

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

CHILDREN AND YOUTH COMMITTEE
PUBLIC HEARING

STATE CAPITOL
HARRISBURG, PA

RYAN OFFICE BUILDING
ROOM 205

MONDAY, MARCH 8, 2021
1:03 P.M.

PRESENTATION ON
CHILDCARE IN PENNSYLVANIA

COMMITTEE MEMBERS PRESENT:

HONORABLE SHERYL DELOZIER, MAJORITY CHAIRWOMAN
HONORABLE BARBARA GLEIM
HONORABLE PERRY STAMBAUGH
HONORABLE TIM TWARDZIK
HONORABLE PAMELA DELISSIO, DEMOCRATIC CHAIRWOMAN

COMMITTEE MEMBERS PRESENT VIRTUALLY:

HONORABLE TIM BONNER
HONORABLE ANN FLOOD
HONORABLE MILOU MACKENZIE
HONORABLE BRIAN SMITH
HONORABLE TODD STEPHENS
HONORABLE JAMES STRUZZI
HONORABLE WENDI THOMAS
HONORABLE K.C. TOMLINSON
HONORABLE ELIZABETH FIEDLER
HONORABLE ISABELLA FITZGERALD
HONORABLE NANCY GUENST
HONORABLE LIZ HANBIDGE
HONORABLE KRISTINE HOWARD
HONORABLE BRIDGET KOSIEROWSKI
HONORABLE NAPOLEON NELSON
HONORABLE MARK ROZZI
HONORABLE MELISSA SHUSTERMAN

ALSO PRESENT VIRTUALLY:
REPRESENTATIVE TOM MEHAFFIE
REPRESENTATIVE JARED SOLOMON

* * * * *

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

I N D E X

TESTIFIERS

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SUBMITTED WRITTEN TESTIMONY

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(See submitted written testimony and handouts online.)

P R O C E E D I N G S

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3 MAJORITY CHAIRWOMAN DELOZIER: Good afternoon,
4 everyone. This is a hearing for the House Children and
5 Youth Committee, and I call it to order and want to remind
6 everyone that the hearing is being recorded. And we would
7 like to start with the Pledge of Allegiance. Those that
8 are virtual, if you can join us if you can.

9
10 (The Pledge of Allegiance was recited.)

11
12 MAJORITY CHAIRWOMAN DELOZIER: Okay. I'll call
13 on Jen and she will take attendance for those that are
14 here, and those that are virtual, she already has marked
15 down exactly who is virtual and who is present. So, Jen,
16 can you please let us know?

17
18 (Roll was taken.)

19
20 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you,
21 Jen.

22 And due to the adoption of new House rules this
23 session, we will be swearing in all of our presenters and
24 testifiers at Committee hearings. So will all the
25 testifiers please stand and raise your right hand? And

1 everyone is virtual today, so if you would please raise
2 your right hand.

3

4 (Witnesses sworn.)

5

6 MAJORITY CHAIRWOMAN DELOZIER: Thank you very
7 much. Okay. We want to welcome everyone to the hearing
8 today. And today's issue that we will be addressing is the
9 issue of childcare within our State.

10 As we have all experienced throughout the
11 pandemic, certainly last year, number one, childcare is
12 very important in any normal year but certainly in a year
13 when we saw many of our childcare and early learning
14 centers shut down and have issues certainly with our
15 businesses being shut down, and in any economic development
16 we want to get our economy back up and running, folks
17 returning to work safely, and we also need them to -- in
18 order to do so, many of them will need good childcare,
19 early learning centers to be operational in their areas and
20 so folks are confident that when they go back to work they
21 have a safe place that their children are that they're
22 learning, they're being kept safe.

23 And so we have testifiers today that will address
24 a lot of these issues. I know folks have a lot of
25 questions to address to them, but the ability for us to

1 hear about many of the operations from our Department and
2 from those who do the job every day I'm looking forward to
3 hearing all of those comments. With that, I'll ask
4 Chairman DeLissio if she would like to add anything.

5 DEMOCRATIC CHAIRWOMAN DELISSIO: Thank you, Chair
6 Delozier.

7 Good afternoon, everyone. Today actually is
8 International Women's Day, so interesting that we're having
9 this particular informational meeting on this day.
10 International Women's Day was founded in 1909. I don't
11 think I realized how long that has been celebrated. But
12 women in particular it is believed have taken a big brunt,
13 a big piece of this pandemic over the past year. If
14 anybody has left the workforce, it's suspected that it's
15 been women in greater numbers than gentlemen. And women
16 still primarily -- not exclusively, but primarily -- have
17 childcare roles. So this sector is vitally important as
18 the Majority Chair has indicated, vitally important to
19 economic recovery, so I'm looking forward to hearing today
20 about the concerns from this sector and what we may be able
21 to do to help get them back on their feet as expeditiously
22 as possible. Thank you.

23 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you
24 very much. We will be hearing from the Department, as I
25 mentioned, and on issues about Child Care Works, which is

1 the Pennsylvania childcare subsidy program for lower-income
2 working families. We will be hearing about Keystone STARS,
3 Pennsylvania's quality improvement and rating program with
4 a lot of our centers. And both of them -- I know some of
5 our Members have questions about them. Some of them have
6 worked with them within their own communities, so I'm
7 looking forward to the information that we'll get from
8 everyone.

9 So the first of our testifiers today is Deputy
10 Secretary Tracey Campanini from the Office of Child
11 Development and Early Learning within the Department of
12 Human Services. So with that, I will hand it over to
13 Deputy Secretary and allow for testimony. And then we do
14 have testimony in front of us, so any synopsis that you can
15 give is great and then we can get to questions because I
16 know that many times people have them and then we will keep
17 going with the issues and be able to have that dialogue.
18 So thank you very much.

19 MS. CAMPANINI: Sure. So thank you for inviting
20 me today. I just wanted to ask, so what you have in front
21 of you, is that the PowerPoint materials we had shared in
22 advance?

23 MAJORITY CHAIRWOMAN DELOZIER: Yes.

24 MS. CAMPANINI: And I just wanted to question
25 whether you would display those online or -- thank you.

1 MAJORITY CHAIRWOMAN DELOZIER: Yes, they're
2 coming up.

3 MS. CAMPANINI: Great. So you can move to the
4 next slide.

5 As the Representative introduced me, I am Tracey
6 Campanini from the Office of Child Development and Early
7 Learning. And I'm going to give you some summary and some
8 background information on what the Department has been
9 doing to support childcare in Pennsylvania for the past
10 year.

11 You can advance to the next slide.

12 So for Members that are also Members of the Early
13 Childhood Education Caucus I just wanted to note that this
14 information has been updated from the information that I
15 shared last week with that Committee. That information was
16 through the end of January 2021, and this is through the
17 end of February '21.

18 We are actually looking at data around childcare
19 on a regular basis, so if you wouldn't mind going back a
20 slide, I just wanted to note that this information has been
21 updated. So as we share the information with you -- if you
22 could just go back one more slide. Perhaps not.

23 If you all have this, the information on the
24 first slide I wanted to call your attention to was just the
25 cumulative data. And this information is from the time a

1 year ago when the pandemic started to become an issue for
2 childcare in Pennsylvania. We've updated this information
3 to talk about the number of childcare providers who have
4 closed, and it reflects the number who have communicated to
5 us that they have permanently closed their doors.

6 It is noteworthy in this number on a monthly
7 basis there are providers that OCDEL does actively seek to
8 close their license out because of significant or egregious
9 failure to comply with our childcare facility regs, so when
10 we're giving our updates and reports, we're including that
11 number in the overall closure announcements.

12 There's often this interest in understanding the
13 impact to STAR 3 and STAR 4 providers that have closed
14 their doors, so this information is included for your
15 review as well.

16 And then I just note that we are seeing a
17 decrease in the number of providers who, from very early on
18 in the pandemic, assessed their operational capacity and
19 made the distinction and the determination that either for
20 personal reasons or concerns over their ability to comply
21 with the Center for Disease Control and Prevention guidance
22 for childcare, they did not think that they could meet
23 those requirements, and they communicated to us that they
24 will be open at some future point, but they are not open at
25 this time and they do maintain a current certificate of

1 compliance.

2 This number is actually changing as we're
3 progressing through the pandemic. Originally, it was over
4 400, and so I just wanted to note that the number is slowly
5 decreasing.

6 I also would just like to highlight that as we
7 talk about it on the current five-year -- if you would
8 advance one more -- that we do have providers that are
9 opening during this time, and I wanted to share the net
10 loss. And this is an increase from last month, that
11 overall, with the number of providers who have closed and
12 the number of providers who have newly entered into the
13 system there, overall, our loss is 191 providers from March
14 2020 through the end of February.

15 Some good news, though, is that we have made some
16 modifications to allow providers who are interested in
17 moving up in Keystone STARS and have that desire and drive
18 to move to a 3 or a 4 during this time. We're supporting
19 them in doing so. So our overall license capacity in a
20 STAR 3 or a STAR 4 provider setting has increased around 2
21 percent since last March.

22 Related to Child Care Works, which is
23 Pennsylvania's subsidized childcare program, that's a
24 program that supports families who earn at or below 200
25 percent of the Federal poverty guidelines at enrollment and

1 can stay in the program if they meet work and training
2 requirements to 235 percent of the Federal poverty
3 guidelines. There is currently no waitlist for Child Care
4 Works, which traditionally is unheard of. I just wanted to
5 note the difference in the enrollment that we are seeing
6 and the uptick in Child Care Works between November and
7 February.

8 If you would advance the slides, please.

9 Mentioned on that previous slide, the aggregate
10 cumulative number of closures being 191, one of the
11 questions people have been asking OCDEL is how does that
12 align with past closures? And so we had completed a six-
13 year trend analysis through the end of December 2020 that
14 shows the net loss. So regardless of openings and
15 closures, this is the net loss to childcare in Pennsylvania
16 over these six years.

17 And so I did want to clarify that in 2016 there
18 was a change in regulations, and at that time, we had a
19 number of family childcare providers who, previous to that
20 year, were in the system as registered providers and were
21 required to become licensed in 2016, and many providers in
22 the family childcare class decided not to move forward with
23 that licensing process. And so that year indicates a
24 higher-than-normal amount of providers coming out of the
25 system. So as we look at how the end of the year in 2020

1 closed, we are somewhat on trend with previous years.

2 Now, this is a cumulative total. If you added up
3 all of these numbers across the six years would be the
4 numbers of providers that we've lost since 2015 regardless
5 of openings as well. And so this is of real interest to us
6 as we think about the availability and the accessibility of
7 childcare moving forward, and what we see is the provider
8 type that seems to be closing at a higher rate is those
9 providers that are family childcare providers that serve
10 typically at one time between four to six children in
11 what's routinely a home.

12 If you would advance the slides, please. One
13 more.

14 So this is what we've done to date to support the
15 field for childcare.

16 One more slide.

17 So early on we recognized that there was going to
18 be a long-term impact as we were hearing all of the
19 projections about how long COVID-19 would be affecting us.
20 And we entered into an impact study with Penn State
21 University, the Center for State and Regional Affairs, and
22 so we utilized this information. And I'm not going to dig
23 too deeply into it here. We utilized this information to
24 help inform many of the actions that we took when funding
25 became available to our department to issue to childcare.

1 Could you advance the slides, please?

2 So this slide highlights all of the large
3 investments that have been made either through Federal
4 CARES Act that was dedicated to childcare through the
5 Childcare Development Fund or in round 3, \$116 million that
6 was appropriated as part of Act 24 to support childcare by
7 the Legislature and the Administration.

8 So we've sent funds out to eligible providers to
9 be able to support them in the most flexible way that we
10 could send them out. And the strategy that we use to array
11 those funds were really driven by the activities that were
12 identified in the Penn State study that we recognized that
13 providers would need resources to support facility
14 expenses. They might need those funds for payroll.
15 Definitely they needed funds to offset the increased
16 operational needs for COVID practices. And then we
17 recognized in the report indicated that we should expect
18 slow return of families to childcare through the remainder
19 of the pandemic. And so those funds had part of their
20 formula intended to offset those costs or impacts from lack
21 of revenue in their program operations.

22 If you would advance the slide, please.

23 So we are offering the financial supports,
24 continued supports from OCDEL over the course of the
25 pandemic.

1 So if you would advance the slide.

2 These are some of the nonfinancial supports that
3 we have been implementing over the past year. We
4 immediately engaged in very significant technical
5 assistance around opening and safety practices related to
6 the guidance that was issued by Pennsylvania's Department
7 of Health and the CDC. When we had the ability to access
8 them, we purchased no-touch thermometers to help assist
9 providers with their screening features to transfer
10 children from their parents' care and screen them before
11 entering the childcare facilities in the spring of the year
12 as soon as we could get our hands on them, which they were
13 a very hot commodity.

14 We've modified the Keystone STARS process to
15 support providers that continue to want to move up in their
16 STARS designation. And as I referenced earlier, we have
17 had providers that have gone through this process to move
18 up. We've taken a no-wrong-door approach, and so our
19 little diagram to the right on this slide, we cross-trained
20 all of the components of our OCDEL system that supports
21 childcare providers so that they all had consistent
22 information and knew how to refer childcare providers for
23 support if they needed it related to COVID-19. And we
24 recognized that providers have varying degrees of
25 relationships with each of these individuals, and so we

1 wanted them to be able to go to the entity that they felt
2 the most comfortable with. And that entity would have the
3 same information to help get them the information that they
4 would need.

5 And finally, we've modified our payment policies
6 for Child Care Works over the course of the pandemic to be
7 able to currently pay providers based on active enrollments
8 at their facilities. We have also changed our policy that
9 if a provider needs to temporarily close due to COVID
10 exposure or quarantine, that we will continue to pay the
11 Child Care Works payments for the 14 days that that
12 facility may need to be open to mitigate the spread of
13 COVID-19.

14 If you would advance the slide, please.

15 We also had some system investments that were put
16 live in January that our primary way that families can
17 search and research information on the availability of
18 childcare in their communities is our COMPASS website. And
19 it has a very user-friendly URL, [findchildcare.PA.gov](https://findchildcare.pa.gov).
20 Through January, we implemented a process where if a
21 provider elects to receive email communications, they can
22 turn that feature on. And any family who's searching for a
23 childcare community can directly email them about vacancies
24 or interest in coming to visit the center right from their
25 COMPASS provider search.

1 We're also in the process of encouraging
2 providers to advertise their vacancies, which is also a new
3 feature, so if they have vacancies in their infant, their
4 preschool, their school-age rooms, they can actually
5 utilize the COMPASS application and the web-based tool to
6 alert families that are seeking care that they are
7 accepting enrollments.

8 And finally, we have also included an indicator
9 if a provider is temporarily closed but intends to reopen,
10 so families that are seeking for childcare in their
11 community would still see the potential availability of
12 that provider when they reopened.

13 If you would advance to the next slide, please.

14 Another relief that we afforded the childcare
15 community over this past year was we offered \$600 grants
16 for childcare workers, and we repurposed existing quality
17 dollars from our CCDF grants with some of the carryover of
18 the unused funds from the CCDF and the CARES Act funding,
19 and we were able to issue \$33,600 grant awards to
20 childcare, really recognizing the fact that so many
21 childcare workers were not eligible to receive hero's pay
22 or were not necessarily eligible -- that they might not
23 have had an agency that was participating in CHIP payroll
24 protection.

25 Similarly, we had heard stories that some

1 childcare workers were responsible for their own protective
2 equipment, and many childcare workers were experiencing
3 decreased hours because of how their employers needed to
4 schedule for viability of operations. We did have a
5 waiting list of 5,000 unfunded [inaudible], which I'm going
6 to speak to in just a moment.

7 If you would advance to the next slide, please.

8 So in December the Consolidated Appropriation
9 Act, Consolidated Response for Relief and Supplemental
10 Appropriations Act was authorized, and Pennsylvania
11 received a little bit more than \$303 million in stimulus
12 funding that we will be using to support the childcare
13 industry in the following ways:

14 We're going to use \$87 million to sustain the
15 base rate increase that we enacted in March of this year.

16 We're going to use \$3 million to fund all of the
17 waitlisted individuals who applied for the pandemic awards
18 but we did not have funds for originally. That will ensure
19 that everybody who applied for those funds will receive
20 those funds.

21 We need to use just under \$1 million to support
22 the administrative work that our business partners, the
23 early learning resource centers, have undertaken in all
24 three existing rounds and this fourth round of funds
25 distribution on our behalf.

1 And then we will be issuing a consolidated \$212
2 million for direct stimulus payments to offset the impacts
3 of COVID-19 in another wave of funding to the childcare
4 community that very much aligns with recommendations from
5 the Penn State study that I mentioned earlier.

6 If you would advance the slides, please.

7 Before I jump into this next slide, just let me
8 clarify that the funding that we'll be issuing for the
9 stimulus funds will go out to our business partners, the
10 ELRCs, and be available for payment of the field at the end
11 of April. And we're working to have the attestation form
12 that individual childcare providers sign off on to claim
13 those funds available and online sometime this week so that
14 everyone everything will be able to be poised and ready to
15 go when the funds are made available to the ELRCs for
16 distribution.

17 I thought it was important to talk about
18 professional development and the work that we're doing to
19 continue to support the field with more business-as-usual
20 type supports during COVID. And we've actually had a very
21 robust participation this past year in early childhood
22 childcare staff seeking to enhance their qualifications,
23 and so we have an additional set of business partners known
24 as the professional development organizations, and there
25 are six regions across the Commonwealth. Two entities were

1 successfully bidding on those applications when we issued
2 them, so four regions have been awarded to the Pennsylvania
3 State System of Higher Education or PASSHE schools, with
4 Shippensburg University being the lead agency, and two of
5 those regions being awarded to Public Health Management
6 Corp. or PHMC, which is in the southeastern portion of
7 Pennsylvania.

8 These two entities are responsible for ensuring
9 access to the extent that our funding will supported for
10 early childcare workforce to enhance their qualifications
11 through engaging in work that will be credit-bearing as
12 they move through the system. And so this slide just
13 highlights some of the successes that those PDOs have had
14 in their first year of implementation, which ended in
15 November of 2020.

16 If you'll advance to the next slide, please.

17 This just gives you a little bit of a picture of
18 how the early childhood workforce, the folks that were
19 participating in the PDO model, how the qualifications that
20 they are pursuing are arrayed across the child development
21 associate credential, the associate's degree, and the
22 bachelor's degree.

23 If you would move onto the next slide, please.

24 Additionally, we as an office invest a portion of
25 our professional development funds in partnership with the

1 Pennsylvania Childcare Association. They are the license-
2 holders for the TEACH license, and we invest just slightly
3 more than \$4 million to support childcare workforce pursue
4 their qualification through their model. And since March
5 of 2020 we've supported 380 scholarships, and the
6 information is here about students that have completed
7 their degree and their credential. So this is just another
8 way that we're supporting childcare workforce move and
9 enhance from their entry-level through Pennsylvania's
10 career pathway from a CDA to an AA to a bachelor's degree.

11 And if you would advance to the next slide,
12 please.

13 So I just wanted to address the aspects of the
14 budget, the crossover that might be of interest to Members
15 here. Moving forward, there are two increase lines in the
16 budget for '21, '22, the \$87 million to support the Child
17 Care Works base rates increase, and then there is money set
18 aside to support a base rate growth related to supporting
19 the Governor's recommendation for a \$12 an hour minimum
20 wage increase.

21 Similarly, just wanted to highlight when we talk
22 about childcare and I thought that the Representative
23 comments at the beginning about today being National
24 Women's Day Really is highlighted here as we talk about
25 childcare is predominant -- also a workforce of women, the

1 State and Federal average childcare worker hourly rates are
2 here. And I think that it's important to recognize that
3 many of our childcare workforce, if they are single
4 parents, based on the income that they're making working in
5 our sector are more than likely eligible for our Child Care
6 Works support program. And so I just included the
7 information there about what the Federal poverty guidelines
8 are related to 100 percent of the family of three related
9 to that annual salary to give you a comparison about where
10 the average childcare worker's salary is.

11 And so I believe that was my last slide. I am
12 certainly more than happy to answer questions for you. And
13 I will turn it back over to you.

14 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you
15 very much for that.

16 At this point we'll do questions on each panel.
17 That way we're not confusing the issues and sometimes the
18 questions are relevant at the time.

19 I have a quick question in the sense from the
20 perspective of the childcares. You had the ones that had
21 shut down, I know that, in looking at the pages that you
22 have here, so the estimation -- and obviously, that had
23 changed a little bit as to those that had opened and
24 closed. Do you -- first and foremost, I had asked the
25 Secretary this in the appropriations hearing last week. Do

1 you have a list of those that have closed, their location,
2 and then on the flipside those that have opened and where
3 those locations are?

4 MS. CAMPANINI: Yes, we do, Representative
5 Delozier, and we can make that available to you. And one
6 of the things that I did hear in your question if you don't
7 mind me following up is you had asked a question about a
8 rate freeze, and I wanted to share in 2007 if you were an
9 existing participant in Child Care Works at that time your
10 private-pay rates were frozen. And from 2007 through 2018,
11 that remains the case regardless of whether new providers
12 came into the system or not. But in 2018 there was omnibus
13 funding that came to the Commonwealth that they took the
14 opportunity at that time to remove that rate freeze, and so
15 now everybody receives the same rate within their region,
16 so there is a difference in regional rates. But whether
17 you're an existing provider or whether you opened today,
18 that process is the same for either type of provider.

19 MAJORITY CHAIRWOMAN DELOZIER: Okay, great. I
20 appreciate that. And I did ask that question. And
21 actually I'd gotten additional information afterwards as
22 well, so thank you for clarifying that because the ability
23 for us to recognize those that are opening and closing.
24 When we have the information and you were talking about
25 slots, all the ones that open up, are they able to display

1 how many openings they have and that type of thing? And
2 part of that question goes to the fact that I know some
3 that shut down in my neck of the woods. I'm not aware of
4 any opening. Since you are familiar with the list on both
5 sides, can you possibly speak to the fact that -- did the
6 ones that opened cover the areas that were shutting down?

7 MS. CAMPANINI: So I pulled the information
8 specific to your district, ma'am, but I don't have that
9 statistic in front of me right now, so we are able to do a
10 comparison of opening and closing. One of the things that,
11 as we talk about childcare capacity, a childcare provider,
12 when they become licensed, is licensed based on the
13 physical space that they define as their childcare setting.
14 And our childcare regulations have criteria around
15 licensing of the space, but that might not necessarily be
16 the same number that that particular childcare operator
17 feels comfortable operating at. So example, they may be
18 licensed for 200 children, and that's the number that we
19 have currently to use for calculations, but based on their
20 business model and their operational decisions, they may
21 decide to only serve 125. And without the use of the
22 information we just put into our COMPASS system in January,
23 which providers voluntarily enter into the system, we don't
24 have a good way to differentiate between what the license
25 capacity is right now and what their day-to-day operational

1 business model approach is. That's information that we
2 hope more and more providers will include in the system so
3 we have more of a reality around what the actual
4 operational capacity is.

5 MAJORITY CHAIRWOMAN DELOZIER: Okay, thank you.
6 And just one real quick, with what you just said then, with
7 the dollars that go from the CARES Act or from Federal
8 Government when it goes down into -- it was based, my
9 understanding, was on vacancy. So do you base those
10 dollars that go to that learning center or childcare based
11 on the numbers you have or the numbers that they actually
12 were open for?

13 MS. CAMPANINI: So right now let me clarify that
14 the way that we have distributed CARES Act for rounds two
15 and three was based on their license capacity. We did not
16 make an assessment around the vacancy rate that an
17 individual provider might have. As we've proposed
18 utilization for this up-and-coming Consolidated Relief or
19 Coronavirus Relief and Supplemental Appropriations Act, we
20 know that from Child Care Works, which absolutely have the
21 details on -- that we have about a 32 percent decreased
22 enrollment from Child Care Works participation, so that
23 information we do have that helped inform the formula that
24 we created by provider type and license capacity size, but
25 we did not take into consideration individual vacancies at

1 the provider level [inaudible]. So unless the provider
2 voluntarily gives us their operational capacity, we don't
3 have a good way to assess what the impacts are to their
4 private-pay clients because we don't currently collect that
5 information.

6 MAJORITY CHAIRWOMAN DELOZIER: Okay, thank you.
7 I'll hand it over to Chairman DeLissio.

8 DEMOCRATIC CHAIRWOMAN DELISSIO: Thank you.
9 Thank you, Dep Secretary. A couple of quick questions. I
10 think you mentioned the process during COVID included a
11 modification of the STARS program so folks could advance.
12 Is that modification going to be a permanent modification?
13 And if so, once we're past COVID, how will that
14 modification impact --

15 UNIDENTIFIED SPEAKER: [inaudible] --

16 MS. CAMPANINI: So --

17 DEMOCRATIC CHAIRWOMAN DELISSIO: I think somebody
18 needs to mute their mic. Thank you.

19 MS. CAMPANINI: So during COVID, one of the
20 aspects that we modified was the use of an external
21 assessment by a qualified individual who was not part of
22 the facility. And we have recommended that we continue to
23 modify and utilize the Keystone STARS modifications through
24 '21, '22, not knowing when we'll fully be through the
25 prohibitions related to operations from COVID-19. So we've

1 found it to be successful in having the providers really
2 work through their quality assurance tools and create a
3 continuous quality improvement plan. And so we feel that
4 this is very promising, and we would like to explore how we
5 can move in this direction after the pandemic is over, but
6 we have not finalized that recommendation yet.

7 DEMOCRATIC CHAIRWOMAN DELISSIO: I appreciate
8 that. In reference to that advancement of STARS that we
9 certainly hope as many providers as possible takes
10 advantage of that, my understanding from talking to a few
11 childcare providers over the years is that once they get
12 this enhanced status and bring their staff up to speed,
13 their staff often then churn because their credentials are
14 more significant but the pay is not commensurate with their
15 new credentials. So that brings me to the concept of
16 retention and recruitment.

17 So the amount, that 30 million that's sort of in
18 reserve if you will or proposed reserve if the minimum wage
19 were to go to \$12 an hour, is it worth discussion and
20 considering that that should happen regardless of the
21 minimum wage in order to attract and retain qualified staff
22 if that \$30 million has been identified? And even if it
23 doesn't become the law of the land, would it not enhance
24 childcare facilities' opportunities to retain and recruit?
25 And, as we all know, in any industry churn is detrimental

1 to a business. There are hidden costs affiliated with
2 churn, and when you're talking businesses like people and
3 early childhood development, I can only imagine how
4 integral those relationships are between the kiddos and the
5 staff.

6 MS. CAMPANINI: So from my perspective I would
7 advocate for any increased investment that we can put in to
8 our Child Care Works space rates. But I just want to be
9 clear when we talk about Child Care Works supports and
10 children and families that there is sort of the ongoing
11 concern -- and I'm just going to be frank about it -- that
12 as we talk about the Commonwealth's support for Child Care
13 Works, there's also the expectation about how costs might
14 increase at a childcare for private-pay families. And so
15 those are the two predominant funding sources that
16 childcare have available to them to figure out their
17 operations, and so without some other sort of funding
18 mechanism, there's only the public dollars that we are able
19 to infuse into the system and then what private-pay
20 families are offering in terms of their tuition or weekly
21 or monthly costs that are passed on to them. So I
22 absolutely believe that the childcare industry should
23 continue to see increases to the extent possible.

24 DEMOCRATIC CHAIRWOMAN DELISSIO: Thank you,
25 Chair.

1 MAJORITY CHAIRWOMAN DELOZIER: Thank you. I
2 recognize Representative Gleim.

3 REPRESENTATIVE GLEIM: Hi. Thank you for being
4 here, for testifying today. My first question is do you
5 know of any entity or any daycare providers today that are
6 opening up at 100 percent of their license capacity?

7 MS. CAMPANINI: I do not. And as I mentioned
8 before, we have the ability to talk about what our Child
9 Care Works enrollments are, but I don't have any way to
10 currently assess what a private-pay enrollment is at a
11 childcare provider. So in the event that there was a
12 childcare provider who only served Child Care Works
13 enrolled children, we would be able to do some assessment
14 on that, but that is not something that I have looked at to
15 date.

16 REPRESENTATIVE GLEIM: Okay. So you're just
17 looking at the facility, and you know what the license
18 capacity is, so you're just giving CARES Act dollars to
19 that facility based off of the capacity, not knowing
20 necessarily what the capacity is?

21 MS. CAMPANINI: Correct. We're using that
22 license capacity as a proxy to help us drive funds out.

23 REPRESENTATIVE GLEIM: Okay. Do you think that
24 in the near future you will know if somebody has opened up
25 100 percent under COVID?

1 MS. CAMPANINI: As I mentioned, we put the new
2 technology in place for providers to voluntarily give us
3 that information. Unless we were to go forward and mandate
4 that all providers utilize that on the COMPASS provider
5 self-service, I won't have a way to know whether or not
6 they are fully licensed -- or operating at their license
7 capacity.

8 REPRESENTATIVE GLEIM: Okay. Thank you very much
9 for your answers.

10 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you.
11 And I believe Chair DeLissio has another question.

12 DEMOCRATIC CHAIRWOMAN DELISSIO: Deputy
13 Secretary, you had mentioned and perhaps I'm not sure if I
14 heard this correctly -- and I come out of long-term care,
15 so, you know, the difference between license capacity and
16 census, you know, always interests me because they are two
17 very important numbers. So there is no reporting
18 requirement at all on a monthly, quarterly, semiannual, or
19 annual basis as to what the capacity is for that licensee
20 versus what their census has been over a period of time so
21 that we can understand, you know, what is our need? So
22 this kind of falls under the news category for me here. I
23 made the assumption -- and I know we should never assume --
24 that capacity -- in fact most people would be within 10
25 percent of 100 percent capacity would have been my

1 assumption as it pertained to operating efficiently and
2 effectively and a way to stay afloat. So it would be
3 interesting to know what those statistics are, but
4 currently, I'm hearing that there is no reporting
5 requirement at all?

6 MS. CAMPANINI: You are correct. We recognize
7 the need for this information and utilized funding through
8 the preschool development grant that the office received
9 two years ago to put this enhancement into our technology
10 systems. So we very much would like to understand the
11 implications on the field between occupational and license
12 capacity.

13 There's a business decision that is core for a
14 provider in wanting to license the greatest amount of space
15 as possible. If licensed a larger amount of space if
16 demand or individual circumstances changed, that they're
17 able to add classes, they have the flexibility to do so
18 without going through additional licensing component
19 requirements when they license at the higher number. So we
20 are very motivated to have providers take advantage of this
21 new enhancement to let us know what the difference is
22 between their license capacity and their operational
23 capacity, and then we even put in the ability to break that
24 down because we also would be very interested in
25 understanding how that's arrayed across the care levels,

1 specifically infant, young toddler, an old toddler, to
2 understand whether or not there's realistic capacity to
3 serve very young children in our system.

4 We have not mandated that requirement and would
5 have to explore what the options were for them to have that
6 as a requirement moving forward. But to the extent that we
7 can have them voluntarily provide that to us, we would like
8 them to do so.

9 DEMOCRATIC CHAIRWOMAN DELISSIO: All right.

10 Thank you.

11 MAJORITY CHAIRWOMAN DELOZIER: Thank you very
12 much. And I guess I just have a comment, and we don't have
13 any other questions, but I appreciate your time being here
14 to answer the questions we did have, as well as to answer a
15 lot of data that you had in your slides. I appreciate the
16 information.

17 I guess my question would be in the sense of I
18 understand gathering the information and I'm glad you've
19 taken the initiative to ask them what they are at capacity.
20 And it makes sense that they would want to get a bigger
21 location if they needed to expand or needed that additional
22 space.

23 My concern is two things. One is that since a
24 lot of the CARES money is given based on that number, I
25 don't know what their desire to tell you they are serving

1 less individuals if the dollars are coming out based on the
2 license number. But on the flipside of it I guess I would
3 be a little concerned only because, like I said, this is an
4 economic issue as well. People going back to work and
5 making sure we have enough available daycare, childcare for
6 our workers. So I guess getting arms around that number
7 would be very important, so I'm glad you're taking the
8 steps to do so. It just concerns me a little bit on the
9 funding side, as well as just our ability to make sure
10 Pennsylvania is ready for everybody and to get our economy
11 back going strongly again and make sure that we have the
12 childcare that we need.

13 So thank you for that information and for
14 answering our questions. I appreciate your time being
15 here, and we look forward to our next panelists. So thank
16 you for that.

17 MS. CAMPANINI: Thank you very much.

18 MAJORITY CHAIRWOMAN DELOZIER: Our next testifier
19 is Diane Barber from the Pennsylvania Child Care
20 Association and look forward to hearing from the
21 perspective of across our State. So, Diane, with that,
22 I'll hand it off to you.

23 MS. BARBER: I want to thank you, Representative
24 Delozier, and Representative DeLissio and also the
25 Committee for inviting me here today to talk to you.

1 PACCA, Pennsylvania Child Care Association, is a
2 statewide nonprofit membership organization. We've been in
3 existence for 45 years. Our job is to help inform and also
4 represent childcare providers on a variety of different
5 issues that impact their businesses. Currently, our
6 members operate about 2,000 licensed family home-based and
7 center programs across the State. They employ over 20,000
8 staff and in a regular year they're serving about 140,000
9 children on a daily basis.

10 As Tracey shared, PACCA does operate the TEACH
11 Early Childhood Scholarship program. Last year, to our
12 surprise as COVID rolled through the Commonwealth and
13 across the Nation, we had over 1,000 individuals in the
14 childcare industry taking classes towards credentials and
15 degrees. We didn't expect that. We thought that, you
16 know, that would kind of fall by the wayside. The TEACH
17 scholarship program is actually a shared scholarship
18 program where everybody contributes to the cost of higher
19 education, including the program in which the staff member
20 works, the staff person themselves, and then the TEACH
21 program.

22 It's been 12 months almost to the day, and it's
23 been a year that has brought us tremendous surprises. And
24 what we've found I think essentially is that childcare is
25 an essential service. When we began to close those

1 programs down in March, we knew we left by the wayside our
2 essential workers. At the end, if we look back, about 89
3 percent of our childcare programs closed at some point
4 during this last year. We couldn't have -- I mean, if we
5 wanted to look at this in a positive way, we knew that
6 childcare is essential.

7 So Tracey has covered many of the statistical
8 numbers. At the start of the pandemic we had about 8,000
9 regulated childcare programs, and I know we talked about
10 license capacity, but we didn't talk about what that number
11 was. The license capacity of the 6,900 childcare programs
12 in the Commonwealth is 395,000 children. That does not
13 include the school-based, school-age programs that many of
14 those are temporarily closed. And there's probably about
15 another 7,500 spaces there.

16 Childcare operators include for-profits and
17 nonprofits and faith-based programs, school districts.
18 There are single-site and multisite programs, and there are
19 local and national chains.

20 As Tracey mentioned I believe, childcare programs
21 operate under a comprehensive set of health and safety
22 guidelines that are probably some of the best in the
23 country and designed to keep children and staff safe when
24 they're out of their homes. Programs are inspected by the
25 Office of Child Development and Early Learning at least

1 once a year and certified annually. So someone is visiting
2 those programs at least annually, and it is a nonscheduled
3 inspection.

4 What has been I think remarkable is because there
5 is this basic set of health and safety guidelines that
6 programs are already following and on top of that we have
7 specific regulations or guidance from the Centers for
8 Disease Control, we had just -- and I'm using these words
9 just because if we look at this in kind of the bigger
10 picture, we had just 2,200 cases, confirmed cases of COVID
11 among children in our 6,900 programs, 3,000 cases of
12 confirmed COVID among our staff. This is because we're
13 already pursuing basic health and safety, so screening at
14 the door, you know, washing hands, these were all important
15 components of our regular practice.

16 However, as Tracey mentioned, the Penn State
17 study did show us that COVID cost the industry over \$325
18 million. This is a tremendous impact on the industry.

19 So anecdotally just to let you know, currently,
20 we're at about a 60 percent on average enrollment and
21 programs. I have personally not heard of anyone above 80
22 percent enrollment just to give you about kind of where
23 they are in terms of business practices.

24 The other thing that has happened is that we have
25 seen tremendous turnover in staff and the ability to rehire

1 or to find new staff has had a profound impact on providers
2 being able to serve more children. I think Tracey
3 mentioned it. You know, we had talked about family
4 childcare providers. On a phone call that I had two weeks
5 ago with 20 family childcare providers, the average term of
6 how long they've been in the field was somewhere around 15
7 and 20 years, so this is -- I hate to say this. This is an
8 aging population, and we're not seeing the intake in family
9 childcare providers as the years have gone past.

10 This is a critical service delivery area because
11 our family childcare providers are more likely to provide
12 care for families that need more flexibility or work off-
13 hours. So this is going to be a critical need that we're
14 fast approaching if not already approaching.

15 Let me see. The other thing that's good, and I
16 shared this with Representative Delozier just the other day
17 is that -- we didn't even know this. The Senate just
18 passed a new American Rescue Plan, and that is going to --
19 we're estimated to receive, Pennsylvania, \$1.1 billion over
20 the next few years, and that money can be used for service
21 dollars but also for stabilization dollars. So that bill
22 right now is going back to the House for a vote and then
23 hopefully the President will sign it shortly. So that
24 doesn't relieve our need, but it sure does help our need.
25 This money is Federal money.

1 Just to let you know and just kind of another
2 budget snapshot, about 70 percent of our funding for
3 childcare comes from the Federal Government. This new
4 money that's coming through the American Rescue Plan is
5 money that is meant to supplement and not supplant existing
6 investments. It also does not require a maintenance of
7 effort. And some of the funding that we use does require a
8 match. So we're real excited about this, and we're waiting
9 for the details to come out.

10 This is just a little bit of background. We
11 don't have a waiting list here in Pennsylvania right now.
12 As we move our economy forward, we do know that we have
13 about 200,000 children under the age of five who are
14 eligible for childcare subsidies. There's about 120,000
15 that are infants and toddlers that would also be eligible
16 for subsidies, and our concern is that only 41 percent of
17 children under the age of five and 39 percent of subsidized
18 infants and toddlers are in our highest quality programs.

19 And we also know just as a statistic right before
20 we went into this pandemic last year the Keystone Economic
21 Development and Workforce Command Center said that one of
22 the five key barriers after transportation to full
23 employment or to employment here in Pennsylvania was
24 childcare. So our ability to invest in childcare is
25 extremely, extremely important.

1 So it was quick. It was a quick synopsis. And
2 you have my testimony, so --

3 MAJORITY CHAIRWOMAN DELOZIER: Great, thank you.
4 I appreciate the information that you shared. And if I
5 could just ask one question first is --

6 MS. BARBER: Sure.

7 MAJORITY CHAIRWOMAN DELOZIER: -- the number that
8 you put out there being very large --

9 MS. BARBER: Yes.

10 MAJORITY CHAIRWOMAN DELOZIER: -- and I'm sure
11 you are very excited about that number, as anyone should
12 be, but, okay, \$1 billion is a lot of zeros. So my
13 question to you is could you please give us a little bit of
14 an idea, many times when we talk about dollars, as you
15 mentioned, I know a lot of the dollars that have come
16 through and you said a lot of the dollars that deal with
17 this issue are Federal dollars. These are new Federal
18 dollars and ones that will only be here -- it's a one-time
19 expenditure.

20 And actually Pam and I were just sitting here
21 talking about, as I told you last week when we were talking
22 about issues is our palms get itchy when all of a sudden we
23 think of this as something that someone will put toward
24 something that's a reoccurring cost.

25 MS. BARBER: Right.

1 MAJORITY CHAIRWOMAN DELOZIER: So my question
2 really is the fact of can you give me a little bit of
3 guidance as to how these dollars will be driven out. My
4 understanding is it's not like basic education where
5 there's a formula. How are these dollars, from your
6 perspective, do you see this coming down the pike where it
7 is something that is helpful and not detrimental when all
8 of a sudden it goes away?

9 MS. BARBER: So I think they're not like
10 education dollars I believe. And also the childcare system
11 in terms of participation in the childcare system is
12 different than the participation in the education system.
13 So I don't have the numbers from OCDEL. We could probably
14 get them. But how long a family stays in subsidized
15 childcare so that those dollars, they would not -- the
16 expectation would not be in perpetuity for a family to be
17 in subsidized childcare from birth through the age 13. So
18 there is more of kind of a rollover in terms of
19 participation. So the dollars are split between service
20 dollars and then what they're calling stabilization
21 dollars. And we can look at the stabilization dollars as
22 we've looked at them during the first three rounds of CARES
23 dollars and then this \$303 million that's going out towards
24 the end of the month. Stabilization dollars, as I read
25 them, are really one-time or multiple payments but not the

1 expectation is that they would move forward. They really
2 are targeted for addressing the needs of the field
3 currently. And the stabilization dollars, which are
4 probably the more flexible of the dollars, can be used for
5 personnel costs, they can be used for rent, they can be
6 used for additional PPE. So those costs will continue
7 until we can recover full enrollment in our programs.

8 So it's much less expensive to sustain a program
9 then to rebuild programs. And when we see that 500
10 programs have closed and 300 have opened, that's great. We
11 don't know if they're happening in those same communities.
12 That was your question, Representative DeLozier. And does
13 that leave some of our communities in really bad shape? So
14 until we have those numbers, I think it's important to kind
15 of look at this -- we're looking at this as a windfall, but
16 it's a one-time windfall because we don't expect this to
17 continue past the next -- I think we have up to three years
18 to spend this money.

19 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you
20 very much.

21 MS. BARBER: Sure.

22 MAJORITY CHAIRWOMAN DELOZIER: I'll hand it over
23 to Chair DeLissio for her question.

24 DEMOCRATIC CHAIRWOMAN DELISSIO: Thank you. I
25 just want to echo -- I came into the Legislature in the

1 first year of the Governor Corbett Administration, and that
2 was a very ongoing discussion about the use under the
3 Rendell Administration of one-time money that wasn't
4 continued, et cetera, et cetera. I mean, that was a year's
5 long discussion with consequences that were beyond
6 impactful. And, you know, some of us do learn from history
7 and don't want to repeat. So it's interesting.

8 So I look forward to understanding more about
9 service versus stabilization, but I'm wondering, Diane, if
10 whether or not -- did I say that correctly, Diane?

11 MS. BARBER: Yes.

12 DEMOCRATIC CHAIRWOMAN DELISSIO: Some of this may
13 be an opportunity. You mentioned that finally childcare in
14 particular is folks are retiring or getting older. Is
15 there a way then to help educate -- I can think of a number
16 of segments of our workforce or potential workforce who may
17 really resonate to this as a profession, as an industry who
18 may not understand how to get it started or how to stand
19 up, yet it's a real need in their communities. So would
20 part of that money be able to stabilize more broadly the
21 industry by, you know, mounting an awareness/educational
22 campaign with -- you know, would you consider this?

23 MS. BARBER: It's funny that you should say that.
24 When I entered this field -- and I'm going to date myself
25 -- in 1989, I came into this field to help expand the

1 availability of school-age childcare. And we had funding
2 through the dependent care block grant that was matched by
3 State funding to actually go into communities and help
4 people build school-age childcare. This money, the way I
5 read the stabilization money, could be used in a very
6 similar way to expand -- it has that flexibility. I think
7 it's built in there to provide some flexibility to do some
8 expansion of -- and I'm particularly interested in the
9 family childcare community. So not only can we sustain our
10 existing programs but we can look to build new.

11 The service dollars I think are important. You
12 know, one of the things you had mentioned, you know, the
13 Corbett and the education dollars. And, you know, Tracey
14 did bring up that we were able to increase the base rate
15 payments as of March 1st with some Federal dollars and
16 there's Federal dollars to carry forward. I don't think
17 what people really know is that those base rates have not
18 significantly increased in the last 14 years. So this is a
19 field that has been stagnant in terms of what the State
20 pays for their share of care, and that is one of the
21 reasons that we do see programs going out and we also see
22 programs choosing because they can't afford to, serve
23 children who are receiving State subsidies.

24 The State subsidy system is also a shared cost
25 program not unlike TEACH. There is a -- based on income

1 and family size, parents all contribute to the cost of
2 their care. And then the State sets a base rate and they
3 pick up the difference. However, the base rate, the
4 recommendation by the Feds is that parents should have
5 access to care that is representative of 75 percent of the
6 market, and with this increase, parents now have access to
7 40 percent of the market. So our most vulnerable children
8 do not have access to the highest quality care.

9 DEMOCRATIC CHAIRWOMAN DELISSIO: That definitely
10 is a concern. And then as you perhaps, Diane, explore this
11 idea of uses for those dollars and there are no younger
12 children in my immediate life at this point, but, you know,
13 like most of us, we are, you know, on social media. You
14 pick up bits and pieces here and there. So what I've seen
15 is a lot of what they've referred to as learning pods that
16 have been formed at least in my area so that parents have
17 been very creative in how they are dealing with virtual
18 schooling, the children being at home, et cetera. And I
19 don't know if those learning pods if you will are some sort
20 of launching platform for this idea of family childcare or
21 to learn how they came about. And is that a way to
22 introduce -- because those learning pods at this point --
23 from what I understand some of them are pretty well-
24 established and fairly successful. You know, at first, you
25 know, a learning pod is something from *Cocoon* that landed

1 in my neighborhood that I was unaware of, but, you know,
2 these are very functional, hyperlocal entities of neighbors
3 supporting neighbors for the benefit of children.

4 MS. BARBER: So where to begin with that? So I
5 think one of the challenges that we see -- I mean, and I
6 understand that learning pods, you know, are typically
7 families and they may hire a teacher. I think that one of
8 the things that we're most concerned about is the health
9 and safety of children and who is the person who's
10 conducting that -- supervising those children, which is
11 why, you know, here in Pennsylvania childcare is
12 stringently regulated and we do have a set of health and
13 safety guidelines that children comply with. My concern
14 is, as we open up the economy and more folks are able to go
15 back to work, what happens to those?

16 I'm always concerned when I read on, you know,
17 one of these listservs that I see and somebody, you know,
18 posts -- you know, and whether it's Craigslist or something
19 else, I need childcare for my infant and somebody raises
20 their hand and says, oh, I can do it, I can do it, you
21 know, I babysat for six years. And one of the things that
22 we know from research is that those first five years are
23 the most important. And children between birth and five
24 can't tell, aren't there to say something bad happened. I
25 guess maybe that's where I jump right away.

1 But I do think we have an opportunity here to
2 explore how we can expand our, you know, regulated
3 childcare as we move forward, especially when we have these
4 resources that can provide the seed to grow something that
5 we can benefit from, you know, moving forward.

6 DEMOCRATIC CHAIRWOMAN DELISSIO: And that was
7 exactly what I was saying.

8 MS. BARBER: Yes.

9 DEMOCRATIC CHAIRWOMAN DELISSIO: How do we sort
10 of grow on that? I mean, in our family we always said the
11 children would not be left with an outside family member
12 until they were old enough to dime the babysitter out, so I
13 agree, you know, they are very important years, so thank
14 you.

15 MS. BARBER: You're welcome.

16 MAJORITY CHAIRWOMAN DELOZIER: Thank you.
17 Representative Gleim, she has a question.

18 REPRESENTATIVE GLEIM: Hi. Thank you for being
19 here and testifying. The giant company in my district is
20 partnering with U-GRO in building a daycare preschool
21 center for their employees and the community. It's really
22 exciting. Up to 150 children will be served there and up
23 to 30 full- and part-time employees are expected to be
24 employed. Do you know many of the 372 new programs that
25 you mentioned in your testimony here are new like this one

1 that's forthcoming? And do you have a sense of how many
2 more are being built -- are coming online in the next two
3 to three years?

4 MS. BARBER: So I don't have that information. I
5 think that, as Tracey said, she'll be able to get that
6 information to the Committee. We've also requested that,
7 without having to go through 6,900 names in a spreadsheet
8 and kind of matching them up. I think that, you know -- I
9 think that one of the things that we need to take into
10 consideration is that there are other opportunities to
11 serve and partner with childcare providers other than
12 onsite or also community-based, you know, focused on the
13 business. I would encourage businesses before they move
14 forward with those partnerships to actually do a survey of
15 what's available in their local community because, as I
16 said, it's much cheaper to sustain than it is to build new.

17 And when we build new when there is already
18 availability within the community, we now don't have to
19 fight over staff in a staffing crisis that I've never seen
20 in my 30 years of working in this field. I've never seen
21 it this bad. And in part it has to do with wages, and
22 actually it has a lot to do with wages. And, you know, if
23 I can go work at Target for \$15 an hour and I don't have to
24 worry about whether that child is going to come in tomorrow
25 sick because I won't see the customer that I just checked

1 out again for another, you know, two or three weeks, I
2 don't have to bring that stuff home. And our childcare
3 providers do bring that stuff home. They do worry. So
4 that would be my plug. Let's look to see where the
5 vacancies are and where the availability is before we build
6 new.

7 REPRESENTATIVE GLEIM: Okay. And then the next
8 just really a comment hopefully to save you some money is
9 that, you know, under the stabilization money that you
10 mentioned, you mentioned PPE. The farm show complex is
11 chock-full of PPE right now, so I would just like you to
12 empty it out so the farmers can use it. And then you can
13 use your money someplace else for stabilization. Thank
14 you.

15 MS. BARBER: That would be excellent. I mean, at
16 the beginning of the pandemic one of the things that they
17 were doing to keep staff employed, they were going on
18 scavenger hunts for PPE and on the weekends they would hit
19 every single grocery store, every single restaurant
20 distributor to find, you know, bleach and wipes and masks
21 and things like that. I think it's been a little bit
22 better, but knowing that there's a bunch of stuff at the
23 farm show complex, that's good to know. We need to connect
24 with those folks.

25 REPRESENTATIVE GLEIM: Thank you.

1 MS. BARBER: Thank you.

2 REPRESENTATIVE GLEIM: That would be DGS. Just
3 give them a call.

4 MS. BARBER: Yes.

5 MAJORITY CHAIRWOMAN DELOZIER: It's always good
6 to share information.

7 With that, I'll hand it over to Representative
8 Twardzik.

9 REPRESENTATIVE TWARDZIK: Good afternoon,
10 Director Barber. Thank you for coming in. You quickly
11 went over the STARS rating for --

12 MS. BARBER: Yes.

13 REPRESENTATIVE TWARDZIK: -- how we did, 40
14 percent or 39 percent. Is this something that you think
15 this extra money should be targeted toward and say we'll
16 get you more money if you improve your scores so we don't
17 reward poor performance and just look for best performance?

18 MS. BARBER: I think it's an incentive. I think
19 what has happened over the last 14 years -- and actually
20 STARS has been around for almost 20 -- is that it's a
21 combination of base rate of what, you know, the minimum
22 that we pay for caring for children, the State pays, and
23 then, you know, what is it that we're putting on top of
24 that so that childcare providers can achieve quality
25 standards so that they can pay their staff better. So I

1 think a combination of looking at both.

2 I mean, one of the things that we did lose, and
3 Tracey alluded to it in her presentation, we lost this year
4 what we call the Education and Retention Award. And the
5 Education and Retention Award did just that. It rewarded
6 childcare staff for staying in the program at -- on average
7 the wage -- in case you didn't know, the average wage here
8 in Pennsylvania for a childcare teacher is \$10.69 an hour
9 -- to stay in the program but also to earn credentials and
10 degrees because what research is telling us is that when
11 our staff are trained, there are better outcomes for kids.
12 And so we lost that. And that amounted to somewhere
13 between \$2,000 and \$4,000 depending on the STAR level of
14 the program and also depending on the credential or degree
15 that the person earned.

16 So that for a childcare provider making \$10.69 an
17 hour was anywhere between a 9 and 14 percent reduction in
18 their income during this year. And I'm hearing anecdotal
19 reports that that is continuing to drive people out of the
20 field. It's a significant investment; it kept people in
21 programs. Even the TEACH scholarship program provides a
22 grant at the end of the program, you know, of \$600 a year,
23 but it's tied to them staying in their program. And we
24 know that through the TEACH program we're seeing a 97 to 98
25 percent retention rate as a result of that kind of combined

1 commitment but also the reward. And so it's really
2 important that we take a look at our workforce. We can't
3 operate childcare centers without a workforce.

4 REPRESENTATIVE TWARDZIK: Thank you very much.

5 MS. BARBER: So yes, more money for STARS would
6 be good. Thank you.

7 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you
8 very much. Diane, I appreciate all the information you
9 gave and background and acting as a resource and Barb is
10 glad to share all her PPEs from the farm show with you.
11 But thank you for the information and joining us today.

12 MS. BARBER: Thank you. Thank you very much.

13 MAJORITY CHAIRWOMAN DELOZIER: Okay. Now we'll
14 move on to our next panel. And I also just wanted to
15 mention that the next folks that we're going to hear from
16 deal a lot with the particular program that was in last
17 session House Bill 309 that was co-prime sponsored by both
18 Representative Mehaffie and Representative Solomon, both of
19 which who are on the phone listening to the dialogue as
20 we're going back through it but the ability for us to
21 understand the programs a little bit better, we thought
22 we'd hear from some of the folks that do it with their own
23 centers and operate within the parameters that are set by
24 the State as a whole.

25 But these two testifiers are both childcare

1 providers, so the ability for us to ask them questions
2 about how they operate and what constrains them and what
3 they'd like to see help with possibly from the State will
4 be -- our first is Leslie Spina. She's the Director of
5 Kinder Academy in Philadelphia. And before she gets
6 started, I also want to mention that when we get to
7 questions, we also will have Lesley Markley, who is the
8 Director of Education and Curriculum at U-GRO, to be able
9 to help answer questions as well, but I'll hand it off to
10 Leslie at this point. Thank you.

11 MS. SPINA: Good afternoon. Thank you for having
12 me here. So this topic is so important, and I have the
13 great joy of being in an industry where I know I'm supposed
14 to be. I get to love the work that I do every day, and I
15 know that the contributions that we make in our
16 organization support families. This is not about
17 childcare, and this is not about babysitting. This is
18 about the great reach that we have, not just my
19 organization but the organizations that do this work, the
20 great reach we have into the community at large. By us
21 being open, families can go to work. By us doing really
22 high-quality care, our children are prepared as they
23 continue their journey. They don't start their journey in
24 kindergarten. They start their journey before their eyes
25 even open. And the work that we do with children

1 contributes to their ability to compete and to safely take
2 risks and to wonder and be curious about the world around
3 them. And those are the next Einsteins, they're the next
4 Buzzes, they're the next teachers and doctors, and they are
5 not made in K-12. They are made well before that. And so
6 the importance of this work goes back to the foundation of
7 giving children an opportunity to know and feel and taste
8 success long before they're getting grades. And that's
9 what happens here every day.

10 We support families and an understanding that
11 they are the first advocates for their children and that no
12 matter your socioeconomic status, no matter where you came
13 from or where you were born, no matter what your ZIP Code
14 is, you and your child deserve everything that every other
15 child in this Commonwealth -- everything that's available
16 to every child in the Commonwealth.

17 So as I talk about the STARS system, I'm a fan of
18 raising the bar for quality because I want to see our
19 children in programs where they're being challenged, where
20 they're learning how to be citizens, where they're learning
21 how to negotiate. You know, nobody likes to go to a bank
22 and stand in a line, and we don't learn how to stand in a
23 line when we turn 12. We learn that when we're three and
24 we're trying to get in line.

25 So all of these things are what happens in early

1 care and education. And it happens in all kinds of
2 programs. And in our Commonwealth in this amazing State we
3 need all kinds of care, we need all kinds of people doing
4 this work. And the diversity in this community is immense
5 and a thing to celebrate. But I fear that this diversity
6 also contributes to making it difficult for us to raise the
7 tide for all organizations.

8 So when I look at STARS and I did an evaluation
9 of what this means to us over the years, I have been in
10 this field for 26 years now. We have always done high-
11 quality work as far as we were concerned. When STARS came
12 along in the pilot I said yes of course, why would we not
13 want to do this. We want to do the best that we can do.
14 And I thought I was doing a really great job then. And
15 they helped me understand that I had a lot to learn about
16 child development, about running my business, about
17 reaching into the community.

18 So the STARS program isn't just about getting a
19 score on a piece of paper. It's about evaluating the work
20 that's done throughout the organization, throughout the
21 classrooms and into our community. And so the investment
22 doesn't just stop at the door here. It's not about having
23 higher-quality graham crackers and milk. It's about
24 knowing that graham crackers and milk belong here, but so
25 do carrots and so does doing a little bit of farming and

1 eating a worm so that you know it's yucky. That's how we
2 learn here.

3 And so these things are relevant to everything
4 that happens for children. The hands-on experiences that
5 children get because we know more, I wouldn't allow someone
6 to teach the way I taught 26 years ago. What we do now is
7 so much better for children. And my children who come out
8 of this program get the experiences of the affluent
9 children in the suburbs around us. And I know that
10 throughout the Commonwealth we want all of our children,
11 whether they're in rural areas or whether they're in urban
12 areas or suburban areas, we want all of the children to be
13 able to look into their community and glean what's
14 available from that community.

15 So we have families that have lots to contribute,
16 and we have providers that have lots to contribute. And so
17 programming can look very, very different across the
18 State. And I'm so thankful that we have space for that,
19 but what can't look different is a commitment to ensuring
20 that the quality of the people, the education that they
21 receive, the understanding, the foundational work that they
22 have goes to these children in a way that's developmentally
23 appropriate.

24 And so I love when we have -- you know, we joke.
25 We call them grown-ups. We have lots of women who have

1 been doing this for a long time, and they know things about
2 caring for children in a way that someone who just comes
3 out of college doesn't know. Someone who hasn't had
4 children maybe doesn't know yet. Everything changes with
5 the more experience you have. And so I have great value
6 for these mostly women who come forward who have all these
7 varying levels of education, and all of it works together.

8 But what I have seen in my experience is when we
9 start educating our teachers and we start credentialing
10 them, they learned things about human development, about
11 developmentally appropriate practice, about classroom
12 management that they may not have learned any other way.

13 And so the STARS program gives us a trajectory
14 that helps us get to the best possible place that we can be
15 in for children and for families but also for our staff.
16 You know, if we want this profession to be the true
17 profession that it is, we have to encourage people to get
18 their education. We have to pay them more. We have to pay
19 them not a living wage but beyond a living wage, a
20 professional wage with benefits and a package that we would
21 expect in any other field. And we have to insist that the
22 work they do is founded in understanding how children learn
23 and grow. It's not about what we think might be right.
24 There is a pathway to what we know is right, and it
25 includes multiple areas, multiple people, multiple

1 trajectories to get there. But we can do this.

2 And so the STARS program gives us a pathway for
3 this. It helps us understand how to get to the next level.
4 Programs that are doing really great work will be able to
5 move on that more easily than programs that are not. It
6 also creates opportunities for mentorship so that people
7 who are new to this field can learn about what the best
8 practices are. You know, people can't learn from my
9 mistakes, but maybe they can take alternate pathways or
10 think about experiences I've had because I can share that.
11 All of this is embedded in the STARS program.

12 There are challenges. It is hard. It should be.
13 It should matter that we want to ensure that our children
14 get an equitable experience, one that reflects their
15 community and one that is valued by their families, but
16 most of all, one that prepares them for continuing
17 learning, not starting to learn but continuing to learn and
18 having a love of being in an educational system.

19 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you
20 very much. With that, we'll have the second panelist
21 because I know there's different types of information. The
22 next person that is going to -- we have a little bit of
23 feedback. Okay -- is Lisa Whitworth, and we'll have her
24 give her perspective, and then we will ask questions of
25 both types of programs. And I know there's a couple folks

1 that have questions on the differences, as well as what a
2 lot of commonalities that we need for changes here within
3 different programs for childcare.

4 So with that, I'll hand it over to Lisa.

5 MS. WHITWORTH: Good afternoon, Chairwoman
6 Delozier and the Members of the House Children and Youth
7 Committee. I do appreciate the opportunity to speak with
8 you this afternoon. My name is Lisa Whitworth. I am the
9 owner and Director of Little Learners Child Development
10 Center in Harrisburg, Pennsylvania. I have had the honor
11 of opening the daycare center and working every day for
12 nine hours a day for over 22 years. We just celebrated our
13 22nd anniversary here March 3rd.

14 I over the years of course have talked to a
15 number of folks who were trying to introduce the Keystone
16 STARS program when it first launched almost 20 years ago,
17 and I was very curious. I did look over the information.
18 But I had some concerns. And I think the thing that was
19 very confusing to me was the fact that if you go onto the
20 website for Keystone STARS it states, "meeting the
21 individual needs of each and every child and family," and I
22 find that very difficult if we are to follow -- which I've
23 always believed -- that we try to create many different
24 molds to reach out to all the individuals that we work
25 with, you know, to meet their needs and to help them with

1 development in different ways and be as diverse as possible
2 because in my mind it was presenting us a mold and having
3 the entire industry fit into this mold and of course get
4 rewards for that.

5 As the years went on, you know, it was definitely
6 something that was an option for us. I wanted to see what
7 it meant to people who actually benefit from these types of
8 programs. And it was disappointing. I mean, these were
9 things that were shared with me by families, staff members
10 who work with facilities that were Keystone STAR 3 and 4 in
11 fact and even some other professionals in the industry that
12 we share some things regarding centers that were 3 and 4
13 STARS and having, you know, violations with the DHS, the
14 State regulations, parents.

15 And in my 22 years I will tell you I had one
16 parent come to me and it was a misunderstanding when we set
17 up the tour. She came in, she was a captain in the
18 military. I gave her the tour of the facility, and at the
19 end I found out we had a misunderstanding when she stated
20 do you mind if I ask where you are in the STARS program, at
21 what level? And it took me aback for a moment because I
22 wasn't expecting that, and I, you know, politely stated
23 that we were not participants of the Keystone STARS
24 program. I clarified the misunderstanding and, gratefully,
25 she allowed for me to continue the tour and spoke with me

1 for -- we spoke for a very, very long time. She had a
2 large binder of research material for Keystone STARS. She
3 knew everything there was to know about it. And when she
4 left, I looked over at my Assistant Director and I said
5 this could be the very first person that we lose based on
6 our desire not to participate with the Keystone STARS.

7 She didn't have a lot of questions after we
8 spoke. She left, kind of left it open-ended. Two weeks
9 later, we get a phone call and she basically let me know
10 that she was coming into town and wanted to register her
11 children. And her remarks were that she felt very
12 comfortable with our meeting, the way that we responded to
13 questions, and just the way that we described our program.

14 And I think the big factor in this was
15 discipline. And I think that that word can be somewhat
16 negative in a lot of minds, but I feel like that there's
17 certain characteristics of the Keystone STARS that I don't
18 -- let me say I don't want to fully adopt because it will
19 take away some of our flexibility with the way that we've
20 been running our program for 22 years.

21 I feel like we've been very, very successful.
22 We've met the needs of thousands of children who have gone
23 on to be very confident, successful, kind, and just, you
24 know, great, great, great young children, high schoolers,
25 and even now young adults. They come back and share their

1 story all the time. Also parents who have gone on to
2 Keystone STAR facilities and may have looked around and
3 found us have shared that sometimes they often feel as
4 though there's more focus on becoming a 3 or 4 STAR and
5 less focus on the families. And they're looking for
6 someone who wants their children to feel as though they are
7 just as important.

8 I think the biggest reason for me to be a voice
9 after all these years is if we can go back to what Ms.
10 Barber had shared about the baseline for the rates for the
11 subsidized families. We have not had an increase in many,
12 many years. When I first started the program and we were
13 seeing every time the yearly budget would come around,
14 there was always money in there to increase the daily rates
15 for the subsidized families. It's been many years and I
16 apologize I can't quote how many, but I will just give you
17 an example.

18 So if we have someone who comes in with an
19 infant, we are taking \$112 loss each week for an infant
20 based on the daily rate that is paid for that infant and
21 what we charge privately. So the two options we eventually
22 were offered to us to where we could charge the difference
23 to the families or we could come up with a flat fee if the
24 difference was too much, both of which can be a very hard
25 financial burden on a lot of these families. So I've taken

1 the latter part of that and charged just a flat fee, a
2 minimal flat fee, but yet with the flat fee we are still
3 taking almost \$100 loss on every age group per week.

4 And I chose to do this because childcare is very
5 important to me, and it oftentimes does not -- it's more
6 important to help the child and offer quality childcare to
7 all children, and it's not always about the money. But it
8 can be a burden such as during the time of the pandemic,
9 which none of us had foreseen the situation at all and knew
10 that we possibly could come into this financial burden even
11 when the budget didn't pass for months and months and
12 months. You know, that was difficult but not as difficult
13 as this past year has been.

14 I become more concerned as they're talking -- you
15 know, if I'm honest, at the time that they were talking
16 about the CARES Act, I was almost looking for them to say
17 if you are a Keystone STARS 3 or 4, you will benefit from
18 the CARES Act only. It's gotten to that point where I feel
19 like a lot of us who do not participate where one single
20 center have fallen off the radar of the industry.

21 We have done a significant amount of changes and
22 offered a lot on our own. I provided all of our PPE items
23 without taking anything from anyone. We paid for it.
24 Oftentimes, I took money out of my own personal accounts to
25 take care of things because it was what we should do. We

1 had a lot of children to take care of, we had a lot of
2 families that were terrified. We did lose a lot of our
3 enrollment based on mostly fear, but a lot of parents lost
4 their job, which is very unfortunate, or they were
5 furloughed.

6 So even though this was the most difficult year
7 of my career for sure but it was also the year where I
8 realized how important childcare is for us and even when my
9 staff -- I just don't want to be focused so much on
10 Keystone STARS. And, you know, it's not just for my
11 business but it's for others as well. My understanding
12 that there's over 50 percent -- 57 percent I believe of the
13 industry that are either -- they are 1 STAR, so since we
14 all were given 1 STAR, I don't know if it's because they
15 are just at the 1 STAR level and they haven't moved up or
16 if they're just not participating at all with Keystone
17 STARS.

18 I also was upset about that because I would like
19 to be listed as a nonparticipant instead of a 1 STAR
20 because I feel like that it advertises that my center is no
21 better than a 1 STAR rating, which is not true. There are
22 centers that are doing a great job, and yes, we can all
23 improve. We're not perfect. But why are we not rewarded?
24 Why are we not noticed? I've invited people to come out
25 and look at my center and just share with me, you know, am

1 I worthy as-is of some of these benefits that Keystone STAR
2 3 and 4 centers receive? I feel like I offer equal or
3 better than some of those centers, and I don't mean that
4 arrogantly. I don't mean that disrespectfully. But I
5 worked tirelessly every day. I am the owner and Director,
6 and this has been my full-time job every single day for 22
7 years. And it's not because I don't have great people.
8 It's because I have the passion to be here to be with these
9 children and make sure that we do everything possible to
10 give our best.

11 I don't necessarily think that offering, you
12 know, just some training, professional development training
13 is always going to make the staff what they need to be to
14 benefit these children. A lot of staff that come in don't
15 even really know what they want to do in life, so to
16 immediately, you know, tell them that they need to go into
17 professional development and then work to associate's and
18 then eventually a bachelor's is very difficult. And I do
19 agree that once you get them to that level, the reality of
20 childcare wages is the fact that it's not the best. And
21 you've literally paid for those folks to train and then go
22 on to something that pays more.

23 I think that there's things that just could be
24 done better, and I just wish that there was just more
25 opportunity to talk to the people that do it every day,

1 talk to the families, you know, that are benefiting from
2 this and find out the reality of what we need to do to make
3 our center, you know, as equal to 3 and 4 STAR quality
4 without having to change as much as we would have to change
5 based on what we've been doing for 22 years.

6 I'm sorry if I was all over the place. This is
7 my first time doing a virtual. I'm a little nervous, so
8 thank you for your time, and I will now take any questions.

9 MAJORITY CHAIRWOMAN DELOZIER: Thank you very
10 much, Ms. Whitworth. I appreciate it. And your testimony
11 was fine. And obviously both you and Ms. Spina have the
12 passion to be with our kids when they need you in different
13 ways and different opinions, which is why I thought it
14 would be good to have both of you so that we could talk to
15 two different types of centers.

16 And I think I neglected to mention Ms. Whitworth
17 is the Director of the Little Learners Child Development
18 Center here in the Harrisburg area, and then I did mention
19 that Ms. Spina was the Director of the Kinder Academy in
20 Philadelphia just to give regional perspective with that.

21 I'll ask my first question really I think would
22 be more directed at Ms. Spina dealing with the types of
23 centers with the COSTARS program and the ability for us to
24 take a look at what we're dealing with.

25 One of the issues that has come up with the STARS

1 program and the ability for us to recognize obviously more
2 education and more training for those that are providing
3 the care obviously increases also when someone has a higher
4 education level they get the benefit of that in the sense
5 of increase in pay. So that increases the cost of the
6 operation of that childcare.

7 So the question that a number of folks have asked
8 is the issue of with those increased costs, which are valid
9 in the sense that these are people that are taking their
10 time to learn more and be better educated in the way of
11 dealing with children. And as you mentioned, you've seen
12 the benefits of that. So the concern that came from that
13 is that with that increased cost and you have a balance of
14 those that are within the Child Care Works program and then
15 those that are private pay, certainly different centers
16 have different proportions of that. So my question
17 directly is with those increased costs and a level amount
18 of reimbursement, does that increase the cost for the
19 private-pay families that are within the centers in
20 requiring the additional training and education and just
21 all of the different requirements that the STARS program
22 has? What would your feedback be on those issues, please?

23 MS. SPINA: So that's a complex question, and it
24 goes to a business model that requires graded funding
25 across all of the age groups. So to answer that in a

1 nutshell is it is more costly to operate a program that has
2 higher STARS because of the increased number of people who
3 have higher-level credentials. Certainly, that's clear.
4 But we operate here in Philadelphia in an environment where
5 there are many options for childcare, and so the market
6 will not bear costs that are significantly higher for
7 families.

8 As we move through the STARS system, there was no
9 increased cost to our families at all, but what did happen
10 is I was reimbursed at a higher rate because of the STARS
11 add-on. So if I was running a program where we charged the
12 difference to private-pay families or to subsidize
13 families, it would actually cost them less if I had higher
14 STARS because I would be reimbursed more from the State
15 than if I had no or low level STARS. So instead of going
16 to the families for those additional funds, the State would
17 be paying those additional funds.

18 And for private-pay families, we have a rate that
19 the market can bear that has not gone up significantly.
20 What has happened is our profit margins have become thinner
21 and thinner. They are almost see-through now. And so it's
22 a business decision about whether to stay and continue to
23 be in this environment. It requires some of what STARS
24 offers in better business practices, better understanding
25 of accounting practices, being sure that we're fiscally

1 responsible all the time and that we're paying attention to
2 what happens, that we are doing future planning, that we
3 have a plan in place to repair the roof but also to have
4 ongoing professional development for staff. A part of the
5 package with being in STARS is that we understand how to
6 run a business well and how to pay attention to, you know,
7 all of the components. As I spoke about, this is not just
8 babysitting children. This is an educational environment.
9 This is a profession which requires that we look beyond
10 just our immediate needs and are ensuring that we have paid
11 attention to ongoing operations and that there is a plan
12 for the future.

13 And being part of Keystone STARS has helped us or
14 forced us -- I'm not sure which way -- drug us along in
15 being more responsible to the future and thinking about
16 what things could or -- what the potential worst things
17 that could happen that would impact our ability to open the
18 doors every day. So we have an administrative team that is
19 a part of strategic planning and thinking about the future
20 and budgeting.

21 And I work with lots of centers who are just
22 coming into the STARS program, and when I talk to them
23 about what their budget for things are, they have a box
24 with some receipts in it of what they've spent. That's not
25 a budget, and that does not lead to long-term expansion of

1 a business. This is a business, as well as a social
2 service.

3 Like I said, I am so fortunate I am here. I love
4 the work I do, and I don't do it because I love doing the
5 paperwork. However, I know that if I do not pay attention
6 to the paperwork, that I won't be able to do the things
7 that I love, and that is watching my children really bloom
8 into these amazing across-the-board different kinds of
9 kids.

10 And so the answer is it costs more. We make
11 less. I'm never going to say we don't do this for the
12 money. I need the money. I have to have the money. I
13 can't do it without the money. However, we know that we
14 could make more money in other ways. But please don't
15 confuse that with I don't do this for the money. I have to
16 do this for some money so that all the people who are here,
17 predominantly women who are here, continue to have a job to
18 come to every day. So it's about balancing that. At the
19 same time, ensuring that we don't drive high-quality
20 programs out of the hands of the people who need them the
21 most.

22 MAJORITY CHAIRWOMAN DELOZIER: Okay. And so just
23 as a follow-up then, the ability for you to receive higher
24 reimbursement because of a higher STARS rating allows you
25 to make up what is necessary, as you say, the profit margin

1 might be thinner, but allows you to make rather than
2 assessing additional fees to the private pays? Okay.
3 Thank you.

4 MS. SPINA: Correct.

5 MAJORITY CHAIRWOMAN DELOZIER: I just wanted --
6 the math problem that went along with that --

7 MS. SPINA: Yes.

8 MAJORITY CHAIRWOMAN DELOZIER: -- as to the
9 ability for us to do that. You know, and I understand Ms.
10 Spina's opinion as to being, you know, not a part -- or,
11 I'm sorry, I messed that up -- Ms. Whitworth's opinion of
12 not wanting to be a participant, right, and the ability to
13 be labeled as such verses, like you mentioned, the 1 STAR.
14 That was a valid point as to being able to -- people will
15 understand where you are with that. And then the ability
16 for the program that Ms. Spina runs and have the ability to
17 make up that difference when costs go up.

18 But with that, I will hand it over to Chairwoman
19 DeLissio.

20 DEMOCRATIC CHAIRWOMAN DELISSIO: Thank you. I
21 think it's true of almost any sector that particularly
22 small businesses, people may be good at their craft but not
23 necessarily good at the business end of their craft, but
24 that doesn't mean that it isn't a high-quality product.
25 Whether they are successful financially at the end of the

1 day may or may not be defined by their business acumen as
2 it were or it may be defined by the fact that they're good
3 at their craft. I've seen this many times over my 30-year
4 private-sector career.

5 So I'm looking forward actually to learning more
6 about how folks get from one level to the other to the
7 other. And I'll be curious to get the statistics that over
8 this 20-year window that STARS has been in place how many
9 childcare providers have chosen to walk that path, how many
10 have been successful in gaining another STAR and in what
11 time frame, and, you know, what did that enhance.

12 So I'm thinking at the moment -- and ladies,
13 please correct me if I'm wrong or misunderstanding
14 something. So this is State money, and the State can
15 choose to incentivize a particular business with their
16 money and that's what I think is being done here, but also,
17 again, as I mentioned earlier, I come out of the long-term
18 care profession and found that consumers were always
19 extremely confused about, you know, what all the
20 regulations meant, what a survey meant, what a plan of
21 correction meant. You know, now that we're online -- I
22 started my career long before there was online, so now that
23 we're online, all this information is posted and consumers
24 for the most part because they're not using the service of
25 long-term care till the need is kind of breathing down

1 their neck, I would imagine it's somewhat the same. So you
2 have that first child and you need to look at childcare,
3 you don't know what you're looking at. You're looking at
4 geography, you're looking at convenience, you're looking at
5 hours, you're looking at budget, you're looking at
6 reputation obviously, no different than long-term care.

7 But my concern -- and I know both prime sponsors
8 of this bill fairly well, have the utmost respect for those
9 gentleman. One has given me permission to ask away, so I'm
10 going to take full advantage of that. So that consumers
11 who may see this -- you know, I think the legislation is
12 fairly straightforward. The State needs to provide a
13 placard, the provider needs to put it in the window. Yes,
14 we're a 1 STAR entity or a 2 STAR or a 3 STAR. I'm not
15 sure how we're benefiting consumers by publicly displaying
16 that information. My guess is that's available to them on
17 other resources and helping them to understand how in this
18 case Little Learners has made a conscious business decision
19 to not pursue that and is still offering a quality product
20 and how Kinder Academy has made the decision to go down
21 that path.

22 So my concern is that consumers aren't going to
23 be somehow misled and feel -- I mean, what parent wants to
24 choose a 1 STAR provider over a 2 STAR just in terms of a
25 reaction? You know, the parent or guardian doesn't even

1 know what they're talking about, 2 STAR versus 1 STAR, 3
2 STAR versus 2. We all want what's best for our children.

3 So I'm like thinking about just the visceral
4 reaction to like, oh, you know, your kid is only in a 1
5 STAR program. I don't know that that's the intent, but
6 that's one of my concerns about how we make sure the
7 consumers understand what this means and, you know, how
8 does the consumer measure their comfort level with a
9 particular program.

10 So any comments either one of you care make to my
11 comments would be most welcome because I'd like to be as
12 well-educated and well-informed about this as possible,
13 including the original intent if anybody can speak to that
14 of what the STARS program is about.

15 MS. BARBER: I'm not the provider, but I just
16 want to make one point. Back long ago and far away there
17 was a study of Pennsylvania's childcare programs, and it
18 was under Governor Schweiker during that period of time
19 that looked at the quality, and our quality was abysmal.
20 And so the Keystone STARS program was put in place to help
21 move programs up and to increase their quality and modeled
22 after in some ways the National Early Childhood
23 Accreditation Program sponsored by the National Association
24 for the Education of Young Children. Over the course of
25 these 20 years, we've tweaked that system, but the intent

1 was to provide guidance and support so that programs could
2 increase their quality.

3 I think that -- I mean, there is some debate
4 about whether or not all programs should have been assigned
5 a STAR level, and if they didn't have a STAR level above a
6 1, they got a 1. I do think that there has to be some
7 level of expectation. I know that when I was looking for
8 -- me and my siblings were looking for care for my father
9 who had advanced dementia, looking at the STAR level of the
10 nursing home facilities helped guide us in making a choice.
11 So it's a measure that helps parents make good choices.
12 It's not the only measure, but it is a measure.

13 MS. WHITWORTH: If I might add, so when -- I
14 completely believe that families are not aware of what the
15 STAR program is about. Again, as I had stated earlier,
16 I've not had but one person ever ask who was serious about
17 choosing a Keystone STARS participating facility. I've had
18 a couple parents over the phone inquire, and I like to get
19 feedback from them as to what they're looking for so that I
20 could, you know, share my program accurately. And their
21 comments both times, and I quote, I don't know anything
22 about the STARS program. A friend of mine told me to ask.
23 And then there's no more attention on that and we continue
24 to move forward with our kind of screening process and then
25 setting up the tour.

1 I do agree -- and I don't want this to be
2 misunderstood -- that, yes, we do need quality childcare.
3 I do agree that, you know, that some form of education is
4 needed for our staff, but it's so difficult when turnover
5 is so high in childcare. Of course this past year it was
6 like a revolving door just because of the pandemic putting
7 in such a huge element.

8 But if I look at the longevity of the staff that
9 I have for the 22 years, the one that has been with me for
10 all 22 years does not have education past high school, and
11 she is one of the top staff members I have here because
12 there's more to it than just the education. You have to
13 want to do this. It's a very stressful job sometimes.
14 It's very rewarding, but you've got to be able to embrace
15 both of those and be here because you want to be here for
16 the children. That's hard to do for sure, and that's why
17 I'm saying that -- how to know someone has that until
18 they're here, but, you know, to look for the right person
19 and then tell them, you know, they're going to have to work
20 toward these professional development courses and then
21 degrees when they're unsure of whether they can handle this
22 even if they come in and say, you know, I babysat when I
23 was in high school, I worked at some camps, I love this, I
24 did some, you know, internship with my high school in
25 elementary schools, they still don't really know what is

1 instilled in each of our facilities.

2 We are educational-based as well. I focus on the
3 whole child. We're trying to make them interact
4 appropriately with other children. We're trying to help
5 them cognitively develop. We're trying to give them self-
6 esteem. We're trying to help them, you know, emotionally
7 as well, and you need the right person to do this.

8 And the paperwork, it can be overwhelming from
9 what I hear from other staff members. But I feel like
10 that, you know, advertising ourselves as 1 STAR is a slap
11 in the face to me personally because I've invested so much
12 in my business for 22 years. And for someone to just tell
13 me they're going to put a 1 STAR because you don't want to
14 participate with our program I think is so inappropriate.

15 Now, if someone would come in and look and say,
16 you know, I'm walking around and I really feel like you
17 qualify for a STAR at best, of course I would be horrified,
18 but I would feel better about receiving a 1 STAR than to
19 just say you don't want to participate, here's your 1 STAR
20 and you're not going to have any, you know, anymore
21 increases from the State unless you're a 3 or 4 STAR. It's
22 very, very insulting and very -- it's more disappointing
23 because I made a choice because I feel like I'm doing the
24 very best, and, you know, before the pandemic, we were on a
25 waiting list for years, and I'm happy, I love my program, I

1 love my staff, and I just feel like the old cliché if it
2 ain't broke, why fix it? And I don't have that opportunity
3 and still benefit from some of the finances, but I'm fine
4 with that. I have been for years.

5 And I also want to state that the first five
6 years Keystone STARS failed in the Philadelphia area, so
7 that's why it was tweaked a little bit. But still, you
8 know, no one that I know of in the industry was ever asked,
9 you know, what are some things that you like about Keystone
10 STARS are what are some things that you don't like or, you
11 know, any interaction. Would you like to have an input? I
12 had to actually take some time to say I'm going to go talk
13 now. I'm going to speak up now. Thank you.

14 MAJORITY CHAIRWOMAN DELOZIER: Okay. Thank you.

15 MALE SPEAKER: You're on mute.

16 MS. SPINA: That has not been my experience. I
17 have been invited to the table before. And I'd like to say
18 that I think perhaps we can all agree that Keystone STARS
19 is the hidden treasure that no one knows about, right, the
20 best kept secret in the Commonwealth of Pennsylvania. And
21 so we obviously need to do some training -- not training,
22 some education and promoting out there for parents to
23 understand what this is.

24 And I think that in my organization, continued
25 investment in Keystone STARS will help us with turnover

1 because we'll be able to pay teachers more so we won't have
2 the same level of turnover. There will always be turnover,
3 but I think that that is one of the stopgap measures that
4 can be taken is if we are paying people a wage that is
5 reasonable for the work, then we create a profession that
6 looks a little bit different.

7 And, you know, I wonder when I think about this
8 if the feeling is off a bit. I don't want to penalize STAR
9 1 and STAR 2 facilities, and I don't think anyone at the
10 State wants to do that. We want to reward the STAR 3 and 4
11 facilities for -- you know, if we're going to use the
12 taxpayers' money, we should be obligated to have a program
13 that's aligned, right, so aligned programs that have proven
14 they're adhering to planning, curriculum environments that
15 research-based tools say this is what high-quality
16 programming looks like. And it can look very different in
17 very different places.

18 So I would not for a second think Lisa is doing
19 anything except exceptional work, and if her problem is
20 getting through the paperwork that can be hideous -- I will
21 say that, it can be hideous -- we perhaps need to look at
22 having supports there.

23 Keystone STARS was not a failure in Philadelphia.
24 I'm a product of it. I have been here since the pilot, and
25 lots of us have been, and we needed support to get there.

1 And there was lots of support available, and many people
2 didn't take advantage of it, and there's not as much now.
3 And we need to fix that. That's broken for sure. But
4 helping parents understand that there's this rating system
5 that gives them a baseline where they know that this
6 program is adhering to these certain things, and if that
7 matters to them, then they want to look for those. It
8 gives those new parents a way of measuring something
9 without having to hope that when they're there at that time
10 everything is how it's supposed to be.

11 It is so hard to take your newborn baby and go to
12 a stranger and say I'll have my baby here 50 hours a week,
13 I hope it works out fine, right? We want to be able to
14 have a way that we're ensuring that there's some
15 accountability, that there's some measure, that there's
16 some outside organization that doesn't have bottom basement
17 guidelines. Our DPW guidelines are the minimum
18 requirements. They do not indicate quality. They say at a
19 minimum you must do these things to be open and to be
20 operating in Pennsylvania.

21 I think we want our families to know that there's
22 that, but then there's also this higher thing. And maybe
23 we need to help providers who are doing this really
24 excellent work but look at that mound of paperwork that
25 needs to be done and say I'm going to hold your hand and

1 help you get through that because if that's what's holding
2 you back from attaining these additional dollars, if that's
3 what's holding you back from telling your parents we're
4 STAR 4 -- because, believe me, when I talk to a parent, I
5 tell them we are a STAR 4 facility, we have been since the
6 pilot. We are dedicated to having quality environments,
7 quality interactions, quality staff for our children even
8 when we're poor, even when the margins are teeny tiny.

9 So I'm hearing that there are some disconnects
10 that need to happen, one in supporting parents in
11 understanding that there is variation in levels out there,
12 the levels of quality, and two, in providers being able to
13 manage through the system. And so I'm the first one who
14 will step forward and say how do we make this easier? I'll
15 be happy to volunteer my time so that we have more people
16 who are doing this really great work and that the
17 taxpayers' dollars go to those high-quality programs, not
18 to low-quality programs.

19 There are low-quality programs that are operating
20 in the city of Philadelphia right now today who came in so
21 far after me that make more per day per child than I do at
22 a STAR 4 because of how the ceiling rates are. That's not
23 okay because it does cost us more to do this work, and I
24 think if we say to parents, you know, here's the quality
25 programs and here's what your co-pay is in this place and

1 here's what your co-pay is in that place, then parents have
2 a way of knowing, you know, what to expect from quality and
3 also that we are really utilizing taxpayers' dollars in the
4 most appropriate way.

5 MS. WHITWORTH: Please keep in mind that there
6 are quite few facilities that are 3 and 4 STAR who do not
7 meet the bare minimum of the regulations for the State.
8 And you know this because you can go on and see their
9 reports, and you also know that they are 3 and 4 STARS. So
10 I agree that if that's the bare minimum, then why are we
11 rewarding those centers that can't even meet the bare
12 minimum with a 3 or 4 STAR?

13 MS. SPINA: You can't have 3 or 4 STARS if you're
14 not DPW licensed.

15 MS. WHITWORTH: No, I'm not saying licensed, but
16 might not meet, they're noncompliant with certain
17 regulations.

18 MAJORITY CHAIRWOMAN DELOZIER: Okay. All right.
19 Well, thank you very much. I appreciate the information.
20 Diane, thanks for jumping in there with some history. The
21 ability for all of us to understand -- and I really think
22 that coming from the different perspectives, we have a much
23 better understanding as to the challenges that both those
24 in the COSTARS -- I keep saying COSTARS; that's DGS --
25 Keystone STARS program and those that make different

1 options and different business plans and those types of
2 things because I think in many different communities we see
3 both, and we want to better understand each one's
4 perspective.

5 So thank you both for taking the time and for all
6 of our panelists for taking the time for being here with us
7 and educating us on many of the issues that we have within
8 our childcare facilities across our State. We want to have
9 good facilities. We want to make sure that our programs
10 are doing what they need to be doing so that just like the
11 example that was given a few minutes ago, when you give up
12 your infant to someone, it's totally terrifying to leave it
13 in the hands of someone else. And I say that as my 18-
14 year-old -- my daughter turned 18 yesterday, so I feel like
15 it was just yesterday that I did that, but obviously it's
16 been a few years. But any parent wants safe childcare.

17 So thank everybody for their time today and
18 learning about this. We have a lot of issues that I think
19 will be asked not only on the bill that was mentioned but
20 also on the issue as a whole with the CARES dollars coming
21 in and the many, many centers that will be looking for that
22 assistance as we go through this. So thank everybody for
23 their time and their efforts and those on the Committee,
24 thank you for your time.

25 As a reminder, we have our one last hearing that

1 will be coming up on Families First. It was an issue that
2 was talked about heavily within the appropriations hearings
3 last week with DHS being there, and we look forward to
4 asking a lot more questions of the agency and many of those
5 that are involved with that.

6 So thank you very much for your time today, and
7 this meeting is adjourned. Thank you.

8

9 (The hearing concluded at 3:08 p.m.)

1 I hereby certify that the foregoing proceedings
2 are a true and accurate transcription produced from audio
3 on the said proceedings and that this is a correct
4 transcript of the same.

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