



**The Essential Elements to Sustain the Early Childhood Education Infrastructure
for Families to Rapidly Return to Work**

We call upon the state to take swift, limited and critical action to ensure that Pennsylvania’s robust, but rapidly fraying early childhood education infrastructure is ready to enable parents to return to work quickly, once the crisis is abated.

- A. **Make Decisions that Enable a Rapid Return to Work for All Families** – A three-pronged COVID-19 response strategy is required to guarantee child care centers and other early education programs can readily support parents returning to work:
1. **The Commonwealth must continue to pay child care subsidies and contract payments to Pre-K Counts and Head Start Supplemental Assistance Programs for the duration of the crisis.**
 2. **The Commonwealth must provide \$17 million to compensate for the share of revenues that would otherwise have been collected by providers in the Child Care Works program as co-payments until child care services are restored to normal (calculated to cover the potential of two months of lost co-payments).**
 3. **The Commonwealth must provide up to \$100 million to be available to pay child care centers for tuition not collected through the crisis period. Payments to these providers would be consistent with the rates paid by the Child Care Works program (calculated to cover costs associated with two months of lost revenue).**

Taking this approach will:

Conserve Unemployment Funds - While states have been given additional unemployment compensation resources from the federal government, the demands on unemployment compensation funds will far outstrip the supply. Thus, to conserve those funds, we urge the Commonwealth to continue to deploy the funds already appropriated for the early childhood education and care providers as if they are operational so the staff of more of these programs continue to get paid directly from their employer. These payments should be released to all providers, including home-based providers, who pre-emptively close to protect the public health, but are not covered by the Governor’s Emergency Declarations.

Ready Child Care Programs for All Families to Return to Work - To ensure that programs are ready to open once work restrictions are lifted, programs must continue to be in a direct employment relationship with their staff, to the extent that funds are available to do so. Otherwise, the Commonwealth runs the risk of a lag in ramping up child care availability and a staffing crisis in the sector that could result in a slow return to work for all employers. In order to continue this employer/employee relationship, Pennsylvania can use federal and state funds to cover the lost parental co-payment revenues. Doing so will enable more child care programs to meet some of their financial obligations including full or partial paying of salaries. Failure to do so ignores the

fact that approximately 14% of child care provider expenses are covered by co-payments collected from parents receiving subsidies from the state.

Ensure Sufficient Supply of Child Care Providers- Although the state and federal government are significant investors in the early childhood sector, public resources cover the costs of far less than most children enrolled in child care programs. An estimated 75% of the capacity of the child care system is supported by payments made directly from parents, not the government. The requirement to temporarily halt operations of all child care centers and the protective closures by home-based providers, with the exception of those operating under a waiver, while appropriate to meet the public health care needs of the citizens, imperils the financial viability of the entire child care system. These providers must have access to grants to cover some basic costs and loans through the period of closure or there is strong likelihood that a significant share of providers will not be able to re-open when the closure orders are lifted.

- B. **Act Now to Avoid Higher Costs for Public Schools – The General Assembly must act quickly to stem early childhood learning losses by appropriating \$50 million to extend early childhood education programs through the summer.** Taking this approach will:

Boost the chances of school success after this traumatic school year – Pre-K Counts and Head Start program models succeed when children receive the full range of educational supports for 180 days a year. In order to ready young children for school success and reduce the loss of academic gains associated with the crisis, the Commonwealth must appropriate funds now and inform providers that they can make up for a portion of lost instructional days this summer.

- C. **Prevent Steep Increases in Child Care Tuition Rates** – The General Assembly must protect child care centers from costs associated with litigation and insurance rate adjustments that stem from responsible and expected practices to comply with government directives throughout the crisis. Two actions are needed:

- 1. The Commonwealth must immediately pass legislation to impose an immunity from tort liability associated with claims related to COVID-19 to all Commonwealth certified child care providers that are authorized to continue to operate pursuant to the Governor's Executive Order / Declaration of Emergency.**
- 2. The Commonwealth must prohibit unemployment compensation experience rate increases by the State Unemployment Fund or any private unemployment compensation providers or self-insurance pool administrators associated with any and all COVID-related employment separations.**

Implementing these statutory changes will:

Address the Shortage of Supply of Child Care for Essential Workers – Child care providers must responsibly protect their business assets so they can continue to operate and care for children after the crisis is abated. The threat of COVID-19 liability suits is keeping many child care programs on the sidelines and as a result, the child care needed for essential workers is in short supply.

Avoid Sudden Child Care Program Closures After the Crisis Abates - Providers must be protected from any costs associated with compliance with the Executive Order including liability costs that might be incurred as a result of suits filed against providers for COVID-19 related claims. Similarly, given the very thin margin on which most child care programs operate, COVID-

19 unemployment cost experience rate increases imposed by self-insurance or commercial carriers can cause providers to go out of business.

It would be prudent for the Commonwealth to create a \$10 million Child Care Coronavirus Protection Fund for costs associated with experience rate changes or tort actions so associated costs do not result in a the sudden and widespread closure of child care programs after the crisis abates. The Office of Child Development and Early Learning shall administer the fund and may use up to .5% of the funds to administer the fund.

- D. **Decrease the Risk of Subsequent Infection** – Every early learning program and child care provider must be required to attend free training on the practices needed to sanitize all spaces in which children and staff are working before programs can be re-opened. Such training should be credit bearing and approved by the Pennsylvania Office of Early Learning and Child Development. Associated with establishing a legal training requirement in order to protect the public health, programs that serve children in Child Care Works, Pre-K Counts or Head Start Supplemental Assistance shall be granted \$10 per child, with a maximum of \$1000, per center.