



NEW YORK CITY COMPTROLLER
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An Investigation into the Provision of Child Care Services in New York City Homeless Shelters

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Executive Summary

New York City is in the midst of a homeless crisis that is unparalleled in modern times. Since 2007, the number of families with children relying on the City Department of Homeless Services (“DHS”) for shelter has swelled by 68 percent, from 7,624 families in August 2007 to 12,828 families in August 2016.¹ In October 2016, the total shelter population hit a record 60,059 people, a figure that includes 23,598 children.²

Among this already vulnerable population, one group that stands out as being at extreme risk is homeless children, with those under the age of three facing unique challenges. Recent data from DHS shows that 13 percent of the residents in the City’s shelters for families with children are children under three years of age. Given that the average length of stay in shelter for families with children is now 412 days, these young children are spending substantial portions of their early lives in DHS shelters.³

To better understand how the particular needs of homeless children under the age of three are being addressed, the Office of the Comptroller conducted a wide-ranging investigation into the provision of child care services within the DHS shelter system. This investigation concluded that a woefully inadequate regulatory structure results in children under three lacking the critical care and education services that are so important for their future. The key findings of the investigation include:⁴

- **Ninety-nine of the 167 DHS shelters housing families with children (59 percent) do not provide any form of child care service.** These shelters have neither on-site child care nor referral agreements with off-site child care providers nearby, called “linkage agreements,” even though State rules and City contracts generally require shelters to make child care services available.⁵ These 99 shelters house 52 percent (2,969 of 5,705) of the total number of children under age three living in shelter.
- **Forty-three of the 167 DHS shelters housing families with children (26 percent) operate child care centers on-site without any permits from City government.** This is the case because child care centers located in homeless shelters have generally been exempted from the rigorous health and safety standards included in New York City’s Public Health Code. Consequently, these child care centers are held to a lower standard of operation with less oversight than similar child care centers outside of shelters.
- **Most shelter-based child care workers are hired without the training or vetting that would be required if they worked at New York City Department of Health and Mental Hygiene (DOHMH)-permitted child care centers.** For example, 82 percent of child care workers at the 43 shelters operating on-site child care centers without permits did not have proper background checks, which are necessary to learn of disqualifying criminal and child abuse histories. In addition, 49 percent of the child care employees at these sites did not have valid training in child abuse and maltreatment identification, reporting, and prevention.

- **Serious health and safety risks were found in many on-site child care centers inspected by the Comptroller’s Office.** In person inspections by the Comptroller’s Office of the child care rooms in 21 State-certified shelters revealed that:
 - 41 percent had no sprinklers;
 - 18 percent had no fire extinguishers; and
 - 9 percent of the designated emergency exit doors were locked from the inside at the time of inspection and were not equipped with an emergency push bar.
- **In recent months, there has been a sharp increase in the placement of families with children in commercial hotels.** Children placed in commercial hotels do not receive any child care services, despite commercial hotels being the most expensive shelter placements within the DHS system.⁶

Further, the investigation found that DHS and the Administration for Children’s Services (“ACS”), the City agency that administers child care programs and funding, are not sharing basic data or systematically coordinating their services for homeless children, which has resulted in the City being unable to readily identify which children under three in the shelter system are receiving child care and early-education services, and which are not.

These circumstances result from a broken regulatory system. Specifically, while certain State certified family shelters, called Tier II shelters, are required by New York State Office of Temporary and Disability Assistance (“OTDA”) rules to provide families with access to child care services, the on-site child care centers located in Tier II shelters have been exempted from City health and safety rules that apply to all other child care centers. Additionally, while City contracts require that shelters provide referrals to nearby child care centers, the rules are weak and poorly enforced. Finally, as some family shelters are neither State-certified nor under contract with the City, a segment of these shelters are actually under no obligation to provide any child care services at all.

These findings are based on information gathered through surveys of all 167 DHS shelters for families with children, as well as inspections of child care centers in 21 sampled shelters, interviews of DHS and ACS staff, and discussion with OTDA.

This inconsistent framework has left too many of our most vulnerable children with limited or no access to quality child care services.

As more young children spend much of their early lives in homeless shelters, the City should address the shortcomings of its shelter system from the perspective of young children and their families. The Comptroller recommends the following:

1. Eliminate the dual system of child care regulation: The on-site child care at homeless shelters should be regulated by the New York City DOHMH, just as publicly accessible child care centers are in New York City. That should include immediate background checks on all shelter staff who have or potentially will have unsupervised contact with children. Over the long term, instituting a regulatory infrastructure aligned with non-homeless shelter child care sites with a regular inspection protocol should better ensure health and safety issues are addressed. In the meantime, DHS’s Shelter Repair Squad and DOHMH inspectors should immediately inspect all on-site child

care centers and ensure that these facilities are in compliance with applicable rules and regulations as quickly as possible.

2. Increase access to child care vouchers and early education programs for families experiencing homelessness through the following measures:

- **The New York City Human Resources Administration (HRA), DHS, and ACS should collaborate in an effort to provide all eligible families with young children with vouchers for subsidized child care.** Because DHS, ACS, and HRA collect information and track children on different data systems, they often struggle to identify which children require and/or receive subsidized child care services. To overcome this challenge and ensure that all homeless children receive appropriate services, these agencies should build on existing City efforts to integrate their records. Furthermore, to measure progress toward this goal, the Mayor’s Office of Operations should establish performance targets to be publicly tracked and reported in the Mayor’s Management Report or other appropriate publications.

As part of this collaborative effort, the City, with the New York State Office of Children and Family Services (“OCFS”), should pursue efforts already underway to channel federal resources from the Child Care Development Fund to programs serving homeless families and children.

- **Ensure all children experiencing homelessness living in a shelter without on-site child care have meaningful access to off-site child care.** Only 17 of the 116 shelters without on-site child care centers produced required “linkage agreements” during the course of the Office of the Comptroller’s investigation. Therefore, DHS should enforce the terms of its contracts with homeless service providers that require shelters for homeless families to make referrals to nearby child care services available.
- **Eliminate unnecessary restrictions on access to on-site child care facilities in shelters.** Seventy percent of shelters that provide on-site child care without permits had some eligibility requirements that restrict or delay use of that child care. DHS should evaluate these requirements and move toward a policy that would allow all children, particularly those under three years of age, to access on-site child care services as promptly as possible.

3. Families experiencing homelessness should not be placed in commercial hotels: As the shelter population continues to grow, the City has increased its reliance on the shelter type that is least appropriate for children: commercial hotels. The City should honor its stated commitment to end its reliance on using commercial hotels as homeless shelters for families with children while undertaking more aggressive efforts to find appropriate shelter for families.⁷

The Importance of Child Care and Early Education for Young Homeless Children

Children experiencing homelessness face a number of potential challenges that can hinder their development, including a lack of stability, separation from parents or guardians, exposure to violence, unsafe or hazardous living conditions, and high levels of stress.⁸ A significant body of research has documented that these factors result in young homeless children experiencing slower development than other children, suffering from high rates of emotional, behavioral, and physical health problems, being more likely to experience hunger, and being more likely to have a learning disability than their non-homeless peers.⁹

For example, a study of homeless families in Boston found that 54 percent of homeless preschool children suffered developmental delays, compared to 16 percent of their non-homeless peers.¹⁰ Summarizing the effects of homelessness on children, the National Center on Family Homelessness explained that “the impact of homelessness on the children, especially young children, is devastating and may lead to changes in brain architecture that can interfere with learning, emotional self-regulation, cognitive skills, and social relationships.”¹¹

High quality child care and early education programs are particularly important for homeless children who may otherwise lack the structure and environment that best prepare children to succeed.¹² While much attention has been given to ensuring that all children have access to Pre-K programs that begin around age four, significant brain development occurs in children between zero and three years old, making these very early years a critical time in a young child’s life.¹³

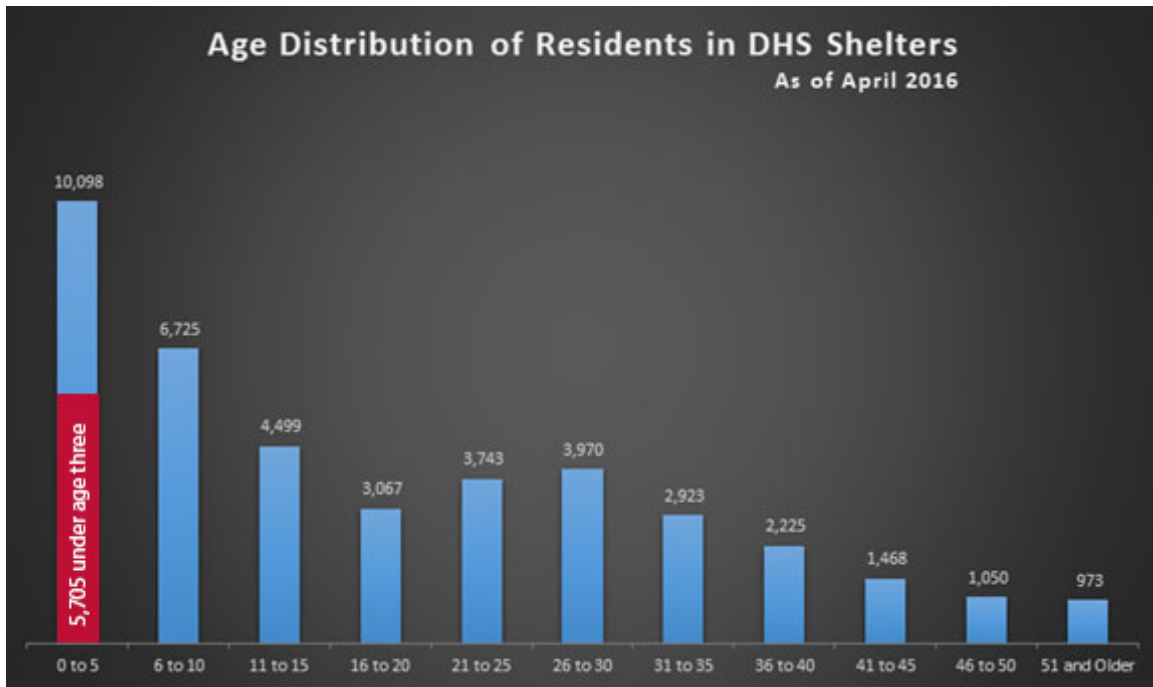
Studies of programs such as Early Head Start, which provides education and child care services to children between zero and three years old and their mothers, indicate that high quality early childhood education programs provide important benefits to children and their families.¹⁴ For instance, a national evaluation of the Early Head Start program found that the program improved children’s cognitive and language skills and that the benefits were greatest for children who transitioned from an early childhood education program into a formal Pre-K program prior to beginning kindergarten.¹⁵

These studies, among many others, provide strong evidence of the importance of early childhood education and child care services for children ages zero to three years old, and the urgency of providing these services to homeless children in particular, who are more likely to lack the stability and resources that benefit their non-homeless peers.

The State of Child Care in DHS Family Shelters

More Than 5,700 Children Under Age Three Live with Their Families in DHS Shelters

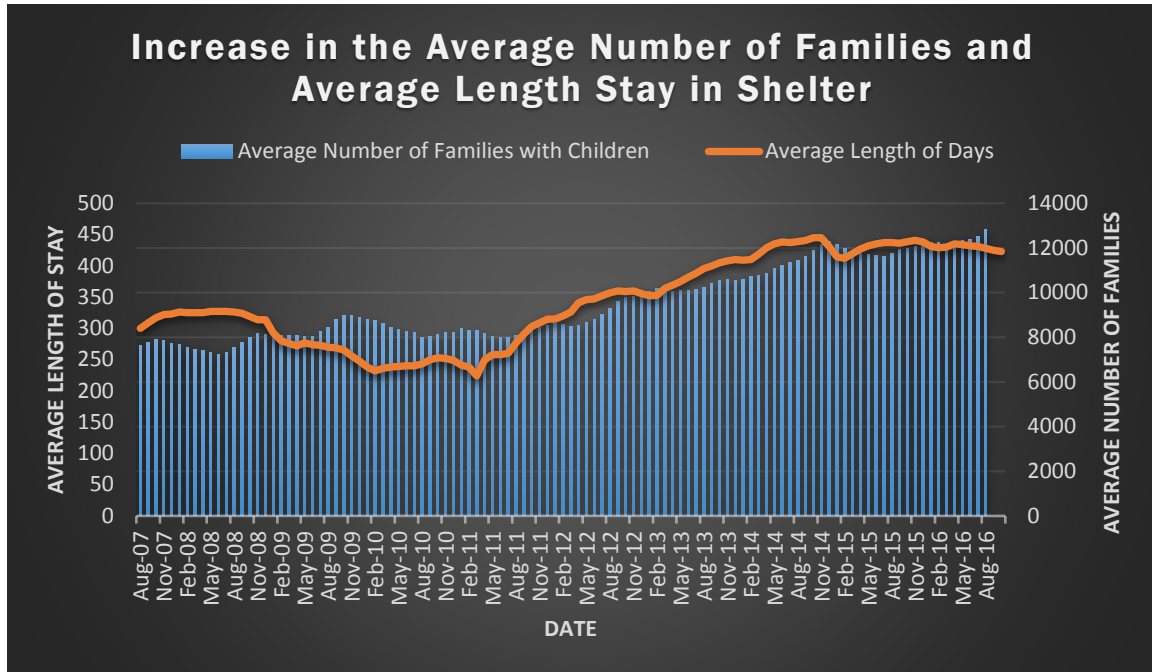
On April 11 and 12, 2016, the Comptroller’s Office sent investigators to inspect 21 on-site child care centers in City shelters. At the time of these inspections, there were 40,741 people living in New York City’s shelters for homeless families with children. Of that population, the largest group — 25 percent — were children age five and younger.



Of the 10,098 children under five, 5,705 of them were under age three.¹⁶ Children under age three are not eligible for Universal Pre-K in New York City public schools, which starts at age four, or Head Start, which begins at age three.¹⁷

The number of families and young children in the City’s shelters is continuing to grow, and those families currently remain in shelters, on average, for longer than a year. Based on DHS’s publicly available data, there has been a 68 percent increase in the number of families with children residing in shelters in the last nine years, from 7,624 families in August 2007 to 12,828 families in August 2016.

Similarly, the average length of stay for families with children in DHS shelter increased 28 percent since 2007. In August 2007, the average length of stay for such families was 323 days; in August 2016 the average length of stay was 412 days. As of October 20, 2016 the number of families with children residing in New York City homeless shelters had risen to 13,089.¹⁸



Furthermore, many of the children in shelter are second generation shelter residents. As of August 15, 2016, 19 percent of all families in DHS shelters for families with children had a head of household who was in DHS shelter as a child. That statistic suggests that a significant number of adults who experienced homelessness as children remain at risk of homelessness as parents. This reinforces the importance of taking practical steps to connect young children living in homeless shelters with meaningful opportunities to attend quality child care and early education programs, which may help break the generational cycle of homelessness.

Requirements to Provide Child Care Differ Depending on the Type of Shelter

DHS operates a shelter system for families with children, which at the time of this investigation, consisted of 167 shelters of five distinct types.¹⁹ The five shelter types are:

- Tier II Facilities:** Under OTDA regulations, Tier II shelters must provide “shelter and services... including, at a minimum, private rooms, access to three nutritional meals a day, supervision, assessment services, permanent housing preparation services, recreational services, information and referral services, health services, and child-care services.” OTDA must certify a Tier II shelter’s operational plan, which outlines how the facility will meet the needs of its clients and comply with Part 900 of the relevant State regulation (“Part 900”).

- **Tier II Look-Alikes:** These facilities are buildings wholly occupied by DHS clients that have similar services to certified Tier II facilities, but no certified operational plans. In general, the City has contracts with these shelters that obligate the shelter provider to make certain services available. For the purpose of this report, Tier II look-alikes include shelters with expired OTDA operating certificates and facilities that provide similar services but have never had OTDA certification.
- **Clusters:** Cluster sites are apartment units used as shelters where the apartment building houses both families experiencing homelessness and other tenants. Cluster sites do not have on-site social services or certified operational plans. In general, the City has contracts with these shelters that obligate the shelter provider to make certain services available.
- **Family Hotels:** Family hotels are shelters in apartment buildings or former hotels that are wholly occupied as homeless shelters but have no on-site social services and no certified operational plans. The City has contracts with some family hotels that obligate the provider to provide certain services.
- **Commercial Hotels:** Commercial hotels are rooms rented by DHS to house clients in an operating hotel enterprise that may include other, non-homeless patrons. The City has contracts with some of these providers that obligate the provider to provide certain services.

Two distinct legal regimes govern the provision of child care in the shelter system: a State regulatory system that applies to Tier II shelters, and a City system based on contracts that applies to some of the Tier II look-alikes, clusters shelters, family hotels, and commercial hotels.

Part 900 of the Regulations of the New York State Department of Social Services, administered by OTDA, requires Tier II shelters to provide child care for homeless families “when such care is necessary to enable the parent or caretaker relative of such child to seek employment and/or permanent housing or to attend school or training.”²⁰

In addition, the contracts that DHS has with some of the shelters for families with children, including both Tier II shelters and others, require them to “provide child care services through referral of Families to child care providers in the vicinity of the Facility.”²¹ To comply with that contractual requirement, a number of shelters have entered into “linkage agreements” with nearby child care providers. The “linkage agreements” are documents that generally do not contain binding obligations but reflect that the shelter is aware of the existence of a child care provider in the area, that the shelter may tell residents about that provider, and that families could potentially enroll their children with that provider. In some instances, but not all, the child care provider also represents it will set aside a number of seats for children living at the shelter.

Shelter providers that do not have Tier II operating certificates from OTDA or registered contracts with the City are not subject to either of the above-described requirements. Consequently, not all shelters have a legal obligation to provide child care services.

Findings of the Investigation

A. Nearly 3,000 Children Under Age Three Live in City Shelters that Do Not Offer Child Care Services

The Comptroller’s investigation found that 99 of the 167 shelters where DHS places homeless families with children (59 percent) offer no child care services whatsoever.²² Those 99 shelters housed more than one-half of the children under age three (2,969 of 5,705) who were living in DHS shelters for families with children as of April 12, 2016.²³ This includes four certified Tier II shelters that are required by OTDA regulation to make child care services available but do not.

The following table shows the child care services that are available at the 167 shelters where DHS places homeless families with children, by shelter type.²⁴

Shelter Type	Shelters With DOHMH-Permitted On-Site Child Care ²⁵	Shelters With Unpermitted On-Site Child Care	Shelters With Linkage Agreements Only (No On-site Child Care)	Shelters Without Child Care Options	Total
Certified Tier II	4	24	3	4	35
Tier II Look Alike	4	19	10	25	58
Family Hotel	0	0	1	46	47
Family Cluster	0	0	3	17	20
Commercial Hotel	0	0	0	7	7
Total	8	43	17	99	167

B. Shelter-Based Child Care Services are Poorly Regulated and Underutilized

On-Site Child Care Facilities Located in Tier II Shelters Are Not Subject to Stringent DOHMH Child Care Regulations

In general, New York City child care centers for three or more children up to six years old must meet rigorous regulatory standards set forth in Article 47 of the New York City Health Code, obtain City permits, and undergo periodic inspection by the New York City DOHMH.²⁶ Although nothing in

Article 47 creates an exemption for child care facilities in the City’s homeless shelters, in practice they have been deemed to be exempt from those requirements.

Interviews with DOHMH staff during this investigation indicated that the City relies on a 1992 letter from the then-General Counsel from the New York State Department of Social Services (“DSS”), the predecessor agency to OTDA, to exempt the 24 child care facilities located in Tier II shelters from the DOHMH standards and regulatory oversight that apply generally to child care programs throughout the City. The letter stated, in part, that “child care which is provided in a Tier II family shelter pursuant to [Part 900 of the Regulations of the Department of Social Services] does not require licensure as a day care” because it is not away from the child’s residence, defined to be the whole shelter.²⁷

The 24 on-site child care centers operating without City permits in Tier II facilities are, however, subject to the standards of Part 900 of the State DSS regulations administered by OTDA. With respect to child care programs, the requirements of Part 900 are far less exacting than those of Article 47 of the NYC Health Code that apply to other child care centers in New York City. For example, the Part 900 rules state only that staff must have “prior experience in child care or must receive adequate training,” while Article 47 requires that the director of a child care center have a college degree plus relevant professional experience or course work and that all child care staff must undergo training in relevant skills such as preventing shaken baby syndrome and identifying and reporting neglect and abuse. Part 900 allows a staff to child ratio of 1:8 for preschool children and 1:15 for school-age children, which is lower than the staffing levels permitted under Article 47. The following table shows a number of key differences between the regulatory standards for child care providers prescribed respectively by Article 47 of the City Health Code and Part 900 of the State Department of Social Services regulations as applied to homeless shelters in New York City.

Comparison of Requirements of Homeless Shelter Child Care and DOHMH Permitted Child Care in New York City

	Article 47 of the New York City Health Code	Part 900 of the Regulations of the Department of Social Services
Program Qualifications		
Age of children served	Birth to 6 years old	Birth to 16 years old
Number of children permitted in facility	3 or more	Not specified
Minimum staff-to-child ratio	1:4 for under 12 months 1:5 for 12-24 months 1:6 for 2 < 3 years	1:8 for 0-5 year-olds
Program operational times	Law applies if center operates 5 or more hours per week, for more than 30 days in a 12-month period	M – F, 9 AM to 5 PM or 6 PM
Health & Safety Requirements		
Inspection requirements	DOHMH inspects and may fine and/or close facilities	DHS/OTDA may inspect
Fire inspections specific to child care	Yes	No
Outdoor play area required	Yes	No
Separate bathroom for adults	Yes	No
Clean/Safe nap furniture required	Yes	No
Infant safe sleep practices	Yes	No, only required to have signage
Staff Qualifications		
Staff fingerprinted for criminal history	Yes	No
Child abuse screening	Yes	No
Director minimum qualifications	Infant/toddler: BA and 1 year experience or course work. Ages 2 to 6: BA, Teacher Certification, & 2 years' experience as teacher.	None
Teacher minimum qualifications	Infant/toddler: Associate's Degree or a plan to receive degree in 2 years Ages 2 to 6: Baccalaureate, Certification or 5 years' experience, or a plan to meet the requirements within 7 years	Must have prior experience in child care or must receive adequate training to enable them to perform such functions.
Training in preventing SIDS	Yes	No
Training in child abuse identification and reporting	Yes	No
Training in preventing shaken baby syndrome	Yes	No

On-Site Child Care in Non-Tier II Facilities Are Not Subject to Article 47 of the New York City Health Code

According to DOHMH, the City has also relied on the 1992 letter to exempt the 19 child care centers operating in Tier II look-alike shelters from the requirements of Article 47 of the New York City Health Code. Consequently, these centers do not have permits from DOHMH. While contracts with the City generally require these shelters to comply with Part 900, not all shelters have contracts with the City.

Consequently, a total of 43 DHS shelters for families with children serving approximately 2,577 children under age six (including 1,417 under age three) operate on-site child care programs without City permits, including 24 Tier II shelters and 19 non-Tier II shelters.

On-Site Child Care Centers in Family Shelters Are Under-Used

On-site child care for children appears to be significantly underutilized by DHS clients. On the dates of the Office of the Comptroller's inspections of 21 child care facilities in Tier II shelters, April 11 and 12, 2016, the Office observed only 64 children being monitored by 53 adults at the inspected facilities. Based on OTDA's regulations, these 53 adults are actually capable of monitoring 424 children under age five. Thus, on-site child care had only 15 percent utilization.

Child care eligibility criteria may account for these low utilization rates. Seventy percent of the shelters with unpermitted on-site child care had some eligibility requirements that restrict use of the child care service. For example, many child care workers stated that on-site child care was not available to families until the family had been deemed by DHS to be eligible for shelter, a process that may extend for 30 days even while the family is living in the shelter. Some workers also said that a referral from a case manager was required and that priority was given to full-time working families. One shelter employee explained that children are not eligible to attend its on-site child care program until the family receives a child care voucher from ACS, after being referred by the case manager at least 48 hours in advance. Four shelters stated that child care was available only for children whose guardian had looked at three permanent homes a week.

C. Shelter Staff Lack Adequate Criminal and Child Abuse Background Checks

Based on surveys of all 43 unpermitted City shelters with child care services on-site, 82 percent of the child care workers in these shelters have not been screened for disqualifying criminal convictions and records of child abuse. According to the U.S. Department of Health and Human Services, background checks for criminal, child abuse, and sex offender histories, are "essential" to conduct on child care workers:

Comprehensive background checks are a basic safeguard essential to protect the safety of children in child care and minimize children's risk of abuse and neglect. Parents need to know that child care providers and others who come into contact with their children do not have a record of violent offenses, sex

*offenses, child abuse or neglect, or have not engaged in other behaviors that should disqualify them from caring for children.*²⁸

New York City law requires that the personnel for any entity under contract with the City to provide child care services must: (1) be fingerprinted, (2) have their records of criminal convictions and pending criminal actions reviewed, and (3) be screened with Statewide Central Register of Child Abuse and Maltreatment (“SCR”).²⁹ However, DHS’s contracts do not require homeless shelter providers, even those with on-site child care programs, to conduct fingerprint-based criminal record checks or to screen prospective employees with the SCR.³⁰ Rather, DHS contracts merely require that “all prospective employees” of the shelter shall complete an employment application, which “shall include, but not be limited to, inquiries regarding prior criminal convictions, if any.”³¹ In effect, DHS contracts require only self-reporting of criminal convictions by prospective employees with no requirement for independent verification of the information they report, and no SCR screening is required.

In contrast, permitted child care centers outside homeless shelters must arrange for the screening of their personnel under Article 47 of the New York City Health Code and consistent with New York City law.³² The criminal background checks that are part of that screening include a registration system whereby the employer is notified of any arrests of that employee subsequent to the fingerprint check. DOHMH checks those records during its inspections of permitted child care centers, as well as whether appropriate corrective action was taken to deal with any arrests of those centers’ personnel.

However, because the City does not apply Article 47 to child care centers in the homeless shelter system, no City or State agency is currently inspecting child care centers at homeless shelters for records of employees’ criminal and SCR background checks. The Office of the Comptroller conducted such a review and determined that 131 (82 percent) of the child care workers at the City’s 43 homeless shelters with unpermitted on-site child care centers did not have background checks that would have satisfied Article 47 requirements, as they were missing either the criminal or child abuse screening or, in the case of 24 individuals, both.³³

D. Substandard Conditions in Shelter-Based Child Care Centers

During the Office of the Comptroller’s visits to 21 Tier II homeless shelters with on-site child care, a number of conditions were observed that would violate the Health Code as it applies to permitted child care centers. The observations included conditions that were of sufficient concern at five shelters to prompt immediate notice being given to the Commissioner of the Department of Social Services, who oversees DHS. A number of conditions that would have been violations requiring correction if shelter-based child care were regulated by DOHMH like all other group child care centers in New York City are described below.

Fire safety

In 18 percent of shelter child care rooms, there was no fire extinguisher, and in 41 percent there were no sprinklers. At two shelters that had on-site child care, the entire shelter lacked an operable

fire alarm and sprinkler system. The Office of the Comptroller’s inspections also noted that nine percent of the designated emergency exit doors were locked from the inside at the time of inspection and were not equipped with an emergency “panic bar,” and 23 percent of the child care areas lacked emergency fire pull stations near the exits and entrances.

In addition, one-third of the child care rooms at shelters that were inspected are not located on the ground floor, making evacuation of children too young to walk especially difficult in case of emergency.

Infant Safety

Additionally, 21 percent of child care rooms at the inspected shelters had choking hazards in reach of children. In one shelter, an infant was not sleeping on his/her back. In addition, in 15 percent of shelters, the crib mattresses and sheets did not fit tightly in the crib creating potentially unsafe sleeping conditions.

General Safety and Sanitary Issues

In 18 percent of child care rooms, the paint was peeling, bubbling or chipping.



A child care room in a Bronx shelter



A child care room in a Bronx shelter

In addition, 13 percent of the bathrooms suitable for children had paint peeling, bubbling, or chipping. Ten percent of the child care facilities had a broken sink or toilet in the bathroom, and 51 percent of child care rooms had a children's bathroom with a door that locks from the inside.

In 21 percent of the child care centers at shelters, there was no sink for hand-washing adjacent to the diaper changing area.

In one shelter's child care center, baseboard heaters in the child care area had a gap that exposed the heating element. In addition, the shelter's child care area had glue traps under the sink with dead roaches in a place accessible to children. At another shelter's child care center a wire was hanging from the exit sign, and the outdoor playground was not fenced in and was accessible to the shelter's trash area.

Finally, twenty-four percent of staff at shelter-based child care centers did not or could not provide proof of their identities, in the form of photo-identification, upon request.

Outdoor Play Areas

Twenty percent of shelter-based child care centers lacked an outdoor play area, and of those that had such an area, 30 percent were littered with debris. Thus, 50 percent of the child care centers lacked outdoor space suitable for use by the children.



An outdoor play area at a Manhattan shelter

E. Shelter Staff Lack Necessary Training and Education

Child care workers in the 43 unpermitted child care centers operating inside homeless shelters are not subject to the specific training required for staff in group child care centers regulated under Article 47 of the New York City Health Code. Records reviewed in this investigation revealed that most child care workers in these child care centers lacked training in five key areas that would have been required by the City Health Code for child care, as described below.

- **Child Abuse and Maltreatment Identification and Prevention Training**
 - 49 percent of child care employees (73 of 150) did not have valid training in child abuse and maltreatment identification, reporting, and prevention;
 - Following contact from the Office of the Comptroller, an additional 18 child care employees received this training.³⁴

- **Shaken Baby Syndrome Prevention Training**
 - 86 percent of child care employees (129 of 150) were not trained in shaken baby identification and prevention;
 - Following contact from the Office of the Comptroller, an additional 43 child care employees received valid Shaken Baby training certifications.
- **Sudden Infant Death Syndrome (SIDS) Prevention Training**
 - 97 percent of child care employees (145 of 150) were not trained in SIDS identification and prevention;
 - Following contact from the Office of the Comptroller, an additional 17 child care employees received valid SIDS training certifications.
- **Fire Safety Training**
 - 99 percent of child care employees (148 of 150) were not trained in their shelter's fire safety plan, and three shelters had no such plan;
 - Following contact from the Office of the Comptroller, an additional 16 child care employees received valid Fire Safety training certifications.
- **CPR and First Aid**
 - All shelters had at least one employee who was certified in CPR and first aid.

In addition, 22 of the 43 unpermitted on-site child care centers in DHS shelters (51 percent) had no director or other member of the child care staff who would have met the minimum qualifications for an on-site educational director under Article 47 of the New York City Health Code.³⁵

The education of the workers who care for and teach young children has a significant impact on children's development and intellectual growth. For example, a recent study from the Brookings Institution found that children who receive care and education in formal regulated settings with trained and licensed professionals see greater benefits in both literacy and math than children receiving care in informal settings.³⁶

F. The Requirement that Shelters Provide Referrals to Off-Site Child Care Centers is Weak and Not Enforced

Based on documentation received during this investigation, of the 116 shelters without on-site child care centers, only 17 (15 percent) have documented linkage agreements with off-site child care providers. While the "linkage agreements" may satisfy that contractual obligation, they do not actually guarantee child care services for the 835 children under age three who resided in those 17 shelters at the time of the Comptroller's review because they do not address barriers such as a family's ability to pay for those services.

Additionally, shelters that are neither certified by OTDA nor have a contract with the City are under no obligation to provide child care services, either in the form of on-site care or referrals. Consequently, many children under three are living in shelters that are not required to provide such services.

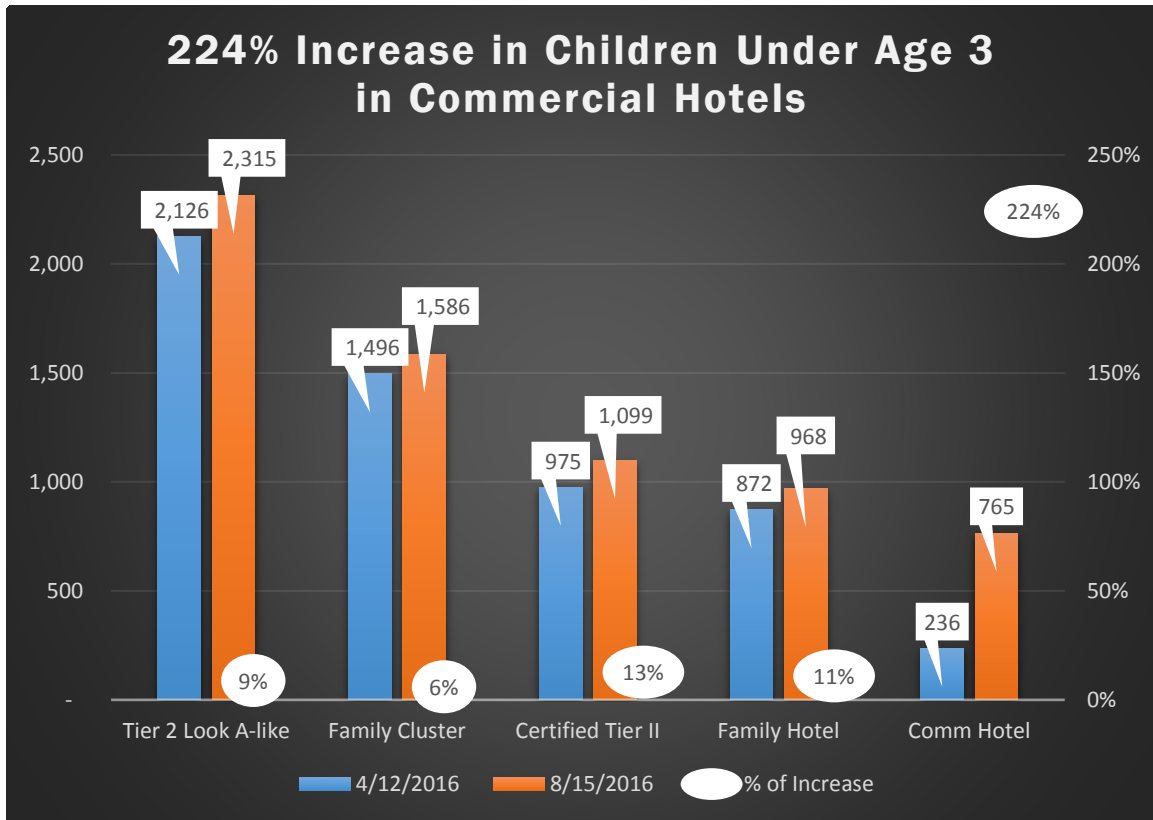
G. The City is Increasingly Placing Families in Commercial Hotels, Which Have Neither On-Site Child Care nor Linkage Agreements

Among the types of non-OTDA regulated shelters, commercial hotels stand out as being particularly poor locations to shelter homeless families with young children. Commercial hotels used as shelters have no on-site child care and make no arrangements for children living in them to receive child care elsewhere.

According to State law, DHS may only use commercial hotels to house its clients if “[n]o other suitable housing either public or private is available to house the recipient.”³⁷ Further, using commercial hotels for families with children has been against City policy for 20 years. With some limited exceptions the City was required to cease using “privately owned hotel[s] . . . operated by the owner or another for profit,” as “transitional housing for homeless families with children . . . [by] September 30, 1996.”³⁸

In February 2016, after the tragic killing of a mother and two of her young children at a commercial hotel being used as shelter in Staten Island, the City established a short-term goal of phasing out the use of commercial hotels as temporary shelters.³⁹ The City reiterated this commitment to “phasing out use of commercial hotels,” in its report of the 90-day Review of Homeless Service Agencies and Programs, published in April 2016.⁴⁰

But, rather than scale the program down, the City has scaled it up significantly. In May 2015, there were no families with children in DHS commercial hotels; 11 months later, on April 12, 2016 there were 1,379 people from 533 families with children in such hotels. By August 15, 2016, the numbers had risen sharply to 3,735 people from 1,351 families with children sheltered in commercial hotels. In fact, just this year, between April and August 2016, the number of children under the age of three in commercial hotels has increased by 224 percent, while the use of other types of shelters has remained fairly stable.



While fewer services are provided, it is more expensive on a per diem basis to house families in commercial hotels than other types of shelters, meaning that when the City places a family with a young child in a commercial hotel, it is spending more money for fewer services than with any other shelter type.

H. ACS and DHS Do Not Systematically Coordinate Their Child Care Services for Homeless Families

Children experiencing homelessness may access child care services outside of the shelter based child care system through an ACS early education program or voucher. However, the Comptroller's investigation found that those services are not systematically coordinated with DHS's shelter services for homeless families with children.⁴¹ ACS and DHS do not ordinarily match their data, so neither agency could identify which children in the homeless shelter system, or how many, receive some form of subsidized child care through ACS.

ACS officials reported that ACS and DHS have been working to enroll children residing in DHS shelters in ACS's contracted Early Learn NYC system by training shelter directors and sharing Early Learn vacancy reports so that shelter directors can notify families about those opportunities. Notwithstanding those steps, it appears that while the City has undertaken extraordinary interagency efforts to enroll homeless children at age four and above in Universal Pre-K, there has been no similar, concerted effort to connect younger homeless children to ACS-subsidized child care and early education programs.⁴²

Conclusion and Recommendations

This investigation reveals that the child care and early education services available to young homeless children in New York City are of unacceptably poor quality and that ACS, HRA and DHS, the three City agencies primarily responsible for serving children and homeless families, are not sharing basic data or systematically coordinating their services for vulnerable homeless children. Consequently, the Office of the Comptroller recommends a number of changes to ensure that all young children experiencing homelessness have access to high quality child care and education programs.

1. Eliminate the Dual System of Regulation

The on-site child care at homeless shelters should be regulated by DOHMH, just as all other publicly accessible child care centers are in New York City. Absent this action, the City will continue to relegate children attending child care centers in DHS shelters to a lower level of care than other children in the City. DOHMH regulations include mandatory screening and training of staff, including background checks designed to discover disqualifying criminal convictions and child abuse histories. In addition, regulations require fire safety inspections, an outdoor play area, and infant safe sleep practices, among other sensible rules that will ensure all young children are appropriately cared for. Over the long term, instituting a regulatory infrastructure with a well-defined inspection regimen should ensure health and safety issues in shelter-based child care centers are addressed.

In the meantime, DHS's Shelter Repair Squad should immediately inspect all on-site child care centers and make any repairs needed to bring the facilities into compliance with applicable rules and regulations as quickly as possible. In addition, DOHMH inspectors should also immediately inspect the child care centers located in homeless shelters and ensure that these facilities are brought up to the same standards as are applied elsewhere in the City.

2. Increase Access to Quality Child Care and Early Education for Pre-school Children in Shelters

The City agencies serving homeless families and children do not know how many young children living in City shelters participate in early education programs or have vouchers for subsidized child care. To ensure that these children have access to child care services, the City can take a number of steps:

- **Establish and publicly report performance targets for DHS and ACS aimed at ensuring access to early education programs and child care vouchers for all eligible families experiencing homelessness.** DHS, HRA, and ACS should collaborate in an effort to identify and provide all eligible families with young children with access to early education programs and/or vouchers for subsidized child care. Significant cognitive, social and emotional development before age four can be supported and enhanced by high

quality programs, and homeless children and families are those most in need of such crucial support.

Families living in shelter or deemed homeless are not automatically granted eligibility to subsidized child care. However, recent federal rule changes require that agencies receiving aid from the Child Care Development Fund (CCDF) must include children experiencing homelessness on their child care priority lists.⁴³ To implement these rules, on June 15, 2016, New York State's FY 2016-18 CCDF Plan was conditionally approved by the State.⁴⁴ The plan sought permission through its CCDF application to expand the definition of protective services to include homelessness, create financial incentives for providers to serve homeless families, require local districts to provide child care subsidies to support families for up to six months of a job search, expand targeted outreach to homeless families with children, and other methods of increasing access to child care subsidies for homeless families.⁴⁵ Additionally, ACS made a request to OCFS to change State regulations so shelter residence alone would make a family with young children automatically eligible for subsidized care.

These changes have the potential to greatly increase access to child care services for children experiencing homelessness. As they are implemented, the City and State should determine whether or not additional funds and other measures are needed to cover all children under three years of age experiencing homelessness.

- **ACS, HRA, and DHS should better share and match their data records so that they can better manage and serve children living in homeless shelters.** Because DHS, ACS, and HRA collect information and track children on different data systems, they often struggle to identify which children require and/or receive subsidized child care services. To overcome this challenge and ensure that all homeless children receive appropriate services, these agencies should build on existing City efforts to integrate their records.
- **Ensure young homeless children have access to shelter-based services without unnecessary precondition.** Seventy percent of shelters with unpermitted on-site child care had some eligibility requirements that restrict or delay the use of the child care services. DHS should evaluate these requirements and move toward a policy that would allow all children, particularly those under three years of age, to access on-site child care services as promptly as possible. The unused capacity at on-site child care centers in DHS shelters suggests that making these changes would be possible without adding additional child care staff. This would not only expand the number of regulated child care seats in New York City, but it would also increase the effectiveness of the dollars currently spent on unregulated, underutilized child care in shelters.
- **Determine whether excess capacity in shelter-based child care centers can be used to expand access to child care.** More can be done to ensure that young children in the DHS system have access to child care services. For instance, partnerships could be formed between shelters with on-site child care and those without it to provide access to child care services for young children living in shelters that do not provide on-site child care.

Additionally, to make use of that capacity, as families are sent to units outside of the Tier II shelter system, DHS staff should ensure that those families continue to have access to

child care for some period of time, whether for free at another shelter or by voucher at an alternate site. Research has shown that disruptions in education and care negatively impact a child's development, meaning that it would be best for these children if they could be accommodated in the shelter's child care system, where possible, until they qualify for Pre-K at age four.

- **All children experiencing homelessness living in a shelter without on-site child care should have meaningful access to off-site child care.** Only 15 percent of the shelters without on-site child care centers had written linkage agreements with child care providers. Not all of those agreements guarantee access to child care. Instead, the agreements generally reflect that the shelter knows about a permitted child care provider in the area, that the shelter may tell families about that child care provider, and that the child care provider may enroll such families in the child care if space allows and either the family has a child care voucher from ACS or pays for the child care. In some instances, but not all, the child care provider also represents it will set aside a number of seats for children living at the shelter.

DHS should enforce the terms of its contracts that require those providing shelter to homeless families to make child care services available to families. As a primary matter, this will require DHS to ensure that all providers have these agreements. Additionally, because this investigation found linkage agreements with no real enforcement mechanisms, DHS should also require providers to make these linkage agreements more meaningful partnerships between homeless services providers and off-site child care providers.

3. Families Experiencing Homelessness Should Not Be Placed in Commercial Hotels

The inadequate provision of child care services for homeless children is exacerbated by the use of commercial hotels as shelters. Commercial hotels being used as shelters have no on-site child care and no linkage agreements to connect children to off-site child care services. For this and a host of other reasons, commercial hotels are inappropriate shelter placements for families with children and the City should undertake aggressive efforts to find more appropriate shelter for families.

Endnotes

¹ Data from Mayor’s Office of Operations, Agency Performance Reporting Indicator Trend <http://www.nyc.gov/html/ops/cpr/html/home/home.shtml>

² New York City OpenData, DHS Daily Report <https://data.cityofnewyork.us/Social-Services/DHS-Daily-Report/k46n-sa2m>

³ The percentage of children under the age of three and the average length of stay are based on DHS data as of August 2016.

⁴ The data presented in these findings, except where noted, reflects conditions as of April 2016, the month in which the Office of the Comptroller conducted inspections and administered the above-described survey.

⁵ “Linkage agreements” are written agreements through which a shelter seeks to “provide child care services through referral of families to child care providers in the vicinity of the building.” See, e.g., Agreement dated October 18, 2013 between the City of New York and Providence House, Inc. for the provision of shelter to eligible homeless families, Appendix B, Section 9.01, Child Care Services.

⁶ The increase in commercial hotel usage continued through at least August 15, 2016, based on data provided by DHS.

⁷ Review of Homeless Service Agencies and Programs, April 11, 2016 <http://www1.nyc.gov/assets/home/downloads/pdf/reports/2016/90-day-homeless-services-review.pdf>

⁸ McCoy-Roth, M., Mackintosh, B., Murphey, D., *When the Bough Breaks: the Effects of Homelessness on Young Children*, Child Trends, February 2012 <http://www.childtrends.org/wp-content/uploads/2012/02/2012-08EffectHomelessnessChildren.pdf>

⁹ *Effects of Poverty, Hunger and Homelessness on Children and Youth*, American Psychological Association, <http://www.apa.org/pi/families/poverty.aspx> (retrieved October 12, 2016).

¹⁰ Bassuk, E., Rosenberg, L., *Psychosocial Characteristics of Homeless Children and Children With Homes*, American Academy of Pediatrics, 1990, <http://pediatrics.aappublications.org/content/85/3/257>

¹¹ Bassuk, E., DeCandia, C., Beach, C., Berman, F., *America’s Youngest Outcasts*, American Institutes for Research, November 2014,

¹² [McCoy-Roth, et al. *Supra*.](#)

¹³ Rubinstein, E., *Addressing a Global Challenge: Our Children*, New York Academy of Sciences Magazine, October 6, 2015.

¹⁴ *Early Head Start Works*, ZERO TO THREE, March 2007 <https://www.zerotothree.org/resources/477-early-head-start-works>

¹⁵ Mayoral, M., *Early Head Start fact Sheet*, ZERO TO THREE, November 2013, <https://www.zerotothree.org/resources/175-early-head-start-fact-sheet#downloads>

¹⁶ Where this report refers to children under the age of three, unless otherwise stated, it means those born on or after January 1, 2013, the cutoff date for Head Start eligibility for the school year that included the date of our inspection, April 12, 2016. Unless otherwise indicated, data

concerning 2016 in this report was obtained from DHS as extractions from its CARES database. That data does not match the data DHS publicly reports, making comparisons of the homeless population over time difficult. For example, CARES showed that the number of people residing in DHS shelters for families with children on April 12, 2016 and August 15, 2016 exceeded the number DHS reported on its website as the daily census for those dates by 600 and 1,200 respectively. DHS explained that the daily census numbers on its website are taken at 1:00PM, while the CARES data DHS provided to the Office of the Comptroller reflects the shelter population at the end of the day, including people who checked into the shelters after 1:00PM, which potentially accounts for the discrepancy.

¹⁷ There are particular legal protections for homeless students in the public education system to ensure they have equal access to the same free, appropriate public education, including a public preschool education, as provided to other children. See NYS Field Memo #01-2010, New York State Education Department, Subject: [Universal Pre-K Programs for Homeless Students](#), May 2010.

¹⁸ New York City OpenData, DHS Daily Report, <https://data.cityofnewyork.us/Social-Services/DHS-Daily-Report/k46n-sa2m>

¹⁹ The definition of a Tier II shelter is derived from Part 900 of the Regulations of the New York State Department of Social Services, 18 NYCRR 900.2. The four remaining shelter descriptions were derived variously from interviews with DHS staff, reviews of DHS documents, and discussion with OTDA.

²⁰ 18 NYCRR 900.10(c)(5).

²¹ See, e.g., Agreement dated October 18, 2013 between the City of New York and Providence House, Inc. for the provision of shelter to eligible homeless families, Appendix B, Section 9.01, Child Care Services.

²² This finding is based on information provided by DHS and survey responses from 167 shelters regarding their services as of April 12, 2016.

²³ *Id.*

²⁴ *Id.*

²⁵ As used in this report, “permitted” means that a child care facility has received a permit from and is subject to regulation and inspection by the New York City Department of Health and Mental Hygiene (“DOHMH”), the City agency that regulates and enforces operating standards applicable to most group child care centers in the City. As shown in the table, most of the on-site child care facilities in DHS shelters for families with children are “unpermitted,” meaning they do not have DOHMH permits. The origin and rationale for this exception to the City’s permitting requirements are discussed.

²⁶ Article 47 of the New York City Health Code applies to “any program providing child care for five (5) or more hours per week, for more than 30 days in a 12-month period, to three (3) or more children under six (6) years of age.” 24 RCNY 47.01(c)(1).

²⁷ Letter dated April 1, 1992 from the Deputy Commissioner and General Counsel, New York State Department of Social Services to the General Counsel of the New York City Human Resources Administration, *Re: Tier II Family Shelters*.

²⁸ U.S. Dep’t of Health and Hum. Servs. Admin. For Children and Families Off. of Child Care, Background Checks, Health and Safety Requirements, CCDF Plan Information Memorandum: CCDF-ACF-IM-2011-05 (Sept. 20, 2011), <http://www.acf.hhs.gov/occ/resource/im2011-05>.

²⁹ NYC Administrative Code § 21-119.

³⁰ This requirement is supposed to be incorporated into “all contracts for child care services entered into by the City.” But, in 2012 it was removed from the City’s form Standard Human

Services Contract. Further, no inspecting agency enforces this background check obligation for the child care employees at homeless shelters.

³¹ See, e.g., Agreement dated October 18, 2013 between the City of New York and Providence House, Inc. for the provision of shelter to eligible homeless families, Appendix B, Section 11.01, Staffing.

³² 24 RCNY §47.19

³³ These results were based on our review of the records for 159 homeless shelter child care workers, interns, and volunteers at 43 shelters with on-site child care facilities that are not regulated by DOHMH.

³⁴ This calculation excluded nine volunteers from the analysis as volunteers are not subject to the training requirements of Article 47 of the New York City Health Code.

³⁵ 24 RCNY §§47.15; 47.23. In a permitted child care center an educational director or group teacher with equivalent qualifications must be present at all times of operation in a permitted group child care center for infants and toddlers. The required qualifications include a baccalaureate degree in early childhood education or related field of study. For purposes of this report, any shelter that reported having at least one child care worker with a baccalaureate degree, regardless of the field of study, was deemed to satisfy the educational requirement.

³⁶ Loeb, S., *Missing the Target: We Need to Focus on Informal Care Rather than Preschool*, Brookings, June 16, 2016 <https://www.brookings.edu/research/missing-the-target-we-need-to-focus-on-informal-care-rather-than-preschool/>

³⁷ 18 NYCRR 352.3(e)(1).

³⁸ NYC Admin. Code § 21-309.

³⁹ The Wall Street Journal reported: “New York City Mayor Bill de Blasio said Wednesday that ‘the goal in the short-term is to reduce the use of hotels [as shelters] intensely.’” West, M. *Stabbings Put Focus on NYC Hotels Used as Homeless Shelters*, Wall Street Journal, Feb. 11, 2016

⁴⁰ City of New York, *Review of Homeless Service Agencies and Programs*, April 11, 2016 <http://www1.nyc.gov/assets/home/downloads/pdf/reports/2016/90-day-homeless-services-review.pdf>.

⁴¹ ACS offers *Early Learn NYC* Child Care for children 6 weeks through 4 years of age and *Early Learn NYC* Head Start for children ages 3 and 4. See ACS Child Care Options, <http://www1.nyc.gov/site/acs/early-care/acs-child-care-options.page#early>.

⁴² Chapman, B., *EXCLUSIVE: Half of kids in NYC shelters are in pre-K after surge in enrollment*, NY Daily News (Sept. 29, 2015), at <http://www.nydailynews.com/new-york/education/exclusive-kids-nyc-shelters-pre-k-article-1.2377863>.

⁴³ *Final Rule Implementing CCDBG Act of 2014 Includes Important Provisions to Support Low-Income Families*, CLASP, September 23, 2016 <http://www.clasp.org/issues/child-care-and-early-education/in-focus/final-rule-implementing-ccdbg-act-of-2014>

⁴⁴ Child Care and Development Fund (CCDF) Plan, New York State Office of Children and Family Services, retrieved Oct. 25, 2016, http://ocfs.ny.gov/main/child_care/stateplan/

⁴⁵ Child Care and Development Fund (CCDF) Plan, Draft CCDF Preprint, New York State Office of Children and Family Services, [http://ocfs.ny.gov/main/child_care/stateplan/FFY%202016-2018%20Draft%20Child%20Care%20Development%20Fund%20\(CCDF\)%20Plan.pdf](http://ocfs.ny.gov/main/child_care/stateplan/FFY%202016-2018%20Draft%20Child%20Care%20Development%20Fund%20(CCDF)%20Plan.pdf); p. 64-5





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