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PA

2023 State of Early Care and Education in Pennsylvania

# PROVIDING A FOUNDATION FOR YOUNG CHILDREN TO SUCCEED





## Executive Summary

Pennsylvania's comprehensive early care and education system spans a child's formative years, from birth-to-age-5. This system provides an opportunity to ensure every child in the commonwealth begins their life positively. Pennsylvania Partnerships for Children, a partner of Early Learning PA (ELPA), advocates for access to voluntary, high-quality early care and education and healthy development opportunities for every child in Pennsylvania. Two issue-focused advocacy campaigns within the ELPA coalition, Start Strong PA and Pre-K for PA, seek to increase access to high-quality, affordable child care and high-quality pre-k programs. This report looks deeper at Pennsylvania's child care and pre-k system complexities and recommends the improvements necessary to ensure the system functions equitably and increases access and affordability for all families in the commonwealth.



## Key Findings

1. **68% of young children in Pennsylvania have all available caregivers in the workforce and require external care arrangements.**
2. Pennsylvania loses approximately \$6.6 billion annually when families cannot access reliable, consistent child care options.
3. **On average, costs for infant child care comprise approximately 17.5% of the Pennsylvania median family income.**
4. **In Pennsylvania, the average hourly wage of a child care worker is less than \$12.50/hour, which is less than \$26,000 annually.**
5. The average salary for pre-k teachers in Pennsylvania is \$33,120 compared to \$68,170 for kindergarten teachers.
6. Only 21% of eligible children under 3 are served by Child Care Works, leaving over 83,000 eligible infants and toddlers unserved.
7. **Only 46% of all child care capacity in Pennsylvania meets high-quality standards, and only 35% of providers serving children under 5 in subsidized child care have achieved high-quality.**
8. **Only 43% of eligible 3- and 4-year-olds in the state participate in high-quality, publicly funded pre-k, leaving over 87,000 without access to a high-quality program.**
9. **Only 23% of all children served in Pre-K Counts and Head Start Supplemental Assistance Programs in Pennsylvania are Non-Hispanic Black, compared to 41% of children identifying as Non-Hispanic White.**
10. Child care programs comprise the largest share, 46%, of Pre-K Counts providers in the state.
11. Pennsylvania ranks 14th in per capita spending compared to 26 other states with similar quality ratings for pre-k programs.
12. 96% of kindergarten teachers agree students who attend high-quality pre-k programs are ready for success when they enter kindergarten.

## Policy Recommendations

1. Increase state funding for the child care sector to help build an infrastructure that will support providers to cover the true cost of providing high-quality care.
2. Implement a wage scale for the child care workforce to diminish teacher turnover and stabilize the sector.
3. Increase state and federal funding for the child care sector to serve more infants and toddlers and incentivize more child care providers to open, especially in child care deserts.
4. Increase state pre-k investments in Pre-K Counts and Head Start Supplemental Assistance Programs to expand access to more 3- and 4-year-olds.
5. Develop a pay parity policy for pre-k teachers that reflects wages provided to teachers in the K-12 system with equivalent degrees and credentials.
6. Require OCDEL to produce a report every three years that provides a clear picture of the early childhood workforce, using state- and county-level 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 Quality Rating and Improvement System, Keystone STARS.
8. Provide additional opportunities for professional development and career advancement.
9. Conduct an equity audit of Pennsylvania's early care and education system to understand better changes needed to ensure equitable access for all children.
10. Cease market rate surveys and conduct cost estimation studies using an approved cost modeling tool to determine the true cost of care. The current methodology and payment mechanisms must change, including increasing the use of grants in child care.

# TABLE OF CONTENTS

## Introduction..... 4

## Early Care and Education Programming Overview ..... 5

High-Quality Child Care..... 5

Certified and Non-Certified Child Care Programs ..... 6

Child Care Works..... 6

Child Care Funding..... 7

## High-Quality, Publicly Funded Pre-K..... 8

Pre-K Counts and Head Start Providers..... 8

Pre-K Funding ..... 9

## Pennsylvania's Child Care System: Access, Affordability, and Quality ..... 10

Access to High-Quality Child Care is the First Step ..... 10

Child Care Affordability ..... 12

Cost of Quality Care ..... 13

High-Quality Child Care Makes a Difference.. 17

## Pennsylvania Pre-K Counts and Head Start Supplemental Assistance Programs: Access, Quality, and Workforce ..... 20

Access to Pre-K Programs in Pennsylvania... 20

High-Quality Pre-K Makes a Difference..... 21

Workforce is an Essential Factor in the Early Care and Education System..... 23

## Conclusion..... 27

Policy Recommendations to Strengthen Pennsylvania's Early Care and Education System..... 27

## Acknowledgements ..... 28

## References..... 28

## Introduction

Pennsylvania's high-quality early care and education system for children includes child care for infants and toddlers and pre-kindergarten for 3- and 4-year-olds. High-quality early care and education provide the foundation to ensure infants and toddlers receive the resources necessary to succeed. A coordinated system is vital to the economy, allowing parents to work while knowing their children are safe and learning in high-quality care.

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. 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.<sup>1</sup> 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 access to high-quality early care and education allows children to learn positive behaviors and develop social and problem-solving skills. It also reduces their risk of criminal behavior. 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.

Participation in high-quality early education also impacts children's health, reducing heart disease, depression, substance use, and diabetes.<sup>2</sup> In programs like Head Start, which serves low-income children and their families, research shows

the multi-generational benefits of early education, including stronger family units, economic self-sufficiency, and improved health outcomes.<sup>3</sup> Children participating in Head Start are more likely to be covered by health insurance and receive hearing and vision screenings and dental care.<sup>4</sup>

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% for those without access to high-quality pre-k.<sup>5</sup> These outcomes benefit all children, regardless of family income, indicating high-quality education systems provide an equitable starting line for children to succeed.<sup>6</sup> Access to a high-quality early care and education system can help reduce achievement gaps often seen between children from low- and high-income families.<sup>7</sup>

The growth and development of young children in high-quality early care and education is the start of a continuum with benefits that last into adulthood. While the K-12 public school system builds academic skills for post-secondary success, children entering kindergarten as active and attentive learners will build the foundation for a lifetime of achievement.

Providing every child—regardless of race, ethnicity, geography or income—access to high-quality early care and education programs ensures an equitable start to their academic careers, a goal Pennsylvania (and every state) should strive to achieve.

# EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW

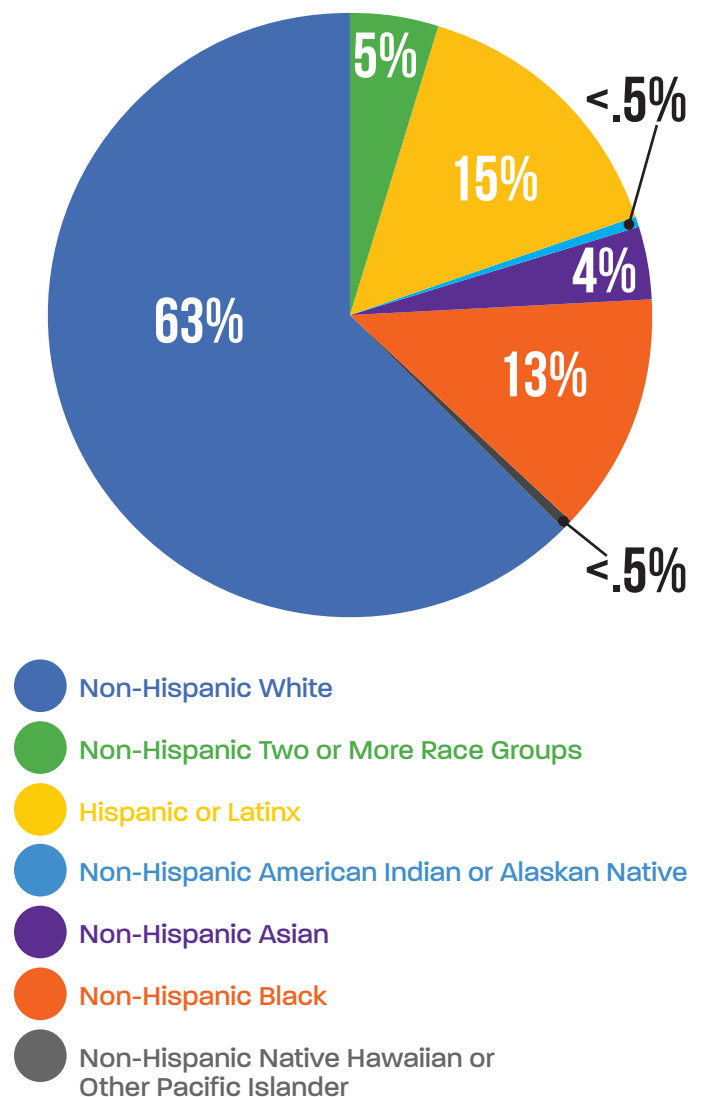
Pennsylvania's early care and education system includes child care and preschool programming working together to provide children with the nurturing and academic groundwork they need for future success. The system is complex, with varying funding sources, regulatory requirements, and state oversight split between the Department of Human Services and the Department of Education. While "early care and education" can include other programs such as home visiting or early intervention, this report focuses on child care and pre-k. In Pennsylvania, roughly 680,000 children under the age of 5 could gain academic, social, and emotional skills by accessing a high-quality early education program. Of those children, over 250,000 identify as Non-Hispanic American Indian and Alaskan Native, Non-Hispanic Asian, Non-Hispanic Black, Non-Hispanic Native Hawaiian and Other Pacific Islander, Non-Hispanic two or more race groups, or Hispanic or Latino.<sup>8</sup> Further, of the 145,000 children under six years living in poverty across the state, more than 2 in 3 identify as American Indian, Asian and Pacific Islander, Black or African American, two or more races, or Hispanic or Latino. More than 37% of Pennsylvania Black or African American children live in poverty.<sup>9</sup>

## High-Quality Child Care

DHS oversees the state's child care system through the Office of Child Development and Early Learning. OCDEL was established in 2007 to directly link DHS and PDE and provide a single entity for child care and pre-k programs to report to. In creating OCDEL, Pennsylvania improved coordination and collaboration of programming

and operations to create a high-quality early care and education system. OCDEL's core responsibilities include child care certification, child care subsidy and quality initiatives, evidence-based home visiting, infant/toddler Early Intervention, preschool Early Intervention, and publicly-funded pre-k through PDE.

### DIVERSITY OF PENNSYLVANIA CHILDREN UNDER 5<sup>10</sup>



Continued on next page



# EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW

## Certified and Non-Certified Child Care Programs

Child care certification is the term used for licensing child care programs in Pennsylvania. Child care providers operating a program for four or more unrelated children must be annually certified by OCDEL and maintain a certificate of compliance to operate within the commonwealth legally.

### 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 ages, 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.



In addition to the regulated child care facilities, relative care providers, defined as grandparents, great-grandparents, aunts, uncles, and siblings over 18, may provide care for three or fewer children. Relative care providers do not need to be certified by OCDEL; however, if relative providers are interested in participating in the Child Care Works (CCW) program, they must complete a State Police criminal history check, child abuse and federal criminal history clearances, and mandatory child abuse reporter training.

Informal arrangements through friends or neighbors are another way families piece together child care in Pennsylvania. Individuals do not need to be certified by OCDEL if they provide care for three or fewer children not participating in the state's subsidized child care program, CCW; however, if they wish to participate in CCW, they must be certified as a family child care home.

There are other non-certified child care services in the state, including those providing child care during a religious service in a place of worship, a facility where the parent of the child is always present, a part-day, school-age program that operates less than 90 consecutive days, or a drop-in child care program.

## Child Care Works

Pennsylvania provides child care subsidies through federally funded programs 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 \$53,000 for a family of

# EARLY CARE AND EDUCATION PROGRAMMING OVERVIEW

four, when they apply to the program. Beyond the financial eligibility criteria, families must also meet other eligibility criteria, 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 10 hours and go to school or training for 10 hours per week. If the parent is a teenager, they must attend an education program.
- The hours the child receives subsidized care must coincide with the caregiver's work, education, or training hours.
- Children can receive child care subsidies from birth until the day before the child's 13th birthday. Children with disabilities may be eligible through age 18.

## Child Care Funding

In Pennsylvania's state budget, two appropriations under DHS support child care programming—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 or SNAP benefits and former TANF families. The child care services line item supports child care subsidies for families eligible 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 of the funding is provided federally, with a 77/23 percent split between federal and state appropriations. A combination of funding between the Child Care and Development Block Grant (CCDBG), Social Services Block

Grant, TANF Block Grant, and SNAP make up Pennsylvania's federal appropriations for child care programming.

The child care services appropriation is \$181.5 million, and the child care assistance line stands at \$109.9 million, for a total investment in the system of \$291.4 million. ***This is approximately \$16.9 million less than the total investment in the 2014-15 fiscal year budget.***

## CHILD CARE PANDEMIC STIMULUS FUNDING

Pennsylvania received significant one-time child care funding through federal pandemic relief funds, which expire in 2024, leaving the state with a \$1.5 billion cliff to overcome.<sup>11</sup>

- CARES Act—\$106.4 million
- Discretionary Federal COVID-19 Relief Funds dedicated to child care through CARES—\$116 million
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021—\$303.9 million
- American Rescue Plan Act (ARPA) Child Care Funds—\$1.2 billion
- American Rescue Plan Act (ARPA) Discretionary Funds—\$90 million



# HIGH-QUALITY, PUBLICLY FUNDED PRE-K

High-quality, publicly funded pre-k builds on high-quality child care for infants and toddlers and is an essential part of the early care and education continuum, preparing Pennsylvania's eligible 3- and 4-year-olds to enter kindergarten ready to succeed.

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.<sup>12</sup> 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 earn up to 300% of the federal poverty level, filling the gap between families eligible for federal Head Start but unable to afford pre-k out-of-pocket expenses. Children who are Dual Language Learners or those at risk of school failure 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, making it only one of a few 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 address 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>13</sup> Families must earn 100% of the federal poverty level or less to be eligible for the program.

Head Start includes four main components of programming: education, health, parent involvement, and social services.<sup>14</sup> 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 benefits, and early identification of health-related problems.<sup>15</sup> 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.<sup>16</sup>

Early Head Start serves low-income pregnant women, infants and toddlers birth-to-age-3, and their families.<sup>17</sup> Specifically, the program addresses economic, health, and psychosocial stressors low-income families may experience.<sup>18</sup> The program also includes parental supports, access to health and mental health services, education, and job training.

## 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 allowing for 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, school districts, or a third-party entity carrying out the fiduciary and lead agency responsibilities for entities eligible to operate program classrooms.<sup>19</sup>

A Head Start program is available to children in every Pennsylvania county. Providers must apply to the federal government to operate as Head Start grantees and follow a comprehensive set of



# HIGH-QUALITY, PUBLICLY FUNDED PRE-K



Performance Standards that assure high-quality education.<sup>20</sup> 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.<sup>21</sup>

## Pre-K Funding

State funding for pre-k in Pennsylvania began in 2004 when the legislature began the HSSAP 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 \$73.2 million has been invested in the program for a total investment of \$88.2 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.<sup>22</sup> Those appropriations have grown steadily over the past

16 years. Now, the Pre-K Counts appropriation stands at over \$300 million to serve more children and fund providers for their services.

Combined, high-quality pre-k programs are now funded at nearly \$400 million annually to serve Pennsylvania's 3- and 4-year-olds—an impressive investment considering this funding exceeds the federal requirements to provide pre-k programming. Fortunately, Pre-K Counts and HSSAP have had a long history of bipartisan support, with many understanding the importance of high-quality pre-k as the key to success in kindergarten.

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 a child's educational and life journey is less understood. Pennsylvania's early care and education system provides care through a mixed-delivery system, including child care centers, home-based and pre-k programs. High-quality child care is vital in ensuring enough providers offer 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 comprise 46% of Pre-K Counts providers, the largest proportion, and nearly half of all participating Pre-K Counts children are served in high-quality child care centers. Pennsylvania's early care and education system is intertwined in this way to serve children from the very beginning, in the setting(s) that work best for their families, to give them the best chance possible to thrive. However, much work is still required to stabilize the system and ensure all working families in Pennsylvania can access high-quality education for their young children.

# 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 young children (68%) across the state have all available caregivers in the labor force.<sup>23</sup> This amounts to over 460,000 children

under five years needing high-quality child care services. Yet, over half of Pennsylvania families, 57%, live in “child care deserts,” defined as areas with over three times as many children as licensed child care.<sup>24</sup> Additionally, families that live in rural communities, work evening and night shifts, or have infants and toddlers are likelier to find child care availability is very limited.<sup>25</sup>

## CHILD CARE PROVIDERS SERVING CHILDREN UNDER 5 BY COUNTY<sup>26</sup>

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percent High-Quality Providers
Pennsylvania	4,025	1,140	612	5,777	30%
Adams	17	25	1	43	21%
Allegheny	375	75	73	523	24%
Armstrong	14	8	2	24	17%
Beaver	44	8	2	54	26%
Bedford	11	3	3	17	24%
Berks	99	16	5	120	29%
Blair	33	5	6	44	41%
Bradford	16	5	2	23	48%
Bucks	185	17	8	210	40%
Butler	46	12	6	64	20%
Cambria	41	8	10	59	27%
Cameron	1	1	0	2	50%
Carbon	27	1	0	28	29%
Centre	41	13	2	56	43%
Chester	148	16	17	181	36%
Clarion	7	1	1	9	22%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percent High-Quality Providers
Clearfield	15	15	10	40	25%
Clinton	5	2	2	9	22%
Columbia	17	4	1	22	23%
Crawford	27	6	1	34	74%
Cumberland	66	14	7	87	30%
Dauphin	107	41	12	160	29%
Delaware	199	34	34	267	27%
Elk	6	9	0	15	33%
Erie	76	37	21	134	45%
Fayette	37	2	5	44	30%
Forest	0	0	0	0	-
Franklin	27	27	7	61	10%
Fulton	2	1	0	3	67%
Greene	4	8	2	14	14%
Huntingdon	5	5	6	16	25%
Indiana	11	8	2	21	48%
Jefferson	10	3	2	15	20%

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

Families often rely on many child care arrangements to ensure their children are cared for while working, but the steep and steady decline in high-quality providers across Pennsylvania has made care options even more scarce. A recent report by ReadyNation and Pennsylvania's Early Learning Investment Commission highlighted the economic impacts access to child care has

on the commonwealth. According to the report, Pennsylvania loses approximately \$6.6 billion annually when families cannot access child care options, and this cost is borne not only by families but also employers and taxpayers at large.<sup>27</sup> Start Strong PA commissioned a survey to hear directly from parents about their ability to access

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	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percent High- Quality Providers
Juniata	1	1	1	3	33%
Lackawanna	69	7	3	79	44%
Lancaster	100	50	20	170	31%
Lawrence	23	2	3	28	46%
Lebanon	18	28	13	59	32%
Lehigh	132	110	9	251	28%
Luzerne	90	8	28	126	29%
Lycoming	26	10	4	40	30%
McKean	7	1	2	10	50%
Mercer	17	9	10	36	36%
Mifflin	5	3	2	10	30%
Monroe	55	2	1	58	29%
Montgomery	296	22	10	328	34%
Montour	7	3	0	10	60%
Northampton	89	9	4	102	31%
Northumberland	15	4	11	30	17%
Perry	9	4	2	15	20%

	Child Care Center	Family Child Care	Group Child Care Homes	Total	Percent High- Quality Providers
Philadelphia	994	340	180	1,514	28%
Pike	8	1	1	10	40%
Potter	4	3	1	8	0%
Schuylkill	36	7	9	52	21%
Snyder	5	2	5	12	8%
Somerset	14	2	8	24	8%
Sullivan	2	0	1	3	33%
Susquehanna	7	1	5	13	15%
Tioga	16	7	1	24	50%
Union	5	0	1	6	17%
Venango	12	6	2	20	50%
Warren	8	5	0	13	23%
Washington	51	6	1	58	40%
Wayne	13	5	5	23	17%
Westmoreland	76	13	7	96	39%
Wyoming	2	1	0	3	33%
York	94	38	12	144	23%



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

high-quality child care and found 70% of working parents reported accessing child care to be a challenge.<sup>28</sup>

Currently, only 21% of the 105,720 infants and toddlers eligible to participate in Child Care Works are served, leaving over 83,000 (79%) eligible infants and toddlers unserved. Further, looking at children under age 5, there are nearly 136,000 children unserved in Child Care Works, amounting to 75% of eligible children.<sup>29</sup> More than 35,500 children are sitting on child care waitlists, ultimately impacting their caregiver's ability to work, limiting Pennsylvania businesses, and restricting the state's overall economy.

## Child Care Affordability

In addition to limited access to child care options, the affordability of child care 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 COMPRISES APPROXIMATELY 17.5% OF THE PENNSYLVANIA MEDIAN FAMILY INCOME.<sup>30</sup>

According to United Way of Pennsylvania's most recent ALICE (Asset Limited, Income-Constrained,

Employed) report, child care is the highest expense for households with children who can meet a bare-essential Survival Budget. Such a budget accounts for only the necessities needed to survive, including housing, child care, food, transportation, health care, and a smartphone plan, inclusive of taxes.<sup>31</sup> On average, the annual cost for a Pennsylvania family with an infant to obtain child care in a child care center is \$12,152, only about 18% less than it costs to attend an in-state, 4-year university in the state.<sup>32</sup>

The Child Care Works program seeks to provide low-income families with assistance to pay for care for their children and requires recipients to pay a co-payment for child care. The co-pay amount varies according to family size and income, can be as little as \$5/week, and cannot exceed 7% of a family's annual income. Eligible families must earn less than 200% of the federal poverty level to initially qualify but can now remain eligible up to 300% FPL before transitioning off the program. While the eligibility period was extended for families in the FY 2021-22 budget, initial eligibility to qualify for the program remains at 200% FPL. In FY 2021-22, families who were income-ineligible for child care subsidies, earning greater than 200% FPL but less than 300% FPL, totaled nearly 11,000 families statewide, creating a financial burden most families could not meet.<sup>35</sup>

## 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 <sup>33</sup>	\$12,377		\$9,715	\$9,974		\$9,036
Pennsylvania Average <sup>34</sup>	\$12,152	\$11,557	\$10,150	\$8,960	\$8,499	\$7,894

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

Both state and federal resources provide funding for CCW. The federal Child Care and Development Block Grant Act (CCDBG) authorizes the Child Care and Development Fund (CCDF) program. OCDEL administers CCDF and outlines how these federal funds can be used to provide financial assistance for low-income families to access child care. States must develop plans to show how they will provide that assistance so parents/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 “base subsidy payments” directly to providers through the Early Learning Resource Center network 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.

## Cost of Quality Care

Pennsylvania reimburses child care providers for the care of children receiving child care subsidies at a rate that significantly shortchanges child care providers for the hard work they do. Each year, a market rate survey (MRS) examines the fees that child care providers typically charge families per unit of care in the priced child care market and uses this data to set the reimbursement rate for child care providers serving children who receive a subsidy. The objective of the MRS is to understand what families who do not receive a child care subsidy are being charged for child care services so that payment rates can be set. However, the market rate survey reflects the price that families can afford to pay, not the actual cost

of care providers spend to serve children, as many child care programs do not want to charge beyond what families can afford for fear of losing clients or harming families' ability to provide for their children.

When using this reimbursement method, 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 child care access for families participating in the child care subsidy program. This federal benchmark is a proxy for equal access but is insufficient. Most states, including Pennsylvania, do not meet even this flawed benchmark.

Pennsylvania's rates rose to the 60th percentile because of one-time American Rescue Plan Act funding that will expire in September 2024.<sup>36</sup>

Before that funding, Pennsylvania's reimbursement was at the 25th percentile, covering only a fraction of the cost of providing child care.

Market rate surveys deepen inequities in communities where families cannot afford high-cost child care, as the prices reported in the MRS skew low due to families inability to afford the true cost of care. This means that child care providers in those communities ultimately receive lower subsidy reimbursement rates than providers in communities where families can afford a higher cost for child care. While intended to reflect the local cost of living, the impact of using a market rate survey system to set subsidy payment rates exacerbates low quality and low wages while also disproportionately affecting people and communities of color.<sup>37</sup>

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## DETERMINING 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 underscores the need for policies 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 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 communities. A cost estimation model incorporates available data and certain assumptions to estimate expected costs for running a child care business.<sup>38</sup> The assumptions used in a cost estimation model often relate to the structure of a program, which can include the number of children, the facility size, the group size, and teacher-to-child ratios, 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 and encourage providers to begin serving or serve more subsidy-eligible children. Using the market rate survey will only perpetuate the broken child care market. A better foundation begins with child care worker compensation and the policies and mechanisms implemented to reimburse child care programs.

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*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 of caring for infants and toddlers since the cost of care is higher than providing care for preschool and school-age children. This grant program awards high-quality child care providers “slots” for each child they will serve, and the funding for the slot remains with the provider even if a child stops attending. Before this, child care providers serving infants and toddlers faced financial unpredictability as a family’s tuition could suddenly cease at any time, making it difficult to budget and plan. The pilot’s goal 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 two-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. Expanding the program and updating some processes will help guarantee stable funding for child care programs and help serve more children.

Families not eligible to receive Child Care Works are considered private pay families. They must pay the full tuition cost directly to the child care provider administering the care. Typically, tuition rates are established based on the child’s age, with infants running the highest rates. 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 significant financial challenges many families with children face, there are limits to what providers can charge to ensure they enroll children and make their programs affordable. Compared to other child care providers



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

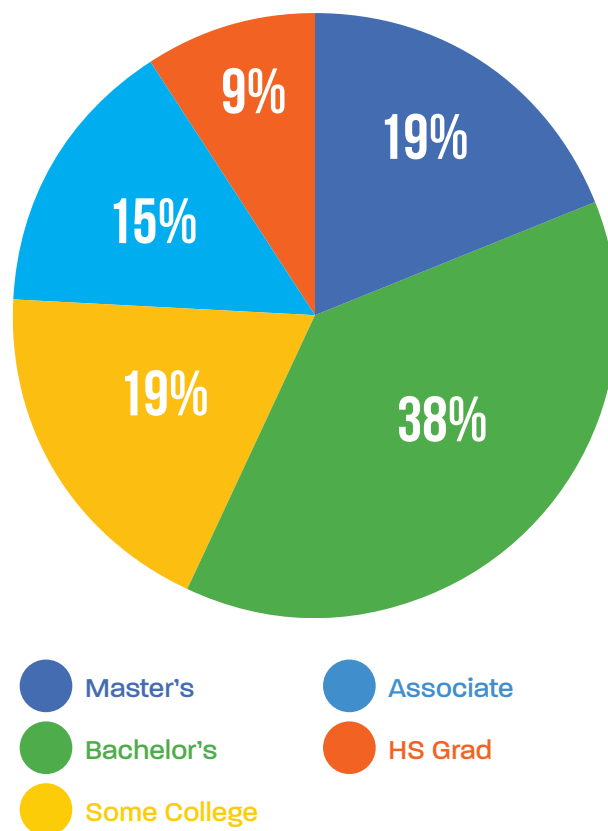
in their service markets, they don't want to drive families away with high prices or cause them to lose a job or opportunity due to a lack of child care. For this reason, providers often do not charge families the true cost of the child care expenses they incur in caring for each child, leaving many programs financially vulnerable or one crisis away from shutting their doors. In fact, the disruption to the child care sector during the pandemic, has led to a net loss statewide of 598 providers pre-pandemic through May 2023.<sup>39</sup>

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 and child care providers' ability to be compensated fairly to pay their teachers and maintain business expenses. A study by the 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.<sup>40</sup> And care for infants and toddlers is much greater than care for older children, largely due to the staff-to-child ratio requirements to maintain compliance with the state's child care regulations. Staff-to-child ratios are essential to ensure the health and safety of the children in care, along with other regulations that reflect the importance of health and safety and prioritize quality care for developing children.

Providing quality care is expensive. As child care programs move higher in Pennsylvania's quality rating system, additional requirements must be met by the staff to maintain high-quality practices. With no other choice, child care providers are forced to set low weekly rates to ensure families can afford the service, thus impacting the providers' ability to adequately compensate their professional staff, leading to a workforce crisis across the state.

In Pennsylvania, the average hourly wage of an early childhood educator is less than \$12.50/hour, meaning nearly half of the child care professionals in the state are eligible for public benefits. Further, in all counties across the state, a child care professional's earnings failed to meet the cost-of-living.<sup>41</sup> Even worse, racial disparities exist within the professional child care sector, with Black educators earning approximately 2% less than their white counterparts. Hispanic educators earn approximately 5% less than white educators, exacerbating the already low wages of the sector and deepening inequities and gaps in pay. A recent

## CHILD CARE TEACHERS LEAVING THE WORKFORCE



Continued on next page

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

## PENNSYLVANIA REQUIRED CREDENTIALS FOR CHILD CARE PROGRAM SUPERVISORS

### Group Supervisors must attain the following:

- 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 degree, including 30 credit hours in early childhood education, child development, special education, elementary education, or the human services field, and three years of experience with children.

### Assistant group supervisors must attain the following:

- 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.

survey of child care professionals in Pennsylvania found that nearly half of the respondents said they did not think they would be working for their employer within five years. Of those respondents, 39% hold a bachelor's degree, and 20% have a master's degree.<sup>42</sup> 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.

Caregiver disruptions impact young children's bonds in the classroom, ultimately disrupting a child's ability to learn and progress developmentally.<sup>43</sup> It can also cause stress for families, with varying expectations and relationships between the teacher, child, and family. Teachers have the greatest demonstrated impact on child outcomes, as they are at the very center of quality. Making the necessary investments in the early care and education

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

workforce is critical to ensuring high-quality experiences for children.

## 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 largest 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.<sup>44</sup>

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.
3. Foster young children's physical, social, emotional, and cognitive development.

In 2003, Pennsylvania launched a quality rating and improvement system (QRIS)—Keystone STARS—to track the quality of child care programs and provide families with a tool to understand the quality of their child's program. As one of the first states to establish 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.

Keystone STARS rates child care programs on a rating scale ranging from STAR 1 to STAR 4, with STAR 3 and 4 programs considered 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.<sup>45</sup> As child care programs advance in the quality rating scale, the requirements in each area increase. 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.<sup>46</sup> To be a 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.<sup>47</sup>

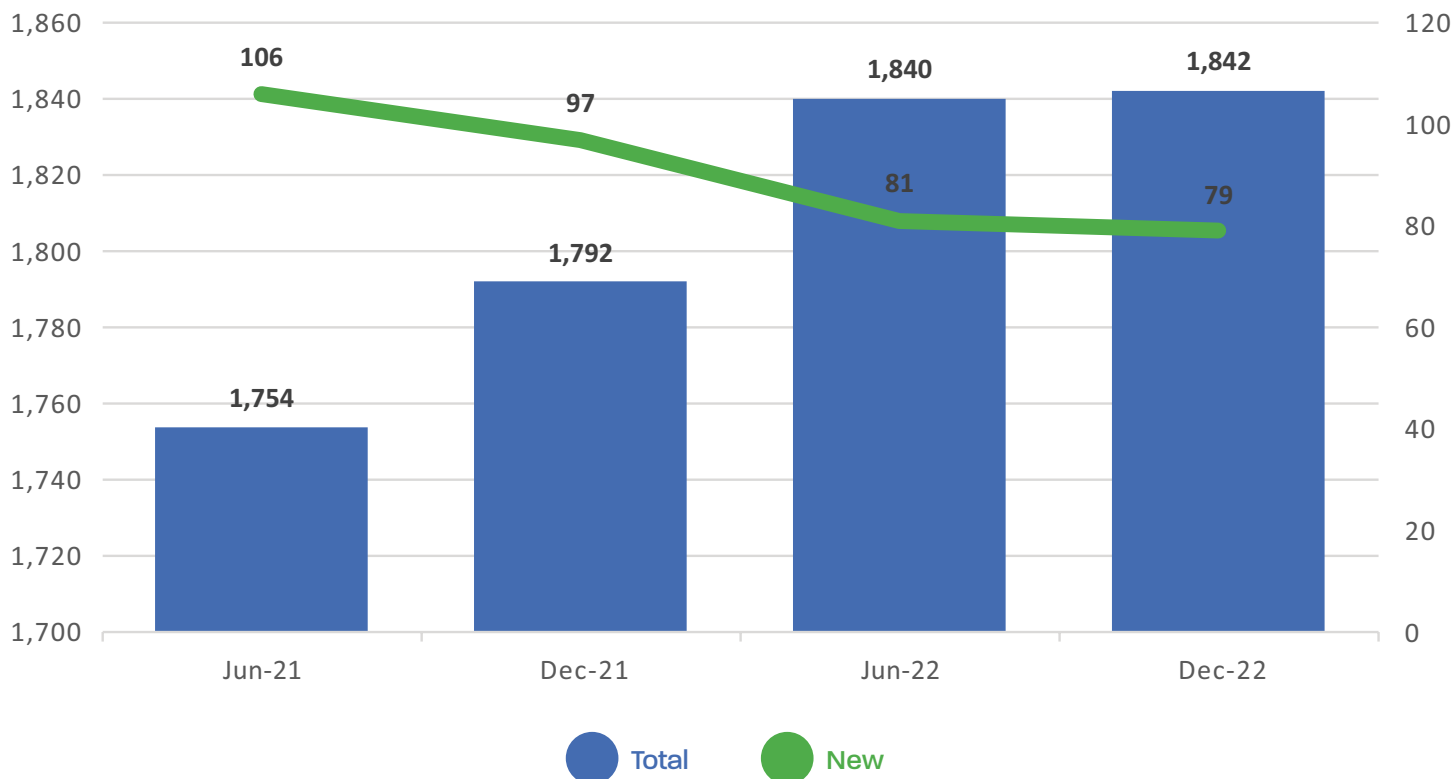
Reaching a high-quality rating also provides programs with slight monetary incentives to reward their quality improvement and encourage continued advancement in quality. Child care programs that reach a STAR 2 or higher receive an “add-on” to their Child Care Works subsidy payment rates per child to recognize their efforts toward high-quality programming. The amount of the “add-on” grows with each higher STAR level achieved. Since June 2021, the number of high-quality providers operating across the state is approximately 1,842, however there is a decline in the number of new

Continued on next page



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

## FEWER CHILD CARE PROVIDERS ACHIEVING HIGH-QUALITY



providers reaching high-quality.<sup>48</sup> Unfortunately, the monetary incentives are not enough for the work that goes into achieving and maintaining quality, which is why we are seeing a decline in the number of new programs achieving high-quality. Increasing high-quality providers is the best way to ensure children receive the biggest early education investment in their future.

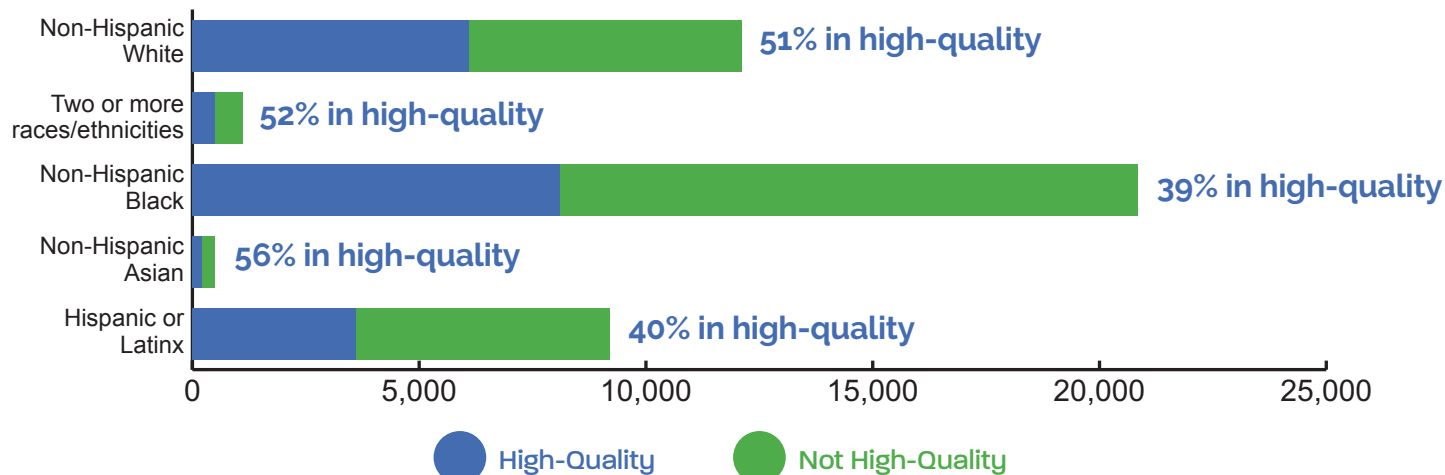
While more high-quality providers are available today, unfortunately, only 46% of all child care capacity in the state currently meets high-quality standards, and only 35% of child care providers serving children under 5 in subsidized child care are high-quality.<sup>49</sup> That means less than half of

Pennsylvania's children receive high-quality care and education before they enter school.

Further, access to high-quality programs highlights more disparities within Pennsylvania's early care and education system. Based on state data provided by OCDEL, in March 2023, 1 in 4 income-eligible infants, toddlers, and preschoolers who are Black, Indigenous, and children of color participated in Child Care Works, with only 40% enrolled in a high-quality child care program. Of the 12% of income-eligible non-Hispanic white infants, toddlers, and preschoolers participating in Child Care Works, 51% were enrolled in a high-quality child care program.<sup>50</sup>

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

## SUBSIDIZED ENROLLMENT BY RACE OF INFANT, TODDLER AND PRESCHOOLER



Hispanic or Latinx enrollment includes 39% other, 30% white, 15% unknown, 13% 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.

Teachers are central to quality early learning experiences. Children do not learn from an adult they do not trust, and teachers' abilities to connect with the children in their care is linked to the depth of growth and learning the children demonstrate. Teacher-child relationships are critical in quality environments and are measured through a standardized tool in assessing programs' STAR ratings.

Well-equipped and resourced facilities also 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*.<sup>51</sup> Physical space sets the stage and creates the context for everything in a learning environment. The facilities and classroom materials also play a vital role in developing infants' and toddlers' cognitive, social,

emotional, and physical skills.<sup>52</sup> High-quality child care programs are the first step in the academic continuum of a child's life and help prepare infants and toddlers to develop the skills needed to succeed in a pre-kindergarten program before entering school.



# 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 high-quality pre-k programs to build upon the skills learned in high-quality child care to 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, far too many children do not have access in Pennsylvania.

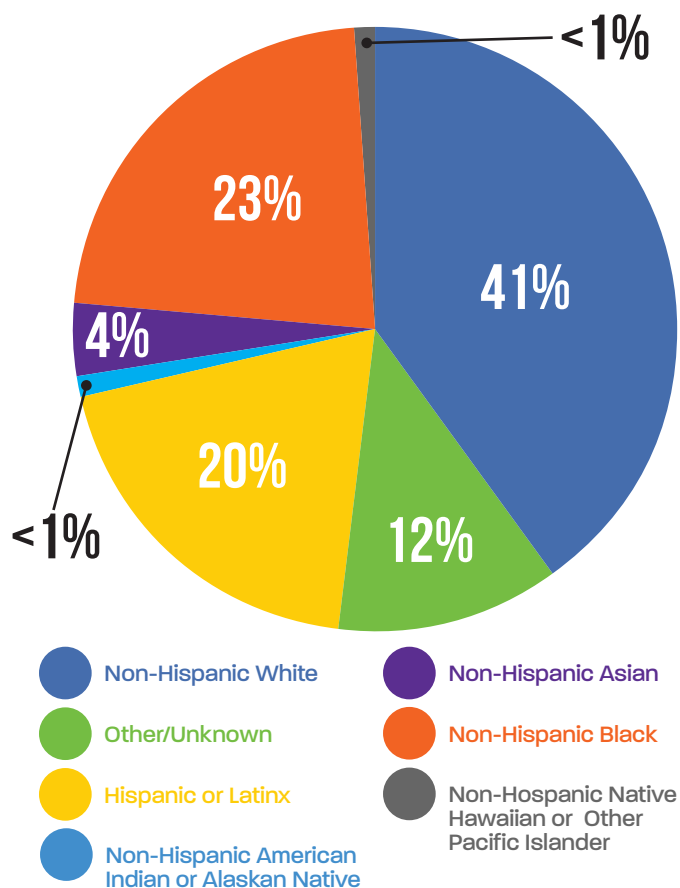
## Access to Pre-K Programs in Pennsylvania

Across the commonwealth, roughly 282,000 children ages 3-4 years are getting ready to enter kindergarten. A little over 153,000 of those children are eligible to participate in high-quality, publicly funded pre-k. Yet less than half, only 43%, of eligible children can attend a high-quality program. Over 87,000 income-eligible children cannot access a high-quality pre-k program, leaving many Pennsylvania children and families with a missed opportunity to prepare for grade school—the state needs an additional 4,364 classrooms to serve the remaining eligible children. And those additional classrooms only account for the 3- and 4-year-olds eligible based on the criteria mentioned earlier. If the state wants to provide high-quality pre-k for all 3- and 4-year-olds across Pennsylvania, an additional 6,451 classrooms are needed.<sup>53</sup> 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 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.<sup>54</sup> 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.<sup>55</sup> 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 factors.<sup>56</sup> In March 2023, only 23% of all children

### PRE-K COUNTS AND HEAD START SUPPLEMENTAL ENROLLMENT BY RACE, MARCH 2023



Hispanic includes 42% other, 34% white, 13% unknown, 9% black, <1% American Indian or Alaskan Native, <1% Asian and <1% Native Hawaiian and other Pacific Islander.

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

served in the Pre-K Counts or HSSAP programs are Non-Hispanic Black, compared to 41% of children identifying as Non-Hispanic White\*.<sup>57,58</sup> It is also important to note there are limitations with this data, as there are with all data collected and analyzed, and those limitations 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 is offered through Head Start, Pre-K Counts, Philadelphia pre-k (PHLpreK), school district pre-k programs, and 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 3,000 eligible locations that can provide high-quality pre-k programming, however only 75% of eligible locations (nearly 2,300) receive public funds to support a pre-k program.<sup>59</sup> The majority of Pre-K Counts providers are in high-quality child care programs, accounting for 46% of the Pre-K Counts locations across the state.<sup>60</sup> School districts also provide high-

quality pre-k programs for children, yet not every school district currently offers a program. Neither child care programs nor school districts can accommodate the number of classrooms needed to serve eligible children. If Pennsylvania wants to increase access to high-quality pre-k programs for children, pre-k classroom expansion must occur across all settings, including more school districts offering programs. The workforce crisis must be addressed so classrooms are adequately staffed, thus expanding pre-k access to more 3- and 4-year-olds.

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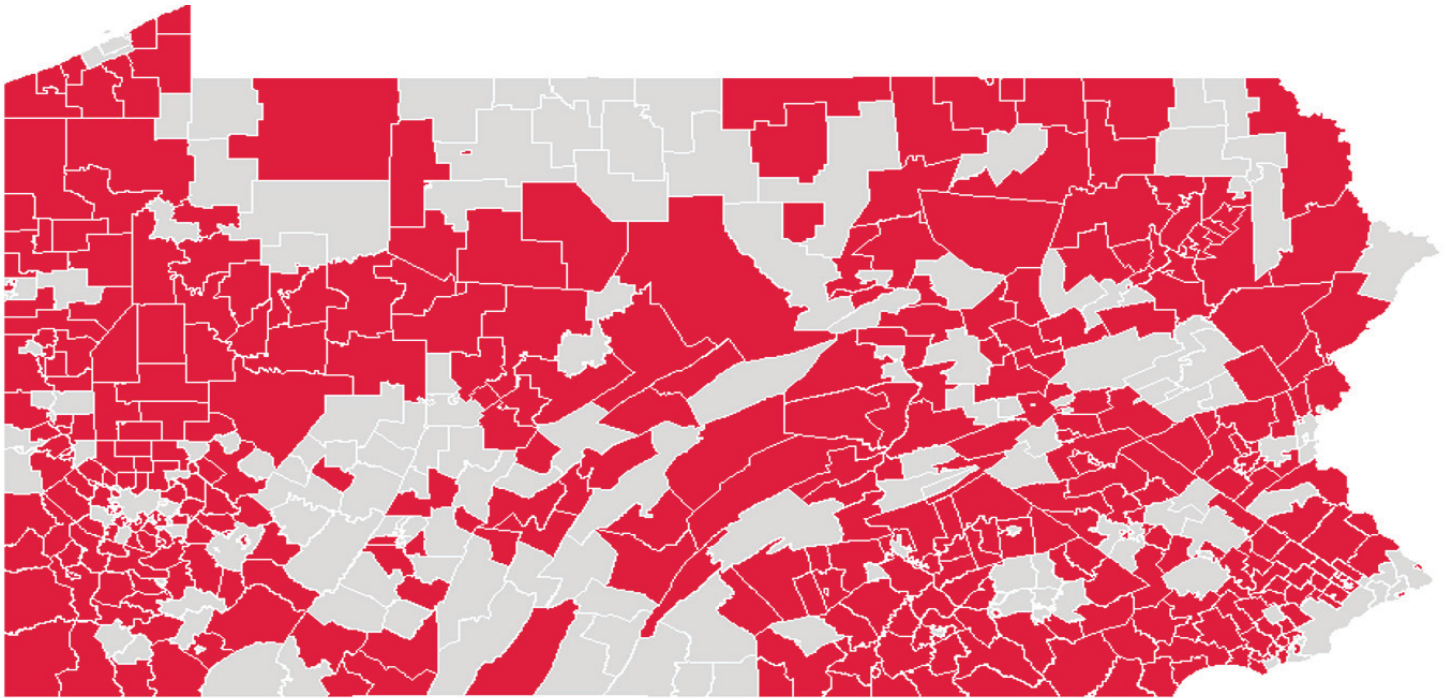


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*\*This point-in-time data may not replicate enrollment in other months or years. It reflects the 33,555 children enrolled in only two Pennsylvania high-quality pre-kindergarten programs and does not account for the children who might enroll in the 3,229 unfilled slots in March 2023. 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).*



## SCHOOL DISTRICTS WITHOUT PRE-K COUNTS OR SCHOOL DISTRICT PRE-K



The National Institute for Early Education Research (NIEER) is the gold standard when analyzing pre-k programs nationwide, issuing its annual State of Preschool report for nearly two decades. As part of NIEER's research and analysis, it looks at each state's quality markers to identify which states meet high-quality programming standards. When it began reporting in 2001, NIEER noted that no state-funded preschool program met its 10 benchmarks for defining high-quality programming. In the State of Preschool 2022 report, only five states met all 10, and unfortunately, Pennsylvania is not one of them.<sup>61</sup>

When looking at NIEER's 10 benchmarks, the Pre-K Counts and HSSAP programs meet 8 out of the 10 benchmarks. In HSSAP, the two unmet benchmarks are teacher degrees and a continuous quality improvement system. NIEER's benchmark

for teacher degrees requires educators in high-quality programs to hold a bachelor's degree, and Pennsylvania's HSSAP program only requires an associate degree. Further, when it comes to continuous quality improvement systems, NIEER benchmarks high-quality as requiring structured classroom observations and then using the data for program improvement. In HSSAP, while structured classroom observations occur, the data is only used for program improvement locally instead of being used to improve the program statewide. In Pre-K Counts, Pennsylvania falls short in its requirements of assistant teacher degrees, where the benchmark requires a Child Development Associate or equivalent, and the state only requires a high-school diploma and experience. In addition, Pre-K Counts falls slightly short in its professional development requirements for teachers and

assistant teachers by not requiring individual professional development plans and coaching for all teachers.

Workforce is an Essential Factor in the Early Care and Education System

As NIEER clearly shows in its quality benchmarks, a skilled teaching workforce is critical to providing high-quality pre-k programs. Educational effectiveness in early childhood education requires educators to have specialized knowledge of child development. This content knowledge supports children’s cognitive, social, emotional, and physical development, laying the foundation for all future learning competencies. Teachers must teach the curriculum and 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 the appropriate knowledge and credentials of professionals, the compensation for pre-k teachers remains significantly lower than their colleagues in K-12 settings.<sup>62</sup>

The pay disparity between early childhood educators and educators in the K-12 system is significant. It leads to high turnover and staffing shortages, further deepening the ability to access high-quality programs. And as mentioned, with child care programs making up slightly less than half of Pre-K Counts providers in the state, the workforce crisis they face with low wages and staffing shortages, coupled with the pre-k shortages, is leading the state into severe early care and education staffing crisis.

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PENNSYLVANIA LEAD TEACHER EDUCATION AND TRAINING COMPARISONS<sup>63</sup>

Head Start	Pre-K Counts	PK-4
<ul style="list-style-type: none"><li>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</li><li>Complete a minimum of 15 hours of professional development per year</li></ul>	<ul style="list-style-type: none"><li>Education: Bachelor’s degree and ECE certificate</li><li>Must complete a minimum of 24 post-baccalaureate credits to convert from Instructional Level I to Level II within six years</li><li>Participation in a PDE-approved teacher induction program</li><li>150 hours of Act 48 approved professional development every five years to maintain certification</li></ul>	<ul style="list-style-type: none"><li>Education: Bachelor’s degree and ECE certificate</li><li>Must complete a minimum of 24 post-baccalaureate credits to convert from Instructional Level I to Level II within six years</li><li>Participate in a PDE-approved teacher induction program</li><li>150 hours of Act 48 approved professional development every five years to maintain certification</li></ul>

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

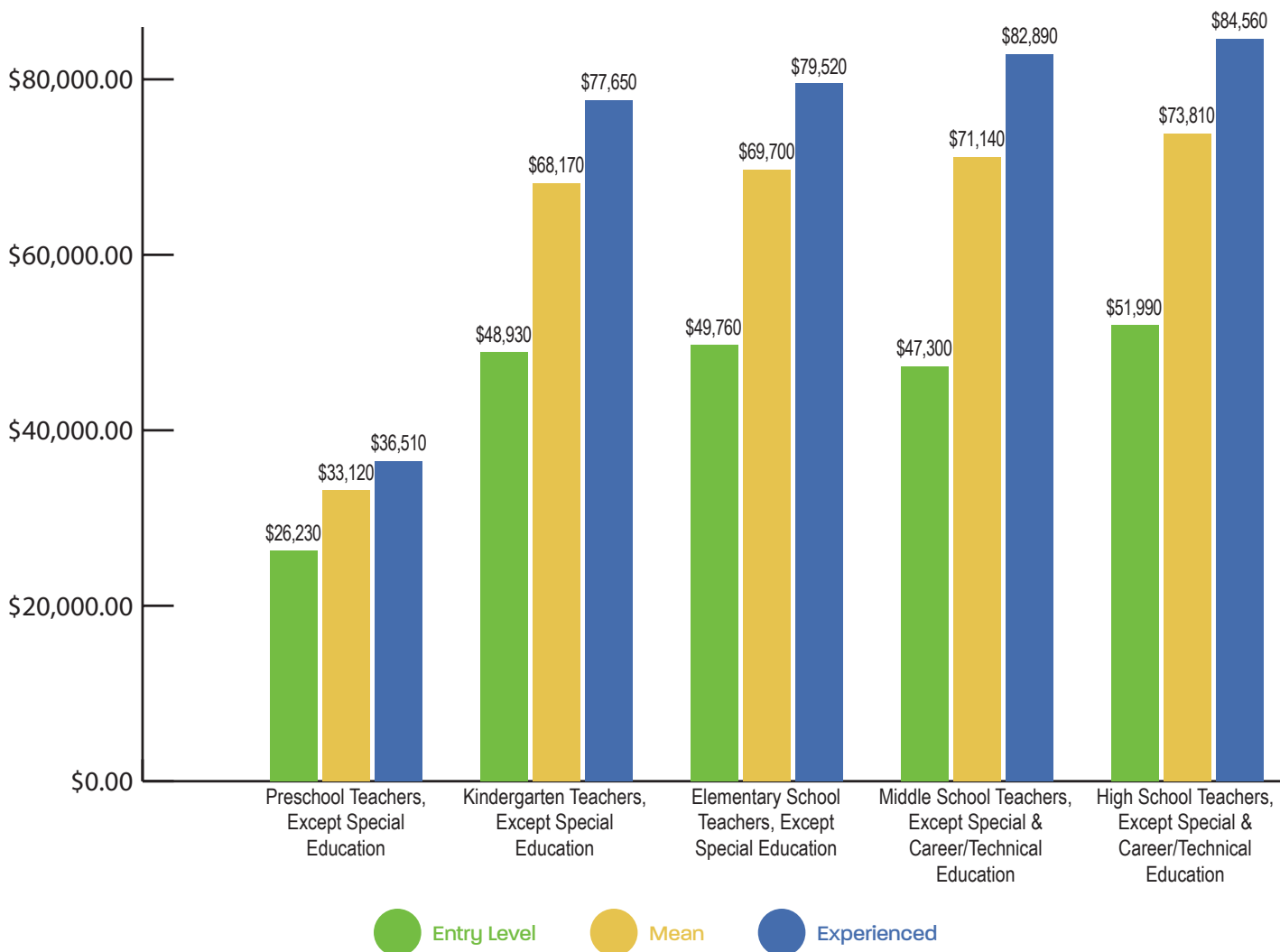
Presently, 23 states have established pre-k salary parity policies with K-12 teachers to raise the salary of a pre-k teacher with a similar level of education and qualifications as their K-12 counterparts.<sup>64</sup> Again, Pennsylvania is not on that list. The table above lists the requirements for a lead teacher in a Pre-K Counts classroom and for lead teachers with a state-issued PK-4 teaching certificate. The lists are strikingly similar, yet the average salary for preschool teachers in the state is \$33,120 compared to \$68,170 for kindergarten

teachers.<sup>65</sup> At a time when the cost of living is rising, teachers will take positions that pay more, and early childhood teachers with certificates will move to school districts.

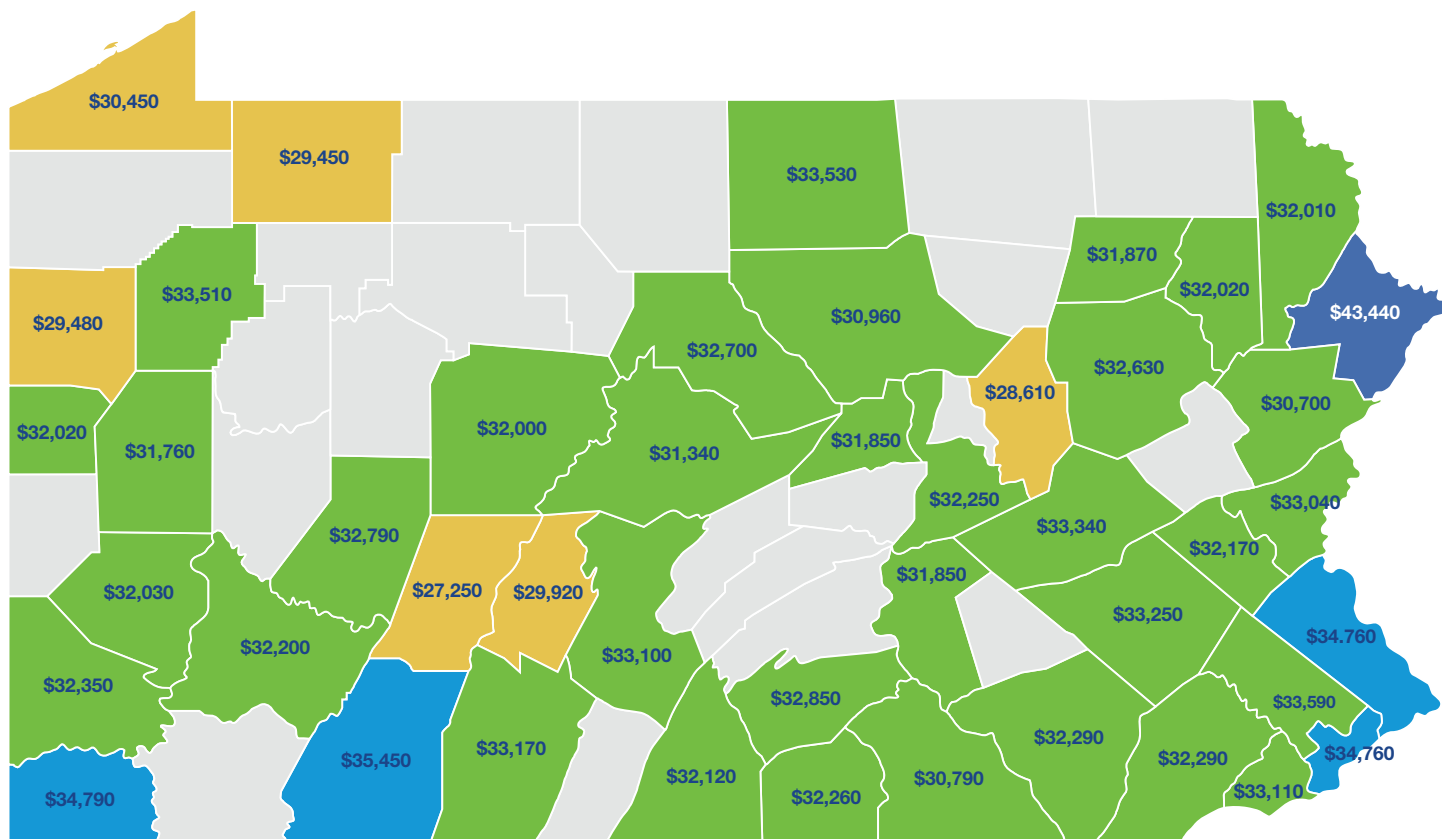
And while that average is statewide, the salaries of pre-k teachers vary greatly county-to-county, with Cambria County on the lower end of the average wage at \$27,250.<sup>66</sup>

High teacher turnover in early childhood programs undermines quality and financially burdens

## STATEWIDE ANNUAL SALARIES, 2022



## PRESCHOOL TEACHER AVERAGE ANNUAL SALARY, 2022



Data not available due to Confidentiality for all counties

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. Teacher turnover impacts the quality environment of the classroom and directly impacts the connection to children and their families. The constant teacher turnover and struggle with retaining highly qualified professionals also harms the program as it takes time to rehire a qualified professional and often causes staffing shifts.<sup>67</sup>

While this pay gap is seen between pre-k and kindergarten teachers, as mentioned previously,

there is an even larger wage gap between Black educators and non-Black educators. There is nearly a \$1/hour wage gap between Black and non-Black teachers at the preschool level.<sup>68</sup> 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 post-secondary 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

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

continued rate increases is imperative to ensure Pennsylvania remains on par with other states in terms of providing high-quality programs. Full-day Pre-K Counts slots are reimbursed at a base rate of \$10,000, and half-day slots are reimbursed at a base rate of \$5,000. HSSAP slots are reimbursed at a base rate of \$10,653. 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. In a report published by Pennsylvania Partnerships for Children in 2022, Pennsylvania ranks 14th in per capita state spending compared to the other 26 states with similar quality ratings of their pre-k programs. The state's per capita spending is \$1,103, far less than neighboring New Jersey—ranked 1st—which spends nearly \$4,000 per capita on high-quality pre-k education. Increasing investments in high-quality pre-k education is essential to ensuring Pennsylvania's children enter school ready to succeed. 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 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.<sup>69</sup> Further, the analysis suggested access to high-quality pre-k can also help students diminish summer learning loss, which can be up to an entire month of learning based on a study by Brookings.<sup>70</sup>



Perhaps even more laudable, the impact study noted consistent results statewide by 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.<sup>71</sup> 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.<sup>72</sup> One teacher noted 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.”<sup>73</sup>

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 in teaching our youngest children. Comprehensive policy solutions and increased investments are needed to change the system's trajectory. It is not an easy, one-time fix. Pennsylvania's early care and education system must be continually evaluated to ensure Pennsylvania's children have a better chance for success. Collaboration between families, providers, policymakers, advocates, and other stakeholders will ensure the policies have the intended changes. 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 future generations.

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

1. Increase state and federal funding for the child care sector to serve more infants and toddlers and incentivize more child care providers to open, especially in child care deserts.
2. Increase state pre-k investments in Pre-K Counts and Head Start Supplemental

Assistance Programs to expand access to more 3- and 4-year-olds.

3. **Increase state funding for the child care sector to help build an infrastructure that will support providers to cover the true cost of providing high-quality care.**
4. Implement a child care workforce wage scale to diminish teacher turnover and stabilize the child care sector.
5. Develop a pay parity policy for pre-k teachers that reflects wages provided to teachers in the K-12 system with the same degrees and credentials.
6. **Require OCDEL to produce a report every three years that provides a clear picture of the early childhood workforce, using state- and county-level 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.
9. **Conduct an equity audit of Pennsylvania's early care and education system to understand better changes needed to ensure equitable access for all children.**
10. Cease the use of market rate surveys and instead conduct cost estimation studies using an approved cost modeling tool to determine the true cost of care. We need to change the current methodology and payment mechanisms, including increasing the use of grants in child care.

# ACKNOWLEDGEMENTS

We gratefully acknowledge the support of:

- Alliance for Early Success
- The Annie E. Casey Foundation
- The Donley Foundation
- The Grable Foundation
- The Heinz Endowments
- PNC Financial Services Group
- Pritzker Children's Initiative
- W. Clement & Jesse V. Stone Foundation
- William Penn Foundation
- Vanguard

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<sup>2</sup> Gibbs & Malik. (2022). *Op cit*.

<sup>3</sup> National Head Start Association. (2022). *Fact Sheet: State Investments in Head Start and Early Head Start to Support At-Risk Children and Families*. <https://nhsa.org/wp-content/uploads/2022/11/2022-EHS-State-Investments.pdf>

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*NOTE: This point-in-time data may not replicate enrollment in other months or years. It reflects the 33,555 children enrolled in only two Pennsylvania high-quality pre-kindergarten programs and does not account for the children who might enroll in the 3,229 unfilled slots in March 2023. 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).*
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