

# 2012/2013 BUDGET BRIEFING

HOUSE APPROPRIATIONS COMMITTEE (D)  
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JOE MARKOSEK, DEMOCRATIC CHAIRMAN September 10, 2012



## Early Childhood Funding Cuts Continue

*Funding for early childhood programs is divided in the state General Fund budget between programs administered through the Departments of Public Welfare and Education. This briefing provides an overview of funding for these programs in both agencies.*

*Proving actions speak louder than promises, early childhood programs continue to suffer from funding cuts in the Republican-crafted 2012/13 state budget, despite Gov. Corbett's campaign promise to "make funding early childhood education a priority." The exception to the cuts are programs where state funding is mandated by federal law.*

### Department of Public Welfare

#### Child Care Programs

Pennsylvania provides funding assistance to eligible families who need **child care services** to hold sustainable employment. In addition, funding is provided to ensure quality early childhood programs.

The **Child Care Services appropriation** supports Child Care Works (Pennsylvania's child care subsidy program) and Keystone STARS (Pennsylvania's quality rating improvement initiative). To be eligible for the low-income child care subsidy, the parent(s) must meet the minimum work requirement and the family's annual income must fall within the program's income guidelines for eligibility. Each family is assigned a weekly co-payment based on the family's size and income.

The **Child Care Assistance appropriation** also supports Child Care Works, including local Child Care Information Services (CCIS) agencies which administer the program. Specifically, these funds provide child care financial assistance to the following Pennsylvanians to help them maintain sustainable employment:

- Temporary Assistance for Needy Families (TANF) eligible families in approved employment/training activities.
- Families that have transitioned off of TANF.
- Families that participate in unpaid employment/training activities through the Supplemental Nutrition Assistance program (SNAP).

The **2012/13 budget is predicated on numerous changes made to these programs in 2011/12.** As part of the 2011/12 budget, co-payments in all child care programs were increased in October 2010. Additional cost-savings initiatives including these implemented in the 2011/12 fiscal year via DPW's expedited rulemaking authority under Act 22 of 2011 are:

- Elimination of the TEACH scholarship program which assisted staff currently working in the early childhood field to attain a degree in early childhood education.
- Reduction in payments made to providers offering non-traditional hours/services.
- Elimination of the add-on payment rate to providers offering non-traditional hours/services.
- Revisions to the self-employment requirement for clients. Specifies that their profit is equal or greater than the hourly Pennsylvania minimum wage and requires more strict documentation.
- Elimination of the school age co-pay benefit (halved co-pay during the school year).
- Requirement of 6 month redeterminations.
- Revisions to the reimbursement guidelines for child care providers.

In total, the 2012/13 enacted budget funds **child care programs** at \$298.1 million, representing a cut of \$20.6 million, or 6.5 percent, compared with revised 2011/12 appropriations. Despite his campaign promise to protect early childhood programs, the 2012/13 budget represents a \$63.2 million, or 17.5 percent, cut to child care programs since Gov. Corbett took office.

- The enacted 2012/13 budget funds **Child Care Services** at \$141.4 million, representing a cut of \$12.9 million, or 8.4 percent, compared with 2011/12. This is a cut of \$30.4 million, or 17.7 percent, compared with 2010/11.
- The enacted 2012/13 budget funds **Child Care Assistance** at \$156.7 million, representing a cut of \$7.7 million, or 4.7 percent, compared with revised 2011/12 appropriations. This is a cut of \$32.9 million, or 17.3 percent, compared with 2010/11.

Based on the funding amounts in the 2012/13 budget, more than 350 fewer child care slots will be available in the low-income subsidy program compared to 2011/12. There is a waiting list for the low-income subsidized program. In April 2012, the waiting list stood at 12,257 children.

### Early Intervention

The department provides services and supports designed to help families with children up to age 3 who have a developmental delay. As mentioned above, additional services for children age 3 through kindergarten are provided under the Pennsylvania Department of Education (PDE). Under the **Early Intervention** appropriation in DPW, services include physical therapy, speech therapy, health services, family counseling, and family training. The department allocates funds to counties, which administer local early intervention programs, based on the prior year and special needs identified by counties for the current year. This program is an entitlement program, meaning that all children meeting the criteria must be served.

The 2012/13 budget provides \$121.873 million for the Early Intervention program, the same as the governor's revised May 2012 recommendation. This represents an increase of \$10.2 million, or 9 percent, over the revised 2011/12 appropriations. Compared to 2010/11, Early Intervention funding increases by \$25.4 million, or 26.4 percent. Note that under ARRA (American Recovery and Reinvestment Act), additional money under the IDEA (Individuals with Disabilities Education Act) was made available to fund early intervention services in 2009/10 and 2010/11. When this funding disappeared, state funds were necessary to cover any shortfalls in this mandated program.

### Nurse Family Partnership

Under the **Nurse Family Partnership** appropriation,

funding is provided for an intensive and comprehensive home visitation program for first-time pregnant teens and young women, starting with prenatal care and continuing through the child's infancy. The program is designed to serve low-income, at-risk pregnant women expecting their first child. Long-term studies found that such programs reduce child abuse, welfare use, arrests and substance abuse, while improving education and employment rates.

The 2012/13 budget provides \$11.978 million for the Nurse Family Partnership program, the same as was proposed by Gov. Corbett in February. This is the same level of funding provided during 2010/11 and 2011/12. Note that the federal Patient Protection and Affordable Care Act of 2010 created a new program called the Maternal, Infant, and Early Childhood Home Visiting Program, and provided related funding. States must maintain a certain level of funding to meet maintenance-of-effort requirements to receive these federal funds.

### Community Based Family Centers

The **Community Based Family Centers** appropriation in DPW funds 62 family centers in 28 counties. The centers are designed to offer a variety of community services to assist parents in improving their child rearing skills. Services provided may include: parental support and education programs; home visitation/home-based early childhood education; health care information; child development activities; accessibility to toy and resource libraries; and dissemination of information about related services in the community.

This appropriation also includes the Parent-Child Home Program, funding three sites providing services to six counties. This is a home-based parenting and early literacy program designed to help strengthen verbal interaction and educational play between parents and their preschool children. It is designed for families who have not had access to educational opportunities.

The enacted 2012/13 budget provides \$3.258 million for Community Based Family Centers, the same as was proposed by Gov. Corbett in February. This is the same level of funding provided during 2011/12. However, this represents a cut of \$3 million, or 47.9 percent, from 2010/11 levels.

## Department of Education

Despite Gov. Corbett's campaign promise — "I will make funding early childhood education a priority" — he proposed major education cuts in February. The House and Senate restored some of his cuts this year, but early childhood education programs continue to suffer from cuts in funding Gov. Corbett made last year.

### Accountability Block Grant

Funding under the **Accountability Block Grant (ABG)** provides resources for proven programs to help school districts reach academic performance targets. Nearly 75 percent of school districts choose to target their ABG funding for their youngest students, including Pre-K programs, full-day kindergarten and class size reduction in kindergarten through third grade.

During the 2011/12 fiscal year, school districts had \$100 million available to spend under ABG. The final 2012/13 budget provides \$100 million for ABG. However, this represents a cut of \$154.5 million, or 60.7 percent, when compared with the funding available for school districts to spend in 2010/11, before Gov. Corbett took office.

### Pre-K Counts

The **Pre-K Counts** program provides high-quality early childhood education to about 11,400 Pennsylvania children in diverse settings, ranging from school-based programs to Keystone STARS child care centers. In 2009/10, third-year outcomes revealed that nearly every child (more than 98 percent) showed age-appropriate or emerging age-appropriate proficiency in literacy, numeracy and social skills after participating in the Pre-K Counts program.

The 2012/13 budget provides \$82.8 million for the Pre-K Counts program; level funding compared to 2011/12. However, this represents a cut of

\$836,000, or 1 percent from 2010/11. In his February budget presentation, Gov. Corbett proposed funding the program at \$78.6 million.

### Head Start Supplemental Assistance

Pennsylvania's **Head Start Supplemental Assistance** program is based on the federal model of Head Start, providing services to three- and four-year-old children and their families with family incomes up to 130 percent of the federal poverty guidelines. The Head Start model provides comprehensive education, health, nutrition and parent involvement services. This program has demonstrated a positive impact for children with personal and social development challenges.

The 2012/13 budget provides \$37.3 million for the Head Start Supplemental Assistance program; level funding compared to 2011/12. However, this is a cut of \$377,000, or 1 percent, from 2010/11. In his February budget presentation, Gov. Corbett proposed funding the program at \$35.4 million.

### Early Intervention

The Early Intervention program under PDE is a federally mandated program authorized under IDEA (Individuals with Disabilities Act) for developmentally delayed students ages three through kindergarten. **Due to the federal mandate, all eligible children must be served.**

The 2012/13 budget provides \$206.2 million for the Early Intervention program, the same as the governor's February proposal. This represents an increase of \$8.1 million, or 4.1 percent, over 2011/12. Compared to 2010/11, Early Intervention funding increases by \$25.5 million, or 14.1 percent. In 2009/10 and 2010/11 federal American Recovery and Reinvestment Act (ARRA) money was provided specifically for the IDEA services. When the ARRA funding disappeared, state funds were necessary to cover shortfalls in this mandated program.

#### House Appropriations Committee (D)

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