



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.

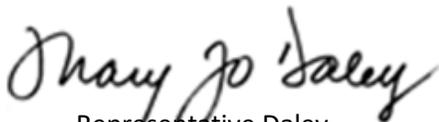
It is not just working mothers affected by this policy— many childcare programs are led women. The childcare programs they run are an integral part of our communities and provide jobs for thousands in our neighborhoods. If this policy is left unchanged childcare providers will be forced to close permanently, 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



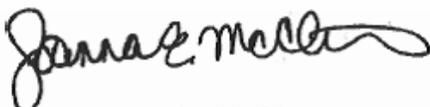
Senator Schwank
Women's Health Caucus Co-Chair



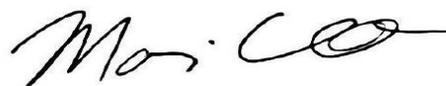
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