where OCFS is seeking to revoke or limit the license or registration)	35%	19.4%	13.34%	5%
Percent of facilities with no record of an inspection in the past two years	51.2%	6.3%	2.98%	4%

Source: New York State Office of Children and Family Services, Bureau of Early Childhood Services (Nov7, 2005)