

CHATHAM UNIVERSITY

A Letter Concerning Childcare Subsidies to Congressman Mike Doyle

Date: February 19, 2010
To: Congressman Mike Doyle
From: Laura Reigle, Jillian Myers, and Amber Phillips
Student Leader for Proposal: Laura Reigle

The Honorable Michael F. Doyle
401 Cannon
Washington, D.C. 20515

Dear Representative Doyle:

I am writing to urge you to introduce legislation that would transfer the oversight of funding for childcare subsidy from the individual states to a national program. I am a constituent in your legislative district. As a student, single mother, and former employee of the Pennsylvania House of Representatives, I am concerned about the current policies regarding child care subsidies for low-income families. I feel that child care subsidy programs are vital to the economic success of many individuals within the Commonwealth, as well as families throughout the nation.

Without childcare subsidy, a large proportion of low-income families cannot provide adequate care for their children. These parents then face a devastating choice; leave their children unattended, in unacceptable conditions, or stop working. The majority of the population affected by these programs are struggling to make ends meet, but are working hard to stay out of the welfare system. Without access to reliable and consistent subsidy programs, many low-income families are forced to apply for welfare, further stressing our struggling economy.

Funding allocated to each state, such as as the Child Care Development Fund (CCDF) block grants established by the 1996 welfare law, were intended to increase the assistance provided for child care to low income families.^{1,2} The extraordinary amount of funds that have been diverted from the Temporary Assistance to Needy Families (TANF) block grants to help cover the needs of subsidized child care should provide ample testimony that the grants, while useful, are not enough to provide for all of the families in need of assistance. Additionally, as the needs of welfare programs have shown an increase due to the current state of the economy, TANF funds are no longer readily available for diversion to child care subsidy.³

Under the current policies, child care subsidy programs are vulnerable to the passage of the state budget. The late passage of the 2009-10FY Pennsylvania state budget was a prime example of how the link between child care programs and state funds can negatively impact those families receiving assistance. I was employed by the PA House of Representatives through the budget impasse last year. Our office received countless phone calls from parents desperate for a solution to the lack of funding for Pennsylvania's programs such as Child Care Works. Without access to the state funds, the Department of Public Welfare and the Department of

Health and Human Services were unable to provide payment to child care providers. As such, parents were unable to provide adequate child care, forcing many to temporarily stop working, stop attending school, or choose inadequate child care alternatives.

By nationally standardizing the eligibility and funding allocation decisions from state governments, the program can be expanded to assist all eligible families in a format similar to Medicaid. The establishment of such guidelines on a federal level would remove some of the pressure from states to make enrollment decisions based upon the current status of the state budget.

Provider payment rates are also an important issue in guaranteeing quality and reliable childcare. If payments are not high enough, access to quality care is diminished, effectively eliminating the assistance such subsidy should provide. In many states, provider rates are not assessed regularly. Subsequently, provider payment rates are out of date, which can affect provider acceptance of children with government assistance.⁴ The resultant decrease in providers accepting government subsidies reduces the number of available child care options for parents requiring such assistance. Family co-payments are of equal concern, as they are “out-of-pocket” expenses often from already tight personal budgets.

I recognize that expansion of the child care assistance programs would be tremendously costly. However, as the cost of this type of program overhaul increases it is important to recognize that the number of individuals who would enter and remain in the workforce and thus begin paying income tax would also increase proportionally. Additionally, by allowing low-income families more disposable income, sales tax revenues would increase as well. When coupled with the dollars saved by reducing the number of welfare recipients due to new employment, the cost of such an expansion is dramatically decreased.

I hope that you will reflect on the aforementioned concerns and suggestions and consider sponsoring legislation regarding the state of funding for child care programs. I am certain that the ability to provide families with the resources to continue working while providing high-quality care to their children exists. Access to safe, reliable, and developmentally sound child care is of utmost importance to me as a parent. I feel that these options should be available to every parent, regardless of income.

Sincerely,

Laura Reigle
Pittsburgh, PA

¹ David A. Super, S.P. (1996, August 13). *The New Welfare Law – Summary*. Retrieved February 13, 2010, from Center on Budget and Policy Priorities: <http://www.cbpp.org/archiveSite/WCNSUM.HTM>

² Greenberg, M. (2007). Next Steps for Federal Child Care Policy. *The Next Generation of Antipoverty Policies, Volume 17, Number 2*.

³ Mark Greenberg, J.M. (2003). *Child Care Funding: The Story Since 1996, The Challenges in Reauthorization*. Washington DC: National Association of Child Care Resource and Referral Agencies.

⁴ Greenberg, M. (2007). Next Steps for Federal Child Care Policy. *The Next Generation of Antipoverty Policies, Volume 17, Number 2*.