

## Impact of budget impasse on early education

Based on reports from OCDEL programs including PA Pre-K Counts, Child Care Works, Keystone STARS, Head Start Supplemental, Nurse-Family Partnership and Parent Child-Home Program, the early education system is in crisis because of the budget delay. The situation for providers changes daily, therefore, the date of information is noted for each item.

**If the Senate Republican budget bill (SB 850) were to become law, the early education system would face a far greater crisis, cutting planned services to 17,000 children and jobs for at least 2,000 early childhood staff:**

Program	Children who would lose services	Possible jobs lost*
PA Pre-K Counts	6,000	762
Child Care Works	7,700	837
NFP	850	35
PCHP	165	18
Head Start Supplemental	2,800	390
<b>Total</b>	<b>17,515</b>	<b>2,007</b>

\*This is based on jobs providing direct services to children (teacher, teacher aide, nurse), does not include other jobs that may be affected if programs are downsized.

### Because of the impasse:

- Eleven child care programs have filed temporary closures with OCDEL. (as of 9/14/09).
- Child care providers serving Child Care Works subsidy children in nearly one-third of Pennsylvania's counties will receive no payments for August services. Providers in 11 of those counties will not have received any payments for July or August services. (as of 9/10/09).
- Subsidy add-on payments to Keystone STAR 2 and above programs for 35,000 children in Child Care Works were not paid for July and will not be paid for August (as of 9/10/09)
- 70% of PA Pre-K Counts grantees report that they will not be opening classrooms on time, leaving 6,697 children without services and 774 staff facing layoffs. (as of 9/10/09)
- Most of the technical assistance and professional development available to help STARS programs maintain their quality has been halted.(as of August 26, 2009)
- 71% of Head Start Supplemental grantees plan to lay off staff and close classrooms, resulting in at least 375 staff layoffs and 3,299 children without services. (as of 9/10/09)

### Some results of programs not receiving their funding for services are:

- Early childhood staff are being laid off, having to access unemployment, food stamps, and at risk of losing their homes, etc. Some staff are working at minimum wage just to maintain health benefits.
- Our most vulnerable children who receive Child Care Works are being turned away from programs or asked not to return until the budget passes.
- Approximately 150 early childhood staff who are working while earning higher education credits and degrees cannot enroll for fall classes.

### Based on a voluntary survey of child care programs participating in Keystone STARS and/or Child Care Works (responses collected August 17, 2009)

1,096 providers responded to survey. Of those

- Nearly half (46%) have laid off staff by August 31, totaling 3,604 staff
- By August 31, 12,176 children have lost services
- By Sept 30, 31% of respondents will have shut their doors.

### **Child Care Works** (as of September 10, 2009)

CCIS agencies distribute Child Care Works subsidy to child care providers. Although no CCIS agencies have received state funds to cover these subsidies for the 2009-2010 fiscal year, some have been able to secure lines of credit or use organization reserves (no public funds) to pay providers in part or full until a budget is passed.

In August – child care providers serving children receiving Child Care Works subsidy received an average 66% of the subsidy payment for July.

Payments for service in August (due by Sept. 20) – please note this data is still in flux as agencies continue to find alternative means to pay providers. As of September 10:

- 7 will be able to pay providers for the August service month in full. These are: Clarion/Jefferson, Delaware, Erie, Green, Montgomery, Philadelphia North and Wyoming
- 8 will be able to pay providers for the August service month in part. These are: Clinton/Lycoming (50%), Cumberland/Dauphin/Perry (30%), Fayette (25%), Lehigh (50%), Philadelphia Northeast (30%), Schuylkill (50%), Warren/Forest (50%) and Westmoreland (5%)
- 25 have confirmed they will not be able to make any provider payments for the August service month until they receive payment from the state. These are Adams/Franklin/Fulton, Allegheny/City, Allegheny/North, Allegheny/South, Armstrong, Beaver, Bedford, Blair, Bucks, Clearfield, Columbia, Crawford, Huntingdon, Indiana, Lackawanna, Luzerne, Mercer, Northampton, Philadelphia Northwest, Philadelphia South, Philadelphia West, Somerset, Venango, Washington and York

### **Pennsylvania Pre-K Counts** (as of September 10, 2009)

Pennsylvania Pre-K Counts programs are unsure how to proceed because of the sharp difference in funding between the Governor's budget proposal and SB 850 which cuts half of existing slots.

- Out of 146 grantees reporting, 109 grantees will not open classrooms and will lay off 774 staff and 6,697 children will be denied services.

### **Keystone STARS** (as of August 28, 2009)

Keystone STARS provides participating child care programs with grants for quality improvement such as curriculum, professional development, and staff awards for higher education.

- There are more than 1,800 programs who are STAR 2 and above who are eligible to receive a STARS add-on rate for every Child Care Works child they serve to help pay for the higher quality care. STARS add-on payments for nearly 35,000 children have been halted to those programs.
- Because of the budget impasse, STARS programs are not receiving their awards and most professional development and technical assistance has been halted, affecting nearly 4,900 providers serving more than 179,000 children.
- 150 early childhood staff who have TEACH scholarships to earn college credit and degrees cannot enroll for the fall semester because July payments to colleges are still outstanding.

### **Head Start Supplemental Assistance Program** (as of September 10, 2009)

Programs are concerned about the stark difference in funding between the Governor's budget proposal and SB 850.

- Of the 47 grantees reporting, 34 plan to lay off staff. As a result, at least 375 staff will be laid off and 3,299 children will be denied services.

### **Nurse-Family Partnership** (as of September 3, 2009)

- 284 children are being denied services due to budget impasse

### **Parent-Child Home Program** (as of September 3, 2009)

- 123 staff have been laid off or not recalled to work, denying services to 1,093 children due to budget impasse.