



**UNITED
NEIGHBORHOOD
HOUSES**

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**FY24 Preliminary Budget Testimony of United Neighborhood Houses
Before the New York City Council Committee on Education
Council Member Rita Joseph, Chair**

**Submitted by Dante Bravo, Youth Policy Analyst
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Thank you, Chair Joseph and members of the New York City Council, for the opportunity to testify. My name is Dante Bravo, and I am the Youth Policy Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing 45 neighborhood settlement houses, 40 in New York City, that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

Settlement houses have been community hubs for education for decades, and continue to provide New York City's communities with guidance around academic instruction and enrichment, as well as navigating the Department of Education (DOE) at large. They have also served as sites for DOE programming, and as mediators between communities and the DOE to ensure that schools remain as responsive to the needs of their local communities as possible. This testimony makes recommendations about the Department of Education's FY24 budget and how to best support New York City's children, youth, schools, and communities at large going forward.

Overview

In FY 2024, there are a number of funding needs to support New York City's students. UNH urges the City to take the following budget actions:

- Invest \$60.3 million to replace time-limited American Rescue Plan (ARP) funding, which fully expires in FY26. The funding gap left by federal aid in FY26 includes the following:
 - Community Schools Expansion: \$51.2 million
 - Restoration of Community Schools Contracts: \$6 million
 - Community Schools Sustainability: \$3.1 million
 - Additionally, in FY25, Community Schools will face a \$25.6 million deficit that

will need to be filled, as the community school expansion is only half-funded for that FY.

- Invest \$42.1 million in Learning to Work to also replace time-limited ARP funds and ensure that the program has sustainable funding sources, and include additional funding to offer student interns and staff higher wages in the face of growing costs-of-living.
- Invest \$3.4 million to support 25 City-funded shelter-based coordinators, and replace expiring ARP funds to support 75 federally funded shelter based coordinators to help youth in temporary housing;
- Expedite backlogged FY22 and 23 payments to early childhood providers, fund a labor agreement that achieves parity for all early childhood teachers and staff, and prioritize an expansion of 3-K for All that meets the needs and preferences of families; and
- Invest in the human services workforce:
 - Pass Intro 510 to establish a prevailing wage schedule
 - Invest in a 6.5% cost of living adjustment (COLA)

Invest in Community Schools

Students learn better when their various physical and socio-emotional needs are met and when they have significant relationships with caring adults. If students are coming to their classes hungry, dealing with the stress of living in temporary housing, receiving inadequate mental or physical health care, or dealing with other social-emotional or economic hardships that have been exacerbated by this pandemic, it will only be that much harder to focus on academics. Community schools address those barriers by partnering with community based organizations in holistic and innovative ways, and represent a long-term resource coordination strategy to sustainably invest in youth, families, and communities.

Specifically, the success of the community schools is built on the pillars of integrated student supports, expanded learning time and opportunities, family and community engagement, and collaborative leadership and practices. These inextricable elements work together to address socioeconomic and health disparities in schools and communities through a partnership between school staff and community based organizations to deliver wraparound services.

Given their track record of success¹, the New York State Education Department recommended the community schools model as part of their reopening guidance to school districts,² and the City committed to using federal stimulus funding to expand the number of NYC community schools from 266 to 406. The community school model is the best strategy for supporting the education spectrum: academic, enrichment, student and family support, engagement/reengagement and restorative justice policies and practices, and have also served as a community centers of mental health through depression/anxiety screenings, in-house mental health services and referrals to larger networks of support outside of the school. Community schools are also an investment in conflict mediation, a pliable model for delivering mental health services to young people to meet them where they are, and can be spaces for families to begin the steps of accessing culturally competent care for their young people.

¹ The RAND Corporation released a comprehensive report on the impact of NYC community schools [accessible here](#).

² [Guidance accessible here](#)

The City expanded the initiative from 267 to 406 schools using American Rescue Plan federal stimulus dollars. Still, NYC has yet to develop a permanent long-term sustainable funding solution for our community schools, and while federal stimulus dollars will sustain them for now, it begins to decrease in FY24 and then drops off completely in FY25. The future of these neighborhood lifelines remains unclear in the face of budget gaps.

UNH recommends smart and sustainable investments from the City in the Community Schools Initiative to support the long-term existence of these crucial services. Consistent and sustainable funding are critical to building community trust and authentic school-community partnerships.

The City's Community Schools Initiative should be baselined, and in order to do so, the City must utilize a sustainable funding source to fill in the gaps left by temporary American Rescue Plan dollars. The total investments needed in the Community Schools Initiative are as follows:

- Starting in FY25, Community Schools will face a deficit that will need to be filled, as the community school expansion is only half-funded for that year. **An investment of \$25.6 million is needed for FY25.**
- **A total investment of \$60.3 million will be needed in FY26** to baseline funding after American Rescue Plan funding expires.
 - The funding gap left by federal aid in FY26 includes the following:
 - Community Schools Expansion: \$51.2 million
 - Restoration of Community Schools Contracts: \$6 million
 - Community Schools Sustainability: \$3.1 million

In FY22, due to a change in Office of Community Schools funding formula, 52 NYC community schools saw major reductions to their budgets. After advocacy, in each of the last two fiscal years, these schools were temporarily made whole with a one-year amendment that was included in each FY22 and FY23 Adopted Budgets. \$9.16 million must be included in the FY24 Executive Budget to ensure the continued success and stability of these schools.

Finally, the Department of Education's unique procurement process must be examined and reformed to address the lengthy contract registration process, delays in payment and an inconvenient bridge loan process. These are barriers to consistently delivering services.

Invest in Learning to Work

The Learning to Work (LTW) model supports every student in a Transfer School or Young Adult Borough Center (YABC) as they work towards their high school diploma and the development of a post-secondary plan. Community based organizations (CBOs) are embedded in the fabric of these schools through LTW contracts with the DOE and provide academic and socioemotional support, career and college exploration, skills development, internships, and much more.

The Learning to Work model is available citywide in 46 Transfer Schools and 20 YABCs. In the 2019-2020 school year, LTW providers supported 16,446 students and provided 3,006 internships, which amounted to over \$9 million in revenue to students.

Throughout the pandemic, LTW providers surmounted significant obstacles to keep students engaged in both school and work. Students remained stably housed, earned income through

project-based internships, and continued to participate in classes remotely, in spite of their obstacles being exacerbated by the pandemic's economic impact. CBOs were key in addressing the emotional trauma and learning loss that many students face after a year of sustained social isolation, economic stress, and the loss of family members.

UNH urges the City to **baseline LTW's full \$42.1 million budget** through sustainable funding sources. Like Community Schools, American Rescue Plan (ARP) stimulus funds currently make up \$30.4 million of LTW's \$42.1 million budget, or 72% of LTW's funding. The continued success and stability of this program hinges on the City's ability to backfill budget gaps caused by expiring ARP funds.

Additionally, the City must take two additional steps to support students in LTW programs:

- The FY24 budget must include **additional funding to offer student interns and staff higher wages and cost of living adjustments.**
 - Student interns often leave the LTW program to take jobs that pay higher wages of at least \$20 an hour and allow them to work 25 hours rather than the 20 they work in a LTW internship. This makes it less likely for students to stay in the LTW program and ultimately finish their degree.
 - The City must also include considerations for undocumented students to have similar access as documented students to internships.
- The FY24 budget must give the LTW program enough funding to bring back the staffing pattern of **three Advocate Counselors and two Internship and Career Coordinators per program.**

In addition, UNH calls on the city to raise the starting salary for staff while also allowing a prospective candidate to use 3-5 years' experience in the place of a Bachelor's degree, and to also consider adding additional funds to offset many pandemic initiatives that are either now coming to an end or severely reducing certain benefits as the City continues to recover from the COVID-19 pandemic's economic impact.

Support Youth in Temporary Housing

UNH is pleased that the [City has announced](#) it is proposing adding a Fair Student Funding weight for students in temporary housing, meaning that schools will receive additional funding (a .12 added weight) for each student in temporary housing attending that school at a total cost of \$45M. This funding is entirely flexible; schools can use it as they see fit to meet the needs of the school community. While UNH supports the addition of these weights, we are also calling on the City to invest *targeted* resources to meet the specific needs of students who are homeless, including extending funding for the shelter-based coordinators.

At a time when the number of students living in shelters has increased and low attendance in New York City public schools is a top concern for our communities, it is important to ensure the continuity of services meant for young people in temporary housing so that they can still have as many educational opportunities as their peers. Unfortunately, the FY24 Preliminary Budget does not include extended funding for many of these programs, and UNH calls on the city to ensure the survival of these programs for the sake of these young people:

- **Invest \$3.3 million in FY24 to support 25 City-Funded Shelter-Based Community Coordinators.** This program allows for shelter-based liaison to support young people in their academic goals and get access to resources for their academic needs.
- **Add stable funding to the DOE's budget to support 75 Federally-Funded Shelter-Based Community Coordinators.** Seventy-five additional /shelter-based community coordinators are funded through time limited American Rescue Plan funding, which expires in the fall of 2024.

Stabilize and Strengthen the Early Childhood Education System

New York City settlement houses in the UNH network operate 70 DOE-contracted center-based child care programs which provide year-round, full-day programs for children 0-4 years old, and/or Pre-K for All and 3-K for All Programs that offer school-day programs. Nine settlement houses run DOE-contracted Family Child Care Networks, and 10 operate Head Start or Early Head Start programs directly contracted with the federal Office of Head Start. Several also run fee-for-service early childhood education programs. Collectively, settlement houses serve an estimated 12,000 children under the age of 5 citywide.

Mayor Adams' *Blueprint for Child Care and Early Childhood Education* blueprint detailed many actions for expanding access to child care for the City's families. While the Adams Administration's goal of creating a universal child care system is well-intentioned, the Administration and the DOE have failed to adequately address the systemic and persistent challenges facing the City's CBO early childhood education providers, especially around prompt payment for the hundreds of millions of dollars still owed to providers. Further, this Administration's actions undermine their own expansion goals, per the \$568 million cut to expanding the 3-K program for FY 2024 initially proposed in the FY 2023 November budget modification.

In FY 2024, we urge the City to stabilize and strengthen the early childhood education system so that it meets the needs of children, families and the workforce. Before the City moves forward with an expansion of the system, it must prioritize paying providers, as well as undertake critical operational reforms needed to stabilize and strengthen the City's early childhood education system.

Addressing Debilitating Delays in Payments to Providers

Early childhood education providers who contract with the DOE face a debilitating crisis of delayed contract reimbursements for FY 2022 and FY 2023. One of our members operating several center-based EarlyLearn programs and a Pre-K program reported that the City still owed them nearly \$1.3 million for FY 2022 contracts, as of January 13. As of this week, another provider was waiting on \$625,000 in payments from the DOE, after submitting all of their invoices and paperwork; without payment, this provider will need to draw down on their line of credit again to make payroll this week. Nearly eight months since the start of the current fiscal year, a number of our members still have not received any reimbursement for FY 2023 aside from advances. As a result of delayed payments for FY 2022 and FY 2023, providers in the UNH network are experiencing severe financial cash flow hardships. One settlement house member informed us that as of January 30, they are still owed more than \$200,000 for FY 2023, and are currently deferring the purchase of classroom supplies or non-essential items so that they have enough money for payroll.

To ensure FY 2023 and future contracts are paid on time, the City should extend the option for multi-month invoice submission and approval. DOE recently adjusted its vendor portal system to allow providers the option of submitting multiple monthly invoices at one time for FY 2022 contracts, and recently informed providers that this option is now available for FY 2023 invoices. Our providers have shared that multi-month submission has helped with addressing the backlog in payments. However, the DOE has not indicated whether they would permit providers the option of batch invoice submission beyond FY 2023.

UNH urges the City to take the following steps to ensure that providers achieve financial stability:

- Immediately complete back payments and bring all center-based providers up to no less than 75 percent of their full contract value for FY 2022
- Increase providers' FY 2023 advance payments to 75 percent of full contract value to address emerging and serious payment delays for the current fiscal year
- Extend providers' ability to batch and submit multiple months of invoices for FY 2024 and beyond, as well as maintain DOE Rapid Response Teams for FY 2023 and future years
- Separate the system supporting enrollment data collection from the system responsible for invoicing and payments; and migrate DOE invoicing and payments out of the Pre-KIDS system and into MOCS (Mayor's Office of Contract Services) PASSPort system by FY 2024.

Investing in Salary Parity for the CBO Early Childhood Education Workforce

As part of stabilizing the City's early childhood system and ensuring that it meets the needs of the City's families, the City must also invest in the child care workforce, specifically staff at early childhood education programs operated by settlement houses and other CBOs who have historically been underpaid relative to their counterparts at the DOE. Lack of parity between the DOE and the CBOs is leading to higher vacancy rates and making it difficult for CBOs to fill and retain critical positions. Center-based programs are left with staff shortages, preventing them from running at full capacity due to required children-adult ratios. One settlement house reported that their enrollment is impacted by staffing issues, noting that "one of our enrollment challenges continues to be competition with the DOE for certified teachers and other staff so we can't enroll more children beyond who we can safely serve." Another reported that it has received requests for child care support from asylum-seeking families but are unable to serve them due to staff shortages: "We have a waiting list of about 65 kids and a bunch of empty classrooms, but we don't have the staff." Similarly, another member is operating an early childhood program that is half-staffed and half-enrolled, noting that it is difficult to recruit staff when their certified teachers earn \$10,000 less than what DOE pays for certified teachers at a school-based site.

In 2019, the City attempted to address pay parity concerns by reaching a contract with certified early childhood education lead teachers working in community-based centers that brought their salaries on par with the salary of an entry level 10-month DOE teacher. However, the agreement did not account for regular increases or longevity bonuses, nor did it cover special education teachers and center-based program directors working for CBOs. The last scheduled wage increase took effect in October 2021, and we are concerned that in the absence of negotiations to address outstanding issues from the 2019 agreement, the field will face a serious crisis in

finding and retaining qualified, dedicated teachers to lead both general and special education classrooms.

Early childhood education support staff are also in urgent need of wage increases. The 2019 contract awarded the support staff a 2 percent increase which brought wages up to \$15.75/hour. This rate is not only significantly lower than DOE equivalent jobs, but it is also lower than what some big box retail companies pay their employees in NYC. According to UNH's 2022 member salary survey, a teacher's aide or assistant working at a settlement house-run early childhood education program earned an average annual salary of about \$36,000 in 2022—not far off from the federal poverty line of \$26,500 for a family of four with two adults and two children. The City must increase wages for support staff to a minimum of \$25 per hour so that community-based organizations can retain their experienced staff by offering competitive wages.

Furthermore, any parity agreement and wage increase incentive should also apply to staff working at family child care providers. Family child care providers, who are educators, but also small business owners, face unique challenges. New York State's FY 2022-2023 enacted budget included \$324 million in additional state funding to increase child care provider reimbursement rates from the 69th percentile to 80th percentile of the market rate. However, it is necessary to ensure that family child care providers are reaping the benefits of these higher market rates.

To stabilize the early childhood education workforce in FY 2024, UNH urges the City to:

- Fund a new labor contract that:
 - Advances childhood education parity between center and school based services, ensuring staff left out of the first phase of parity (early childhood directors and support staff in community-based organizations and preschool special education teachers and support staff) are included
 - Factors longevity into salary increases
 - Establishes a minimum wage floor of \$25 for all support staff.
 - Ensure home-based family child care providers benefit from the increased child care provider reimbursement rate to 80th percentile of the market rate.

Aligning 3-K Seats to Match Families' Needs and Preserving 3-K For All

The City has increasingly turned to CBOs to expand the 3-K program. The Independent Budget Office (IBO) found that during the last school year, nearly three-quarters (74 percent) of 3-K students attended contracted New York City Early Education Centers (NYCEECs), which include programs operated by CBOs, Early Learn programs, and Head Start programs. The City's expansion of 3-K for three-year-olds has largely been fueled by federal COVID-19 relief funding that will expire by the 2024-2025 school year. Yet, the expansion of 3-K is at risk. After COVID-19 relief funds expire, the IBO projects that the 3-K program will be faced with a shortfall of \$92 million for the 2025-2026 school year.

However, rather than increasing its investment to address the funding gap in the 2025-2026 school year, the City's response to the expiration of federal COVID-19 relief in 2026 has been to cut \$568 million to the 3-K expansion over two years. The Administration noted that this is a reallocation of federal stimulus funds to reflect a "right-sizing" of the program and unfilled seats. The Administration has argued that these cuts do not represent a rollback of its promise to expand 3-K, noting that it would redistribute an estimated 40,000 unfilled seats to better match demand from families.

Yet, unfilled 3-K seats in certain neighborhoods are not a reflection of reduced demand from families for this program—instead, it reflects a mismatch between the type of early childhood care and education needed by the City’s families and the seats that are currently available to them. Available 3-K seats are typically school-day/school-year seats that do not meet the needs of working families who require full-day/full-year care. Yet, providers awarded seats under the DOE’s new birth-of-five system are hamstrung by limited flexibility in converting seat types based on the preferences of the families they serve, which hinders their ability to effectively respond to the needs of their communities. Providers in our network have reported struggling to meet the demand for extended-day seats for 3- and 4-year-olds: one settlement house reported that families have approached them with requests for extended-day seats for 3-year-olds but they did not have the flexibility to open up more seats and were unable to change over seat types to accommodate families.

Under-enrollment in 3-K is also representative of the ways in which the City has failed to work directly with CBO providers to address unfilled seats in their programs and best target outreach to families in their respective communities. As DOE controls the enrollment process, parents do not have the ability to connect directly with community providers to enroll their children when seats do become available. CBO providers have shared that they are often competing with neighboring DOE schools to fill open 3-K and Pre-K seats.

To order to preserve 3-K for All, UNH urges the City to:

- Commit to fund current 3-K program levels and restore the timeline for the 3-K expansion.
- Convert existing 3-K school day / school year seats, to extended-day, year-round seats and ensure 3-K expansion efforts prioritize creating new capacity for extended day, year round seats.
- Invest a robust level of resources in linguistically and culturally appropriate on-the-ground and multimedia marketing, community engagement and enrollment efforts for 3-K.
- Reform enrollment procedures so that community based organizations have the option of directly enrolling children whose families apply for 3-K, Pre-K or child care.

Invest in the Human Services Workforce

While it is crucial to examine the needs of young children and school-aged youth and provide supportive services, we must also ensure that the workers providing these services are supported. Low wages for youth services positions have contributed to a staffing crisis, and without increased budgets in government contracts to cover wage increases, nonprofits will be unable to recruit and train the next generation of early childhood educators and youth development workers, setting future New Yorkers up for significant barriers to accessing services. Our society has devalued care work for far too long, and it is time that we invest in this workforce to ensure that they earn wages that properly compensate them for the skilled and important work they do.

More broadly, human service workers as a sector are grossly underpaid. A recent analysis by UNH found that human service workers face similar economic insecurity as the participants in their programs; in our report, [*The Need to Strengthen the Economic Security of the Settlement*](#)

[House Workforce](#), we note that government funding decisions and chronic underinvestment in human services have led to poverty-level wages for essential frontline workers at settlement houses.

Low wages, exacerbated by burnout from the COVID-19 pandemic, have led to chronically low staffing levels at human services organizations. Our settlement house members report more, longer vacancies, higher turnover, and significant challenges recruiting in a competitive labor market. Insufficient staffing has made it increasingly difficult for nonprofits to serve New Yorkers, leading to under-enrollment and program closures – such as the recent announcement of the closure of Sheltering Arms – which then leads to budget reductions and a vicious cycle that harms New Yorkers seeking services.

For years, the human services sector has warned of a staffing crisis citing low wage levels. Over the last two years, the City ignored a COLA request and instead issued a one-time bonus for our workforce that was equivalent to less than 1%, and a “contract enhancement” that led to contract-by-contract increases of between 1.5 and 2.5%. This investment is wholly insufficient to have a meaningful impact on the nonprofit workforce. Even with an annual 5% COLA, for most frontline workers starting at or around minimum wage, five years of raises would still mean an hourly wage of under \$20. Coupled with inflation and the City’s tendency to extend contracts without any cost escalators or budget modifications, this salary problem will only be solved by a significant investment in the workforce.

Create a Prevailing Wage Schedule for Human Services Workers:

For these reasons, UNH supports Introduction 510 (Stevens), which would establish prevailing wage schedules for human service workers, require agencies to include sufficient funding to cover those wages in contracts, and track implementation of those wages by human service contractors; and we know that this legislation would need to pass through the budget process to be effective. While prevailing wage schedules are an imperfect tool to address the current conditions faced by human service workers, it is a significant improvement from the status quo. This process to design a true prevailing wage system is arduous and will require careful analysis, but we cannot afford to continue ignoring the need. For years, the government at every level has asked nonprofit partners to do “more with less.” This dynamic has pushed our sector to a real breaking point, and our workforce has suffered the consequences.

Include a 6.5% COLA for Human Services Workers:

Given the gravity of the human services staffing crisis, we are also supportive of a 6.5% Cost of Living Adjustment (COLA) for this workforce in FY 2024, in alignment with the JustPay campaign. We also ask the Council to ensure it is included in the budget as a “cost of living adjustment” and not some other named initiative so providers can rely on these funds being stable and recurring.

Thank you for your time. For any follow up questions, I can be contacted at dbravo@unhny.org.