



New York City Children's Services
DIVISION OF CHILD CARE & HEAD START
66 John Street – 8th Floor
New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

PROJECT FULL ENROLLMENT

As you know, affordable, quality child care is a scarce resource with limited city, state, and federal funding to support subsidized seats. It is critical that Children's Services ensures that every seat is filled with an eligible child, which also means that the City's early care resources are used efficiently.

On January 28th, Mayor Michael R. Bloomberg released his Preliminary Budget Plan for Fiscal Year 2009. The Plan presents the next phase of Project Full Enrollment that Children's Services will be launching. This initiative builds on the two-year Full Enrollment strategy started when the Division of Child Care and Head Start (CCHS) released its Strategic Plan, Rethinking Child Care.

The goals of the Full Enrollment Initiative have been to make it easier for parents to access subsidized care and to achieve 100 percent enrollment in child care programs. Through this effort, Children's Services has learned that the key to sustaining full enrollment is creating incentives for programs.

Effective September 2008 (FY 2009), Children's Services will begin a citywide, phased implementation of the next stage of Project Full Enrollment (PFE). Children's Services will modify the contract and payment system to compensate each program for the actual number of children enrolled in and attending the program rather than the program's budgeted capacity. This initiative will serve as an incentive to achieve and maintain full enrollment.

The following questions and answers have been compiled to help clarify components of the initiative, both within policy development and operational arenas. This Frequently Asked Questions document will be updated as the work progresses toward the September implementation. Contact and further information is available on the Child Care and Head Start pages on the Children's Services website at: www.nyc.gov/acs. Submission of additional questions is encouraged through the link to a centralized e-mailbox at: childcare.PFE@dfa.state.ny.us.



New York City Children's Services
DIVISION OF CHILD CARE & HEAD START
66 John Street – 8th Floor
New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

FREQUENTLY ASKED QUESTIONS

System Design

1. What is the main difference between the PFE system of reimbursement and the current contract system?
The principal difference is that the current contract system pays programs for budgeted capacity rather than enrolled children. Children's Services will modify the payment system to compensate each program for the actual number of children attending the program rather than the program's budgeted capacity. In other words, Children's Services will no longer pay programs for vacant seats. In Fiscal Year 2007 alone, city tax-levy paid for \$40 Million of vacant seats. This is not an efficient use of limited funds; compared to other national and local child systems, New York City is unique as the city pays for vacancies in the main contracted system.
2. Why is this initiative being implemented?
In Rethinking Child Care, the first step to maximize resources was to promote full enrollment in Child Care and Head Start programs. The Full Enrollment Initiative implemented community-based enrollment, increased parental access and helped programs achieve full enrollment. The next step in the strategic plan is to reimburse each program for the actual number of children attending the program, rather than the program's budgeted capacity.
3. Will the Full Enrollment Initiative be affected by PCE work?
No. Full enrollment efforts will continue. To date the Full Enrollment Initiative has been implemented in Bronx, Manhattan and Queens. Implementation is currently underway in Brooklyn.
4. Is this an indication that Children's Services is moving toward a 100% voucher-based system?
No. Currently, 68% of the child care system in New York City is voucher-based (32% of the system is contracted care). Vouchers are already reimbursed based on enrollment and attendance, and this initiative aligns the reimbursement systems for voucher and contracted care.

Additionally, there should be better coordination between voucher care and contracted care so that programs will be able to accept children presenting both forms of subsidies, as well as private pay clients. This coordination will allow programs to diversify their revenues and further stabilize their operations.



New York City Children's Services
DIVISION OF CHILD CARE & HEAD START
66 John Street – 8th Floor
New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

5. What other policies will be impacted by the PFE initiative?
At this time, revisions are being made to the private pay policy to encourage programs to enroll and accept both children with vouchers, and private pay clients to achieve full enrollment. Other policies may have to be revised to support the implementation of PFE.
6. Is Family Child Care included in this initiative?
Family Child Care is not part of this initiative at this time.
7. Are Head Start programs included in this initiative?
Head Start programs are not included in this initiative at this time. Child Care/Head Start collaborations will be included in this phase of implementation.
8. Does Children's Services intend to close programs?
We want programs to be successful and serve as many children, both subsidized and non-subsidized (private pay), as possible. It is not anticipated any programs will close as a result of this effort.

Implementation Plan & Development

1. How is the implementation plan being developed?
Commissioner Mattingly will convene a high-level Task Force to advise in the implementation of the Initiative; the Task Force will begin meeting February 2008. This group will be charged with providing Children's Services with critical guidance on the implementation of the new reimbursement system and technical assistance required.
2. What is the expected implementation date?
PFE is planned to begin implementation September 2008.
3. Will there be a phased-in implementation?
Yes, while implementation will be city-wide for all contracted child care providers, the extent of paying for only children enrolled will be phased-in.
4. How is 'full enrollment' defined within the context of the PFE?
Enrollment represents meeting budgeted capacity with children who are certified for eligibility and attending the child care program. To accept voucher and private-pay children may necessitate an adjustment in a program's budgeted capacity. As continually stated in regular communication with providers, programs are expected to maintain full enrollment.



New York City Children's Services
DIVISION OF CHILD CARE & HEAD START
66 John Street – 8th Floor
New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

5. What happens if programs are under-enrolled?
Programs will only be reimbursed for enrolled and attending children. Therefore, reimbursement will reflect actual enrollment. Training and technical assistance will be offered to help programs achieve and maintain full enrollment.
6. How will children and families benefit from the PFE?
We believe that children and families will benefit, because the initiative:
 - Continues to build on Children's Services efforts to serve as many eligible children as possible with limited resources.
 - Encourages programs to integrate subsidized, voucher and private pay clients to promote socio-economic diversity in centers, which research demonstrates helps children learn and grow.
 - Opens child care centers to a broader clientele not just those families eligible under the current rules.
7. How will Providers benefit from the PFE?
 - Flexibility to accept multiple funding streams (vouchers and private pay).
 - Ability to enroll children in real-time via the web-based enrollment system, view enrollment reports, and move children from waiting list to enrolled status. (please see Training and Technical Assistance section below)
 - Ability to report child attendance in real-time to ensure accurate and timely reimbursement.
 - Technical assistance will equip programs with essential marketing and business management skills needed to operate in a rate-based system.

Training and Technical Assistance

1. What are the plans for program assistance?
To assist programs in transitioning to a rate-based system that pays based on enrollment, Children's Services will fund \$2 Million of training and technical assistance (T&TA) for contracted Child Care programs. The T&TA will include:
 - Business plan development, financial management, and marketing/recruitment strategies
 - Governance and Director leadership development
 - Assistance in developing sliding fees scales to attract private pay families, particularly in mixed-income communities where the need for subsidized care has declined
 - Assistance in targeting local community child care need



New York City Children's Services
DIVISION OF CHILD CARE & HEAD START
66 John Street – 8th Floor
New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

2. Will there be any changes in technology to assist in the implementation?
To make the Children's Services reimbursement operation more efficient, Children's Services will implement web-based enrollment & attendance.

Additionally, work is being done to develop web-based enrollment, revising the current, paper-driven, system and providing programs the technology to enroll children in real-time, view enrollment reports, and move children from waiting list to enrolled status.

3. Will Children's Services offer training and technical assistance for web-based enrollment?
Yes. Training sessions will be offered on using the web-based system. Additionally, a helpdesk will be established to assist users as needed.
4. How will technical assistance be prioritized among providers?
A training/technical assistance curriculum is being developed to ensure key topics are included and sufficient, targeted, assistance is offered to all contracted child care providers. A roll-out schedule is currently being developed and will be available shortly.

Financial & Contractual

1. How will this Initiative affect my budget?
Your budget does not change.
2. How will this Initiative affect payment:
When fully implemented, payment will be based on enrollment and attendance not on reimbursement for expenditures in a particular month. Payment under PFE will be made using a rate times enrolled and attending children during each monthly billing period net of Fees Due. You will not be paid for unfilled slots. Further development of this policy is underway.
3. How will Children's Services centrally paid costs, like rent and insurance, be handled?
City-Administered costs, like city-leases and Central Insurance Program, will continue to be paid centrally.



New York City Children's Services

DIVISION OF CHILD CARE & HEAD START

66 John Street – 8th Floor

New York, NY 10038

Michael R. Bloomberg
Mayor

John B. Mattingly
Commissioner

Melanie Hartzog
Deputy Commissioner

4. My budget also includes a family day care component. How will that be affected? Children's Services will separate your family day care administrative costs from the center-based rate. More information on family day care administrative costs will be forthcoming.

5. How much will I be paid for a child care slot under Project Full Enrollment? Every current Sponsor has a budget with two components – the Provider-administered budget and the City-administered budget. Each Sponsor's current Provider-administered budget will be turned into a rate. Payments will be based on the rate times enrolled and attending children during each monthly billing period net of Fees Due. Sponsors will not be paid for unfilled slots.

6. Some newspapers said Child Care Sponsors will get \$13,000 per child under Project Full Enrollment. Why haven't I been receiving that much? Newspapers have been using the average total cost per child. Total costs include City-administered costs such as Leases, Health Insurance, Heat, Light and Power, etc. Project Full Enrollment will pay each Sponsor using a rate based on their budget times enrolled and attending children during each monthly billing period net of Fees Due.

7. Will my center get \$13,000 cash in September for an enrolled child? Budgets don't change under Project Full Enrollment. As stated above, \$13,000 is the average cost per child including the City-administered costs. Sponsors will be paid based on a rate for enrolled and attending children during the billing period net of Fees Due. (Payment = Rate x enrolled and attending children – Fees)