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September State Cuts to Providers Jeopardize Child Care Centers *Real time visual tally shows shocking actual losses in dollars*

PHILADELPHIA (October 23, 2020) – Today, in a virtual press conference ([click here to view the recording](#)) hosted by Start Strong PA, child care providers across southeast PA detailed significant financial losses driven by state policy changes. A sampling of regional child care centers shows a **loss of \$1,452,052 in state funding** in just the month of September, threatening their ability to provide quality child care and family support. Eighty-one child care providers from Bucks, Chester, Delaware, Montgomery, and Philadelphia counties publicly released the amounts their state funding was cut. Closures are likely as 30%, 40%, and 50% reductions in income are unsustainable.

Mary Graham, Executive Director of the Children’s Village in downtown Philadelphia, said “At Children’s Village, because of the COVID crisis, 40% of our children who are typically here have not returned. That means 40% of our attendance has dropped and it would be wonderful if 40% of our expenses also dropped, but that’s not the case. Because of COVID costs and PPE, our costs have actually increased.”

Since the COVID-19 shutdown, the Office of Child Development and Early Learning (OCDEL) had been making child care subsidy payments to providers based on the March 2020 enrollment figures in order to stabilize the sector and ensure provider capacity as parents return to work. As of September 1st, OCDEL shifted to reimbursing providers based on actual attendance, resulting in decreased subsidy payments to providers.

“In January, I had an 85% enrollment rate,” said Kym Ramsey, founder and owner of the Willow School in Norristown. “In September, I had a 47% enrollment rate. And now with OCDEL no longer paying the pre-COVID enrollment rate, I have lost \$17,000. I’m still maintaining the same level of expenses and this has resulted in a 22% loss to my business.”

This is more than an economic catastrophe for owners and employees; this maneuver will leave gaping holes in communities where high-quality child care provides an educational foundation for children—

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notably children of color and low-income kids—and are the backbone for Pre-K programs funded by state and city resources.

Aliya Brown, a Brightside Academy Senior Director, said. "If this policy is not reversed, I don't see how we can stay open. Our state payment dropped by nearly \$18,000 in one month - this is not sustainable. Without my center, this community will not just lose a business, they will lose a place that families can depend on. And Philadelphia will lose one of the far too few high-quality early learning centers in the city's lowest income neighborhood. If we do close, it will be a devastating blow to the Kensington and Allegheny area."

PA child care providers are serving fewer children, with overall enrollment down by 66%, according to a survey done by the National Association for the Education of Young Children ([download survey](#)), and a Penn State study shows that the pandemic has increased health and safety costs by \$22/day per child. That study also shows that through Labor Day, the impact on PA child care providers is estimated at a minimum of \$325 million in new costs and lost revenues ([download study](#)). Chronically underfunded and operating with razor thin margins even before the pandemic, this funding scheme is breaking a child care system already in crisis.

"Since the start of the pandemic, over 300 providers have closed permanently and another 400 are temporarily closed and it's unclear if they will ever reopen. The Penn State study reports 1,000 more are at risk of closing" said Donna Cooper, PCCY Executive Director, after the press conference. "Cutting state funds will surely increase this likelihood. The state must reverse the reinstatement of this policy if we want to have child care available for families to return to work."

The following are today's speakers in the order they spoke. All are in Philadelphia unless indicated otherwise. Please note that speakers are available for interviews.

Mary Graham, Children's Village

Charles Coe, Incredible Kids

Kym Ramsey, The Willow School (Montgomery County)

Erinn Rinn, Today's Child Learning Centers (Delaware County)

Antwain Spencer, Brightside Academy-17th and Lehigh

Christine Dragon, Warwick Child Care Center (Chester County)

Troy Sanders, Brightside Academy-C and A

Claire Martorana, Community YMCA of Eastern Delaware County (Delaware County)

Latasha Carroll, Brightside Academy-Van Pelt Street

Melissa Blatz, Beautiful Beginnings

Kristan Davis, Brightside Academy-Mellon Street

Margie Sebastiani, Sonshine Christian Academy (Delaware County)

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Zakkiyah Lyons, Brightside Academy-Kelly's Corner
Ronnie Godbolt, Brightside Academy-56th and Woodland
JoAnna Collins, Creative Play Day School (Chester County)
Deshanna Whitney, Brightside Academy-25th and McKean
Susan Kavchok, Childspace Centers
William Webb-Hayes, Brightside Academy-6000 Castor Street
Aliyia Brown, Brightside Academy-K and A
Leslie Spina, Kinder Academy
Damaris Alvarado, Children's Playhouse
Janis Fine, Parent with Today's Child Learning Centers (Delaware County)
Edith Whitmore, Children's Village parent

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