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JOINT SENATE AND HOUSE DEMOCRATIC POLICY COMMITTEE

Policy Hearing:
FUNDING CHILD CARE CENTERS

Wednesday, May 27 at 10:00 a.m.
Virtual ZOOM Meeting

AGENDA

- 10:00** **Call to Order & Opening Remarks**
Senator Lisa M. Boscola, Chair
Representative Mike Sturla, Chair
- 10:10** **Tracey Campanini**, Deputy Secretary of Office of Child
Development and Early Learning, Department of Human Services
Jen DeBell, Executive Director, Pennsylvania Association for the
Education of Young Children
Donna Cooper, Executive Director, Public Citizens for Children and
Youth
Cara Ciminillo, Executive Director, Trying Together
Kate Reber, Parent
- 10:50** **Damaris Alvarado-Rodriguez**, Executive Director, Children's
Playhouse Early Learning Center
Oriana Hood, Owner, Pembroke Pee Wee Daycare & Little People
Daycare School of Lehigh Valley
Laura Heckart, Director, Albright Early Learning Center
Laura Crispin, Ph.D., Professor of Economics, Saint Joseph's
University
Becky Flaherty, Executive Director, Shady Lane School
- 11:30** **Closing Remarks**

Tracey Campanini

Deputy Secretary

Office of Child Development and Early Learning

PA Senate & House Democratic Policy Committee

Hearing on Funding Child Care Centers

May 27, 2020

Good afternoon. I am Tracey Campanini, Deputy Secretary of the Office of Child Development and Early Learning (OCDEL) at the Pennsylvania Departments of Education and Human Services. Thank you for inviting me here today to discuss child care.

OCDEL is a dual deputation, shared between the Department of Education and the Department of Human Services (DHS). OCDEL has oversight and authority over the majority of child-serving initiatives in Pennsylvania and collaborates with other state agency offices. I am here today to speak about child care.

Child Care

Child care is any care that occurs in lieu of parental care in a 24-hour period. In addition to the benefits it provides related to child development, it is also a critical workforce support and is an integral part of Pennsylvania's infrastructure.

In February, the child care climate in the commonwealth was estimated, based on licensed capacity, would exceed 386,000 enrolled children for programs serving infants through school age. I

In February, there were 7,082 licensed child care providers. The types of licensed child care include: Family Child Care Homes, which serve 4-6 children; Group Child Care, which serve up to 12 children; and Child Care Centers, which serve 12 children or more.

In March, 89 percent of our licensed providers had a participation agreement with Pennsylvania's subsidized child care program, Child Care Works (CCW). 66 percent of our licensed providers had active CCW enrollments.

Child Care can operate as a small business or as a not-for-profit. Enrolled families pay privately, participate in CCW or they participate in local scholarship programs.

As stay at home orders were issued to mitigate spread of COVID-19, center-based child care and group child care operating outside a residence were deemed non-essential and were required to temporarily close. However, recognizing the important role child care plays to essential workers who are not able to perform their job from home, closed providers can request a *Waiver to Operate During Temporary Closure* to serve the essential workforce. While the entire commonwealth was in the red phase of the Governor's phased reopening, the number of operating child care providers hovered around 1,529. This was approximately 21.5 percent of licensed providers.

OCDEL manages the waiver process and has shared the list of child care providers available to families by posting the open programs on DHS' COVID-19 Resource page. This list is updated daily. The decision to remain open, close, and possibly reopen is a business decision made by providers based on several factors including health and safety, number of essential personnel served, families' demand, and a provider's business model.

During the closures, DHS continued to support child care providers, including:

- For all providers who had active enrollments in CCW as of March 13, DHS issued a policy announcement allowing continued CCW payment based on enrollment as opposed to attendance through June 30. Including the planned payments through June 30, more than \$205,553,900 will have been paid to those participating child care providers.

- On May 20, the distribution of the first phase of Coronavirus, Aid, Relief, and Economic Security (CARES) Act for child care was announced. In mid-June, more than \$51M in funding will go to all eligible providers. It is intended to offset some costs associated with closure, including CCW co-pays, facilities costs, health and safety supplies, additional staff supports or personal protective equipment, if needed.
- The remaining balance of the CARES Act funding for child care, which is approximately \$55M, is being reserved until the department has a deeper understanding of need, availability of any future funds, and future impacts resulting from COVID-19. Penn State is conducting an Impact Study which will inform future funding recommendations to the administration by the end of July. This information can assist in allocation strategies for future resource deployment.
- Child care workers, including Family Child Care and Group Child Care owners, were eligible for Unemployment Compensation (UC). Previously, Family and Group owners were considered self-employed and not eligible for UC, but Pandemic Unemployment Assistance (PUA) allows for support of self-employed operators.
- Additional supports offered to providers include technical assistance around the Centers for Disease Control and Prevention (CDC) *Guidelines for Child Care that Remain Open*. There has been a lot of attention on demystifying the cleaning and disinfecting guidelines for providers as they reopen. Child Care, under PA Child Care Regulations, has stringent health and safety requirements. The cleaning and disinfecting requirements meet the guidance provided by the CDC, except for the recommendation to conduct these activities more frequently. OCDEL created a series of webinars to mitigate confusion, including the review of *CDC Guidance to Child Care that Remain Open* and requested topics from the field. More than 17,950 viewers have accessed the online, on demand content.

There has been discussion among stakeholders around a family-friendly policy issued to stop collection of CCW parent co-pays from families who were not attending care, or whose care was closed. Our data-system PELICAN can calculate the lost co-pays to child care providers. For two weeks in March, April, May and June, the cost to compensate providers for lost co-pays would be slightly more than \$38.84 million.

While our data system is robust in the operation of CCW, OCDEL does not collect any information on private pay or scholarship revenue coming into a child care program. During the stay at home order, our office, as well as numerous legislators and the Attorney General's office, received complaints regarding the practice of providers continuing to charge enrolled private pay families. Child care facilities across the state had a variety of approaches to continuity of charging families, modifying a decreased charge or after a period or halting the process.

I have seen requests to both compensate families for these charges of "holding their slot" at a closed provider or making providers whole if they elected to stop charging families. These are not allowable uses for CARES Act funds.

Close to 780 child care providers do not participate in CCW and depend fully on private pay. OCDEL does not have any data on non-CCW enrollments for age, attendance status, or payment agreements between the provider and families. OCDEL has no means available to authenticate the number of private enrollments, lost revenues or to verify private pay ceased.

While I have highlighted the supports and the challenges of some of the stakeholder requests, we are aware of, I have not highlighted the needs providers may encounter as they start to reopen.

As I mentioned earlier, cleaning and disinfectant supply costs will increase significantly for all child care providers who remain open. The expectation is that the amount of handwashing or sanitation with 60 percent alcohol sanitizer and increased disinfecting of high touch surfaces will deplete supplies quickly.

The CDC recommends a screening at drop off time that will require additional staff and the use of a no touch thermometer or a temporal thermometer as part of the process. For larger centers, this may require more than two adults.

The CDC recommends staff continue to wear masks. In instances where staff may not have them, as a work expectation, providers need to purchase this along with other PPE, such as a supply of gloves, or possibly gowns in anticipation of sick children.

Staffing ratios may also need to be modified requiring more staff to be available. Pennsylvania has not amended group sizes or ratios, but the CDC does recommend that the same staff stay with an assigned group of children throughout the day in order to limit contamination from room to room. In order to manage this recommendation, operators may need to hire additional employees.

I want to touch on one final consideration related to financial implications. Public health experts caution about a potential resurgence at the end of summer going into the winter months. If those forecasts become reality, resources will be needed to support providers through potential future closures.

Over the past several weeks, I have engaged in a lot of conversations with industry leaders, all expressing concern over the ability of their workforce to access child care when the time comes for their employees to be at work. I expect you have heard similar concerns from stakeholders. Child care is a critical infrastructure to the economic well-being of Pennsylvania and her citizens now; high-quality child care is critical to Pennsylvania's future. As important as the discussion is to reopen child care, I would just remind you there were funding needs of this industry that existed prior to COVID-19. I would certainly be happy to discuss those issue in depth another time.

I thank you for your consideration this morning in talking about the critical needs of child care providers to rebound from the impacts of COVID- 19. I am happy to answer any questions.

Senate and House Democratic Policy Committee

Hearing on Funding Child Care Programs

May 27, 2020

Testimony provided by:

Cara Ciminillo, Executive Director, Trying Together

Donna Cooper, Executive Director, Public Citizens for Children and Youth

Jen DeBell, Executive Director, Pennsylvania Association for the Education of Young Children



**START
STRONG
PA**



Good morning Senator Boscola, Representative Sturla, members of the Senate and House Democratic Policy Committees and staff. Thank you for the opportunity to testify today regarding the impact COVID-19 is having on child care programs and how we can best support them to be viable through this crisis. This is an important topic, as there is no economic recovery without ensuring high-quality child care programs are available for working families.

I am Cara Ciminillo, Executive Director of Trying Together. Trying Together supports high-quality care and education for young children by providing advocacy, community resources, and professional growth opportunities for the needs and rights of children, their families, and the individuals who interact with them. Our organization works regionally (in Southwestern Pennsylvania) and is pleased to partner with PennAEYC to support the Pittsburgh Chapter of PennAEYC. Additionally, Trying Together partners with the Department of Human Services and the Alliance for Infants and Toddlers to support the Early Learning Resource Center (ELRC) 5 in Allegheny County. ELRC 5 is one of 19 centers across PA to serve as the single point of contact for families and early learning programs.

I am Donna Cooper, Executive Director of Public Citizens for Children and Youth (PCCY). Over the last forty years PCCY has worked hard to improve the lives of children in southeastern Pennsylvania by advocating for research-based policy solutions that can have a scale and lasting impact on the lives of children who face the greatest adversity in life. I am grateful for the opportunity to address this hearing today and I want to take the opportunity to commend your interest in learning about the needs of the child care and early learning sector.

I am Jen DeBell, Executive Director of the Pennsylvania Association for the Education of Young Children (PennAEYC). PennAEYC is an affiliate of the National Association for the Education of Young Children (NAEYC) and is a nonprofit, statewide membership organization of 4,500 early care and education professionals based in Harrisburg. Our members include child care and pre-k-fourth grade teachers, child care and pre-k program directors, higher education faculty and students. We advocate at the state and federal level to increase access to high-quality early care and education programs and for appropriate supports and compensation for early learning educators. We also offer professional development and other supports to early care and education professionals across the Commonwealth.

Our three organizations helped establish and currently lead the Pre-K for PA and Start Strong PA campaigns, with seven other organizational partners. These two non-partisan statewide advocacy campaigns are focused on increasing access to affordable, high-quality pre-k and infant/toddler child care.

Status of Child Care Programs and Recommendations to Save Early Learning Programs as a Result of COVID-19

When all counties were under the stay at home order (in “red”) state data demonstrated that 80 percent of all child care programs were closed. Home-based programs were allowed to remain open if they chose to do so and center-based child care programs had to secure a waiver to serve children of “essential personnel” only. We commend the Commonwealth for continuing to pay child care, Pre-K Counts and Head Start programs during the shutdown.

However, programs still lost significant revenues - from both private pay families and child care subsidy parent copayments. The loss of this revenue was a devastating blow to providers. That’s why it’s no surprise that survey data showed that without additional financial support the Commonwealth could lose one-third of the child care supply.

What is even more concerning is that high-quality programs are at even greater risk for closure given they cost more to operate -- and these are the programs that positively impact children’s social, emotional and educational development and set them on the trajectory for school and life success. This is the most important piece of data I want to share with you today because losing high-quality providers will erase 20 years of progress to build a strong early learning system that prepares children for early school success and a life-time of positive opportunity.

Now, as counties have started the move to yellow, and some to green, programs are starting to reopen or consider that process. In addition to the health and safety regulations child care programs must already follow, they are now being strongly encouraged by the Wolf Administration to implement guidance from the CDC specific to child care. The providers we work with are taking these guidelines seriously and are implementing the best practices to keep the children in care, their families and their staff safe and healthy.

Obviously, the other financial constraint is the fact that providers do not expect to open at full capacity because many families will not choose to re-enroll their children until they know that the public health risk is much lower than it is right now. The tepid opening, coupled with additional costs of implementing the CDC guidance for some programs, means continued financial distress for the child care sector.

To respond to the new costs, the low revenues and the predictably slow take up rate, we suggest six conservative, reasonable and affordable ways you can help revive this sector and retain our high quality supply at its pre-COVID shut down levels.

1. Continue to pay child care subsidies and Pre-K Counts and Head Start Supplemental Assistance Program contracts

The Wolf Administration has paid the pre-k contracts through the end of the school year. However, decisions regarding child care subsidies are being made month to month. As of submitting this testimony, child care subsidies are being paid to programs based on enrollment at the time of the disaster declaration through the end of May.

2. Compensate for lost parent subsidy copayments, prioritizing STAR 2, 3 and 4 providers

While the subsidy rate to the provider is being paid, providers are unable to collect the parent copay if the child is not in care. More than 14 percent of payments to child care providers are covered by copayments collected from parents receiving subsidies.

3. Cover a portion of lost private pay tuition, prioritizing providers that serve subsidized children and STAR 2, 3, and 4 programs. In addition, programs that have not accessed the Paycheck Protection Program would be prioritized.

As much as 75 percent of the capacity of the child care system is supported by payments made directly from parents, not the government.

4. Provide training to programs on sanitization practices and fund the purchase of cleaning supplies and PPE for child care subsidy, Pre-K Counts and Head Start programs.

Parents need the confidence to know their children's programs are safe prior to returning. These supplies are necessary to reopen and stay open and reduce the risk of subsequent infection.

5. Provide immunity from COVID-19 lawsuits IF programs follow child care regulations and CDC guidance.

Some programs did not reopen to serve essential workers at recommendation of their lawyers and/or insurance carriers. If programs are following rules to protect against infection, they should not be subject to frivolous lawsuits related to COVID-19.

6. Provide one month summer instruction for children entering kindergarten in the fall in Pre-K Counts and Head Start.

While this hearing is focused on child care, we felt it important to note that this recommendation will help stem the loss of academic gains associated with the crisis and avoid higher costs for public schools. We boost the chances for school success after this traumatic school year by allowing these programs to make up a portion of lost instructional days this summer for children entering kindergarten.

We provided a fact sheet and balance sheet as part of our testimony that summarize these proposals, their costs and how we reached our estimations.

Status of Relief and What You Can Do to Support Programs Now

We are fortunate that the federal government is recognizing the importance of child care in the recovery. As part of the federal CARES Act, Pennsylvania received \$106 million in Child Care and Development Block Grant (CCDBG) funds. **This allocation must be spent on child care specifically and funds may not supplant state dollars.** The federal HEROES bill that

passed the U.S. House of Representatives includes another \$7 billion nationwide dedicated to child care. While the fate of this proposal is uncertain, we are hopeful Pennsylvania could see additional funds in the future.

On May 20, the Wolf Administration announced their plan to release \$51 million of the \$106 million in federal CARES Act child care funding by mid-June 2020. This disbursement is a step forward for programs serving subsidized and private pay children in recovering a portion of lost revenue from subsidy parent co-pays and private tuition.

A little later, you will hear directly from several child care providers. I do however, what to share an example of one, Hug Me Tight, who was not able to be here today. Hug Me Tight is a STAR 4 center located in the Hill District of Pittsburgh, PA. She is the only STAR 4 program in that neighborhood. Miss Wanda and her team serve about 50 children--all of whom utilize subsidy in order for them to have access to their high-quality early learning experience. Miss Wanda has lost \$30,000 in co-pays over the past 2.5 months. Last week, with the Governor's announcement regarding the release of the \$51 million in federal aid, Miss Wanda will receive \$6,500. These funds are supposed to help off-set the loss, as well as prepare her to reopen at 25-50 percent of capacity with sufficient health and safety resources.

Hug Me Tight is just one of thousands of programs who are experiencing significant losses in revenue. The remaining \$55 million in federal CARES Act child care funds must be released immediately and an additional \$142 million in federal stimulus or state funds need to be allocated for early learning programs. We believe you have several options for where to find these funds including the \$3.9 billion general state stabilization funds provided to Pennsylvania by the CARES Act.

Keep in mind, we know resources are in short supply. But our state's recovery is linked to the availability of child care and these funds are needed to preserve and ready Pennsylvania's child care system, allowing families to rapidly return to work. Put simply, if Pennsylvania wants to recover from the crisis families must have high-quality child care options.

As we've indicated, Pennsylvania's early learning providers have incurred substantial losses over the past two to three months of state imposed shut down. These financial losses paired with what is likely to be very slow demand and uncertainty with respect the pandemic continues could collapse the entire sector. Immediate and robust economic stimulus is needed to ensure our high-quality programs survive.

We implore you to talk with your legislative leaders today and ask them to allocate the remaining CARES Act child care funds and additional federal and state resources to ensure the viability of the child care system. As you know, Pennsylvania's economy depends on working

families and working families depend on child care and early learning! Some of you have already championed this cause and we are very thankful for your leadership.

In addition, we also want to recognize Senators Schwank and Lindsey Williams and Representatives Fielder and Daley as they have been working with us to introduce legislation to achieve many of the goals outlined in our proposal. Thank you for your leadership.

What You Can Do To Support Child Care Programs Beyond the Crisis

The pandemic exposed the fragility of the child care industry. As you know, these programs already operated on razor thin margins prior to COVID-19. We recognize a state budget bill is likely to include funding through November and additional discussions will continue as the fiscal year proceeds. On some level, we come before you with a meager request to support a sector starved for resources, yet without this sector the entire economy could come to a complete halt. We also come before you because thousands of parents, with babies and toddlers want to return to work and as of yet, the child care sector does not have the resources to safely welcome those babies with open arms.

On Tuesday, National Public Radio ran a story on a child care center who is finding their staff are forced to forgo the \$600 a week extra unemployment payment if they return to work. The travesty is that the paychecks child care staff receive when employed full-time are so low that on unemployment they earn more.

When Governor Wolf was asked by employers what they should do about foreseeable re-hiring problems due to the \$20 a day extra low paid workers are receiving on unemployment, and, he simply said, employers should increase what they pay. The state is the payer of child care of more than 100,000 children and we agree the state should pay more.

Beyond the embarrassingly low levels of compensation made possible only because women are the predominant workers, the majority of families are locked out of the subsidized child care system because state funding has not kept pace.

This program is a partnership with the federal government, and they've put real new money on the table, while the state reduced what it appropriated for child care by nearly \$40 million last year. As a result, only 40 percent of children under age five can be enrolled in subsidized child care and because the reimbursement rates are so low the vast majority of children in child care programs are in low-quality programs.

It's pretty clear that in this budget process, we first have to stabilize the child care sector. But I see no reason that lawmakers cannot use this crisis as the galvanizing moment to end the care sector's reality of being a low wage ghetto.

If we want the promise of high-quality child care to deliver for the state's thousands of young children, we cannot permit entry level salaries that are lower than Target or Amazon to be the norm. I urge you to commit to creating labor standards in the child care sector that reward child care providers who have high-quality programs with enough state funding to pay their staff what their credentials, training and years of experience dictate they should be paid.

Permit me to remind you that high-quality child care:

- Provides a quality educational foundation that prepares children to learn, grow, and succeed
- Supports healthy development that emphasizes socialization
- Creates strong bonds with caring adults who nurture healthy development
- Improves social and emotional development, along with academic abilities in math and language and
- Enables children to enter kindergarten ready to succeed

For families it :

- Provides working parents with confidence in the education and care their children are receiving
- Engages families in children's development and learning and
- Creates economic stability for families and the healthy development of their children

For employers and communities high-quality child care:

- Increases job retention and productivity through decreased employee absences and reduced turnover
- Promotes worker stability as parents have peace of mind
- Preserves taxpayer dollars by savings realized over time in reducing special education and remedial instruction
- Generates a strong return on investment; every \$1 invested in high-quality early care and education, saves between \$4 and \$17 in future costs

Thank you again for the opportunity to testify today. We look forward to working with you to ensure early learning programs are able to reopen and stay open for our working families and to support and increase the share of children we enable to benefit from high quality child care.

COVID-19 EARLY CARE AND EDUCATION RECOMMENDATIONS	ESTIMATED COST 2 MONTHS	ESTIMATED COST 1 MONTH EXTENSION	ESTIMATED COST 2 MONTH EXTENSION
Child Care			
Continue payment of child care subsidy, Pre-K Counts and Head Start until crisis ends <i>(uses funds appropriated in FY 2019-20)</i>	\$ -	\$ -	\$ -
Pay lost copayments to subsidized child care providers until crisis ends - focus on paying high-quality providers that attained a STAR 2, 3 or 4 rating first	\$ 17,000,000	\$ 8,600,000	\$ 17,000,000
Cover portion of uncollected private pay tuition at subsidy rate - prioritizing high-quality providers that attained a STAR 2, 3 or 4 and are serving subsidy children first	\$ 100,000,000	\$ 51,000,000	\$ 100,000,000
Provide funds for cleaning costs to reopen - programs in child care settings	\$ 4,500,000	\$ -	\$ -
Subtotal	\$ 121,500,000	\$ 59,600,000	\$ 117,000,000
TOTAL COSTS	\$ 121,500,000	\$ 181,100,000	\$ 238,500,000
Available Federal Child Care Funds for COVID-19 CARES Act - Child Care and Development Block Grant Allocation	\$ 106,397,624	\$ 106,397,624	\$ 106,397,624
Subtotal Additional Funds Needed	\$15,102,376	\$74,702,376	\$ 132,102,376
Pre-K			
Enable Pre-K Counts and Head Start programs to offer summer instruction for children entering kindergarten	\$ 9,000,000	\$ -	\$ -
Provide funds for cleaning costs to reopen - Pre-K Counts and Head Start programs in Head Start sites, licensed nursery schools and school districts	\$ 715,000	\$ -	\$ -
Subtotal	\$ 9,715,000	\$ 9,715,000	\$ 9,715,000
TOTAL ADDITIONAL FUNDS NEEDED	\$24,817,376	\$84,417,376	\$ 141,817,376

METHODOLOGY FOR ESTIMATES	
Pay lost copayments to subsidized child care providers until crisis ends	We arrived at the \$17 million copayment estimate using fiscal year 2016-17 data from the state. This is the most current expenditure data we had available. This showed that 14 percent of provider payments are covered by co-payments from parents receiving child care subsidies. This equates to over \$103 million in co-payments were paid to child care providers. Therefore, an estimate for 2 months of co-payment costs is \$17 million.
Cover portion of uncollected private pay tuition at subsidy rate	For this estimate we used the same fiscal year 2016-17 data from the state. It showed that the total state and federal expenditure on child care subsidies was \$614.4 million. An estimate of 2 months of expenditures is over \$100 million. Therefore, we're applying the same amount to private pay providers as a way to allow them to access funding to cover basic costs and loans to ensure they will be able to re-open when the crisis is over. Programs serving subsidized children will be prioritized and then those that have been unable to access the Paycheck Protection Program.
Provide funding to publicly-funded programs for cleaning costs to reopen	Based on FY 2019-20 Quarter 1 data, the maximum cost for Pre-K Counts based on the current number of programs is \$249,000. Based on FY 2019-20 Quarter 1 data, the maximum cost for Head Start Supplemental based on the current number of programs is \$62,000. Based on data from October 2019, the number of children in child care subsidy totaled about 99,100. The maximum cost would therefore be \$991,000 with \$10/per child.
Enable Pre-K Counts and Head Start programs to offer summer instruction for children entering kindergarten	Based on 2011-12 data from the state, 69% of children in Pre-K Counts were age 4 and 59% of children in Head Start Supplemental Programs were age 4. We applied these percentages against the cost of the program for one month and then reduced costs by half, estimating that only half of the programs would participate. The cost to run Pre-K Counts for one month is \$18,107,000 and 69% of that is about \$12.5 million. To allow half the programs to operate \$6,250,000 is needed. The cost to run Head Start Supplemental for one month is \$5,348,000 and 59% of that is about \$3.2 million. To allow half the programs to operate \$2,674,000 is needed. Together this costs an estimated \$9 million.
Provide funds for cleaning costs to reopen	Based on the cost of \$40 per slot in publicly-funded programs as follows: For programs located in child care providers: \$3,964,000 for child care subsidy, \$475,600 for Pre-K Counts in child care programs and \$72,000 for Head Start in child care programs. Therefore, about \$4.5 million is needed in child care sites. \$715,000 for Pre-K Counts and Head Start in Head Start, licensed nursery and school district-based programs.



No child care. No recovery.

Pennsylvania can not successfully reopen for business unless early learning programs are saved.

Why?

Currently nearly every learning program and child care center in the state is

closed

30%

of all programs indicate they will not reopen if there is a prolonged shut down and no financial relief.

What does this mean?

70%

of all children have all their parents in the workforce.

As businesses reopen,

1 out of every 3 providers

will no longer be there to support the workforce.

High-quality programs will be the first to disappear,

impacting children's social, emotional and educational short- and long-term gains.

What can be done to save early learning programs?

Specifically, policymakers should focus COVID-19 recovery funds on:

- 1 Enabling the rapid reopening of early learning programs and return to work for all families by:
 - Continuing to pay child care subsidies and Pre-K Counts and Head Start Supplemental Assistance Programs contracts for the duration of the closure.
 - Compensate high-quality providers for lost child care subsidy parent co-payments (prioritize STAR 2-4).
 - Cover a portion of uncollected private pay tuition for high-quality child care programs (prioritize those serving subsidized children and STAR 2-4).

Doing so will conserve unemployment compensation funds, stabilize early learning provider capacity and ensure a sufficient supply of child care providers for an economic recovery.
- 2 Protecting children and child care professionals and ensure confidence in Pennsylvania's early care and education system during recovery by:
 - Making sure that all child care, Pre-K Counts and Head Start programs have access to free training on sanitization practices required to re-open and covering the cost of sanitizing government-funded programs.
 - Supporting programs that provided child care for essential workers by guaranteeing immunity from COVID-19 related lawsuits during the crisis provided that the program is operating according to CDC guidance.
- 3 Boosting early school success for this year's Pre-K Counts and Head Start students by funding one month of summer instruction for children entering kindergarten in the fall if it is safe for students and teachers to do so.

It is imperative that state leaders take these actions immediately to save early learning in PA!

And as state budget discussions get underway, we urge policymakers to increase the stability, supply and quality of the infant and toddler child care classrooms that have been decimated by the crisis. Investment is needed to ensure infant and toddler programs are available and equipped to operate ensuring the safety and healthy development of young children, while alleviating the anxiety of parents returning to work.



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www.prekforpa.org

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May 27th, 2020

My Name is Damaris Alvarado and I am the executive Director of Children's Playhouse in South Philadelphia. We have been in business since 2014 with fifty-six employees and we had over two hundred and seventy children enrolled prior to COVID closures. Our two locations have been closed since March 16th due to the Governor's stay-at-home orders. Since the first day we closed, our teachers have been supporting families by conducting daily read alouds, virtual activities, sidewalk read alouds, weekly virtual meetings with all of their students in order to maintain strong family partnerships through these difficult times. In addition to the educational supports, our administrative teams have been supporting families, students, and the community by doing the following:

1. Providing Supplies such as art materials, crayons, paper, cutting scissors, and pencils to all of our students.
2. Providing Curriculum packets that have activities for children to do at home that supports the learning domains of math, literacy, social studies, science, social emotional, and kindergarten readiness activities, in several languages to all of our students.
3. Providing free Family Virtual Trainings on topics such as, "Learning new ways to keep healthy and happy every day and during times of stress, like during the Corona Pandemic to all of our families."
4. Providing weekly Grab and Go Meals on Tuesdays; We have been able to provide meals, for the entire week, to over 400 families!
5. Purchasing back to school supplies for **ALL** of our kindergarten transition students, in hopes to help support families financially, for when children go back to school.
6. Weekly distribution of Diapers, Formula, and wipes
7. Weekly updates with new resources available on this rapidly evolving disease.

Our center's budget has been impacted with over 28% income loss due to private pay and Co-pay uncollected funds due to the COVID-19 Closures and was forced to lay-off fifteen of our employees on March 25th. Due to these losses, we decided to open one of our centers with a waiver to provide childcare services to essential workers; this center right now has fifteen children enrolled. We were able to receive a PPP loan on May 6th and hire back only six out of those fifteen employees with these funds because we just could not afford to bring everyone back to work.

As we are moving forward towards opening both of our sites on June 15th, utilizing CDC guidance and cutting our enrollments in half to meet the one to nine staff/child ratios, we have been working on

our budgets in trying to maneuver the impossible while not losing our business and fighting to keep our doors open in September. The costs related to COVID-19 of re-opening our programs is another important part of our budgets right now and the enrollment data for the summer and for the new school year shows that we have lost half of our enrolled students, forcing us to work with half of a budget to cover salaries, utilities, rents, etc.

In order to be able to successfully transition our students and families back from the pandemic, we need financial support, supplies, and support from our legislators to ensure that our students are safe for when they return! Childcare centers will feel the impacts of COVID for many months, maybe even years as we try to gain our enrollments back and stabilize our budgets.

It is sad that the childcare sector – a key engine part - in ensuring our economy remains robust - is a business model that needs government support. We did not go into this business with aspirations of becoming wealthy. We do it for the families in our communities and for the children we welcome with loving arms every day.

If you want to do right by working families – then give child care providers the resources they need to reopen safely – so they can give those families the peace of mind they need to go back to work and we can keep our doors open for business.

Thank you.

The mandated closure of our daycare centers caused quite a meriad of problems.

First came the closure of the schools. With no notice all of our school age children were attending our daycare centers all day and we had to immediately adjust schedules to cover the extra children all day.

Then doomsday came and we were forced to close. We were told we could apply for special waivers to remain open, but with research we found out that even with the waivers we could only aide the front line workers such as hospital staff, police and fire fighters. We pondered the pros and cons and did not feel comfortable telling our everyday clients, who by the way, were still working jobs such as Amazon, driving trucks, Aldi and other warehouses, as well as grocery store clerks and fast food workers, that they were not considered essential enough to allow us to take care of their children. These people were left to fend for themselves and turn to what is the most vulnerable group of people to help them, grandparents, the older generation helped care for their kids, which left them at risk.

I feel that throughout this process most of the people in high government ranking who were making the decisions for us forgot the needs of working families and children.

We lost the ability to support the needs of our families. In my centers we care for children daily and offer each client ten hours of care a day. We serve well balanced, hot meals including breakfast, snack, lunch and dinner so we ensure that the children get the food they need to grow. We have many children with special needs such as autism, adhd, behavioral issues and partner with specialists to provide therapies such as speech, occupational and behavioral therapies. And with this closure that all stopped for these children however, their needs did not stop.. My directors and I got phone calls daily from parents who needed to vent asking when we were opening because although their businesses supplied them with the tools to work from home they also needed to take care of their children now while working and also taking the time to play teacher from home so their children did not fall behind on school work with some very challenging technology sites. Add a special needs child to that mix and you tell me how productive a worker you could be. Single parents who had no support system but our daycares were in the same if not more precarious position. Who thought of all of this? No one making the decisions to close daycares.

Through this pandemic our businesses lost an huge amount of money. We are grateful for agencies such as CCIS who continued to pay centers for the enrolled children through their agency from the first day of the closure on. We however, lost the parent co-pays and some of these are substantial amounts such as 80 dollars a week from the parent. Understandibly we could not collect from parents but to a center that is lost money. We lost our subsidies from the department of education for our food programs, and we lost all income from private pay customers. What we did not lose were the day to day bills we pay such as taxes utilities, insurances, etc.

We were forced to lay off our staff, unable to keep them on payrolls and now had the added burden of wondering whether they would come back when we reopened. In an industry where it was already difficult and challenging to be able and retain staff that was reliable this is a big concern.

We have had to set up new guidelines for operation when we reopen using the CDC guideline suggestions which are also constantly changing but we have accepted the challenge and are ready.

When we reopen we do not know how many children will return, how many staff will come back. If we have a severe decline in our enrollment will we be able to survive?

I've been in the childcare business for 20 years. I have weathered many storms and successfully cared for many childrea. With all the rules and the constant changes in regulations and inspections we have always adjusted and forged ahead. But this time I am truly worried.

I started this business because I love children, the fact is my husband and I have six children and are now blessed with eight wonderful grandchildren. Kids are a wonderment to be cherished every day, we teach them but they also teach us. What have we done to our children through this time? Forced them to stay at

home, worried them by watching news casts with nothing but dooms day on them. Taking them out of the social settings and away from the people who cared for their needs and wants daily. Look at it through their eyes and do you feel comfortable with what we have done? I'm not. We need to get back to normalcy, we need to see our friends as adults but children? They are craving the time they can play with their friends. This is how they learn things, they learn to share and care, they learn to problem solve and they learn how to embrace life.

I hope there are funds from the government for daycare centers. The government has been very generous, almost to a fault in funds for families on unemployment during this time. We need now to get those people back off unemployment and go back to work. We need help recouping monies lost, we need help to open and remain functional until everyone feels comfortable coming back. I pray that the businesses I have worked to hard to make a success can remain intact, but for all of this to happen we need funds to operate.

Remember, ours is the industry that is helping to shape our future. Kids matter the most

Thank you for your time and attention,

Good morning and thank you for having me here today.

My name is Dr. Laura Crispin, and I'm an Associate Professor of Economics at St. Joseph's University, a resident and member of the school board in Haverford Township. However, today, I'll be speaking to you as a mom.

My daughter Coral is a precocious, talkative, beautiful 3 year old. Prior to the closures, she was attending preschool in Broomall, our neighboring town. My husband and I both work full time, typically 40-50 hours per week for each of us, but since the pandemic, we have been home with her full-time while still working full-time since March 13th.

Under the best of circumstances, high quality child care and early childhood education are difficult to come by in my area and in many parts of Pennsylvania. As an example, many preschools in our area have one or two year waitlists. We were lucky to get her into a preschool in a neighboring town, and in that school, with great teachers and staff, she was thriving.

In addition to the scarcity, childcare and early childhood education is also extremely expensive even during "normal" times. For example, for full day preschool with after care, we pay over \$800 per month. Our former daycare center was over \$1000 per month. You could imagine how prohibitive these costs would be for households with more than one child. We use a Dependent Flex Savings Account, which we contribute \$5000 pre-tax dollars to per year, but as you do the math, you realize that we spend over \$10,000 on childcare per year, again for just one child.

But all of this has changed since the pandemic. In the current situation, many parents such as myself have taken on so much – we are working full time, parenting full time, managing our children's online interactions with other kids, trying to get groceries (which is more stressful than ever) and maintain our households, and many are even homeschooling or supervising school work for their school-aged children. Frankly, I'm exhausted - there aren't enough hours in the day and we are all looking forward to when schools, preschools, and daycares can safely reopen! At the very least, I'm looking forward to Coral being able to safely play with other children – which she hasn't done in over two months.

However, we are very anxious about what the future holds for our family and our jobs. Health and safety are my biggest concerns. Under the current CDC guidelines, they are encouraging small class sizes. Coral's current classroom has 12 children – so would 6 children not be able to return? Would the cost of childcare double? Even if she were able to return, how would toddlers maintain social distance or wear masks? Would we even feel safe sending her to preschool? What if there is a second wave and we have to pull her out in fall or winter?

We have considered a number of alternatives, such as hiring a babysitter for days when I have to teach – but at \$15/hour, you can imagine that this cost of this would be extremely expensive and not an option that we could afford. We are unfortunate in that we don't have family in the area who are able to watch her full-time – but even still, for many who's grandparents are their childcare, it is now unsafe to expose senior citizens to daycare germs, so this option won't be available for many families.

Where my worlds collide as a parent and an economist, I foresee that the demand for childcare and early childhood education will grow in the wake of this pandemic, but that supply will be severely restricted – creating a major shortage. Many childcare centers won't be able to weather the economic storm, many will have to cut class sizes or hours due to safety and health protocols. Just today, a NY Times article

says that half may never reopen. This is certainly going to drive up the cost for providers. So even if we can secure a spot and feel comfortable sending Coral to preschool, we aren't sure how much it will cost or whether we can afford it.

I know that all of these concerns are on the minds of other parents – I talk to so many friends and family members with young children, and we all ask each other the same questions. What are you going to do with your kids for the summer now that many camps are closed? What about in the fall? How are we going to balance it all if we can't get a spot in preschool or can't afford it?

In many ways, my situation is similar to other families. But in many ways, we have a great deal of privilege. We have kept our jobs, while many are now unemployed, and my work hours are somewhat flexible so that I can schedule meetings around naps and TV time. We are a two parent household, and we can trade off parenting sometimes. Our preschool has not required payment during closure, while many have continued to pay. And while we are struggling to balance work and parenting full time, we are not essential workers who need access to childcare at a moment's notice and not always during routine hours.

In my opinion we cannot reopen our economy effectively if workers cannot be fully productive – and workers cannot be fully productive without safe and healthy options for childcare. I would urge all policy makers to consider ways to support daycares, preschools, and after-care centers and staff at this time so that, when the time comes, they are able to reopen and provide the high quality childcare that our children deserve. Please consider ways to support parents, those who continue to work full time but without access to child care, and especially essential workers who need access to emergency childcare. And consider ways to support lower income families who may not be able to find or afford childcare when the time comes.

Thank you again, and if I can answer any questions, I'm happy to talk with you now or in the future. And if you are a parent of young children, hang in there! Thank you.