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START
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2024 State of Early Care and Education in Pennsylvania

PROVIDING THE NECESSARY FOUNDATION FOR YOUNG CHILDREN TO SUCCEED



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 member and actively advocates for access to voluntary, high-quality early care and education and healthy development opportunities for every 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 high-quality 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. **71% of families with young children in Pennsylvania have all available caregivers in the workforce.**
2. Pennsylvania loses approximately \$6.65 billion annually when families cannot access child care options.
3. Only 25% of eligible infants and toddlers are being served by Child Care Works, leaving over 73,000 eligible infants and toddlers unserved.
4. **On average, child care for an infant in Pennsylvania comprises approximately 17.5% of the median family's income.**
5. **In Pennsylvania, the average wage of a child care worker is approximately \$15.15/hour.**
6. **Only 46% of all child care capacity in Pennsylvania meets high-quality standards and only 36% of providers serving children under 5 in Child Care Works are high-quality.**
7. **Only 46% of eligible 3- and 4-year-olds in the state participate in high-quality, publicly funded pre-k, leaving over 78,000 without access to a high-quality program.**
8. At 49%, child care programs comprise the largest share of Pre-K Counts providers in the state, with half of all Pre-K Counts children being served in high-quality child care centers.
9. The average salary for pre-k teachers in Pennsylvania is \$34,430 compared to \$68,250 for kindergarten teachers.
10. 96% of kindergarten teachers agree students who attend high-quality pre-k programs are ready for success when they enter kindergarten.

Policy Recommendations

1. Implement and continually fund a recruitment and retention model to increase the child care workforce and ensure providers have the staff needed to operate at full capacity so that programs can meet families' needs.
2. Cease using market rate surveys and instead conduct cost estimation studies to develop an approved modeling tool to determine the true cost of providing high-quality care. This will ensure that we accurately invest state funding in the child care sector to help build an infrastructure that will support providers.
3. Increase state and federal funding for the child care sector to serve more infants and toddlers.
4. Increase state pre-k investments in Pre-K Counts and HSSAP.
5. Develop and fully fund a pay parity policy for pre-k teachers that reflects wages provided to teachers in the K-12 system.
6. Require OCDEL to produce a report every three years that provides a clear picture of the early childhood workforce, using state-level and county data and include recommendations on how Pennsylvania can better support the early childhood profession.
7. Expand the number of high-quality providers by increasing incentives within Pennsylvania's QRIS, Keystone STARS.
8. Provide additional opportunities for professional development and career advancement for the early care and education workforce.
9. Conduct an equity audit of Pennsylvania's early care and education system to understand better the changes needed to ensure equitable access for all children.

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INTRODUCTION

High-quality early care and education provide the foundation to ensure infants and toddlers receive the resources necessary to succeed. Each child in Pennsylvania must have the opportunity to participate in affordable and accessible high-quality early care and education, including infant and toddler child care and pre-kindergarten education. A coordinated early care and education system is vital to the economy, allowing parents to work while knowing their children receive high-quality care and education.

The science behind the first five years of life shows 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.¹ 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 allow children to learn positive behaviors and develop social and problem-solving skills. It also reduces their risk of criminal behavior, while we recognize that there are multiple, interrelated root causes of juvenile crime. It saves taxpayer dollars by minimizing the need for more costly interventions in the K-12 public school system, such as grade repetition or remediation.

Pennsylvania's high-quality early care and education system includes child care for infants and toddlers birth-to-age-3 and pre-kindergarten for children ages 3 to 5.

Participation in high-quality child care impacts children's health, reducing heart disease, depression, substance use, and diabetes.² Research shows multi-generational benefits to early education in programs like Head Start, which serves low-income children and their families. These include stronger family units, economic self-sufficiency, and improved health outcomes.³ Children participating in Head Start are more likely to be covered by health insurance, receive hearing and vision screenings and dental care, and be immunized.⁴

Access to high-quality pre-k through other programs, such as Pennsylvania's Pre-K Counts program, also yields significant benefits. A report from Fight Crime: Invest in Kids found that Pre-K Counts reduced the percentage of children more likely to experience social and self-control behaviors to just 4%, down from 22% with no access to high-quality pre-k.⁵ These outcomes benefit all children, regardless of where their family falls on the income ladder, indicating the benefits of high-quality education systems that provide an equitable starting line for children to succeed.⁶ Access to a high-quality early care and education system can help reduce achievement gaps often seen between children from low-income vs. high-income families.⁷

An analysis of Pennsylvania's Pre-K Counts program by the University of North Carolina at Chapel Hill showed that children who participate are positively impacted compared to children who do not. Children participating in Pre-K Counts have significantly higher language and math skills and gain an additional four to five months of learning compared to their peers.⁸ Further, the analysis suggested access to high-quality pre-k can also help students diminish summer learning loss, which can be up to a full month of learning based on a study by Brookings.⁹ 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.¹⁰

While the K-12 public school system is the focus locally, statewide, and nationally, preparing children to enter school with the skills necessary to be active and attentive learners is essential to providing an opportunity for lifelong success. We must think of the growth and development of young children as the start of a continuum with benefits that last into adulthood.

Providing all children with an opportunity to attend high-quality early care and education programs ensures an equitable start to their academic careers, a goal every state should strive to achieve.

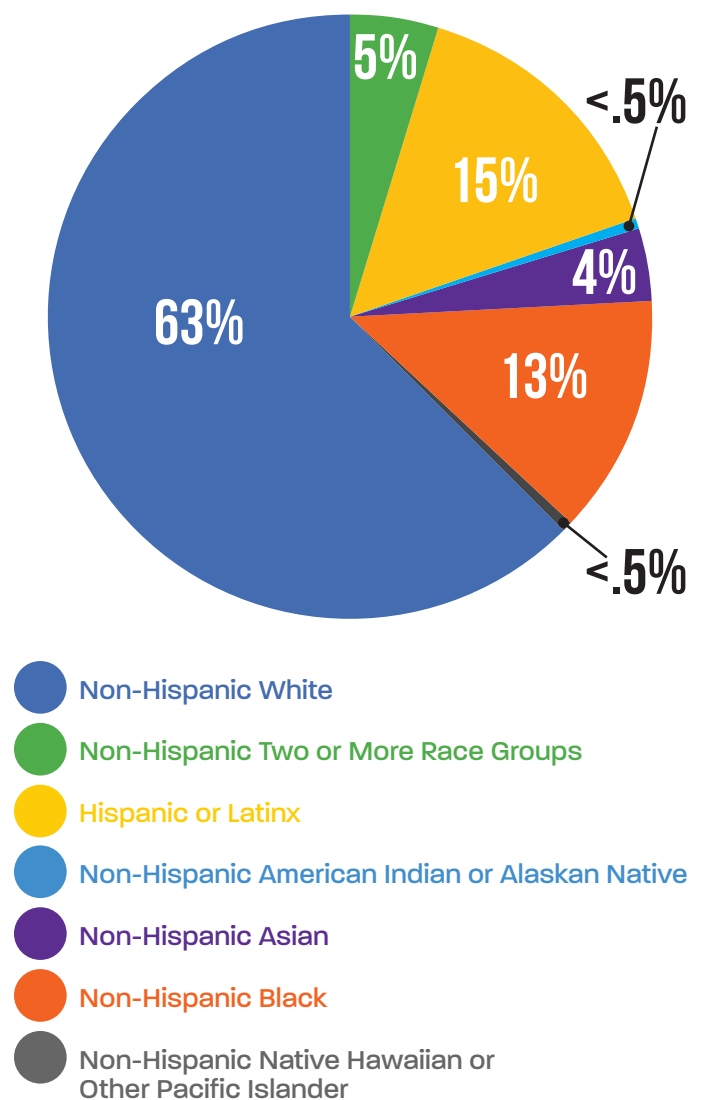
EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW

Pennsylvania's early care and education system includes child care and preschool programming working together to provide children with the nurturing and academic groundwork they need for future success. The system is complex, with varying funding sources, regulation requirements, and state oversight split between Pennsylvania's Department of Human Services (DHS) and the Department of Education (PDE). While the term "early care and education" can sometimes include other programs such as home visiting or early intervention, this report will focus on child care and pre-k.

DHS oversees Pennsylvania's child care system through the Office of Child Development and Early Learning (OCDEL). OCDEL was established in 2007 to directly link the two state agencies overseeing the early care and education system. In creating OCDEL, the goal was to improve coordination and collaboration of programming and operations to create a high-quality early care and education system in Pennsylvania. OCDEL's core programming, for which it is directly responsible, includes child care certification, child care subsidy and quality initiatives, evidenced-based home visiting, infant/toddler and preschool Early Intervention, and publicly funded pre-k. Further, while OCDEL oversees the Pre-K Counts (PKC) and Head Start Supplemental Assistance Program (HSSAP) pre-k programs in the state, the Department of Education is the lead agency responsible for all other preschool programs throughout the state, including licensed nursery schools.

In Pennsylvania, there are roughly 670,000 children under the age of 5.¹¹ Of those children, over 252,000 identify as Non-Hispanic Black, Asian, American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, two or more race groups, or Hispanic or Latino.¹² Further,

DIVERSITY OF PENNSYLVANIA CHILDREN UNDER 5¹⁵



Continued on next page

EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW

of the 125,000 children under 6 years living in poverty across the state, more than 2 in 3 identify as Non-Hispanic Black, Asian, American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, two or more race groups, or Hispanic or Latino.¹³ Approximately 30% of Hispanic or Latino Pennsylvania children and 28% of Pennsylvania

Black or African American children live in poverty, compared to only 10% of Non-Hispanic White children.¹⁴

High-Quality Child Care

Certified and Non-Certified Child Care Programs

Child care certification is the licensure side of child care programs within Pennsylvania. To operate legally within the commonwealth, child care providers operating a program for four or more unrelated children must be annually certified by OCDEL and have a certificate of compliance.

In addition to the regulated child care facilities, there are also non-certified child care operators throughout the state. Friends or neighbors providing care for three or fewer children who do not participate in the state's subsidized child care program, Child Care Works (CCW), do not need certification. Relatives, defined as grandparents, great-grandparents, aunts, uncles, and siblings over 18, caring for three or fewer children also do not need to be certified by OCDEL. Relatives are, however, permitted to participate as providers for CCW but are required to complete State Police criminal history, child abuse, and federal criminal history clearances and complete mandatory child abuse reporter training. Other child care arrangements that do not require certification include child care provided during a religious service in a place of worship, a facility where the child's parent is always present, a part-day, school-age program that operates less than 90 consecutive days, or a drop-in child care program.

OCDEL REGULATES THREE TYPES OF CHILD CARE FACILITIES TO ENSURE COMPLIANCE WITH HEALTH AND SAFETY REGULATIONS:

- Child care centers are facilities with seven or more children unrelated to the operator providing the care.
- Group child care homes are facilities where 7-12 children, varying in age, or 7-15 children from 4th grade through age 15, who are not related to the operator, receive care.
- Family child care homes are facilities located in a home in which 4-6 children who are not related to the caregiver receive child care.



EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW



CHILD CARE WORKS

Beyond the financial eligibility criteria, families must also meet other eligibility measures, including:

- A child in care must be a U.S. citizen or an immigrant lawfully admitted for permanent residency and live in Pennsylvania.
- Each adult family member in the household must work 20 or more hours a week or work at least 10 hours and attend training for 10 hours per week. A parent or caretaker under 22 years of age and who does not have a high school, GED or HSE diploma, may meet the work requirement by being enrolled in and attending education on a full-time basis.
- The hours the child receives subsidized care must coincide with the caregiver's work, education, or training hours, including travel time.
- Children are eligible to receive child care subsidies from birth until the day before the child's 13th birthday. Children with disabilities may be eligible through the age of 18.

Child Care Works

Pennsylvania provides child care subsidies for families currently or formerly receiving Temporary Assistance for Needy Families (TANF) and for families receiving Supplemental Nutrition Assistance Program (SNAP) benefits. Additionally, subsidies are available for low-income, working families whose incomes are at or below 200% of the federal poverty level, currently \$62,400 for a family of four, when they apply to the program.¹⁶

Child Care Funding

In Pennsylvania's state budget, two state appropriations 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 and former TANF families. The child care services line item supports child care subsidies for eligible families who are not receiving TANF, SNAP, or 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 is provided federally, with a 77%/23% split between federal and state appropriations. A combination of funding between the Child Care and Development Block Grant (CCDBG), Social Services Block Grant (SSBG), TANF Block Grant and SNAP make up Pennsylvania's federal appropriations for child care programming.

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

HIGH-QUALITY, PUBLICLY FUNDED PRE-K

Building on the development of infants and toddlers, high-quality, publicly funded pre-k is also an important part of the early care and education continuum to prepare Pennsylvania's 3- and 4-year-olds to enter kindergarten ready to learn.

The largest pre-k program in the state, Pennsylvania Pre-K Counts, was adopted as Act 45 to the Public-School Code in July 2007.¹⁷ 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 federal income poverty level, filling the gap between families eligible for federal Head Start but cannot afford to pay for pre-k out-of-pocket. 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 programming. The Head Start program was launched nationally in 1965, with Early Head Start established in 1994. Working in tandem, Early Head Start and Head Start 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.¹⁸ Families must earn 100% of the federal poverty rate or less to be eligible for the program.

Early Head Start serves low-income pregnant women, infants and toddlers, birth-to-age-3, and their families with the services provided by

Head Start.¹⁹ Specifically, the program addresses economic, health, and psychosocial stressors low-income families may be experiencing.²⁰ The program also includes parental supports, access to health and mental health services, education, and job training.

Head Start includes four main components of its programming: education, health, parent involvement, and social services.²¹ 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.²² 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.²³

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 that it is offered through a mixed-delivery system that provides high-quality program options that best suit each family's needs. Eligible providers may be Head Start programs, licensed nursery schools, child care centers, and group child care homes with a Keystone STAR 3 or 4 rating, school districts, or a third-party entity carrying out the fiduciary and lead agency responsibilities for entities eligible to operate program classrooms.²⁴

A Head Start program is available to children in every Pennsylvania county except Sullivan County. Head Start providers must apply to the federal

HIGH-QUALITY, PUBLICLY FUNDED PRE-K



government to operate as a Head Start grantee and follow a comprehensive set of Performance Standards that assure high-quality education is provided.²⁵ Most Head Start programs are in center-based locations; however, in some rural areas of the state, Head Start may be offered as a home-based program where home visitors bring the Head Start program to families in their homes.²⁶

Pre-K Funding

State funding for pre-k in Pennsylvania began in 2004 when the legislature began the HSSAP program to supplement federal funding to allow more families to access the program. Head Start 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. 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.²⁷ Those appropriations have grown steadily over the past 17 years. The total appropriation for Pre-K Counts is now \$317.3 million to serve more children and provide program funding for providers.

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

While access to high-quality pre-k has historically received bipartisan support in Pennsylvania, the connection between access to high-quality child care as the first step in the education system for children has not been as well understood. Pennsylvania's early care and education system relies on providing care through a mixed-delivery system, making high-quality child care a vital component in ensuring enough providers are offering high-quality pre-k programming to meet demand within the state, and children are entering preschool programs with an already established skill set. High-quality child care providers make up the largest percentage of Pre-K Counts providers, at 49%, and half of all Pre-K Counts children are served in high-quality child care centers.²⁸ Pennsylvania's early care and education system is intertwined to serve children from the beginning and give them the best chance to thrive. However, a great deal of work is still needed to stabilize the system and ensure all working families in Pennsylvania can access high-quality education for their young children before entering grade school.

PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

Access to High-Quality Child Care is the First Step

For working families, access to high-quality child care is essential to raising a family in Pennsylvania. Most families (71%) with young children across the state have all available caregivers in the labor force.²⁹ This amounts to over 476,000 children under 5 years needing high-

quality child care services. However, to serve these children, workforce challenges must be addressed within the child care system to support providers in serving more children. 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.³⁰

CHILD CARE PROVIDERS SERVING CHILDREN UNDER 5-YEARS OLD BY COUNTY³¹

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High-Quality Providers
Pennsylvania	4,099	1,045	589	5,733	31%
Adams	15	21	2	38	21%
Allegheny	399	73	71	543	24%
Armstrong	12	7	2	21	19%
Beaver	41	8	2	51	27%
Bedford	10	3	3	16	44%
Berks	104	13	5	122	31%
Blair	34	4	5	43	42%
Bradford	16	3	2	21	57%
Bucks	182	15	9	206	39%
Butler	48	7	5	60	22%
Cambria	37	4	9	50	38%
Cameron	1	1	0	2	50%
Carbon	25	1	0	28	38%
Centre	44	11	2	57	42%
Chester	154	15	16	185	33%
Clarion	7	1	1	9	22%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High-Quality Providers
Clearfield	13	11	11	35	23%
Clinton	5	2	2	9	33%
Columbia	16	4	1	21	33%
Crawford	27	5	1	33	73%
Cumberland	66	13	7	86	30%
Dauphin	110	39	12	161	29%
Delaware	209	36	34	279	26%
Elk	6	9	0	15	33%
Erie	78	33	20	131	48%
Fayette	32	0	3	35	29%
Forest	0	0	0	0	-
Franklin	23	25	7	55	11%
Fulton	2	1	0	3	67%
Greene	3	8	2	13	15%
Huntingdon	5	4	5	20	21%
Indiana	12	6	2	20	50%
Jefferson	10	1	2	13	23%

PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

Often, families rely on a multitude of child care arrangements to ensure their children are being cared for while they are working. However, as the number of high-quality child care providers dwindles across Pennsylvania, access to care options is even more scarce. A 2023 report by ReadyNation and Pennsylvania's Early Learning Investment Commission highlighted

the economic impacts access to child care has on the commonwealth. According to their report, Pennsylvania loses approximately \$6.65 billion annually when families cannot access child care options.³² In an even more recent report released in June 2024 by ReadyNation, survey results of Pennsylvania mothers with children under age

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	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High-Quality Providers
Juniata	1	1	1	3	33%
Lackawanna	74	5	3	82	43%
Lancaster	97	46	18	161	33%
Lawrence	23	2	4	29	62%
Lebanon	18	24	14	56	36%
Lehigh	137	118	12	267	29%
Luzerne	95	7	28	130	32%
Lycoming	26	8	3	37	38%
McKean	7	1	2	10	50%
Mercer	18	9	9	36	31%
Mifflin	5	4	2	11	36%
Monroe	55	2	1	58	33%
Montgomery	305	20	9	334	35%
Montour	7	3	0	10	60%
Northampton	93	8	2	103	32%
Northumberland	16	3	9	28	14%
Perry	9	3	2	14	21%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percentage High-Quality Providers
Philadelphia	1,017	315	174	1,506	30%
Pike	8	1	0	9	44%
Potter	4	2	0	6	0%
Schuylkill	35	6	9	50	26%
Snyder	6	2	4	12	17%
Somerset	15	2	9	26	12%
Sullivan	2	0	1	3	33%
Susquehanna	7	2	4	13	15%
Tioga	14	6	2	22	50%
Union	5	0	1	6	33%
Venango	12	4	2	18	61%
Warren	8	4	0	12	25%
Washington	50	5	2	57	37%
Wayne	14	4	2	20	20%
Westmoreland	76	9	6	91	40%
Wyoming	2	1	0	3	33%
York	92	34	11	137	23%

PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

5 showed working mothers are impacted more when child care is inadequate, resulting in an annual economic cost of \$2.4 billion.³³ In fact, as a percentage of earnings, the financial impact of inadequate child care equates to 12% of working mothers' annual earnings.³⁴ 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 accessing child care is a challenge.³⁵

Currently, only 25% of the 98,240 infants and toddlers eligible to participate in Child Care Works are served, leaving over 73,000 (75%) of eligible infants and toddlers unserved in child care programs statewide. Further, looking at children under age 5, there are over 119,000 eligible Child Care Works children unserved in child care, amounting to 71% of eligible children.³⁶

The largest challenge impacting child care access is the workforce shortage most child care providers are facing, which results in classrooms unable to be filled or opened altogether. Since 2019, there has been a net loss of 633 child care providers in Pennsylvania, leaving hundreds of families without child care options.³⁷

Child Care Affordability

In addition to limited access to child care options, child care affordability plays a significant role in families accessing high-quality care for their children. This is especially true for families earning lower incomes or single-parent households.

ON AVERAGE, CHILD CARE FOR AN INFANT IN PENNSYLVANIA COMPRISES APPROXIMATELY 17.5% OF THE MEDIAN FAMILY'S INCOME.³⁸

According to United Way of Pennsylvania's most recent ALICE report, child care is the highest expense for households with children who can meet a bare-essential survival budget that only accounts for the necessities needed to survive, including housing, child care, food, transportation, health care, and a smartphone plan, inclusive of taxes.³⁹ On average, the cost for a Pennsylvania family with an infant to obtain child care in a child care center is \$12,152, which is only about 18% less than it costs to attend an in-state, 4-year university in the state.⁴⁰

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 must pay a co-pay for child care, which can be as little as \$5/week and cannot exceed 7%

THE AVERAGE ANNUAL PRICE OF CHILD CARE

	Child Care Center— Infant	Child Care Center— Toddler	Child Care Center— 4-Year-Old	Family Child Care Home— Infant	Family Child Care Home— Toddler	Family Child Care Home— 4-Year-Old
National Average ⁴¹	\$12,377		\$9,715	\$9,974		\$9,036
Pennsylvania Average ⁴²	\$12,152	\$11,557	\$10,150	\$8,960	\$8,499	\$7,894

PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

of a family's annual income. The co-pay amount varies according to family size and income. Again, eligible families must earn less than 200% of the Federal Poverty Limit (FPL) to qualify for the program. Until recently, families earning more than 235% of the FPL 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% FPL 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% FPL.

Funding for Child Care Works is provided by both state and federal funding. The federal Child Care and Development Block Grant (CCDBG) Act authorizes the Child Care and Development Fund (CCDF) program. OCDEL administers 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, which is completed every three years. The most recent survey was finalized in 2022.

A market rate survey 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 what the general population is 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 allow eligible families to enroll their child in any child care program type. The market rate survey, however, reflects the price families can afford to pay, not the actual cost of care providers spend to serve children, thus leaving a gap between the actual cost of care and the rate child care providers charge families. The federal Office of Child Care recommends that subsidy rates be set at the 75th percentile or higher of the current market rate to allow for equal access to child care for families in the child care subsidy program if using this reimbursement method. 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, one-quarter of programs operate at a financial loss when providing services for children who receive subsidies over families who pay the private tuition rate.⁴³ Further, the increase in subsidy rates will only help providers to the extent they serve families participating in the program. Providers who only accept private-pay families or

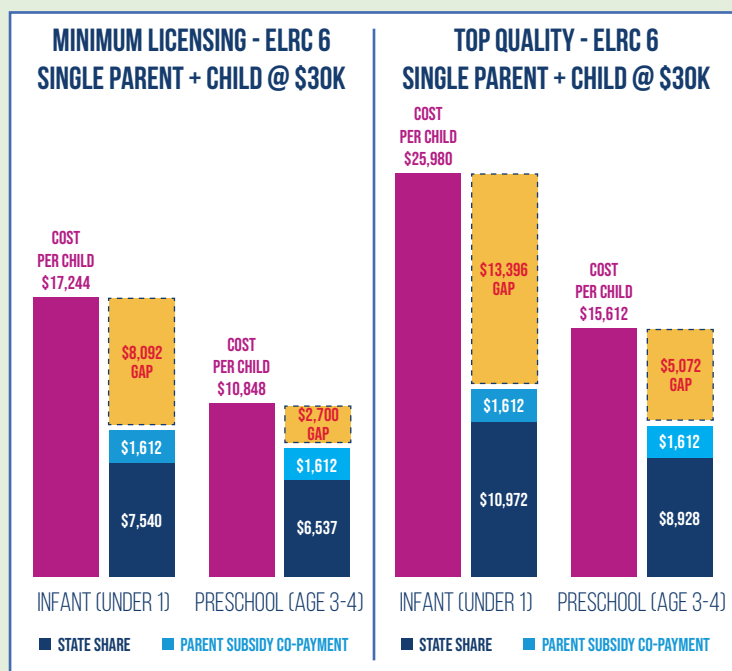
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PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

DETERMINING REIMBURSEMENT RATES

Market rate surveys are ineffective in determining subsidy-based rates, as they only account for the price of care charged to the family instead of the actual cost to provide the care. Further, market rate surveys only deepen inequities in communities where families cannot afford high-cost child care, meaning child care providers in those communities ultimately end up receiving lower subsidy reimbursement rates than providers in communities where families can afford a higher cost for child care. The impact of using a market rate survey system to base subsidy payments exacerbates low quality and low wages, while also disproportionately affecting people and communities of color.⁴⁴

REGION 6: BEDFORD, BLAIR, CAMBRIA, FRANKLIN, FULTON, HUNTINGDON, SOMERSET



ELRC Region 6 child care centers with the minimum licensing receive 53% of infant costs and 75% of preschool subsidized care. Top quality providers have a cost gap of 52% (\$13,396) for infant care and 32% (\$5,072) for preschool care per child.⁴⁵

serve a limited number of subsidized children will see no or minimal impact. Therefore, the effect of this subsidy-rate increase will limit the impact on stabilizing the child care workforce.

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

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 commonwealth regions. It incorporates available data and certain assumptions to estimate expected costs for running a child care business.⁴⁶ 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, in addition to labor, materials and supplies, food service, administration and transportation. A payment methodology based on the 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 piece to beginning with a better foundation is child care worker compensation

INFANT/TODDLER CONTRACTED SLOTS

OCDEL created an Infant/Toddler Contracted Slots Pilot to help high-quality child care providers afford the cost of providing care for infants and toddlers, since the cost is higher than for preschool and school-age children. This grant program awards high-quality child care providers “slots,” and the funding for the slot remains with the provider. 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. While successful, IT contracted slot providers have not seen a rate increase since the pilot’s inception, making the program financially unsustainable without further action. Expanding the program to more providers, funding it with a rate increase, and updating a few of the pilot’s processes will help child care programs have guaranteed funding to support investments in high-quality and stable programs to serve more children.

and the policies and mechanisms implemented to reimburse child care programs.

For ineligible families to receive Child Care Works, they are considered private pay families and are required to pay the full cost of tuition directly to the child care provider who is administering the care. Typically, tuition rates are established based on the child’s age and most providers depend on private pay families since the true cost of care is significantly more than the subsidy base payments provided for Child Care Works children. 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. Unfortunately, providers are not able to charge families the true cost of child care expenses, leaving many programs one crisis away from shutting their doors. Costs for providers have significantly increased, from wages to rent to utilities, leaving providers in dire need of solutions to address rising costs or they will face closures, thus impacting the ability of families to find care.

Child Care Affordability Impacted by Child Care Workforce Shortage

In the last two budget cycles, legislators have tried to address the affordability issue in the child care sector through tax credits, which are minimally helpful but not a direct investment for long-term changes needed to truly stabilize the sector. In FY 2023-24, the state expanded the Child and Dependent Care Tax Credit, allowing families to claim child care costs on

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PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

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. In the most recent budget for FY 2024-25, a tax credit was implemented for businesses operating within the commonwealth that were directly contributing to their employees' child care expenses. The tax credit equals 30% of an employer's total contributions 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 fully fund the workforce. It is imperative to note that investments in early childhood education programs lead to long-term cost savings for the economy, even greater than those seen through tax credits, with a yield of anywhere between \$4 and \$9 return per \$1 invested.⁴⁷

The history of inadequate funding for the child care system has led to issues of supply and demand that impact a family's ability to find affordable, high-quality child care, while also allowing child care providers to be compensated fairly to pay for their teachers and business costs. A study conducted by Penn State Harrisburg Institute of State and Regional Affairs noted the median cost for personnel is approximately 70% of a child care program's budget.⁴⁸ And care for infants and toddlers is much greater than care for older children, largely due to the appropriate staff-to-child ratio requirements to maintain compliance with the

state's child care regulations. The child care sector is unique because it requires these staff-to-child ratios to ensure the health and safety of the children in care. Pennsylvania's strict regulations reflect that importance and prioritize quality care as a key factor in child development. However, providing quality care 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. With no other choice, child care providers are forced to set their weekly child care rates low to ensure families can afford the service, thus impacting their ability to properly compensate their professional staff, leading to a workforce crisis across the state.

According to a recent Independent Fiscal Office (IFO) report, while wages for child care workers have grown from 2019-2023, the statewide average is only \$15.15 per hour, and that is inclusive of one-time pandemic relief funds that have now been depleted.⁴⁹ Those low wages in today's economy do not provide sufficient income to meet the needs of individuals, let alone families. Coupled with the low wages seen statewide, racial disparities exist within the professional child care sector, with Black educators earning approximately 2% less than their white counterparts. Hispanic educators earned approximately 5% less than white educators, exacerbating the already low wages of the sector and deepening inequities and gaps in pay. Further, highly qualified professionals are leaving the child care sector for better-paying jobs, leaving thousands of children and their families at risk of being unable to access high-quality child care.

PENNSYLVANIA REQUIRED CREDENTIALS FOR CHILD CARE PROGRAM SUPERVISORS

Group Supervisors 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 including 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 group supervisors 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 post-secondary 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 make in the classroom, which ultimately disrupts a child's ability to learn and progress developmentally.⁵⁰ It can also cause stress for families, with varying expectations and relationships between the teacher, child, and family. Personnel has the most significant demonstrated impact on child outcomes, as teachers are at the center of quality, making investments in the early care and education workforce critical to ensuring high-quality childhood experiences.

To address the workforce crisis in the child care sector, the Start Strong PA campaign has

passionately advocated for the state to allocate funding for a child care recruitment and retention initiative to help alleviate the staffing crisis most providers are facing. The ongoing funding would provide monthly payments to providers that maintain a child care subsidy agreement with the commonwealth and would be restricted for initiatives that would help retain and recruit staff, such as monthly wage increases, hiring bonuses, benefit packages, or retention bonuses for staff staying for a certain length of time or staff achieving specific credentials or degrees.

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PENNSYLVANIA’S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

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, like the proposed recruitment and retention initiative Start Strong PA has been advocating for, to cut down turnover rates. Some of those initiatives include:

Georgia

Increase base salaries for GA Pre-K program lead and assistant teachers.⁵¹

Minnesota

The Great Start Compensation Support Payment Program provides permanent monthly support to all

eligible providers to fund increases in compensation and benefits for early educators.

Virginia

Virginia provides direct financial incentives to support the retention of child care teachers, thereby reducing workforce turnover. It is open to lead and assistant teachers working in publicly funded children’s care and family day homes actively participating in VQB5. Participating teachers must meet and maintain all eligibility requirements to receive the financial incentive.

	Georgia	Minnesota	Virginia
	\$23.6 million proposed for FY 2025	\$316 million FY 2024-25 and \$260 million FY 2026-27	\$10 million proposed for FY 2025
Governor	Republican	Democratic	Republican
Legislature Majority	Republican	Democratic	Democratic
State Population	11,029,227 ⁵²	5,737,91 ⁵⁴	7,812,880 ⁵⁶
Child Population Under Age 5	635,832 ⁵³	328,430 ⁵⁵	485,946 ⁵⁷

A recent example of how retention and recruitment investments have made a difference was highlighted in the article, *Center Directors View Teacher Wage Supplements as Benefiting the Child Care Field: Reflections on the DC Early Childhood Educator Pay Equity Fund*, which found a pay equity fund, implemented to achieve pay parity between early educators in child

care programs and DC public schools, made significant impacts for child care centers to recruit and retain teachers.⁵⁸ Additional benefits for child care teachers participating in the program include an increased likelihood of staying in the field, opportunities to pursue educational and professional development, and greater morale and teaching quality in the classroom.⁵⁹

PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

Pennsylvania cannot wait any longer to address the workforce shortage in child care. Without direct investments, child care access and affordability will continue to hinder available high-quality options for families, which in turn will only hurt our youngest Pennsylvanians.

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. Infants and toddlers participating in high-quality child care have shown positive, long-term and multi-generational impacts in education, employment and health.⁶⁰

High-quality child care programs:

1. Offer safe, nurturing, and responsive environments where children grow, learn, and succeed;
2. Allow families to work knowing their children are with qualified and caring professionals; and
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 better understand 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 focused on:

- 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; and
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 licensed child care programs receive a STAR 1 rating with the option to move up in quality ratings by meeting additional standards.⁶¹ As child care programs advance in the quality rating scale, the requirements in each of the areas 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 for their program.⁶² 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.⁶³ 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.⁶⁴

Reaching a high-quality rating also provides programs with monetary incentives to reward their quality improvement and encourage continued advancement in quality. Child care programs that reach a STAR 2 or higher, receive an “add-on” to their Child Care Works subsidy payment rates per child to recognize their efforts in working toward high-quality programming. The amount of the “add-on” grows with each higher STAR level achieved.

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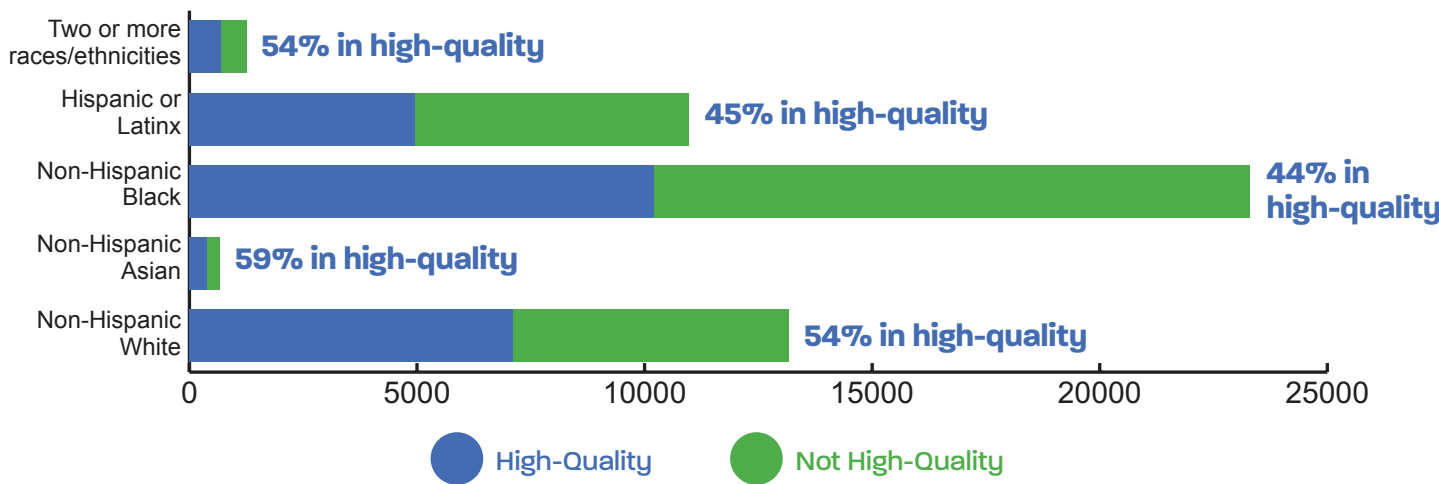
PENNSYLVANIA'S CHILD CARE SYSTEM: ACCESS, AFFORDABILITY, AND QUALITY

While high-quality providers are available, unfortunately, only 46% of all child care capacity in the state currently meets high-quality standards and only 31% of child care providers serving children under 5 in subsidized child care are high-quality.⁶⁵ That means roughly only half of Pennsylvania's children are receiving quality care and education before they enter school.

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 2024, more than 1 in 4 (29%) income-eligible infants, toddlers and preschoolers who are Black, Indigenous and children of color participated in Child Care Works, with only 45% of them enrolled in a high-quality child care program. For the 12% of income-eligible non-Hispanic white infants, toddlers and preschoolers participating in Child Care Works, 54% of them were enrolled in a high-quality child care program.⁶⁶

SUBSIDIZED ENROLLMENT BY RACE OF INFANT, TODDLER AND PRESCHOOLER



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.

In addition to the STARS designation, as mentioned, teacher-child relationships play a critical role in quality environments. Well-equipped and resourced facilities enhance child development and program quality, as the environment in which a child learns is one of the “structural dimensions of care” that influence the quality, according to Shonkoff and Phillip’s *From Neurons to Neighborhoods*.⁶⁷ 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 for infants and toddlers.⁶⁸ High-quality child care programs are the very first step in the academic continuum of a child’s life and help to prepare infants and toddlers to develop the skills needed to be successful in a pre-kindergarten program prior to entering school. This again underscores the importance of ensuring a workforce available to staff child care centers to allow children to attend high-quality care.

PENNSYLVANIA PRE-K COUNTS AND HEAD START SUPPLEMENTAL ASSISTANCE PROGRAMS: ACCESS, QUALITY, AND WORKFORCE

The next step in the academic 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.

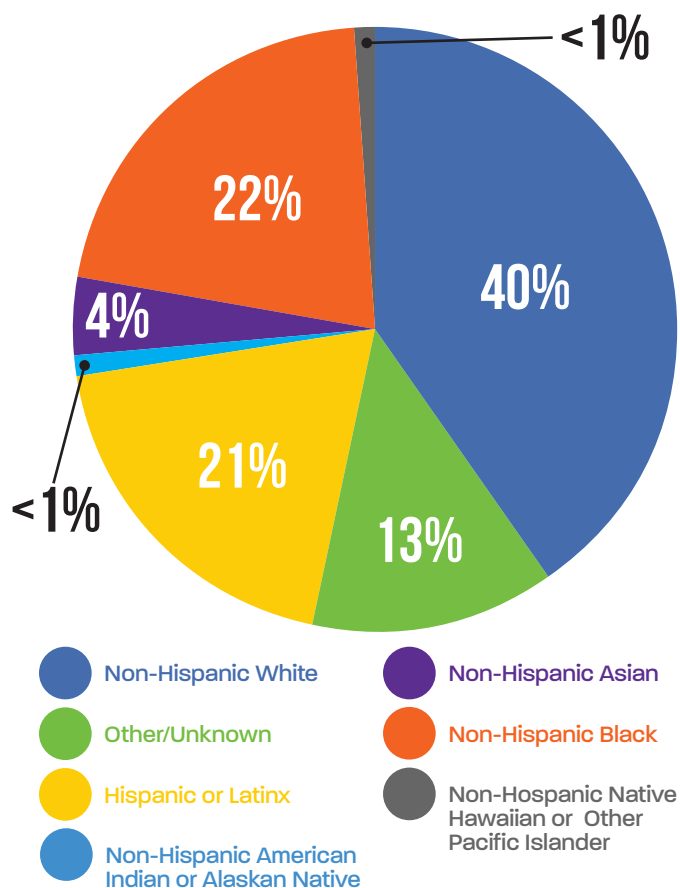
Access to Pre-K Programs in Pennsylvania

Across the commonwealth, there are roughly 279,000 children 3- and 4-years-old getting ready to enter kindergarten and 145,000 of those children are eligible to participate in high-quality, publicly funded pre-k in the state. Yet only 46% of eligible children attend a high-quality program. Over 78,000 children do not have access to a high-quality pre-k program, leaving 54% of Pennsylvania children and families with a missed opportunity to prepare for grade school. To serve the remaining children eligible to participate in high-quality publicly funded pre-k, the state would need an additional 7,817 pre-k staff. This lack of access can place some children behind their peers, with the challenge of catching up once they enter the K-12 system.

Further, expanding access to high-quality pre-k also provides a more equitable opportunity for early learning. In a recent report that looked at the Pre-K Counts and Child Care Works programs, researchers at Penn State University found 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.⁶⁹ Speaking to the cause of this, the

report's authors point to policies creating racially and economically concentrated segregation, particularly in urban locations. Recommendations from the report called explicitly for Pennsylvania to increase funding for high-quality pre-k access and to serve more Black children from urban and high-poverty communities, using race-conscious policies to meet Black children and families where they live.⁷⁰ And, as mentioned, while research has shown that all children benefit from pre-k, the impacts are much more significant for children at risk of falling behind due to economic and social

PRE-K COUNTS AND HEAD START SUPPLEMENTAL ENROLLMENT BY RACE, MARCH 2024



Hispanic includes 41% other, 34% white, 14% unknown, 10% Black, 1% Native Hawaiian or Other Pacific Islander, <1% American Indian or Alaskan Native and <1% Asian.

PENNSYLVANIA PRE-K COUNTS AND HEAD START SUPPLEMENTAL ASSISTANCE PROGRAMS: ACCESS, QUALITY, AND WORKFORCE



factors.⁷¹ As of March 2024, only 22% of all children served in the Pre-K Counts or HSSAP programs are Non-Hispanic Black, compared to 40% of children identifying as Non-Hispanic White.⁷² It is also important to note there are limitations with this data, as there are with all data collected and analyzed, which are outlined specifically within the footnote.

High-Quality Pre-K Makes a Difference

In Pennsylvania, high-quality, publicly funded pre-k is provided in various settings, known as mixed delivery, to allow the greatest flexibility for families to find a program that fits their needs. High-quality pre-k can be offered through Head Start, Pre-K Counts, Philadelphia pre-k (PHLpreK), school district pre-k programs, as well as through 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. There are approximately 3,200 eligible locations that can provide high-quality pre-k programming. However, only about 74% of eligible locations receive public funds to support a program, roughly 2,400 pre-k programs statewide.⁷³ The greatest majority of Pre-K Counts providers are high-quality child care programs, accounting for 49% of the Pre-K Counts locations across the state.⁷⁴ With nearly half of all PKC providers operating within child care programs, the workforce shortage also has significant implications within the pre-k sector. Many programs face classroom closures or half-full classrooms because they do not have the staff available to staff the program fully. In addition to child care programs serving as PKC providers, school districts also provide high-quality pre-k programs for children, yet not every school district currently offers a program.

PENNSYLVANIA PRE-K COUNTS AND HEAD START SUPPLEMENTAL ASSISTANCE PROGRAMS: ACCESS, QUALITY, AND WORKFORCE

A skilled teaching workforce is a critical component to providing high-quality pre-k programs. Educational effectiveness in early childhood education requires educators to have specialized knowledge in child development.⁷⁵ This specialized content knowledge supports children’s cognitive, social, emotional, and physical development, laying the foundation for all future learning competencies.⁷⁶ Teachers need to be equipped not only to teach curriculum but also to understand how to instruct young children and develop relationships with them.⁷⁷ Stable, consistent relationships are best for young children as they develop social, emotional, cognitive, and physical skills.⁷⁸ Yet, while quality expects and demands 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. It leads to high turnover and staffing shortages, which plague Pennsylvania’s early care and education system and only further deepen 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

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PENNSYLVANIA LEAD TEACHER EDUCATION AND TRAINING COMPARISONS⁷⁹

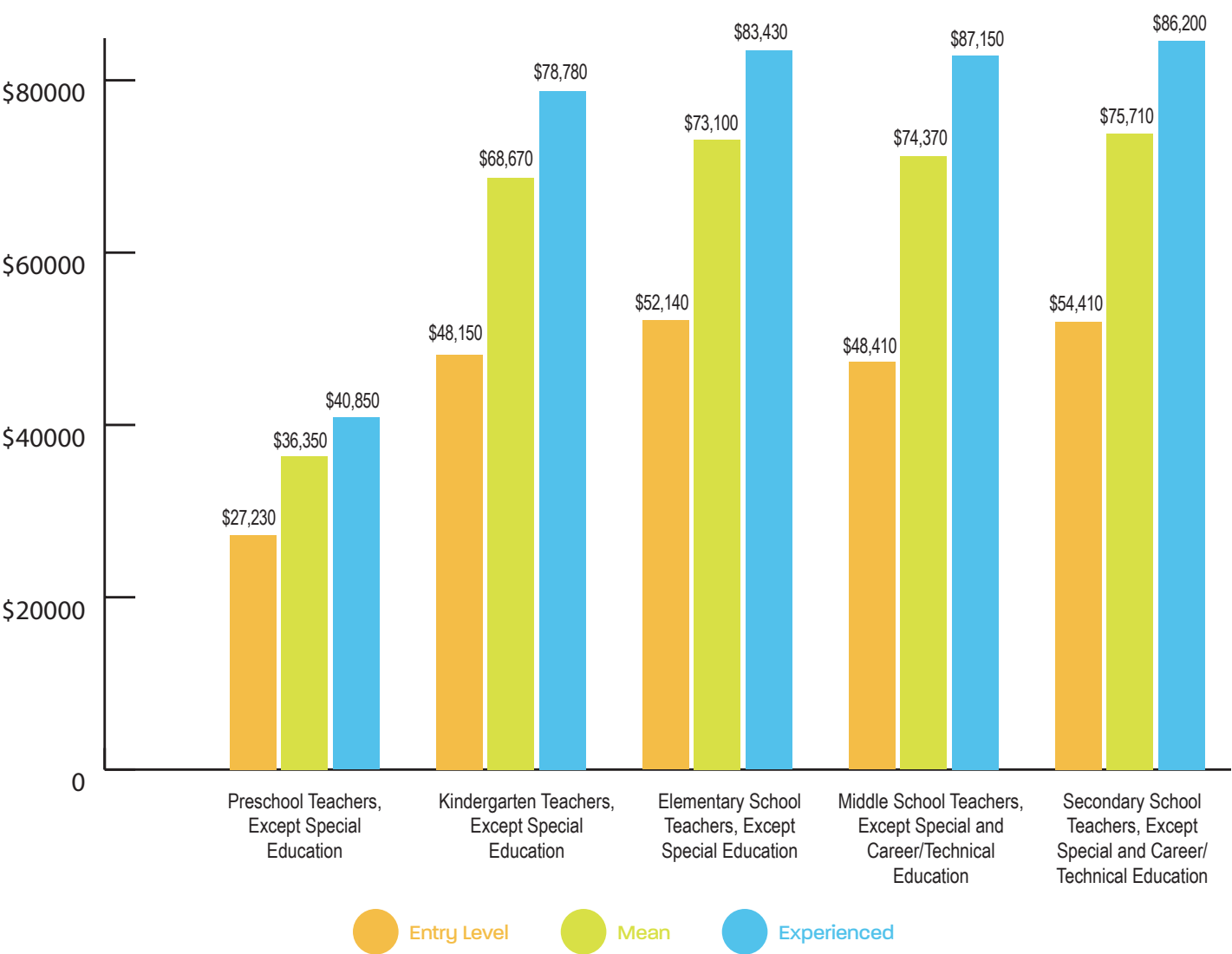
Head Start	Pre-K Counts	PK-4
<ul style="list-style-type: none">• Education: Associate, Bachelor’s, or advanced degree in child development or ECE- or in a related field with coursework equivalent to a major relating to ECE and experience teaching preschool children• Complete a minimum of 15 clock hours of professional development per year	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

PENNSYLVANIA PRE-K COUNTS AND HEAD START SUPPLEMENTAL ASSISTANCE PROGRAMS: ACCESS, QUALITY, AND WORKFORCE

their K-12 counterparts.⁸⁰ Again, Pennsylvania is not on that list. As you can see from the table above, 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 \$34,430 compared to \$68,250 for kindergarten teachers.⁸¹ In a time when the cost of living is rising significantly, teachers will take positions that pay more.

High teacher turnover in early childhood programs undermines quality and financially burdens programs. High turnover of pre-k teachers can be detrimental to the quality of the environment and the development of young children, just as it would be for schools to lose and replace teachers in the middle of the year. The constant teacher turnover and struggle with retaining highly qualified professionals also harm the program, as it takes time to rehire a qualified professional and often causes staffing shifts or classrooms to be closed.⁸²

STATEWIDE ANNUAL SALARIES, 2023



PENNSYLVANIA PRE-K COUNTS AND HEAD START SUPPLEMENTAL ASSISTANCE PROGRAMS: ACCESS, QUALITY, AND WORKFORCE

Digging even deeper, while this pay gap is seen between pre-k and kindergarten teachers, as mentioned previously, there is an even larger wage gap when you look at Black educators compared to non-Black educators. At the preschool level, there is nearly a \$1/hour wage gap between Black teachers and non-Black teachers.⁸³ Nationally, women almost exclusively make up the early care and education workforce, and 40% of the sector's workforce are people of color. Additionally, compared to the K-12 and postsecondary education systems, the early care and education sector is the most diverse yet the lowest paid.

Addressing pay parity and improving the quality of pre-k programs within the state through continued rate increases is imperative to ensure Pennsylvania remains on par with other states in providing high-quality programs. Currently, full-day Pre-K Counts slots are reimbursed at a rate of \$10,500, and half-day slots are reimbursed at a rate of \$5,250. HSSAP slots are reimbursed at a base rate of \$13,824. Providers rely on pre-k reimbursements to help supplement the high cost of care for infants and toddlers, and continuing to increase those base rates ensures a more stable early care and education sector. The benefits high-quality pre-k provides are worth the investment, and the state will see a return on that investment well into the future.

An analysis of Pennsylvania's Pre-K Counts program by the University of North Carolina at Chapel Hill showed that children who participated were positively impacted compared to children who did not participate. Children participating in Pre-K Counts have significantly higher language and math skills and gain an additional four to five months of learning compared to their peers.⁸⁴ Further, the analysis suggested access to high-

quality pre-k can also help students diminish summer learning loss, which can be up to a full month of learning based on a study by Brookings.⁸⁵ 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.⁸⁶ Even kindergarten teachers see the difference when children come to their classrooms. A survey of kindergarten teachers found that 96% agree that students who attend a high-quality pre-k program are ready for success in kindergarten.⁸⁷ One teacher noted that students exposed to high-quality pre-k "have a basic understanding of foundational skills like letter and number recognition" and "have already started building a foundation of learning."⁸⁸



CONCLUSION

The evidence is clear that access to a high-quality early care and education system positively impacts the lives of Pennsylvania’s 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. Extensive policy solutions and increased investments are needed to change the system’s trajectory. It is not an easy, one-time fix. It is a combination of policy solutions that continually evaluate the early care and education system and workforce to ensure Pennsylvania’s children have the greatest chance for success. It also requires collaboration with families, providers, policymakers, advocates, and other stakeholders to ensure the policies implemented have the intended changes those policies were set out to change. Working together, we can build Pennsylvania’s early care and education system to be a leading model within the nation while solidifying our state’s future for upcoming generations.

Policy Recommendations to Strengthen Pennsylvania’s Early Care and Education System

1. Implement and continually fund a recruitment and retention model to increase the child care workforce and ensure providers have the staff needed to operate at full capacity so that programs can meet families’ needs.

2. Cease using market rate surveys and instead conduct cost estimation studies to develop an approved modeling tool to determine the true cost of providing high-quality care. This will ensure that we accurately invest state funding in the child care sector to help build an infrastructure that will support providers.
3. Increase state and federal funding for the child care sector to serve more infants and toddlers.
4. Increase state pre-k investments in Pre-K Counts and HSSAP.
5. Develop and fully fund a pay parity policy for pre-k teachers that reflects wages provided to teachers in the K-12 system.
6. Require OCDEL to produce a report every three years that provides a clear picture of the early childhood workforce, using state-level and county data and include recommendations on how Pennsylvania can better support the early childhood profession.
7. Expand the number of high-quality providers by increasing incentives within Pennsylvania’s QRIS, Keystone STARS.
8. Provide additional opportunities for professional development and career advancement for the early care and education workforce.
9. Conduct an equity audit of Pennsylvania’s early care and education system to understand better the changes needed to ensure equitable access for all children.

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