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CONTACTS:

Alexa Grant (Childhood Begins at Home & Thriving PA) agrant@papartnerships.org 717-514-4429 (mobile) Jodi Askins (Start Strong PA) jodiaskins@gmail.com 272-444-1860 (mobile) Kate Phillips (Pre-K for PA) philips@parkerphilips.com 215-850-4647 (mobile)

Early Care and Education in Governor Shapiro's 2023-24 State Budget Proposal

HARRISBURG, PA (March 7, 2023) – Today, the principal partners of Early Learning Pennsylvania (ELPA), a statewide coalition of advocates focused on supporting young Pennsylvanians from birth to age five, issued the following statements regarding Governor Josh Shapiro's 2023-24 state budget proposal. ELPA operates four issue-based advocacy campaigns: Start Strong PA, Pre-K for PA, Childhood Begins at Home and Thriving PA.

Budget Proposal "Maintains" Child Care System in Crisis

"Governor Shapiro correctly emphasized the importance of high-quality child care for working families and the need to boost child care wages to get "more teachers and professionals on the job," and eliminate growing wait lists. Unfortunately, the Administration's \$66.7 million proposal merely maintains a system already in crisis.

"The proposal continues subsidized child care access to 75,000 low-income working families and sustains Child Care Works reimbursements to meet or exceed base rates at the 60th percentile of the market rate for a child care provider's region. This represents a continuation of the current child care operating environment that has been in place since January 2022 after utilizing one-time federal funds to boost rates. Since that time, conditions within the system have not improved, in fact, wait lists have increased.

"Currently, Pennsylvania's child care system is experiencing a 4,000 person workforce shortfall resulting in more than 35,500 children sitting on wait lists making it difficult for parents to work.

"The average child care teacher earns less than \$12.50/hr. with approximately 21 percent of those child care teachers relying on SNAP benefits and 21 percent insured by Medicaid. As many of these staff are college educated, it's no surprise that nearly 50 percent of educators surveyed say they are unlikely to remain in their child care jobs. Without a direct investment in the child care sector's workforce, this crisis will continue and is likely to mean that more classrooms will close and more working parents will struggle to find care for their children.

"The child care crisis is costing working families, employers, and taxpayers \$6.65 billion annually in lost wages, productivity and revenue. Fortunately, child care is an issue that crosses over the political divide with 81 percent of Pennsylvania voters in favor of allocating state funding to increase wages of child care workers and 78 percent percent of voters supporting an increase in state funding to help more low-income working families afford high-quality child care.

"The PA House and Senate must build on what's been proposed by Governor Shapiro and not simply maintain a system that is currently in crisis but invest more, prioritizing the sector's workforce to get ahead of this staffing shortage. Pennsylvania businesses depend on working families and working families depend on child care."

Shapiro Proposal Boosts Pre-K Counts / Head Start Supplemental Assistance Program Rates In Effort to Combat Teacher Shortage / Stops Short of Expanded Access

"Governor Shapiro's first budget proposal begins to address the growing shortage of pre-kindergarten and Head Start teachers by including a \$33 million increase to boost cost per child reimbursement rates in the 2023-24 budget. Specifically, the proposal would add \$30 million in new funding for the Pre-K Counts program to increase rates by approximately \$1,000 per child (full-day) / \$500 per child (part-day) and \$3 million in new funding for the Head Start Supplemental Assistance Program to also increase the cost per child rate. This funding is intended to further support pre-kindergarten providers in combating rising inflation and address increasing staffing shortages. It is worth noting, however, that the classroom closures and teacher shortages resulting from low wages found in the child care sector is also impacting pre-k availability because 48 percent of the children served in Pre-K Counts classrooms are located in high-quality child care centers.

"As part of his budget address, the Governor also noted the importance of giving Pennsylvania children a "ladder up" through pre-k. Unfortunately, this budget proposal does not provide the resources necessary to expand publicly-funded pre-k opportunities to more of the 100,000 Pennsylvania children that are eligible but not served.

"The General Assembly should respond to the <u>78 percent of Pennsylvania voters</u> that supported increasing state funding to serve more eligible children in pre-k programs by building on the Governor's proposal and expanding pre-k access."

Sustained Funding in Home Visiting Appropriate Following Historic Increase in 2022

"Following last year's historic budget increase for evidence-based home visiting, the Childhood Begins at Home campaign appreciates the continued funding in the proposal. Voluntary, evidence-based home visiting programs mentor parents and others raising children and provide supports for child development and school readiness, child health, family economic self-sufficiency, linkages and referrals, maternal health, positive parenting practices, reductions in child maltreatment and reductions in juvenile delinquency, family violence and crime.

"While there is a large unmet need for services with only 5 percent of eligible pregnant women, young children and families currently receiving them, we acknowledge increased access must be done in a manner that home visiting programs can effectively implement."

Budget Address Emphasizes the Importance of Referral Services for Young Children

"All children birth through age five with developmental delays must be identified, referred to and accepted for the services they need to reach their fullest potential. The proposed state budget includes a needed investment in Early Intervention services with an increase of \$10.4 million for the Early Intervention Part B (age three to five) program in the Department of Education (PDE) budget and a \$20 million increase for Early Intervention Part C (infants and toddlers) program in the Department of Human Services (DHS) budget. Thriving PA welcomes both of these proposed increases."

Governor Shapiro's State Budget Proposal Includes:

- \$30 million in additional funding for the state's Pre-K Counts program to boost reimbursement rates by nearly \$1,000 per child (full-day) / \$500 per child (part-day).
- \$3 million in additional funding for the Head Start Supplemental Assistance Program to boost cost per child.
- \$66.7 million in new funding for the state's Child Care Services line item to maintain subsidized child care access to 75,000 low-income working families and sustain Child Care Works reimbursements to meet or exceed rates at the 60th percentile of the market rate for child care facilities.
- Level funding for evidence-based home visiting in the Community-Based Family Centers line item as well as level funding for the Nurse Family Partnership line item.
- \$10.4 million increase for the Part B Early Intervention program (age three to five) offered through PDE.
- \$20 million increase funding for the Early Intervention Part C (infant and toddler) program through DHS.
- \$2.3 million increase to expand Maternal Health Programing, implementing strategies outlined by the Maternal Mortality Review Committee (MMRC).

About Start Strong PA

Start Strong PA launched in 2019 to support healthy child development, working families, and the economy by increasing access to and affordability of high-quality child care programs for young children. Learn more at www.startstrongpa.org.

About Pre-K for PA

Pre-K for PA launched in 2014 with the vision that every 3- and 4-year-old in Pennsylvania will have access to high-quality pre-k. Learn more at www.prekforpa.org.

About Childhood Begins At Home

Childhood Begins At Home is a statewide campaign launched in 2017 to help policymakers and the public understand the value of evidence-based home visiting and support public investments in the programs. Learn more at www.childhoodbeginsathome.org.

About Thriving PA

Thriving PA is a perinatal and child health campaign launched in 2021 and is working to ensure each birthing person, infant, and toddler in Pennsylvania has the opportunity for affordable, quality health care access. Learn more at www.thrivingpa.org.