



September 13, 2023

To: IRRC Commissioners
The Honorable Michele Brooks
The Honorable Art Haywood
The Honorable Donna Bullock
The Honorable Barry Jozwiak

Dear Commissioners and Oversight Committee Chairs:

As the principal partners of Start Strong PA we would like to thank you for the opportunity to comment on the subsidized child care eligibility revised final-form rulemaking (Regulation #14-545). Start Strong PA is a statewide, non-partisan issue advocacy campaign focused on increasing access to and the affordability of high-quality child care for Pennsylvania's children and working families. Principal partners include those that represent over 1,000 organizations operating over 1,500 child care programs and more than 3,300 individual early care and education professionals, as well as organizations that advocate on behalf of children and families.

We are writing to express our support for the revised final-form rulemaking which would align Pennsylvania's eligibility requirements with the Child Care and Development Block Grant reauthorization of 2014, such as minimum 12-month eligibility redeterminations and continuous eligibility up to 235 percent of Federal Poverty Income Guidelines or 85 percent of the State Median Income. The changes help to provide families enrolled in the child care subsidy program with stable and consistent child care. Supporting low-income parents who are working or in training or education is extremely important to Start Strong PA's focus on increasing access to and the affordability of high-quality child care. Without Pennsylvania's child care subsidy program, Child Care Works, families in need would struggle to find affordable, high-quality child care.

Start Strong PA will continue to advocate for comprehensive, equitable, and well-funded child care systems that support all families and providers. We applaud the Office of Child Development and Early Learning's (OCDEL) and the Department of Human Services' leadership for the efforts to align eligibility requirements with the federal Child Care and Development Block Grant Act of 2014 and sections of the Human Services Code. The 2014 reauthorization of the act made clear the importance of continuity of child care in supporting a parent or caretaker's ability to achieve financial stability and the ability of a child to develop a nurturing relationship with their child care provider. Access to high-quality and affordable child care benefits Pennsylvania communities, impacting children, families and the workforce. We are seeing first hand, how parents having child care for their children while pursuing job or educational opportunities can impact families and Pennsylvania's economy. Child Care Works is a lifeline for the families who receive it, but far too few families who are eligible actually receive the support they need. In Pennsylvania, 75% (135,901) of children under five and 79% (83,426) of infants and toddlers do not have access to child care assistance.

Unfortunately, Pennsylvania's child care system is significantly under resourced and the subsidy program does not reimburse child care programs for the actual cost of the care they provide to children. Instead, payments to child care providers currently are set at the 60th percentile of the private market rate for care based on geographic location, age of children served, provider type and whether services are provided for a full-day or part-day. Private pay rates do not reflect the actual costs for programs, as providers recognize parents/caretakers can only pay so much. Therefore, the starting point for rate setting is artificially low. While Pennsylvania has raised rates using one-time federal COVID-19 relief funds, rates are still only at the 60th percentile of the private market rate. This does not even meet the federally-recommended 75th percentile, let alone reimburse for the true costs of high-quality child care. In addition, the average wage of a Pennsylvania child care teacher is less than \$12.50/hour and 21 percent of child care teachers rely on SNAP to put food on the table and Medicaid for their health coverage. This results in difficulty retaining and recruiting staff for child care programs. Appropriate public investments into the child care subsidy program are clearly sorely needed.

Given the state of the child care sector, we greatly appreciate OCDEL's prior request to IRRC to disapprove the previous final-form rulemaking and IRRC's disapproval, as it forbid child care providers from charging the difference between their private pay and subsidy rates. In their prior Regulatory Analysis Form, the Department of Human Services (DHS) estimated a \$16.5 million annual loss for child care providers as a result of eliminating this provision. We are pleased the revised final-form rulemaking maintains the status quo, allowing providers to charge the difference between the rates.

Some programs need to charge the difference to keep their programs open and while we recognize this means low-income families experience greater financial hardship, forbidding this practice would have further exacerbated the child care crisis. We would have seen more program and classroom closures, resulting in private pay and subsidy-enrolled families waiting and waiting longer to access child care in order to work. In addition, forbidding the practice would have led to greater inequity in the system by forcing child care providers to limit the number of subsidy families they enroll in order to keep teachers employed and classrooms open. Some providers may have refused to participate in the program overall, resulting in fewer low-income children participating in programs proven to support healthy child development and prepare children for school success. The other option would have been for programs to increase rates for private pay families to make up the difference, some of whom are Asset Limited, Income Constrained, Employed (ALICE), households who need child care to be able to work, and cannot afford dramatic price increases. We again thank OCDEL and IRRC for recognizing none of these impacts are acceptable. The time to eliminate this practice is when child care programs are appropriately funded.

Below please find a chart providing specific comments on other provisions of the regulation, which we strongly support.

Final-form Regulation	Start Strong PA Support
§ 3042.13 Subsidy benefits	Start Strong PA appreciates removing barriers for parents and caretakers that work non-traditional hours, such as requiring a parents' shift to end between certain hours. This final-form regulation change will allow more families to become eligible.
§ 3042.14 (h) Payment of provider charges	Start Strong PA appreciates the final-form regulation prohibiting any subsidy enrollments for a provider that has been issued a revocation or refusal to renew.
§ 3042.15(b) Subsidy limitations	Start Strong PA is a supporter of parent choice. We appreciate allowing a kindergarten-age child one additional year of kindergarten at the parent or caretaker's request. This allows parents or caretakers eligible for child care subsidy to make the same decision a private pay parent or caretaker may make and provides equity in the system.
§ 3042.15(d) Subsidy limitations	Start Strong PA recognizes that it is important for eligible children to be enrolled with an eligible child care provider when funding becomes available. We appreciate the changes made in the final-form regulation that allow families to maintain eligibility when circumstances beyond their control prevent enrollment in child care. This final-form regulation supports parent choice.
§ 3042.18(a), (d) Absence	Start Strong PA appreciates this final-form regulation compliance with CCDBG to delink payment for child care from a child's occasional absences. Allowing the eligibility agency to suspend enrollment if the child is absent for more than five consecutive days and increase the number of total paid absences to 40, removes barriers for parents and caretakers allowing them to maintain eligibility and increases their stability.
§ 3042.56(e) Face-to-face meeting	Start Strong PA appreciates the removing barriers for parents and caretakers who have hardship in participating in a face-to-face meeting with the eligibility agency and in cases were a face-to-face meeting occurred in the previous 12 months, to allow for telephone contact to meet the requirement. This is a family friendly change that allows flexibility for families to maintain stability.
§ 3042.94 Parent or caretaker co-payment requirements	Start Strong PA appreciates removing the requirement that parent or caretakers pay the equivalent of the co-pay in advance. This is a welcomed family friendly change.

Thank you again for the opportunity to share our support for the final-form regulations. We appreciate your consideration of our prior comments and your commitment to the children and families and child care programs which serve them in Pennsylvania.

Sincerely,

Start Strong PA

Carol Austin, Executive Director, First Up

Diane Barber, Executive Director, Pennsylvania Child Care Association

Cara Ciminillo, Executive Director, Trying Together
Bruce Clash, Pennsylvania State Director, Fight Crime: Invest in Kids
Donna Cooper, Executive Director, Children First
Jen DeBell, Executive Director, Pennsylvania Association for the Education of Young Children
Steve Doster, Pennsylvania State Director, Mission: Readiness
Kara McFalls, Acting Executive Director, Pennsylvania Head Start Association
Kari King, President & CEO, Pennsylvania Partnerships for Children
Kristen Rotz, President, United Way of Pennsylvania

Cc: Dr. Valerie Arkoosh, Secretary, Department of Human Services
Shante' Brown, Deputy Secretary, Office of Child Development and Early Learning