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Contact: Donna Cooper, Executive Director
donnac@childrenfirstpa.org, 215-596-9167 mobile

State Budget Includes Historic New Investments in Kids

(July 8, 2022) – In line with the Children First forecast of a brighter future for kids following Governor Wolf’s budget proposal earlier this year, state lawmakers today reached a budget agreement that finally makes historic level investments in proven programs, including a much of what Children First and its allied campaigns tirelessly pushed to the top of the agenda.

This statement specifically addresses the positive movement for children included in the state budget. In a late-night maneuver Republican lawmakers also accelerated the process of making abortion illegal in Pennsylvania. Children First will be issuing a separate statement in response to this action.

“The bipartisan budget agreement shows that it’s possible to compromise and make progress simultaneously, especially when it comes to our state’s most valuable long-term assets– children,” said Donna Cooper, Executive Director, Children First.

“Each day we still witness children carrying a very heavy burden, as the pandemic amplified challenges that already existed. Although not at the scale needed to lift their unjust burden completely, this budget responds to the core issues they face.

“At long last, our hard work is paying off for kids. Children First advocates and donors are cheering state lawmakers today for having the courage to pass a state budget agreement that makes historic new increases in programs that improve the lives of children.”

In passing the budget, the Republican and Democratic Appropriations Chairs made the following important comments with which we concur:

Senator Pat Browne (R), *“This budget is an example of the collective and cooperative action that our constituents want from us. It’s what they want government to do.”*

Senator Vincent Hughes (D), *“When we add the numbers up, \$1.1 billion in education funding triple our annual commitment to education. We have to take a moment to thank Governor Wolf for staying the course in this budget process making sure we made this historic commitment to the education of our children.”*

Children First echoes these sentiments noting that state lawmakers deserve credit for sticking to their bipartisan dedication to early learning, providing \$79 million to grow access to high-quality early learning programs like pre-k, Head Start, and great child care.

In addition, the budget includes \$16 million to increase access to home visiting programs that are proven to help new mothers support healthy child development. Another historic high-water mark in family friendly policy is the establishment of a critically needed new state tax credit to help families afford the cost of child care.

We are also heartened that the budget includes a historically large increase of \$1 billion for schools. While still far short of what’s needed to remedy the decades of underfunding of schools, the agreement breaks from a nearly 12-year tradition of minimal school funding increases by appropriating funds sufficient to cover the increase in school costs associated with reasonable public mandates and the projected impact of inflation for the upcoming school year.

All of these new investments in children were made possible because of robust state revenues that provided a \$12 billion cushion for budget planning for the current fiscal year. Spitefully, several lawmakers pushed to constrain spending and reject critical new investments in early learning and public schools. For this reason, the citizens of the Commonwealth should join Children First in lauding the strenuous leadership of Governor Wolf who created the conditions for reasonable leaders in the General Assembly to step up and reach a bipartisan agreement that significantly increases opportunity for so many more of the state’s children.

K-12 Investments Will Improve Educational Opportunity

The news is especially positive for public schools. As they struggle to rebound from both underfunding and the impact of COVID, the 61 school districts in the five southeastern Pennsylvania counties can expect nearly \$300 million in new funding for general and special education purposes.

County	# Of School Districts	# Of Students	Basic Education Increase	Special Education Increase
Bucks	13	80,620	\$13,477,532	\$2,499,231
Chester	12	70,017	\$13,455,309	\$2,484,814
Delaware	15	69,466	\$38,673,555	\$5,600,207
Montgomery	21*	106,845	\$23,316,591	\$3,761,075
Philadelphia	1	118,207	\$176,714,942	\$12,612,448

(The Fair Funding Formula directs new funding to school districts based on the number of students they educate and adjusts funding upwards on a per student basis for students who are low-income and those whose first language is not English. Further the formula accounts for the extra state funding needed in communities where property values are weak and local tax effort is high relative to other school districts.)

Ten of the region’s school districts that have the least resources to educate students and that serve the largest share of the state’s lowest income students will benefit from the second-year installment of the Level Up supplement which is intended to help close the vast educational resource gap between the state’s lowest-wealth and highest-wealth districts.

The following districts combined will receive nearly \$60 million in the Level Up supplement:

Bristol Borough SD	Chester-Upland SD	Coatesville Area SD
Norristown Area SD	Oxford Area SD	Pottstown SD
Philadelphia City SD	Southeast Delco SD	Upper Darby SD
William Penn SD		

Children First played a leading role in the statewide PA Schools Work and Level Up campaigns, both of which played an essential role in achieving these record increases for schools.

Also noteworthy is the largest year over year increase in funds, approximately, \$265 million for higher education including fund increases for public colleges and student aid.

More Children Will Benefit from Great Early Learning Programs

In addition to new education spending for the operation of schools, an additional \$100 million will be available to school districts, in the form of grants, to assist in the short-term with the extraordinary mental health needs of students that swelled due to the pandemic. Another \$100 million will be available to improve school safety, a sad necessity given the unabated rise in gun violence and increasing need to keep students safe at school.

Currently Pennsylvania ranks 45th lowest in the national for state investment in education per student in public schools and it has long been considered the state with the widest gap between wealthy and low-income school districts. For instance, in the 2020-21 school year, the largest funding gap in Pennsylvania was between Shamokin Area School District and Farrell Area School District, with a total revenue difference of about \$29,600 per student or \$725,000 for every classroom of 25 students. It's too soon to know if this robust new funding for schools in Pennsylvania will boost the state's ranking or if the educational spending gap between the districts was reduced.

The budget also continues the well-established trend of investing in high-quality pre-k and Head Start with a record-setting increase of \$79 million that may be used to both increase the wages of staff and expand access to these programs for over 2,000 children. *This hefty increase is a testament to the impact of our statewide Pre-K for PA coalition.* Pennsylvania sufficiently funds pre-k to permit about 40% of the state's three- and four-year-old children to enroll in free high-quality pre-k programs in their community. The increase is a step in the right direction, but it's doesn't cover all the need. Almost 100,000 three- and four-year-old children will still go without the strong start opportunity in their most formative years.

Lawmakers also earmarked \$25 million to enable families who receive child care subsidies to continue to receive them until their household income reaches 300% of the federal poverty level (approximately \$69,000 for a three-person household). The budget agreement also releases \$90 million in one-time funds to help child care programs afford to attract and retain staff and rebuild the supply of available child care. Unfortunately given the staffing crisis in the sector, far too many families cannot take advantage of the subsidies already available.

Real Needs Unaddressed

Our statewide coalition, Start Strong PA, demanded new funds to address the fact that nearly 30,000 fewer children are enrolled in subsidized child care now compared to pre-pandemic due a staffing crisis. As a result, child development is being stunted and parents are having to turn down jobs. Tragically the budget failed to put funds on the table to boost the wages of child care staff.

We are also disheartened that this budget failed to protect children from lead poisoning by failing to put any funds toward removing lead paint from the homes where children live. We had hoped that the final agreement would include \$40 million for this purpose. *Fortunately, prior to the budget and in response to our newly created and highly focused Lead-Free Promise PA coalition, the House Democratic Caucus made a robust \$10 million investment stem childhood lead poisoning in the Commonwealth.*

We'd also hoped that lawmakers would demonstrate their strong commitment to ensuring the health of every child by permitting children who do not have legal immigration status to enroll in the state's public insurance programs. Another year has passed where approximately 19,000 children will simply have to suffer because they can't be treated by doctor for routine health care needs or chronic illnesses.

Finally, its noteworthy that given the several billion-dollar shortfall in funding for public schools, this agreement boosts corporate tax credits by 41% (\$115 million), allowing them to reduce what they owe in taxes by the contributing toward private school tuition. These tax credits are associated with bloated and administratively expensive organizations who release the funds to private schools yet fail to track whether students' achievement is affected by the availability of the tax credits.

Children First is a non-profit, non-partisan organization that improves the lives of children in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties by developing initiatives and advocating for quality health care, child care, public education, and family stability. Learn more on our website (www.childrenfirstpa.org), and Facebook, Twitter, and Instagram (@childrenfirstpa).