



PUBLIC CITIZENS FOR CHILDREN AND YOUTH
Testimony of Christie Balka
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Pennsylvania House Democratic Policy Committee
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Good morning. My name is Christie Balka and I appreciate the opportunity to speak here today. I am the director of Child Care and Budget Policy for Public Citizens for Children and Youth (PCCY). PCCY works to improve the lives and life chances of nearly one million children who call Southeastern Pennsylvania their home. We accomplish this through thoughtful and informed research, advocacy and service projects in Bucks, Chester, Delaware and Montgomery Counties and Philadelphia. PCCY is supported with private contributions; the organization neither solicits nor accepts public funds.

In 30 years since PCCY was established, we have observed three significant changes in the region's child population. First, there are more low-income and poor children in this region than there were in 1980. Nineteen percent of the region's children (13.5 percent in Delaware County) live in poverty today. More than one third of all children in this, the wealthiest region in Pennsylvania (and 32 percent in Delaware County), live in families officially classified as low-income – \$46,100 or less for a family of four. As Pathways, PA has shown us, this is hardly enough to live self-sufficiently.

The second change PCCY has observed is that a majority of children – 69 percent of those under age six in Delaware County – have "all parents in the workforce." If they live in a family with two parents, both parents work; if they live in a single-parent family, that parent works. Most children spend some part of each day in the care of someone other than a parent – a child care provider, friend or relative.

The third change is that poverty is no longer confined to the region's urban core, but is now found throughout the suburbs as well. Yet the infrastructure to meet the needs of low-income and poor children in Bucks, Chester, Delaware and Montgomery Counties has not yet caught up to the economic realities the counties are facing. This is where good public policy comes in.

Pennsylvania's early learning system is designed to meet the needs of families for child care which enables parents to remain in the workforce, while their children develop skills that will help them succeed in school and later in life. The system recognizes that Pennsylvania's families have diverse needs, and offers four core programs to meet them. These are: child care subsidy; Keystone STARS; Pre-K Counts and Head Start Supplemental Assistance.

- **Child Care Works** is a subsidy for children from low-income working families with incomes at or below 200 percent of poverty (\$46,100 for a family of four) when they apply. Child care is not something that can be outsourced, nor can it be done by machines: it can only be provided by trained and caring professionals. For a local family with two children below the age of five, this costs more than \$18,000 a year. The program pays the child care provider selected by the family, and parents provide a co-pay based on a sliding scale. In 2011 approximately 3,500 children in

Delaware County received child care subsidy. It is worth noting that demand in Delaware County chronically exceeds the availability of subsidy dollars. In October, 2011, for example, eligible families were required to wait eight months before receiving subsidy.

- **Pennsylvania Pre-K Counts** offers high quality pre-school for three- and four-year-olds who are at risk of school failure because of family income, special needs or limited English proficiency. Three hundred thirty-three local children are enrolled in Pre-K Counts this year. The program runs during the traditional school day and school year and many families also require a partial subsidy in order to participate.
- **Head Start Supplemental Assistance** extends the benefits of the nationally-recognized Head Start program to an additional 100 Delaware County children this year. Again, many children enrolled in Head Start also require partial subsidy to participate.
- **Keystone STARS** is a voluntary quality rating and improvement system that supports child care programs to engage in continuous quality improvement and enables parents to assess the quality of care their child receives. Forty-one percent of Delaware County's licensed child care providers participate in this system, which also ensures that comparable standards exist in child care, Pre-K Counts and Head Start.

These programs are augmented by home visiting, early intervention, school-based pre-k and full day kindergarten. (The latter two have been supported by Pennsylvania's Accountability Block Grant.) Together these programs comprise a coherent whole; cut one part and it begins to unravel the rest.

Despite the attention it has received in recent years, Pennsylvania's system of early care and education serves less than a third of the state's eligible children. At a time when the need is greatest, its capacity has been hobbled by state budget cuts. As the graph attached to your testimony shows, state funding for these four core programs has decreased by one fifth since fiscal year 2009, the last budget passed before Pennsylvania was impacted by the recession. Fiscal years 2009-2011 saw marginal declines, but funding for early care and education declined precipitously – by 9.6 percent – this year and would take another big hit if the budget proposed for next year is enacted.

Cuts to child care subsidy have been the most severe. Funds were cut by 11.5 percent this year. Twenty-one percent fewer children received subsidy in Delaware County in 2011 than in 2009, despite the fact that Pennsylvania's underemployment rate nearly doubled, leading many working parents to apply for public benefits for the first time. As if these cuts weren't bad enough, next year's budget proposes a 7.4 percent cut to child care subsidy.

These cuts make very little economic sense. A 2010 study by researchers at Cornell University concluded that for every dollar invested in Pennsylvania's child care subsidy system \$2.17 circulates through the economy in the short-term through increased wages, the purchase of goods and services, and consumer spending. Economists from the federal reserve argue that in the long-term, every dollar invested in quality early learning programs such as Pre-K Counts, Head Start and the higher levels of Keystone STARS saves the public \$8-\$17 in future special education, grade remediation, criminal justice and welfare costs. A good early care and education system keeps parents working and develops a more competitive workforce for the future.

Governor Corbett's first budget and his proposed second one are an unmitigated disaster for children, families and our Commonwealth. For from investing in jobs, the proposed budget forces parents to drop out of the workforce while it disinvests in the next generation.

PCCY urges you to restore funding for child care subsidy, Keystone STARS, Pre-K Counts and Head Start Supplemental Assistance to this year's enacted budget levels (FY 2011-2012) and to rebuild these programs in the future.

We know you face tough choices in the months ahead, and we urge you to work vigorously with your colleagues to increase state revenue in order to support all of the region's families, from those with young children to those whose children are pursuing high school and college degrees. These investments will support Southeastern Pennsylvania's economic recovery and will increase our region's competitiveness in the future.

Thank you again.

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