





2025 State of Early Care and Education in Pennsylvania

# A SECTOR IN CRISIS IS IMPACTING CRITICAL EDUCATION FOR YOUNG CHILDREN



#### **Executive Summary**

Pennsylvania's comprehensive early care and education system spans the formative years of a child, birth-to-age-5, and provides an opportunity to ensure our youngest citizens are starting out on the right track. This is the focus of the Early Learning PA (ELPA) coalition, where Pennsylvania Partnerships for Children (PPC) is a principal partner and actively advocates for access to voluntary, high-quality early care and education and healthy development opportunities for each child in Pennsylvania. Specific to the early care and education work, Start Strong PA and Pre-K for PA are two issue-focused advocacy campaigns within ELPA seeking to increase access to highquality and affordable child care and high-quality pre-k programs within the state. This report takes a deeper look into the complexities within Pennsylvania's child care and pre-k system and makes recommendations on improvements that are necessary to ensure the system functions equitably and increases access and affordability for all families in the commonwealth.



#### **Key Findings**

- 1. 72% of families with children under 6 years old in Pennsylvania have all available caregivers in the workforce.
- Pennsylvania loses approximately \$6.65 billion annually when families cannot access child care options.
- 3. Only 23% of eligible infants and toddlers are being served by Child Care Works, leaving over 80,000 eligible infants and toddlers unserved.
- 4. On average, the cost for a Pennsylvania family with an infant to obtain child care in a child care center is \$13,354, only about 19% less than the cost of attending an in-state four-year public college.
- 5. On average, child care for an infant in Pennsylvania comprises approximately 13.3% of the median family's income.
- 6. In Pennsylvania, the average hourly wage of a child care worker is approximately \$15.15/hour.
- 7. Only 49% of all child care capacity in Pennsylvania meets high-quality standards and only 40% of providers serving children under 5 in Child Care Works are high-quality.
- 8. Only 44% of eligible 3- and 4-year-olds in the state participate in high-quality, publicly funded pre-k, leaving over 84,000 without access to a high-quality program.
- 9. At 47%, high-quality child care programs comprise the largest share of Pre-K Counts providers in the state.
- 10. The average salary for pre-k teachers in Pennsylvania is \$35,250 compared to \$64,270 for kindergarten teachers.
- 11. Approximately 95 PKC and HSSAP providers across 32 counties have collectively taken on nearly \$20 million in loans to mitigate the delay in funding due to the 2025-26 budget impasse, to keep their classrooms open and serve the working families that rely on them.







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## INTRODUCTION

High-quality early care and education provides a myriad of benefits and is the foundation for ensuring infants and toddlers receive the resources necessary to succeed. Each child in Pennsylvania must have the opportunity to participate in affordable, accessible high-quality early care and education, including infant and toddler child care and pre-kindergarten programs that provide safe, nurturing classrooms, trained teachers, and daily opportunities for play, social-emotional growth, language development, and early literacy skills. A coordinated early care and education system is vital to the economy, enabling parents to work with confidence that their children receive high-quality care and education.

The science behind the first five years of life shows that children's brains develop quickly. It is the fastest period of cerebral growth at any point in development, with roughly 1 million neural connections formed every second. This early cognitive development is the basis for learning and skill development later in life, including everything from academic learning to emotion regulation and decision-making. The rapid brain growth during the first few years of life underscores the need to build an early, solid foundation for future success.

Research shows that high-quality early care and education allows children to learn positive behaviors and develop social and problem-solving skills needed for long-term success.2 Participation in a high-quality early learning program reduces a child's risk of needing more costly interventions in the K-12 public school system, such as remediation. It has also been shown to positively impact a child's health—reducing heart disease, depression, substance use, and diabetes.3 Programs like the Head Start Supplemental Assistance Program (HSSAP), which serve low-income children and their families, show multi-generational benefits to early education, including stronger family units, economic self-sufficiency, and improved health outcomes.4 Children participating in Head Start Preschool are more likely to be covered by health insurance as well, receive hearing and vision screenings and dental care, and be immunized.5

Access to high-quality pre-k through other programs, such as Pennsylvania's Pre-K Counts (PKC) program, also yields significant benefits. A report from Fight Crime: Invest in Kids found that PKC reduced the percentage of children likely to exhibit social and self-control behaviors to just 4%, down from 22% with no access to high-quality pre-k.<sup>§</sup> These outcomes benefit all children, regardless of family income, indicating that high-quality education systems provide an equitable starting line for children to succeed.<sup>7</sup> Access to a high-quality early care and education system can help reduce achievement gaps often seen in children from low- to high-income families.<sup>§</sup>

Further, an analysis of Pennsylvania's PKC program by the University of North Carolina at Chapel Hill shows that children who participate in the program are positively impacted compared to children who do not. Children participating in PKC have significantly higher language and math skills and gain an additional four to five months of learning compared to their peers without this educational experience. The analysis suggests that access to high-quality pre-k can also help students reduce summer learning loss, which, according to a study by Brookings, can be up to a full month of learning. 10 Perhaps even more laudable, the impact study noted consistent results statewide of geographic region, the percent of 3-year-olds enrolled, or how urban or rural of a location, indicating steady implementation of regulations and curriculum and providing participating children equal educational opportunities.11

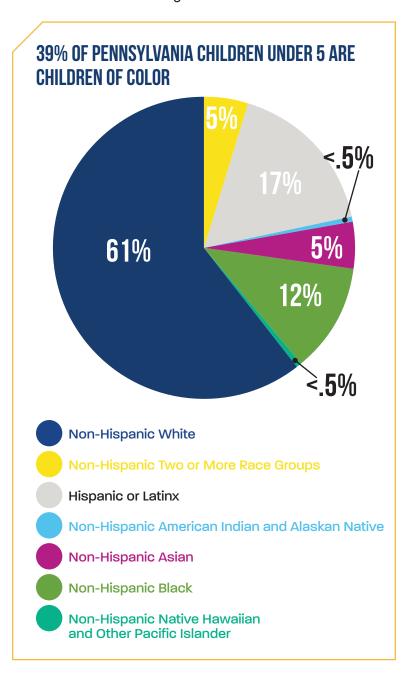
Substantial focus locally, statewide, and nationally is placed on the K-12 public school system, preparing children to enter school with the skills necessary to be active and attentive learners is essential to providing an opportunity for lifelong success, and we must view the growth and development of young children as the beginning of a continuum with benefits that extend into adulthood and demonstrate this understanding with similar focus on early childhood education.

In Pennsylvania, there are roughly 664,000 children under the age of five who could benefit from access to a high-quality early education. <sup>12</sup> As shown in the chart below, 39% of those children (over 258,000) identify as a child of color, with Hispanic or Latino children making up 17%, and Non-Hispanic Black making up 12%. <sup>13</sup> Children who identify as Non-Hispanic White, make up 61% of children under five across the state. Further, of the 126,000 children under six years living in poverty across the state, nearly 3 in 5 identify as children of color. <sup>14</sup> Approximately 24% of Hispanic or Latino children and 32% of Black or African American children live in poverty, compared to only 11% of Non-Hispanic White children. <sup>15</sup>

Families and children in every community across Pennsylvania rely on early learning systems to provide adequate care and education that is both affordable and accessible. Providing all children with an opportunity to attend high-quality early care and education programs ensures an equitable start to their academic careers, by giving each child the resources and support they need to succeed, recognizing that different children and families face different challenges. Yet, many throughout Pennsylvania are not able to access a high-quality program, leaving thousands of families and children without another option, further widening gaps in education and ultimately impacting our state's economy.

A 2024 ReadyNation Report revealed that inadequate child care costs Pennsylvania's working mothers \$2.4 billion annually in lost earnings and productivity. <sup>16</sup> Further, the

report indicated the child care crisis is costing Pennsylvania's economy \$6.65 billion annually in lost wages, productivity, and revenue. In a Pennsylvania Chamber of Business and Industry survey conducted in 2024, 81% of PA employers noted moderate or significant recruitment and





retention issues due to child care challenges. 18
To overcome these challenges to the business community and the state's economy, Pennsylvania must invest in the early childhood education workforce to ensure young children and families have access to the care and education they need.

# Budget Impasse Negatively Impacts Access to Early Learning Programs for Young Children

As of October 2025, Pennsylvania is at a budget impasse for the 2025-26 fiscal year, which has significantly impacted programs across the early learning sector. Early childhood education programs, including child care, Pre-K Counts, and Head Start Supplemental Assistance Program (HSSAP), rely on funding from Pennsylvania's annual budget to pay their staff and ensure classrooms can remain open for families who depend on care.

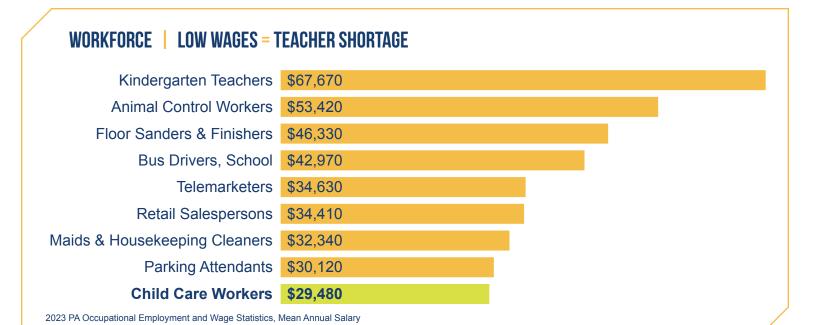
While funding for Pennsylvania's child care subsidy program continues during an impasse, Pre-K Counts and HSSAP providers are not paid, causing chaos among those programs. Currently, more than 1,200 Pre-K Counts and HSSAP pre-k providers have not been paid for over 36,000 pre-k child slots. Due to the lack of payment, some programs have had to close their pre-k classrooms or take out lines of credit with high interest rates to pay their staff. The Pennsylvania Treasury Department announced a Budget Bridge Loan program to provide Pre-K Counts and Head Start programs, as well as other direct service providers, \$500 million to help ease the financial burden of the budget impasse, offering a lower interest rate for providers to help them until there is a budget resolution. While some programs

are applying for help through the Bridge Loan program, others had to take out loans prior to the creation of the program to cover their expenses or may not meet the requirements to access a loan or be able to pay the interest back.

IN A SURVEY CONDUCTED BY THE PRE-K
FOR PA AND START STRONG PA CAMPAIGNS
IN OCTOBER 2025, 95 PKC AND HSSAP
PROVIDERS ACROSS 32 COUNTIES
HAVE COLLECTIVELY TAKEN ON NEARLY
\$20 MILLION IN LOANS TO KEEP THEIR
CLASSROOMS OPEN AND SERVE THE
WORKING FAMILIES THAT RELY ON THEM. 19

In addition, a new and recurring Child Care Recruitment and Retention line item of \$55 million was proposed in Governor Shapiro's 2025-26 budget to grant licensed child care providers participating in the state's child care subsidy program, Child Care Works, an additional \$1,000 per educator. For Pennsylvania's pre-k programs, the Governor proposed an additional \$17 million in Pre-K Counts funding to increase reimbursement rates for providers. His proposed budget flatfunded the Head Start Supplemental Assistance Program, primarily due to federal funding uncertainty.

As Pennsylvania faces an ongoing staffing crisis in the ECE workforce, mainly due to low wages, investments in these line items are crucial for addressing these challenges. The recruitment and retention funding is an essential investment to help support an underpaid child care workforce.



Currently, the average child care teacher wage in Pennsylvania is only \$15.15 an hour. Those low wages in 2025 do not provide sufficient income to meet the needs of individuals, let alone families. In fact, the workforce caring for our youngest children makes less per year than parking attendants and housekeeping cleaners, among many other betterpaid professions. Without the funding necessary to pay a livable wage, highly qualified professionals are leaving the child care sector for better-paying jobs, putting thousands of children and their families at risk of not accessing high-quality care.

In a September 2024 Start Strong PA survey, 1,140 child care providers reported more than 3,000 open staffing positions. If these child care programs had the funding to offer competitive wages and hire the necessary staff, nearly 25,320 additional children could be served. In the current understaffed climate, the families of those children must find alternate arrangements to provide care, with some likely leaving the workforce to provide care.

"IF WE DO NOT RECEIVE AN INVESTMENT TO SUPPORT RECRUITMENT AND RETENTION OF TEACHERS IN CHILD CARE, ACCESS TO HIGH-QUALITY EARLY CARE AND EDUCATION WILL CONTINUE TO DIMINISH. WITHOUT HIGH-QUALITY PROGRAMS, PARENTS WILL HAVE TO MAKE A CHOICE BETWEEN STAYING AT HOME AND STRUGGLING FINANCIALLY OR PLACING THEIR CHILD IN A LOW-QUALITY PROGRAM."

Meghan Strawcutter, M.Ed.
 Executive Director
 LOLAs Early Care and Education Center
 (Indiana County)





#### **Child Care Funding**

In Pennsylvania's state budget, two state appropriation line items support child care programming under DHS—Child Care Assistance and Child Care Services. The Child Care Assistance appropriation includes funding for child care subsidies only for families eligible and receiving TANF and/or SNAP benefits, as well as former TANF families. The Child Care Services line item supports child care subsidies for eligible families who are not receiving TANF, SNAP, or are former TANF recipients. This line also includes funding for child care quality and improvement initiatives. While some state funding is appropriated for the child care system, most of the funding is provided federally, with a 68/32 percent split between federal and state appropriations in FY 2024-25. A combination of funding makes up Pennsylvania's federal appropriations for child care programming, including the Child Care and Development Block Grant (CCDBG) (51%), TANF Block Grant (15%), Social Services Block Grant (SSBG) (2.3%), and SNAP (0.2%).

As of the enactment of the FY 2024-25 budget, which passed in summer 2024, the child care services appropriation is \$298 million, and the child care assistance line stands at \$123.3 million, for a total investment in the system of \$421.3 million.

#### **Pre-K Funding**

State funding for pre-k in Pennsylvania began in 2004 when the legislature began the HSSAP program, supplementing federal funding to allow more families to access the program. Head Start Preschool had bipartisan support based on its established quality standards and monitoring system, and began with an initial investment of \$15 million. Since then, an additional \$75.9 million has been invested in the program for a total investment of \$90.9 million, to serve 6,574 children. The success of HSSAP helped build support for creating Pre-K Counts in 2007.

Pre-K Counts began with an initial investment of \$75 million to serve over 11,000 children.<sup>20</sup> Those appropriations have grown steadily over the past 17 years. The total appropriation for Pre-K Counts is now \$317.3 million, intended to serve 30,459 children and provide program funding for providers, according to OCDEL.<sup>21</sup>

High-quality pre-k programs are being funded at over \$400 million annually to serve Pennsylvania 3- and 4-year-olds. This is an impressive investment, considering it provides funding above and beyond federal requirements for pre-k programming. Both Pre-K Counts and HSSAP have a long history of policymaker support, with many understanding the importance pre-k provides for children getting ready to enter kindergarten.

# Access to High-Quality Child Care is the First Step

For working families, access to high-quality child care is essential in Pennsylvania. Most families (72%) with young children across the state have all available caregivers in the labor force. These 476,000 children, all under 5 years old, need high-quality child care services. However, to serve these children, the providers need support in addressing the workforce challenges plaguing the child care system so that they can provide the care their communities need. Some

of those challenges include staffing shortages due to low wages and high operating costs to serve children in a high-quality, safe environment. Additionally, families that live in rural communities, work evening and night shifts, or have infants and toddlers, are more likely to find child care availability is very limited for their needs.<sup>23</sup> Shown in the table below is the breakdown of child care providers serving children in each county, as well as the percentage of those providers who are considered high-quality. Across Pennsylvania, only 34% of child care providers are considered high-quality.

#### CHILD CARE PROVIDERS SERVING CHILDREN UNDER 5-YEARS OLD BY COUNTY24

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High- Quality Providers
Pennsylvania	4,108	997	570	5,675	34%
Adams	14	17	1	32	22%
Allegheny	401	67	68	536	22%
Armstrong	13	5	2	20	25%
Beaver	42	7	3	52	27%
Bedford	10	3	3	16	69%
Berks	103	12	7	122	37%
Blair	33	3	4	40	48%
Bradford	16	3	2	21	52%
Bucks	190	10	6	206	47%
Butler	52	8	4	64	22%
Cambria	34	4	8	46	48%
Cameron	1	1	0	2	50%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High- Quality Providers
Carbon	23	1	0	24	54%
Centre	37	11	3	51	43%
Chester	161	14	16	191	36%
Clarion	6	0	1	7	29%
Clearfield	11	9	11	31	26%
Clinton	6	2	2	10	30%
Columbia	17	4	1	22	36%
Crawford	26	4	3	33	76%
Cumberland	68	13	4	86	33%
Dauphin	108	33	12	153	31%
Delaware	219	35	31	285	26%
Elk	6	9	0	15	33%
Erie	82	33	19	134	46%



#### CHILD CARE PROVIDERS SERVING CHILDREN UNDER 5-YEARS OLD BY COUNTY (CONTINUED)

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High- Quality Providers
Fayette	29	0	2	31	32%
Forest	0	0	0	0	-
Franklin	20	21	6	47	11%
Fulton	2	1	0	3	67%
Greene	3	9	2	14	14%
Huntingdon	5	4	4	13	23%
Indiana	11	5	3	19	53%
Jefferson	10	1	2	13	31%
Juniata	1	0	1	2	50%
Lackawanna	67	4	3	74	49%
Lancaster	99	44	19	162	37%
Lawrence	23	2	3	28	64%
Lebanon	16	27	15	58	34%
Lehigh	144	126	11	281	31%
Luzerne	95	8	30	133	43%
Lycoming	26	8	2	36	36%
McKean	6	1	1	8	50%
Mercer	19	10	9	38	24%
Mifflin	5	5	2	12	42%
Monroe	52	2	0	54	41%
Montgomery	312	19	8	339	34%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High- Quality Providers
Montour	7	3	0	10	60%
Northampton	86	8	2	96	36%
Northumberland	17	3	9	29	14%
Perry	9	3	2	14	29%
Philadelphia	1,023	300	175	1,498	33%
Pike	8	1	0	9	44%
Potter	3	1	0	4	0%
Schuylkill	33	5	8	46	30%
Snyder	6	2	3	11	18%
Somerset	15	1	8	24	21%
Sullivan	2	0	0	2	50%
Susquehanna	6	2	5	13	15%
Tioga	15	5	1	21	57%
Union	4	0	1	5	40%
Venango	13	4	2	19	58%
Warren	8	4	0	12	25%
Washington	51	6	0	57	39%
Wayne	14	3	3	20	25%
Westmoreland	74	8	6	88	45%
Wyoming	2	1	0	3	33%
York	88	32	11	137	27%

Families often rely on a multitude of child care arrangements to ensure their children are cared for while they work. However, as the number of high-quality child care providers dwindles

across Pennsylvania, access to care options is scarce. Start Strong PA, a statewide issue campaign advocating for high-quality child care, commissioned a survey to hear directly from

parents about their ability to access high-quality child care, and 70% of working parents reported that accessing child care is a challenge.<sup>25</sup> Currently, only 23% of the 104,470 infants and toddlers eligible to participate in Child Care Works are served, leaving over 80,000 (77%) of eligible infants and toddlers unserved in child care programs statewide. Further, when examining children under age 5, there are 128,485 children eligible for Child Care Works unserved, which amounts to 72% of eligible children.<sup>26</sup>

The largest challenge impacting child care access is the workforce shortage most child care providers are facing, which results in classrooms being unable to be filled or open at all. Since 2019, there has been a net loss of 393 child care providers in Pennsylvania, leaving hundreds of families without child care options.<sup>27</sup>

#### **Child Care Affordability**

The Child Care Works program seeks to provide low-income families with assistance to afford care for their children. Families who receive child care subsidies pay a co-pay for care, which costs as little as \$5/week and cannot exceed 7% of a family's annual income. The co-pay amount varies according to family size and income. To qualify for child care subsidies, eligible families must earn less than 200% of the Federal Poverty Income Guideline (FPIG) to qualify for the program. Until recently, families earning more than 235% of the FPIG were no longer eligible for child care subsidies. However, in the 2022-23 state budget, eligibility for subsidized child care was allowed until a family reaches 300% FPIG (\$96,450 for a family of four) or 85% of the state median income, whichever is lower, before transitioning off the program. While the eligibility period was extended

for families, initial eligibility to qualify for the program must still be met at 200% FPIG (\$64,300 for a family of four).

Funding for Child Care Works is provided by both state and federal appropriations. The federal Child Care and Development Block Grant (CCDBG) Act authorizes the Child Care and Development Fund (CCDF). OCDEL administers the CCDF and outlines how federal funds can be used to provide financial assistance to low-income families to access child care. States must develop plans to show how they will provide that assistance so caregivers can work or attend job training or an educational program. States also must provide a match for a portion of their CCDF dollars and may allocate additional funds for child care through their state budgets. OCDEL makes payments directly to providers through the Early Learning Resource Center network, called "base subsidy payments" to help support the cost of subsidized care to individual children. The base subsidy payments are determined through a market rate survey process conducted by OCDEL with information provided by providers, which is completed every three years. The most recent survey was finalized in 2022 and the state is currently in the process of conducting another market rate survey, which should impact the base payment rates beginning in FY 2027-28.

A market rate survey (MRS) examines the fees that child care providers typically charge, and parents typically pay, per unit of care in the priced child care market. The objective of the market rate survey process is to understand the price private pay families are being charged for child



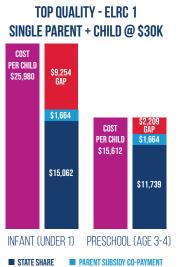
care services by providers, so that payment rates can be set to allow child care subsidy-eligible families equal access to the full range of child care available to private pay families. CCDBG requires states to enable eligible families to enroll their children in any type of child care program. The market rate survey responses given by child care providers, however, often reflects the price that families can afford to pay, not the actual cost of care providers spend to serve children. This leaves a gap between the actual cost of care and the rate child care providers charge families. To better calculate the actual cost of care, using a cost-model as an alternative to a market rate survey is a preferred method. The federal Office of Child Care recommends setting subsidy rates at the 75th percentile or higher of the current market rate to ensure equal access to child care for families in the subsidy program when using this method of reimbursement. In the most recent FY 2024-25 budget, federal funding was allocated to meet the federally recommended child care reimbursement rate of the 75th percentile, which is a step in the right direction for Pennsylvania, but still insufficient for providers to address the actual cost of care for infants and toddlers. Even at the recommended 75th percentile, onequarter of programs operate at a financial loss when providing services for children who receive subsidies over families who pay the private tuition rate.<sup>28</sup> Further, the increase in subsidy rates will only help providers to the extent that they serve families participating in the Child Care Works program. Providers who only accept private-pay families or serve a limited number of subsidized children will see no or minimal impact. Therefore, the effect of the subsidy rate increase will limit the impact on stabilizing the child care workforce.

#### **Determining Reimbursement Rates**

Market rate surveys are ineffective in determining subsidy base rates because they only account for the price of care charged to the family, rather than the actual cost of providing the care. Because providers serving families struggling financially often help by under-charging for their services, they report a depleted rate and in turn, receive only a percentage of that in return, causing market rate surveys to deepen inequities in communities where families cannot afford high-cost child care. This means child care providers in those communities ultimately receive lower subsidy reimbursement rates than those in communities where families can afford higher child care costs. The impact of using a market rate survey system to determine base subsidy payments exacerbates low quality and low wages, while also disproportionately affecting people and communities of color.29

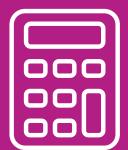
#### REGION 1: CRAWFORD, ERIE, MERCER, VENANGO





ELRC Region 1 child care centers, at a minimum, receive 77% of infant costs and see an annual profit of \$163 for preschool subsidized care. Top quality providers have a cost gap of 35% (\$9,254) for infant care and 14% (\$2,209) for preschool care per child.<sup>30</sup>

A much more effective way of determining appropriate subsidy rates is to understand the true cost of care better.



A robust early learning system rests on understanding the true cost of high-quality care. The price that providers charge and parents pay in a particular region does not ensure that the proper policies are developed to increase equitable access to high-quality care. Basing the subsidy rate on an already depressed market rate instead of the true cost of providing child care forces child care programs into a risky business model, reinforces low compensation for staff, and lowers quality, even when the program is committed to high quality. A cost estimation model

will help Pennsylvania understand the cost of providing child care in all program types, for all ages served, at all levels of quality, in all regions of the commonwealth. It incorporates available data and certain assumptions to estimate expected costs for running a child care business. The assumptions used in a cost estimation model often relate to the structure of a program. This can include the number of children, the facility size, the group size, and teacher-to-child ratios, as well as labor, materials and supplies, food service, administration, and transportation. A payment methodology based on modeling will lead to payments that reflect the costs of providing quality child care, likely resulting in a market-driven reason for providers to participate in CCW as a provider or to serve more subsidy-eligible children. We must not continue to perpetuate the broken child care market. A key factor in establishing a better foundation is child care worker compensation, along with the policies and mechanisms implemented to reimburse child care programs.

Pennsylvania Association for the Education of Young Children. Op cit.

#### Infant/Toddler Contracted Slots

OCDEL created an Infant/Toddler Contracted Slots Pilot to help high-quality child care providers afford the cost to provide care for infants and toddlers, since that cost of care is higher than providing care for preschool and schoolage children. This grant program awards high-quality child care providers "slots" and the funding for the slot remains with the provider rather than following a child. The goal of the pilot was to establish and study a new fiscal model that promoted equal access and supply-building of high-quality care for



infants and toddlers. The 2-year pilot was successful, allowing programs to achieve greater financial stability, hire and retain more qualified staff, increase classroom quality and stabilize enrollment for infants and toddlers. The pilot also allowed programs to hire qualified staff in the first year. In June 2024, OCDEL updated the program to add STAR 3 & 4 family child care providers to the list of eligible providers to participate in the program. Additionally, the program was also expanded to pilot a Contract Slots for Children with Disabilities program for FY 2025-26.



#### **Private Pay Child Care Tuition**

Families who are ineligible to receive Child Care Works are considered "private pay" families and are required to pay the full cost of tuition directly to their child care provider. Private pay families are essential clients in the child care system. and the majority of families receiving child care across the state are considered private pay. Most providers depend on them to offset the low reimbursement subsidy rates provided for children enrolled in Child Care Works, since the true cost of care is significantly more than the subsidy rates. However, understanding the financial crisis many families with children face, there are limits to what providers can charge to ensure they enroll children and make their program an affordable option compared to other child care providers in their service market. Private pay rates are essential for determining the subsidized child care rate that providers are paid in their particular region, yet even those rates are insufficient to cover the true cost of care. Providers cannot charge families the true cost of child care expenses, leaving many of them one crisis away from shutting their doors. Inflation has significantly increased costs for providers, from wages to rent to utilities. Providers are struggling to address these rising costs to avoid closures, which, in turn, will impact families' ability to find care.

## Child Care Affordability Impacted by Child Care Workforce Shortage

In the last two budget cycles, legislators have attempted to address the affordability issue in the child care sector through tax credits, which are minimally helpful but do not directly invest in the long-term changes needed to truly

stabilize the sector. In the FY 2023-24, the state expanded the Child and Dependent tax credit, which allowed families to claim child care costs on their 2023 tax returns. For a family with one child under 12 years old, the credit provided was \$1,050, compared to \$315 for the year prior. In a household with 2 children under 12, families could claim \$2,100, compared to \$630. These credit amounts do not even cover the average cost of one month of child care. In the most recent budget for FY 2024-25, a child care tax credit was implemented beginning with the 2025 tax year for businesses operating within the commonwealth that were directly contributing to their employees' child care expenses. The tax credit equals 30% of the total contributions an employer makes toward child care expenses for their employees, only counting the first \$500 in contributions made per employee. This credit was implemented to incentivize businesses to contribute to child care costs for their workforce, however, it is not going to completely solve the issues of affordability for families due to the rising costs of child care operations and the need to fund the workforce fully. In fact, it is imperative to reiterate that investments in early childhood education programs lead to long-term cost savings for the economy, with a yield of anywhere between \$4 and \$9 in return per \$1 invested, even greater than those seen through tax credits.32

The history of inadequate funding for the child care system has led to issues of supply and demand, impacting a family's ability to find affordable, high-quality child care. An adequately funded child care system allows for child care providers to be compensated fairly to pay for their teachers and business costs, including

rising liability insurance costs, all while continuing to serve the children and families that rely on their services. A study conducted by Penn State Harrisburg Institute of State and Regional Affairs found the median cost for personnel represents approximately 70% of a child care program's budget.<sup>33</sup> The care for infants and toddlers is much greater than that for older children, largely due to the staff-to-child ratio requirements necessary to comply with the state's child care regulations and maintain a safe learning environment. The child care sector is unique in that it requires these staff-to-child ratios to ensure the health

and safety of the children in care. Pennsylvania's regulations reflect that importance and prioritize quality care as a key factor in child development. However, maintaining a quality care environment is expensive and as child care programs move higher in Pennsylvania's quality rating system, additional requirements must be met by the staff to maintain those high-quality practices. Because child care providers are forced to set their weekly child care rates low to ensure families can afford the service, many cannot adequately compensate their professional staff, leading to the statewide workforce crisis.

#### PENNSYLVANIA REQUIRED CREDENTIALS FOR CHILD CARE LEAD TEACHERS

#### Lead Teachers must attain:

- A bachelor's degree in early childhood education, child development, special education, elementary education, or the human services field; or
- A bachelor's degree from an accredited college or university, including 30 credit hours in early childhood education, child development, special education, elementary education, or the human services field, and one year of experience with children; or
- An associate degree in early childhood education, child development, special education, elementary education, or the human services field and two years of experience with children; or
- An associate's degree includes 30 credit hours in early childhood education, child development, special education, elementary education, or the human services field and three years' experience with children.

#### **Assistant Teachers must attain:**

- A high school diploma or a general educational development certificate and 30 credit hours in early childhood education, child development, special education, elementary education, or the human services field; or
- A high school diploma or a general educational development certificate, including 600 or more hours of secondary training; or
- A high school diploma or a general educational development certificate, 15 credit hours in early childhood education, child development, special education, elementary education, or the human services field, and one year of experience with children; or
- A high school diploma or a general education development certificate and completion of a postsecondary training curriculum; or
- A high school diploma or a general educational development certificate and two years of experience with children.



Caregiver disruptions impact the bond young children form in the classroom, ultimately disrupting a child's ability to learn and progress developmentally.<sup>34</sup> It can also cause stress for families, given the varying expectations and relationships between the teacher, child, and family. The educators who interact with the children every day have the most significant demonstrated impact on child outcomes, as teachers are at the very center of quality. Making investments in the early care and education workforce is critical to ensuring high-quality experiences for children.

The value of human interaction is why it is so vital for the FY 2025-26 state budget to include an investment in recruitment and retention to help alleviate the staffing crisis most providers are facing. The ongoing funding would provide up to \$1,000 in a bonus payment to providers that maintain a child care subsidy agreement with the commonwealth to help retain current teaching staff. As of August 2025, over 5,700 child care programs would be eligible to apply for the bonus payment.<sup>35</sup> Further, child care providers could also apply for recruitment funding to help attract more teachers for positions that need to be filled, such as through hiring bonuses.

The teacher shortage in child care is not unique to Pennsylvania. Many other states are also facing this crisis; however, several states have invested in initiatives similar to the recruitment and retention initiative Start Strong PA has been advocating for to reduce turnover rates. Some of those initiatives include:

#### Georgia

- Increasing base salaries for GA Pre-K program certified lead teachers by \$2,500 and assistant teachers by \$5,551.36
- \$25 million (FY 2025)
- Increase salary for assistant Pre-K teachers to provide parity with K-12 paraprofessionals (\$14,752,422) and improve salary parity between Pre-K lead teachers and K-12 teachers by moving to the State Board of Education salary schedule (\$4,682,380).
- \$19,434,802 million (FY 2025)
- · Governor: Republican
- Legislature Majority: Republican
- State Population: 11,180,87837

- Child Population 0-4: 637,970<sup>38</sup>
- FY 2023 and FY 2024 included increases in base salary of \$2,000/year for state pre-k assistant and lead teachers.
- FY 2015-16 first enacted pay parity policy, which is a supplement to the base salary based on years of experience.

#### **Minnesota**

The Great Start
 Compensation
 Support Payment
 program provides
 permanent monthly
 support to all eligible
 providers through



Minnesota Statute, chapter 119B.27.

 \$316 million FY 2024-25 and \$260 million FY 2026-27

· Governor: Democratic

Legislature Majority: Split

State Population: 5,793,151<sup>39</sup>

Child Population 0-4: 325,780<sup>40</sup>

#### **Outcomes of their investments:**

- A provider survey of the Great Start
   Compensation program indicated that most participants are satisfied with the program:
  - 68% of licensed family child care programs strongly agree.
  - 84% of licensed centers and 83% certified child care centers either strongly agree or somewhat agree.

Results suggest that the program is associated with increased staff retention:

- 83% of both licensed centers and certified centers agreed that the funds helped retain staff, with licensed centers agreeing more strongly.
- Just over 60% of both licensed and certified center respondents agreed that Great Start Compensation funds helped them attract and hire new staff.

#### Virginia

Recognize
 B5 is a crucial
 component of
 the VA's Quality



Measurement and Improvement System (VQB5), providing direct financial incentives to support the retention of child care teachers and thereby reducing workforce turnover. It is open to lead and assistant teachers working in publicly funded children's care and family day homes that are actively participating in VQB5. Participating teachers must meet and maintain all eligibility requirements to receive the financial incentive.

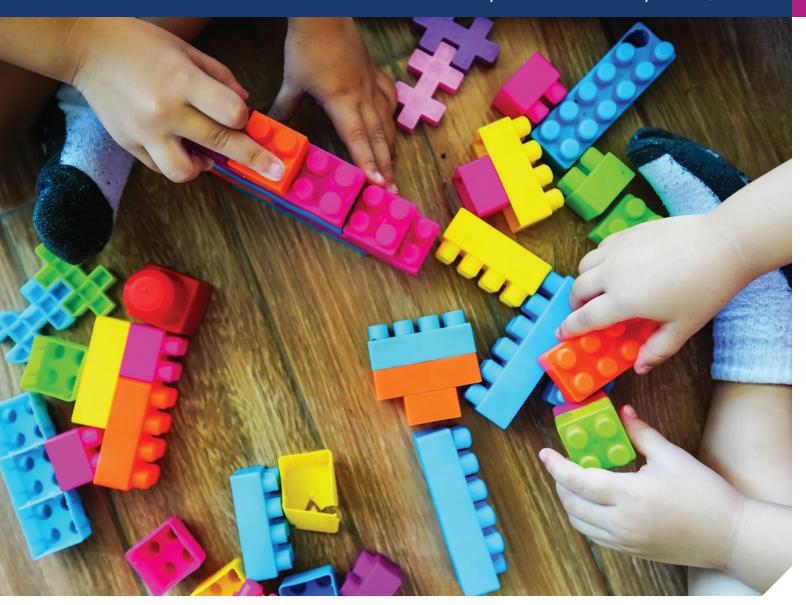
- \$10 million (FY 2025) serving nearly 16,000 early childhood educators
- Governor: Republican
- Legislature Majority: Democratic
- State Population: 8,811,19541
- Child Population 0-4: 482,882<sup>42</sup>

#### **Outcomes of their investments:**

 Recognizing B5 has proven to be an essential program that has supported thousands of child care and family day home educators during Virginia's recovery from the COVID-19 pandemic.

Pennsylvania cannot wait any longer to address the workforce shortage in child care and reap the benefits of a thriving early learning system that supports all families. Without direct investments, child care access and affordability will continue to hinder available high-quality options for families, which in turn will hurt our youngest Pennsylvanians. More information on other states' recruitment and retention efforts can be found on Start Strong PA's website.





## High-Quality Child Care Makes a Difference

When building a strong, stable, and impactful early care and education system, prioritizing investments in high-quality programming is key because it allows for the most significant return on investment. As noted earlier, children, particularly infants and toddlers participating in high-quality child care have shown positive, long-term, and multi-generational impacts in education, employment, and health.<sup>43</sup>

High-quality child care programs:

- Offer safe, nurturing, and responsive environments where children grow, learn, and succeed.
- Allow families to work knowing their children are safe with qualified and caring educators.
- 3. Foster the physical, social, emotional, and cognitive development of young children.

To track the quality of child care programs and provide families with a tool to understand better

the quality of child care programming their children attend, Pennsylvania launched a quality rating and improvement system (QRIS), known as Keystone STARS, in 2003. As one of the first states to launch a rating system, Pennsylvania served as a model for other states in the development of their own QRISs. The QRIS uses research-based standards including:

- Staff qualifications and professional development
- Programming (curriculum, classroom environment)
- · Partnerships with family and community
- Leadership and management (business practices)

Keystone STARS is a tool used to achieve four primary goals:

- 1. Improve the quality of child care.
- 2. Provide families a way to gauge and choose a quality child care program.
- 3. Support child care providers to meet their quality improvement goals.
- 4. Recognize and reward programs for improving quality and meeting higher standards.

Levels include STAR 1 through STAR 4, with STAR 3 and 4 programs considered to be high-quality. As of 2017, all child care programs that meet the basic health and safety standards put forward in Pennsylvania's child care regulations are able to become licensed and receive a STAR 1 rating, with the option to move up in quality ratings by meeting additional standards. As child care programs advance in the quality rating scale, the requirements in each area increase. A licensed



child care program must meet all STAR 1 and 2 required quality indicators and two additional STAR 3 and 4 quality indicators. All other quality indicators are optional and points-based, so programs can choose which indicators they want to meet. STAR 3 programs must earn a minimum of 70% of the possible points in each of the four Performance Standard categories in addition to the required indicators. To be designated STAR 4, programs must earn a minimum of 85% of possible points in each of the four Performance Standard categories in addition to the required indicators.

Reaching a high-quality rating provides programs with financial support to achieve quality improvement and encourage continued advancement. Child care programs that achieve a STAR 2 or higher receive an "add-on" to their Child Care Works subsidy payment rates per child, recognizing their efforts in working toward high-quality programming. The amount of the "add-on" grows with each higher STAR level achieved.

Currently, only 49% of all child care capacity in the state currently meets high-quality standards, and

Continued on next page

only 40% of child care providers serving children under 5 in subsidized child care are high-quality.<sup>48</sup> This means that only about half of Pennsylvania's children are receiving quality care and education before they enter school, compared to basic supervision and physical safety as is minimally required.

Further, access to high-quality programs also highlights more disparities within Pennsylvania's early care and education system. Based on state data provided by OCDEL, in March 2025, more than 1 in 4 (27%) income-eligible infants, toddlers, and preschoolers who are Black, Indigenous, and children of color participated in Child Care Works, with only 48% of them enrolled in a high-quality child care program. For the 12% of incomeeligible non-Hispanic white infants, toddlers and preschoolers participating in Child Care Works, 56% of them were enrolled in a high-quality child care program.<sup>49</sup>

Teacher-child relationships, as mentioned, also play a critical role in quality environments. In addition, well-equipped and resourced facilities enhance child development and program quality, as the learning environment is one of the "structural dimensions of care" that influence quality, according to Shonkoff and Phillips' From *Neurons to Neighborhoods.* Physical space sets the stage and creates the context for everything that happens within a learning environment, and the facilities and classroom materials also play a vital role in developing the cognitive, social, emotional, and physical skills of infants and toddlers. 51 High-quality child care programs are the first step in a child's academic continuum, helping infants and toddlers develop the skills needed to succeed in a pre-kindergarten program before entering school. This underscores the importance of having a workforce available to staff child care centers, providing children the opportunity to attend high-quality care.

#### SUBSIDIZED ENROLLMENT BY RACE OF INFANT, TODDLER AND PRESCHOOLER Two or more 53% in high-quality races/ethnicities Hispanic or 49% in high-quality Latinx Non-Hispanic 47% in high-quality Black Non-Hispanic 61% in high-quality Asian Non-Hispanic 56% in high-quality White 25.000 5,000 10,000 15,000 20,000 0 **High-Quality** Not High-Quality Hispanic or Latinx enrollment includes 38% other, 28% white, 17% unknown, 14% Black, 2% two or more races, 1% Native Hawaiian and Other Pacific Islander, less than 1% American Indian or Alaskan Native and less than 1% Asian.

The next step in the early care and education continuum for children is access to a high-quality pre-k program to build upon the skills learned in high-quality child care and prepare Pennsylvania's 3- and 4-year-olds to enter kindergarten with the skills needed to succeed. While the benefits of accessing a high-quality pre-k system are substantial for children and teachers in the K-12 system, far too many children do not have access in Pennsylvania.

The largest pre-k program in the state,
Pennsylvania Pre-K Counts, was adopted as Act
45 to the Public School Code in July 2007. Pre-K
Counts provides eligible 3- and 4-year-olds the
once-in-a-lifetime opportunity to attend high-quality,
publicly funded half- or full-day pre-k. Eligible
families can earn up to 300% of the FPIG, filling
the gap between families eligible for federal Head
Start Preschool and those that cannot afford to pay
the full cost to attend a pre-k program. Children
who are English Language Learners or those with
an increased risk of barriers due to community
factors, academic difficulties, or economic
disadvantages are also eligible.

In addition to Pre-K Counts, Pennsylvania also invests in a state Head Start Supplemental Assistance Program (HSSAP), making it only one of a handful of states to supplement federal funding for Head Start Preschool programming. The Head Start Preschool program was launched nationally in 1965, with Early Head Start established in 1994. Working in tandem, Early Head Start and Head Start Preschool provide comprehensive programming specifically designed to specialize in the complex needs of children birth-to-age-5 living in poverty, children with disabilities, children in foster care, children experiencing homelessness, and children receiving SNAP.<sup>53</sup>

Families must earn 100% FPIG (\$32,150 for a family of four) or less to be eligible for the program.

Early Head Start serves low-income pregnant women, infants and toddlers from birth-to-age-3, and their families. Specifically, the program addresses economic, health, and psychosocial stressors low-income families may be experiencing. The program also includes parental supports, access to health and mental health services, education, and job training.

Head Start Preschool serves children between the ages of 3 and 5 and includes four main components of its programming: education, health, parent involvement, and social services. The program seeks to provide various educational experiences for children to help them grow academically, socially, and emotionally. It also ensures children have timely health services such as immunizations, dental care, medical care, mental health, nutritional services, and early identification of health-related problems. Further, the program ensures caregivers are involved in planning and implementing activities for their children and is a partner in helping identify any social services that may benefit families. Services

#### **Pre-K Counts and Head Start Providers**

Pre-K Counts providers must meet specific requirements and apply for a competitive grant every five years. A strength of Pennsylvania's current pre-k programming is its mixed-delivery system, which offers high-quality program options that best suit each family's needs. Eligible providers may include Head Start Preschool programs, licensed nursery schools, child care centers and group child care homes with a



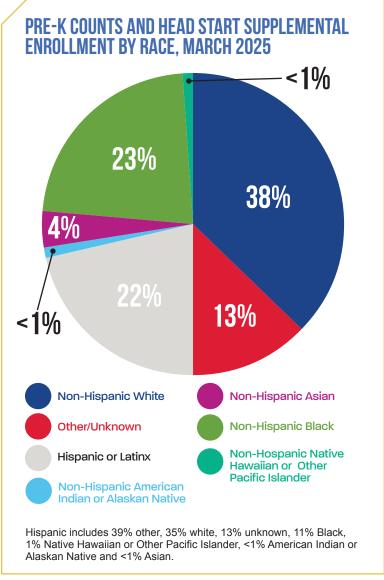
Keystone STAR 3 or 4 rating, school districts, or third-party entities that carry out the fiduciary and lead agency responsibilities for entities eligible to operate program classrooms.<sup>59</sup>

A Head Start Preschool program is available to children in every Pennsylvania county except Sullivan County. Head Start Preschool providers must apply to the federal government to operate as a Head Start Preschool grantee and follow a comprehensive set of Performance Standards that ensure high-quality education is provided. 60 Most Head Start Preschool programs are in centerbased locations. However, in some rural areas of the state. Head Start Preschool may be offered as a home-based program where home visitors bring the program to families in their homes. 61 Presently, there are 675 Head Start Preschool providers operating in Pennsylvania, providing education services for over 24,000 children, not including the nearly 6,000 children served by Early Head Start.62

#### **Access to Pre-K Programs**

Over 150,000 Pennsylvania 3- and 4-year-old children are eligible to participate in high-quality, publicly funded pre-k, yet more than half (84,000 or 56%) do not have access. More investments in pre-k programs are needed to ensure equitable access, allowing more children and families to prepare for kindergarten in a high-quality program. In a report looking at the Pre-K Counts and Child Care Works programs, researchers at Penn State University found that white preschoolers accounted for the majority of program participants in Pre-K Counts, and white children were increasingly more likely to be enrolled in a high-quality pre-k program compared to Black children. 63 Recommendations from the report specifically called for Pennsylvania to increase funding for pre-k access and to serve more Black children from urban and high-poverty communities. 64 While research has shown that all

children benefit from pre-k, the impacts are much greater for children who are at-risk of falling behind due to economic and social factors. As of March 2025, only 23% of all children served in the Pre-K Counts or HSSAP programs are Non-Hispanic Black, compared to 38% of children identifying as Non-Hispanic White. It is also important to note that there are limitations with this data, as with all data collected and analyzed.\*



<sup>\*</sup> This point-in-time data may not replicate enrollment in other months or years. It reflects the 33,948 children enrolled in only two Pennsylvania high-quality pre-kindergarten programs and does not account for the children who might enroll in the 2,442 unfilled slots in March 2025. A total distinct count of children enrolled in all publicly funded, high-quality pre-k programs within Pennsylvania is not available and would lessen the limitation within this pre-k analysis (As noted within the report, this includes pre-k offered through Head Start, Pre-K Counts, Philadelphia pre-k (PHLpreK), school district pre-k programs, as well as child care provided in Keystone STAR 3-4 centers and group child care homes participating in the Child Care Works program for preschool-age children).

#### **High-Quality Pre-K Makes a Difference**

In Pennsylvania, high-quality, publicly funded pre-k is provided in a variety of settings (known as a mixed-delivery system) to allow the greatest flexibility for families in finding a program that fits their needs. Most Pre-K Counts providers are high-quality child care programs, accounting for 47% of the Pre-K Counts locations across the state. The With nearly half of all PKC providers operating within child care programs, the workforce shortage is having significant implications within the pre-k sector as well. Many programs are unable to staff classrooms, leaving families without options to provide their children with a high-quality early learning experience.

A skilled teaching workforce is a critical component of providing high-quality pre-k programming. Educational effectiveness in early childhood education requires educators to have specialized knowledge in child development. This specialized content knowledge supports children's cognitive, social, emotional, and physical development, laying the foundation for all future learning competencies. Teachers need to be equipped not only to teach the curriculum but also to understand how to instruct young children and develop relationships with them. Stable, consistent relationships are best for young children as they develop social, emotional, cognitive, and physical skills. Yet, while quality expects and demands

#### PENNSYLVANIA LEAD TEACHER EDUCATION AND TRAINING COMPARISONS<sup>72</sup>

#### **Head Start Preschool**

- Education: Associate,
   Bachelor's, or advanced
   degree in child development
   or ECE- or in a related field
   with coursework equivalent
   to a major relating to ECE
   and experience teaching
   preschool children
- Complete a minimum of 15 clock hours of professional development per year

#### **Pre-K Counts**

- Education: Bachelor's degree and ECE certificate
- Must complete a minimum of 24 post-baccalaureate credits to convert from Instructional Level I to Level II within six years
- Participation in a PDE approved teacher induction program
- 150 hours of Act 48 approved professional development every five years to maintain certification

#### Pre-k to Grade 4

- Education: Bachelor's degree and ECE certificate
- Must complete a minimum of 24 post-baccalaureate credits to convert from Instructional Level I to Level II within six years
- Participate in a PDE approved teacher induction program
- 150 hours of Act 48 approved professional development every five years to maintain certification

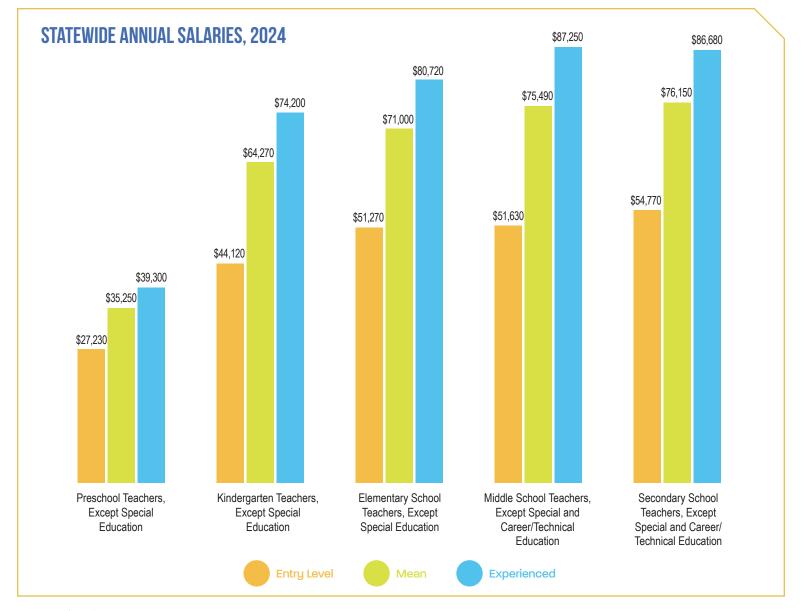


the appropriate knowledge and credentials of professionals, the compensation for pre-k teachers remains significantly lower than their colleagues in K-12 settings.

The pay disparity between early childhood educators and educators in the K-12 system is significant and leads to high turnover and staffing shortages, which plagues the early care and education system in Pennsylvania and only further deepens the ability to access high-quality programs. And as mentioned, with child care

programs making up nearly half of Pre-K Counts providers in the state, the workforce crisis they are facing with low-wages and staffing shortages, coupled with the pre-k staff shortages, is leading the state into a very dire situation when it comes to being able to provide quality early education.

Presently, 23 states have established pre-k salary parity policies with K-12 teachers, with a goal to raise the salary of a pre-k teacher with a similar level of education and qualifications as their K-12 counterparts. Pennsylvania is not on that list.



As shown in the above table, the requirements to be a lead teacher in Pre-K Counts mirror those of lead teachers with a state-issued PK-4 teaching certificate, yet the average salary for preschool teachers in the state is \$35,250 compared to \$64,270 for kindergarten teachers.<sup>74</sup> In a time when the cost of living is rising significantly, teachers are going to take positions that pay more.

# Pennsylvania's Head Start Supplemental Assistance Program (HSSAP)

Head Start programs serve as one of Pennsylvania's essential high-quality pre-k programs throughout the commonwealth. In fact, Pennsylvania is one of only a few states that appropriates funding beyond what is allocated by the federal government to provide a state-based Head Start program. This investment allows an additional 6,579 children to participate in the program, providing those families with a safe, high-quality learning environment they might not otherwise have access to.

Nationally, Head Start is the flagship direct investment by the federal government in early childhood programming, serving approximately one million children and families annually. In 2025, Head Start is celebrating 60 years of providing early learning services to young children across the country, along with offering educational and employment support to parents to benefit the entire family. The structure of Head Start programs focuses on four pillars: High-quality education, health, parent engagement and support, and local design. This structure is at the core of each Head Start program to serve the whole child and family. While providing high-quality education is at the forefront of Head Start programs, ensuring

# HEAD START MAKES A DIFFERENCE FOR YOUNG CHILDREN

"I have been a Head Start parent for a little over 2 years now. My son Jay'ceon is 5 years old and autistic. I was worried about him starting school but the teachers and staff at Head Start were absolutely amazing with him. He's going to kindergarten this year and my 3 yr old daughter is starting Head Start. Jayceon has shown so much improvement with social skills, speech and occupational therapy. He's learned how to control his emotions when he's overwhelmed. He's made so many connections while attending the Head Start program. Even meeting all of his milestones. Renee is our intensive case manager and she has been such an amazing person from support to keeping us caught up on goals we set and appointments. Goal setting has been my biggest improvement as a parent."

#### - Sierra Randall

Pennsylvania Head Start. (2025). Head Start Voices. https://paheadstart.kudoboard.com/boards/OHdseSMh

that children and families have the necessary resources to succeed is also a top priority.

Head Start also serves a critical role in
Pennsylvania in helping to bridge the gap in
rural communities where high-quality child care
may be limited. A 2018 analysis from the Center
for American Progress found that Head Start
programs nationally represented 22% of the overall



child care slots in rural communities, including available home-based care. Approximately 46% of all funded Head Start slots are in rural congressional districts, compared with 32% in suburban districts and 22% in urban districts; and 96% of rural congressional districts have at least one Head Start grantee, compared with 83% of suburban districts and 81% of urban districts.

#### **Head Start Funding**

Head Start Preschool in Pennsylvania is operated through federal grants and state funding, which is awarded to local Head Start Preschool providers across the state. The Commonwealth's investment in Head Start Preschool was the first



investment Pennsylvania made to support pre-k programming in the state. The initial investment of \$15 million in 2004 was made to start the Head Start Supplemental Assistance Program (HSSAP), giving 2,469 children access to Head Start Preschool across 39 counties. Since then, nearly \$76 million has been invested, bringing the total investment to almost \$100 million in the program.

Federally, Head Start Preschool programming is administered by the U.S. Department of Health and Human Services under the Administration for Children and Families. As part of Head Start Preschool, the federal government has developed a comprehensive set of Head Start Performance Standards, which were designed to ensure programs meet safety and quality benchmarks.

Within Pennsylvania's program, HSSAP is overseen by the Office of Child Development and Early Learning (OCDEL), under the Department of Human Services, and the Department of Education. The standards put forth by the state are built on the regulations federally to ensure all Head Start programming is of the highest quality.

# Head Start Benefits Pennsylvania's Children

Head Start Preschool is an influential program for the young children and families it serves. Children participating in Head Start Preschool are more likely to complete high school, enroll in college, and complete college. Those children are also less likely to be arrested, enter foster care, and experience poor health.<sup>81</sup> Additionally, research has shown that the benefits of Head Start Preschool transfer substantially from one generation to the next, making it a generational high-quality

program. Specific to Pennsylvania, Penn State University conducted a longitudinal study, which began in 2002 and followed 356 children from 26 Head Start Preschool centers across three counties in the state.82 Half of the children participating in the study received an intervention that consisted of a social-emotional learning curriculum focused on developing friendship skills and emotional knowledge, along with an interactive reading program to support language development. The data from that study showed that students receiving the intervention improved their social-emotional behavior and experienced fewer high school behavioral problems and emotional symptoms. It also found that those children had higher GPAs and graduated on time compared to the group of children who did not participate in the intervention.

# Federal Challenges Threaten Head Start Programs

Even though Head Start is celebrating 60 years of ongoing investments in our country's most vulnerable children and families, there have been several recent challenges to the program federally. The Trump Administration has brought a lot of attention to the Head Start Preschool program and has suggested eliminating it, which would be detrimental to the children and families that participate in and rely on it. Project 2025 called for the elimination of Head Start, as did a proposal also found in a leaked draft of President Trump's budget. However, his budget request ultimately did not include the elimination after nationwide advocacy to protect the program occurred. Additionally, in January 2025, a federal funding freeze for Head Start severely disrupted services and nearly led to program closures. There have



also been other attempts to destabilize Head Start, such as the closure of half of the regional Head Start offices responsible for overseeing grants and providing technical assistance. And although Pennsylvania's regional office was not impacted, the Philadelphia Regional Office has picked up 8 additional states it must manage now, significantly impacting its day-to-day work. Most recently, the U.S. Department of Health and Human Services sought to block immigrant families from participating in Head Start based on their immigration status. Fortunately, a preliminary injunction has been issued to block that directive, but Head Start will continue to face challenges. With the uncertainty federally, there is some hesitancy at the state level to invest additional funding into the program when continued federal funds are not guaranteed.

## **CONCLUSION**

The evidence is clear that access to a high-quality early care and education system positively impacts the lives of Pennsylvania children and prepares them for a successful life. Unfortunately, the state is falling short for children across the commonwealth and for the providers investing their time, money, and careers to teach our youngest children. The failure to pass an on-time budget has had detrimental effects on child care and pre-k providers statewide, and ultimately on the children and families that rely on high-quality care.

A thoughtful, ongoing approach is needed to continually elevate the benefits of the early care and education system and workforce, ensuring Pennsylvania's children have the best chance for success. Targeted investments are needed in the workforce, quality supports, and family eligibility to stabilize the system and allow more families an opportunity to access high-quality care. It also requires collaboration with families, providers, policymakers, advocates, and other stakeholders to ensure the implemented policies achieve the intended changes. Working together, Pennsylvanians can build an early care and education system to be a leading model within the nation while solidifying our state's future for upcoming generations.

#### Investment Recommendations to Strengthen Pennsylvania's Early Care and Education System

#### FY 2025-26 State Budget

- Support the proposed investment of \$55 million in a new and recurring Child Care Recruitment and Retention line item to grant licensed child care providers participating in the child care subsidy program, and an additional \$1,000 per educator.
- Support the proposed investment of \$17 million in Pre-K Counts to help stabilize early learning providers by increasing reimbursement rates per child to help address the staffing shortages caused by low wages.
- 3. Include an investment of \$9.5 million for the Head Start Supplemental Assistance Program to help stabilize the Head Start workforce.

Moving beyond the FY 2025-26 budget, it is imperative that Pennsylvania take a multi-year approach to stabilize our early care and education system, through targeted investments that provide quality supports for providers and educators, while also offering families access to high-quality programs from birth until their child enters kindergarten.

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