



December 21, 2020

The Honorable Tom Wolf
Governor of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf:

As members of the Women's Health Caucus, we are sending this letter to bring an urgent matter to your attention regarding the effects of your administration's early childhood payment policy on the working women of Pennsylvania. We know you are committed to supporting high-quality early childhood education. Yet, your administration's recent change in payment policy has created significant fiscal challenges for early childhood providers, placing high-quality programs at risk of permanent closure. The effects of these closures would not only be devastating for young children and their families but would especially affect working women. The pandemic has already disproportionately impacted women. In a [recent analysis](#) by the National Women's Law Center, four times more women dropped out of the labor force than men in just the month of September. There is no question that a collapsed childcare sector would only exacerbate these inequalities.

Since the COVID-19 shutdown, the Office of Child Development and Early Learning (OCDEL) had been wisely making childcare subsidy payments to providers based on the March 2020 enrollment figures in an effort to stabilize the sector. The COVID-19 crisis had already resulted in providers losing revenue from private-pay parents, who withdrew their children out of fear of contracting the virus. The subsidy payments allowed these small business owners to pay their rent and other fixed expenses at a time of great economic uncertainty, and as a result they are still in business.

However, as of September 1st, OCDEL started paying providers based on actual attendance, resulting in substantially lower subsidy payments due to the depressed demand in response to COVID. It is startling that OCDEL adopted this policy without any data on its implications and still has not released data on the effects of this policy. However, there is evidence of its already devastating effects. At a recent press event hosted by Start Strong PA, **81 childcare providers in Southeastern PA reported losses of nearly \$1.4 million in just the month of September** as a result of this policy change. Since this is a small fraction of providers in just one region, we know the total damage across the state is substantially greater.

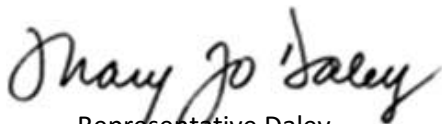
It is not just working mothers affected by this policy— many childcare programs are led women. The childcare programs they run are an integral part of our communities and provide jobs for thousands in our neighborhoods. If this policy is left unchanged childcare providers will be forced to close permanently, stifling the economic recovery and exacerbating gender inequalities in the workforce. A collapsed childcare sector would take years if not decades to rebuild.

OCDEL recently changed its payment rules to accommodate centers directly affected by the virus, however, this new policy does not correct for the fact that many families, in fear of contracting the virus, have withdrawn from childcare programs over the past six months. Meanwhile, the costs of operating a childcare program have not changed. The only viable policy solution is to continue to pay providers based on pre-pandemic enrollment rates.

As you consider our request, please keep in mind that the payment relief we are seeking is a temporary measure to ensure that not only that pre-k and child care programs can stay open but that parents, especially women, have child care as they return to work and as our economy continues to reopen.

Childcare is one of the most important determinants of a woman's ability to work. A broken childcare system would have long lasting detrimental effects on women's careers. This is an opportunity for you to renew your commitment to early childhood programming. Thank you for your consideration of our request to find a workable solution to the devastating policy currently in place.

Sincerely,



Representative Daley
Women's Health Caucus Co-Chair



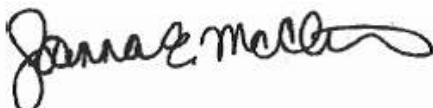
Senator Schwank
Women's Health Caucus Co-Chair



Representative Cephas
Women's Health Caucus Vice Chair



Senator-Elect Cappelletti
Women's Health Caucus Vice Chair



Representative McClinton
House Democratic Leader



Senator Collett
Democratic Caucus Secretary

Representative Frankel

Representative Lee

Representative Hanbidge

Representative Sanchez

Representative Solomon

Representative Webster

Representative Mullins

Representative Schlossberg

Representative Innamorato

Representative Hohenstein

Representative Shusterman

Representative Schweyer

Senator Muth

Democratic Caucus Policy Chair

Senator Boscola

Senator Kearney

Senator Santarsiero

Senator Tartaglione

Representative Bullock

Representative Madden

Representative Sims

Representative Krueger

Representative Isaacson

Representative Briggs



SOUTHEAST DELEGATION OF THE PENNSYLVANIA HOUSE DEMOCRATIC CAUCUS

Berks, Bucks, Chester, Dauphin, Delaware, Lancaster, Lebanon, Montgomery & York Counties

Margo L. Davidson
Chairwoman

Officers

Jennifer O'Mara
1st Vice-Chair

Melissa Shusterman
2nd Vice-Chair

Mary Jo Daley
3rd Vice-Chair

Mike Zabel
4th Vice-Chair

Pamela A. DeLissio
Secretary

Steven Malagari
Treasurer

Regional

Perry Warren, Sr.
Bucks County Vice-Chair

Christina Sappey
Chester County Vice-Chair

Leanne Krueger
Delaware County Vice-Chair

Liz Hanbidge
Montgomery County Vice-Chair

Patty Kim
South Central Vice-Chair

Vacant
Philadelphia Vice-Chair

Members

Matthew Bradford

Tim Briggs

Thomas Caltagirone

Joseph Ciresei

David Delloso

Danielle Friel Otten

John Galloway

Nancy Guenst

Manuel Guzman, Jr.

Dianne Herrin

Carol Hill-Evans

Kristine Howard

Brian Kirkland

Joanna McClinton

Napoleon J. Nelson, Sr.

Mark Rozzi

Ben Sanchez

Mike Sturla

Greg Vitali

Joe Webster

Dan Williams

Regina G. Young

Regional Caucus Director

Brandi Miller

BMiller@pahouse.net

December 17, 2020

The Honorable Tom Wolf
Governor of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf:

We, the undersigned Members of the Southeast Delegation write to bring an urgent matter to your attention regarding the viability of the pre-k and childcare community. We know you are committed to supporting high-quality early childhood education. Early education provides an essential service for working parents and a foundation for early learning. However, a recent change in payment policy has created significant fiscal challenges for early childhood providers, especially those serving children of color. This policy change is placing our high-quality early childhood programs at risk of permanent closure. The effects of these closures would be devastating for our young children, their working parents, and our local economy.

Since the COVID-19 shutdown, the Office of Child Development and Early Learning (OCDEL) had been wisely making childcare subsidy payments to providers based on the March 2020 enrollment figures in an effort to stabilize the sector. The COVID-19 crisis had already resulted in providers losing revenue from private-pay parents who withdrew their children out of fear of contracting the virus. The subsidy payments allowed these small business owners to pay their rent and other fixed expenses at a time of great economic uncertainty and, as a result, they are still in business.

However, as of September 1st, OCDEL started paying providers based on actual attendance, resulting in substantially lower subsidy payments due to the depressed demand in response to COVID-19. It is startling that OCDEL adopted this policy without any data on its implications and still has not released data on the effects of this policy. However, there is evidence of its already devastating effects. At a recent press event hosted by Start Strong PA, **24 childcare providers in Montgomery, Delaware, Bucks, and Chester county reported losses of \$491,945 in just the month of September** due to this policy change. Since this is a small fraction of providers in the region, we know the total damage to all providers is substantially greater.

Many of our childcare providers run the highest quality programs and are the backbone of the pre-k and Head Start system. They are an integral part of our communities owned by women of color and providing jobs for thousands in our neighborhoods. If this policy is left unchanged childcare providers will be forced to close permanently stifling the economic recovery. And inevitably, collapsing the infrastructure of the entire pre-k and Head Start system in Southeastern PA.

OCDEL recently changed its payment rules to accommodate centers directly affected by the virus, however, this new policy does not correct for the fact that many families, in fear of contracting the virus, have withdrawn from childcare programs over the past six months. Meanwhile, the costs of operating a childcare program have not changed. The only viable policy solution is to continue to pay providers based on pre-pandemic enrollment rates.

As you consider our request, please keep in mind that the payment relief we are seeking is a temporary measure to ensure that pre-k and childcare programs can stay open and are available for parents as they return to work and as our economy continues to reopen.

High-quality childcare provides an educational foundation for our youngest children— some of whom are children of color or from low-income households. It is also one of the most powerful anti-poverty policy tools we can implement. This is an opportunity for you to renew your commitment to early childhood programming. Thank you for your consideration of our request to find a workable solution to the devastating policy currently in place.

Sincerely,

Rep. Margo L. Davidson, *Chair*
Rep. Jennifer O'Mara, *1st Vice Chair*
Rep. Mary Jo Daley, *3rd Vice Chair*
Rep. Liz Hanbidge, *Montgomery County Vice-Chair*
Rep. Leanne Krueger, *Delaware County Vice-Chair*
Rep. Perry Warren, *Bucks County Vice-Chair*
Rep. Tina Davis
Rep. Nancy Guenst
Rep. Carol Hill-Evans
Rep. Kristine Howard
Rep. Napoleon Nelson
Rep. Ben Sanchez
Rep. Mike Zabel