

# public citizens for children + youth

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**Comment on CCDBG State Plan 2019-2021**  
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My name is Shawn Towey. I am Early Childhood Policy Coordinator at Public Citizens for Children and Youth. PCCY has advocated for young children – with a focus on the most vulnerable – for more than three decades. We thank you for the opportunity to comment today on the draft state plan for CCDBG funds for the next three years. I will follow up with written comment in your preferred format before May 26<sup>th</sup>.

We appreciate the opportunity to work with you and encourage you to consider our recommendations.

As everyone here knows, high quality early learning opportunities are critical for children's development, success in school and life. Because the CCDBG was, until recent years, focused primarily on ensuring access to child care and child safety for working parents, there has been less progress towards this goal than we would hope, given that Pennsylvania has been a leader in creating state systems for early learning.

Pennsylvania's percentage of low-income children enrolled in high quality childcare through these funds has remained more or less steady at about 30 percent in recent years. We believe the recent historic increase in the CCDBG, supplemented by the increase in state funds requested by the Governor, could provide the investments necessary to take the next quantum leap in providing high-quality child care for Pennsylvania's children.

We realize this draft state plan was developed before the funding boost, likely on the assumption of level or near-level funding. However, we should seize the opportunity it presents to move forward more quickly. We have also heard recently that the true distribution for Pennsylvania is closer to \$63 million than the \$70 million from the initial estimate by CLASP, and that up to \$2 million of that may be needed for OCDEL's administrative needs. Still, it remains a record increase.

We believe that the percent of subsidized children in high quality care should be a critical measurement of progress. While the eventual goal is 100 percent, we understand that it is not possible, given the diversity of access barriers statewide. Still, we think that setting increasing goals -- and making sure all our policies are contributing to them -- is the best way we can keep our eye on the quality ball.



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We recommend the funds are used to meet the following **goals** that in large measure increase both access and quality:

1. **Create stability and move the state closer to paying for the actual cost of care for high-quality services at STAR 2, 3 and 4 providers.** Move tiered reimbursement into the base subsidy rates and increase rates for STAR 2, 3 and 4 providers, with an infant/toddler focus.
2. **Increase the quality and availability of infant/toddler care by ensuring state payments close the gap between what is paid and what it costs to provide high-quality care.** That the gap is far larger than the current infant/toddler add-on should be acknowledged before a judgement is made about the impact of an add-on for increasing the supply of infant/toddler care. The current add-on may be the equivalent of a “sub-clinical dose,” and any evaluation should attempt to set a truly meaningful level.
3. **Remedy the rate problem for STAR 1 and 2 providers that have had their rates frozen since 2008.** While we advocated for lifting the freeze for higher quality programs as a first step, we believe the rate freeze has a role in keeping some programs underfunded and unable to invest in their own quality.
4. **Increase the available supply of high-quality child care by investing in professional development, credentials and degree achievement.** Increase investments in existing programs that support the growth of child care staff through professional development, credentials and degree achievement. It is also important to fully fund our Education and Retention awards to make them a reliable, consistent incentive for staff.
5. **Pay for critical facilities surveys so that communities can plan for the expansion of high-quality programs.** We recommend OCDEL contract with consultants and research entities to accomplish the following three goals:
  - a. Determine the operational regulatory changes necessary to move from subsidy vouchers to contracts within the confines of federal law. Used strategically, contracts with high quality programs will help them achieve maximum enrollment, which in turn can provide fiscal stability to help them sustain their quality. They can also help drive demand for high quality by influencing parents’ choices.

- b. Complete a study, including a rate survey, to determine the cost of providing high-quality child care in Pennsylvania. One important goal for such a study should be to close the gap between the subsidy reimbursement rate and providers' private rates. While this practice is perfectly legal and allows some programs a margin they need to serve children with subsidy, it is also a major barrier for many parents already paying between 8 and 10 percent of their income for care. According to the draft state plan, OCDEL is unable to provide data on the use of this additional charge. Not being able to track such extra charges will hamper the ability for Early Learning Resource Centers to refer families to care they can actually use. We recommend that OCDEL track this information and make it publicly available.
  
- c. Philadelphia has benefitted greatly from the existence of special capital funds -- such as the Fund for Quality -- that have enabled managers of higher-quality programs to expand their capacity through smarter use of their existing space, or by expanding their footprint. Capital and technical assistance for these investments has enabled some providers to absorb the 2,000 pre-k seats funded by the city, which in turn has also improved quality and fiscal stability of both non-profits and small businesses. Such opportunities should not be unique to Philadelphia. As a first step, we propose that OCDEL complete a survey of facility space in 5 communities to determine buildings which can be retro-fitted into child care facilities, or land which can be used for new facilities, to increase high-quality child care capacity.

We believe this proposal builds on Gov. Wolf's proposed investments in the child care system for the fiscal year 2018-19 state budget. The administration must maintain its commitment to that funding in budget negotiations despite the infusion of federal funds. Unmet need data demonstrates these funding increases are justified and that much more is needed to build a statewide, high-quality child care system.

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