

Cheryl L. Weiss
Testimony on Child Care Subsidy
House Democratic Policy Committee
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Good Morning. Thank you for the opportunity to present testimony before the House Democratic Policy Committee. I am Cheryl Weiss, a board member of the Public Citizens for Children and Youth (PCCY), a pre-eminent children's advocacy organization in the Commonwealth that has for over 32 years been working to improve the lives and life chance of our region's children through careful research, data analysis and advocacy. Over these many years, PCCY has championed a wide array of issues affecting children's well-being such as Children's Health Insurance Program (CHIP), adequate funding for public education, abatement of lead paint in Philadelphia's older housing stock, and increased access and funding for quality early childhood education (ECE), the topic of my testimony today.

In addition to my role as a long-time board member of PCCY, I have had a long career as an executive of various nonprofit organizations in Philadelphia including an historic multi-purpose community center that included two agency-owned, state licensed early childhood education centers that are also nationally accredited. So I have first-hand experience about the ins and outs of operating high quality centers that rely on the child care subsidy.

Before I address the reductions in the child care subsidy, I would like to make a few comments about the early childhood education in general, and then more specifically about the ECE system in Pennsylvania. Children who live in families and communities plagued with deep and persistent poverty are at much greater risk for school failure, incarceration, lifelong poverty, and chronic health problems than their more affluent counterparts. For more than 40 years, longitudinal studies have demonstrated that high quality preschool experiences are the most effective intervention for breaking this cycle of failure. The High/Scope Perry Preschool Study found that individuals, who attended a high quality early education program, at age 40, earned more money, relied less on social services, and had lower rates of incarceration than their peers¹.

Despite this compelling research, there remains a pervasive societal belief that early education (child care) is mere babysitting; the lack of public investment reflects this sentiment. Early education receives significantly less Pennsylvania public funding than other levels of education: \$2900/year for

¹ "The High/Scope Perry Preschool Program: Cost-Benefit Analysis Using Data from the Age-40 Follow-up." Journal of Human Resources, 2006

children birth-5 vs. \$9512/year for children in the K-12 system². This is compounded by the fact that families with young children have virtually no political power in our current system.

In spite of ongoing funding struggles and misperceptions concerning the importance and impact that ECE has on children's cognitive, social and emotional development, Pennsylvania has developed a voluntary, incentive-based quality improvement initiative, entitled *Keystone STARS*, which has become a national model. This continuous quality improvement program provides ECE providers with technical assistance, professional development and training opportunities, funds to comply with local and state health and safety requirements as well as educational-related materials and supplies. In other words, Keystone STARS is designed to help ECE providers move the needle to four stars, the highest level. Sixty percent of regulated child care centers voluntarily participate in Keystone STARS state-wide that serve 300,000 children, 122,045 of whom receive subsidy.

Why is this discussion relevant to the child care subsidy? The subsidy is a cost shared by the federal government and the Commonwealth at about a 50/50 split. (The subsidy is currently at \$5,200 per child). The subsidy is critical in three very important ways. First, it is the major source of payment that enables low-to-moderate income *working* families to enroll their children into care; secondly, the subsidy program enables parents receiving TANF or Temporary Assistance to Needy Families to move toward self-sufficiency by enrolling in a state-sanctioned educational and/or training program or worksite position; and thirdly, it is the major source of funding for the Keystone STARS.

The Governor's 2013-14 budget proposes a 2 percent increase to early childhood programs over current funding. The budget restores cuts to Head Start Supplemental Assistance and Pre-K Counts that have been made since the Governor took office and proposes small increases. Although it also proposes to reduce the child care subsidy waiting list by 1,400 children, funds for Child Care Works remain 19 percent below the level before the Governor took office in 2011. The Governor's first year in office reduced the number of available slots by 12,000. This year's proposal restores 1,400 slots for a net loss of 10,600 slots.

In Southeastern Pennsylvania only one out of four income-eligible children (families earning up to 200% of poverty, e.g. a mother with two children with an income of \$39,060) have access to child care subsidy because of limited funding. Northeast Philadelphia and Delaware

² "Risk and Reach Report." PA Office of Child Development and Early Learning, 2009-2010

County have the longest waiting lists in the state; this means that some income-eligible families can wait up to a year for child care.

At the same time the subsidy reduction is eroding the state STARS quality program. A \$4 million cut in 2011-2012 eliminated partial scholarships for ECE professional development, better known as TEACH. This is a real conundrum: if a provider desires/aspires to improve quality, it is essential that staff advance educationally, which often occurs by taking courses at local community colleges. Yet the majority of ECE staff earn near the bottom of the wage scale, necessitating some form of support.

As mentioned the Governor's budget increases subsidy funding for low income *working* families by \$7 million, but it does so by reallocating \$4 million from TANF families. This is a sleight of hand, and the net gain would only be \$3 million. When all is said and done, that's less than one percent of the budget for child care subsidy.

Further according to the Department of Public Welfare the reductions to service have been minimized by the department's ability to achieve efficiencies, but these have come at a cost. The role of the Child Care Information System, which is a type of one-stop shop for parents to find out about eligibility, type of child care, quality, location, and so on, is being reduced to largely determining family eligibility. While CCIS has always performed a "gate-keeping" function, it has also helped parents navigate the complexities of the early childhood education system; it is this function of information, referral and linkage that is being eliminated as a cost savings measure.

As many of you know, Pennsylvania built a model early childhood system that began during the Schweiker Administration and continued during the Rendell years. But public disinvestment threatens to undermine the gains our children have made through this system. I urge you to pass a budget that not only preserves the small increase proposed by the Governor, but restores the rest of the funds that have been cut from child care subsidy since Governor Corbett assumed office in 2010-11.