



Governor Wolf's Budget Proposal – The Forecast for Kids is Bright

February 8, 2022

“Budget day is the most optimistic day in the Pennsylvania legislative cycle. In this once in a generation moment, when massive surpluses will be available to Pennsylvania families, imagine if the legislature decided it was time to raise expectations and go farther.” – Donna Cooper, Children First Executive Director

Governor Wolf released his budget proposal for the fiscal year that begins on July 1, 2022, opening the floodgates of legislative debate that will determine whether the future for the commonwealth's children is stormy or bright.

The plan ensures citizens can rely on essential health and safety services in the years ahead by designating over \$2.8 billion to the state's Rainy Day Fund. The fact that such a large pool of state resources is available for the future is ample evidence that even more could be done now to brighten the lives of children.

Wolf's proposal improves the prospects for children by providing the tools, services, and resources to:

- Prepare the commonwealth's public school students for college, career, and success in the real world.
- Give more parents the choice of enrolling their child in pre-k and other early learning programs that build the foundational skills children need to start school ready to learn.
- Respond to the increasing anxiety and depression among new mothers so they nurture their children and return to work.
- Curb the impact of inflation on families by making child care more available and less expensive.
- Keep child care centers open by ensuring child care providers are paid enough to keep them caring for children.
- Provide more high school graduates the opportunity to enroll in training programs or college.

The state's robust revenues permit the plan to also include a 20% business tax cut regardless of whether businesses thrived or struggled during COVID. If the state can afford an across-the-board business tax cut, it can match its public largess for business by properly investing in children.

In fact, the needs of families and children far outstrip what's provided for in this plan. The simple truth is that we can, and must, do better for the children and families of Pennsylvania.

- Thousands of parents are searching for quality child care choices, yet the plan does little to meet demand by parents for affordable high-quality care. No additional state funds are designed to address the urgent workforce crisis in child care and, as a result, the healthy development of children is being sacrificed. Staff are leaving the field in droves because they can make more at a big box store or fast-food restaurant.
- Tens of thousands of children in every corner of the state are at grave risk of lead poisoning, but no resources are set aside to get the lead paint out of the state's aging housing stock.
- Thousands of children without legal immigration papers are left in health care limbo by continuing to deny them the state's robust public health care coverage.
- The resources to improve educational and emotional support services for abused children or those who encounter the law are absent from the plan.

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Lawmakers have an opportunity to build on this plan and give more families the peace of mind that they can raise happy and healthy children because, at the end of the day, what really matters is families.

The Budget Delivers on Early Care and Education because Children Get Only One Chance to Learn the Fundamentals

It's common sense that healthy moms are better equipped to nurture their babies than moms who are suffering from untreated illnesses. Notably the plan makes important investments in restoring the health and happiness of mothers and children:

- Every mother in the state will have peace of mind knowing that they can rely on a full year of comprehensive medical services by reforming Medicaid to cover new mothers who are otherwise uninsured for 12 months following delivery of her newborn.
- Nearly 4,000 families will benefit from home visiting services that work side-by-side with new parents, for a genuine and lasting impact on the wellness of babies. With \$15 million in state funds and \$8 million in federal funds, more families will get the tools and services they need to respond to the fact that more families are struggling now than ever before.
- The plan expands early intervention services for infants by \$1.2 million to support recovery from post-partum depression.

Parents are a child's first and most important teacher. This plan ensures that more parents will have the choice to access early learning services to help them raise happy and healthy children. Examples of what's in the plan include:

- The parents of more than 2,000 children will be able to choose to enroll their children in pre-k and Head Start. Both programs have a proven track record of measurable results in preparing more children to start school ready to learn. The plan boosts pre-k funding by \$60 million and \$10 million for Head Start.
- Parents who work evenings, overnight, or on the weekends will have access to child care thanks to \$6.1 million to incentivize programs to provide care during nontraditional work shifts.
- COVID's devastating impact on child care staff and programs exposed how little the state pays to help cover the costs of child care. In response, with temporary federal COVID federal relief funds, the Administration substantially increased how much child care providers were paid to care for lower income children in 2021. This plan adds permanency to that rate increase, allocating \$77.7 million in recurring federal funds to sustain it.
- Given the heavy burden that inflation is taking on family budgets, Wolf's plan cuts out-of-pocket costs for child care, by allocating \$44.3 million in recurring federal funds for this purpose.

The Probability of Quality Education for Every Student Increases

A great state must have great schools. The simple truth is that the state's public schools are short \$4.6 billion of what's needed to give our students a quality education. And each year the level of unfunded mandates on local schools rises.

To address the drought of resources, the Governor's plan drops the level of school underfunding by at least 30% and dramatically increases the tools and resources available in the state's lowest wealth, high-poverty schools by:

- Adding \$1.25 billion to boost the quality of education in every school in every corner of the state via the Basic Education Funding appropriation.
- Releasing \$300 million to the schools in the 100 districts who, by no fault of their own, have the least to spend and educate the students with greatest needs, “leveling up” these districts via the state’s Fair Funding Formula.
- Increasing services to special education students by giving schools \$200 million in additional Special Education funding to teach students as they deserve to be taught.
- Supporting opportunities to expand career and technical education by adding \$6 million so that more students graduate for real world jobs.
- Capping administrative costs for private organizations tapping the state’s tax credit scholarship program intended to benefit low-income students, freeing up \$41 million more for those students.
- Using the same special education funding system for all schools, public and charter, making it possible to put \$174 million back into the classrooms.
- Setting a generous \$9,800 tuition rate for each student enrolled in a cyber charter school and, in turn, reducing the pressure on school property taxes by \$199 million across the state.

Parents hope their children will graduate high school prepared for college or advanced training that sets them up for the real world.

- The plan includes more than \$400 million to dampen tuition increases at state schools and help parents afford to send their children to college or post-secondary training.

Other elements of the Governor’s plan that brighten the lives of children include:

- Responding to the burgeoning mental health and substance abuse needs of adults, many of whom are raising children, with an additional \$115 million for behavioral health services.
- Increasing the minimum wage to \$12 in 2022 and then 50 cents a year through 2028 to reach \$15. Currently Pennsylvania’s minimum wage is lower than any of our neighboring states.
- Increasing resources for college students and families who struggle with hunger by adding \$3 million to programs with measurable results of curbing food insecurity.
- Doing more to protect children from abuse by adding \$1.8 million for county child advocates and forming a state-level child welfare emergency response team.
- Reinforcing police accountability by giving police departments \$7.7 million for police body cameras and related technology.
- Helping stop gun violence, which took the lives of 116 kids in rural and urban Pennsylvania in 2020, by directing \$35 million to give communities the tools and services to prevent violence.
- Increasing the chances that adults, especially those with children, return to work as quickly as possible when they interact with the criminal justice system by providing \$1 million for indigent defense, \$1.45 million for reentry support services, and expanding the impact of the Clean Slate program, a national model for increasing job access for formerly incarcerated adults.