



## Children First Analysis Proposed Budget by Governor Shapiro

March 10, 2023

It's hard to get the piercing question from Oliver, "Please sir, may I have some more?" out of your head after reviewing the state budget proposed by the new governor. Governor Shapiro could have used the swollen state surplus of \$11 billion and growing to meet the needs of children, but he didn't. In fact, state revenues are so flush that the governor proposed overly generous corporate tax cuts while making sadly stingy decisions about how to use state resources to make the lives of children better.

To be sure, the Governor made sure programs serving children didn't starve. But he does not fill their cups to meet the urgent gaps in resources for health and education that are essential to giving every child in Pennsylvania the opportunity to succeed. **Lawmakers in the PA House and Senate must build on the governor's plan to fully respond to the indisputable and critical needs of the children of the Commonwealth.**

### ***K-12 Public Education***

Children First and our partners statewide asked the new governor to make an investment of at least \$1 billion in recurring funds for schools, including funds to increase the potent supplement to the education funding formula known as Level Up. Level Up provides extra funding for the 100 lowest-spending school districts where the majority of state's low-income students attend.

We also urged the governor to boost recurring state funding for career-related learning consistent with the state offering the most ambitious options for students, with at least \$200 million for career-related learning. Finally, we urged the Governor to heed the plea from school districts to create a \$1 billion fund to address repairs needed for dilapidated and hazardous school buildings.

In February 2023, the PA Commonwealth Court found unequivocally that the state's method of funding education is discriminatory, robbing children in the states many low-income communities from the opportunity for a decent education. The court didn't stop there though; it directed the governor and General Assembly to fix the system so every student has a "comprehensive, effective, and contemporary public education that gives every child a meaningful opportunity to succeed academically, socially, and civically."

In that court case, the Republican judge found that the method used by the experts to calculate the estimated \$4.6 billion education funding shortfall was credible. Meanwhile school districts across the state are facing alarming shortages of teachers because school districts can't afford to pay enough to attract or keep teachers.

Governor Shapiro proposed:

- New recurring funds to help all school districts contend with the impact of inflation, with \$567.3 million in additional Basic Education funding and \$103.8 million in Special Education funding, a 7.8% increase to match the current inflation rate of 7.8%.
- No additional funds for the Level Up supplement although Level Up has wide bipartisan support and provided a way to start to close the school funding gap found unconstitutional by the courts.
- \$100 million grant pool per year for the next five years to help schools pay for school mental health staff, school counselors, and related staff to address student mental wellness.
- \$100 million per year matching grant program for the next five years to help schools meet the cost of addressing environmental hazards like asbestos, mold, and lead in schools.
- A new \$100 million one-time grant pool for school safety and security upgrades.
- A modest expansion in access to career and technical education with \$23.8 million to expand in-school and apprenticeship training options and funds to cover the cost of industry certification tests for students, a real benefit to low-income students in these career-related programs. No increase was provided to enable more high school students to earn college credits for free in-school before graduation, a program known as dual enrollment. This funding is essential in low-income school districts where parents can't afford to pay fees for college credit courses in high school.
- A \$2,500 tax credit to attract teachers to Pennsylvania which is a good start but will not solve the teacher shortage in low-wealth schools where teacher starting salaries are often \$10,000 less than in higher-resourced school districts.
- Continued funding of the universal school breakfast program and a welcome change to make school lunch free for 22,000 more students with \$38.5 million in new funds for school meals.
- No reforms to rein in the cyber charter education companies, giving a free pass to 14 cyber charter schools that collectively cost the taxpayers \$1 billion a year and rising while each of the 14 are on the list of the lowest performing schools in the state.
- An additional \$60 million is proposed to increase college affordability.

### ***Child Care and Pre-K***

Children First, together with the Pre-K for PA and Start Strong Campaigns, explained to the new governor that without \$430 million in new state funds for child care, the crisis in access to safe, affordable child care for Pennsylvania's working parents will only worsen.

Low wages are the root cause for the exodus of early education teachers, leading to 35,500 young children languishing on waiting lists to get into a child care program while their parents juggle their work schedules or just not work at all.

It takes four things to solve the child care crisis:

1. Great teachers,
2. Resources to boost program quality programs,
3. More affordable child care seats so more parents can go to work, and
4. Payments to child care providers that cover the costs of caring for young children.

Governor Shapiro proposed:

- Continuing the January 2022 increase in the amount paid to child care providers who care for children from low-income working families. While it costs \$66.7 million in additional state funds to keep the increase in place, it's far short of what's needed to stem the crisis. Thousands of staff have left the sector in droves, causing more than 4,000 vacancies and the closure of hundreds of child care programs (even while this policy has been in effect) because it's simply too little to push the average wage for child care staff over \$12.43/hour.
- Boosting the state's legal minimum wage of \$7.25/hour to \$15/hour. Doing so would help child care staff get out of poverty and would require the state to ensure child care providers are funded to cover the cost of the pay increase.
- No additional funds to expand the number of children of working parents who can be enrolled in subsidized child care.
- An increase of \$33 million to boost how much the state pays Pre-K Counts and Head Start programs by about \$1,000 per year. Both programs have a proven track record of measurable results in preparing more children to start school ready to learn
- No additional funds to permit any additional children to enroll in Pre-K or Head Start despite the fact that 60% of eligible children are shut out of these proven programs.

### ***Children's Health***

With 95% of the state's children covered by health insurance, much of their basic health care needs are addressed. Governor Shapiro made a strong push for achieving health care parity in his budget address, showing his resolve to make sure that private health care plans must pay for claims for needed health care services just as public insurance programs are regulated by law to do.

We know firsthand from the calls to our Child HealthWatch HelpLine that children who need mental health services are regularly told by private health care insurances that they won't pay for their care. We applaud the governor for making health care parity a priority and look forward to working to make sure children get the mental health care services they need regardless of how they are insured.

We note that the budget proposal does not make sure that every child is insured. At least 20,000 children are growing up in Pennsylvania without legal immigration papers and they are not permitted to enroll in the state's public health care programs. The proposed budget leaves these children in limbo by continuing to deny them the state's robust public health care coverage.

Over 8,000 children in Pennsylvania suffer from lead poisoning every year but that number is undoubtedly higher since only 20% of PA children are screened for lead. Seven out of ten homes in the state were built before lead paint was banned in 1978 so the threat of childhood lead paint poisoning is very real.

Governor Shapiro proposed:

- An additional \$30.4 million for Early Intervention services, with \$20 million for children under three and the balance for children three to five years old.
- A new \$2.3 million to expand Maternal Health Programing, implementing strategies outlined by the Maternal Mortality Review Committee.

- Increasing funds for county-administered mental health programs by \$20 million, which can and should be used to expand preventive mental health care services to children.
- With tens of thousands of children in every corner of the state at grave risk of lead poisoning, no funds are set aside to get the lead paint out of the state's aging housing stock.

### ***Child Welfare and Juvenile Justice***

The resources to improve educational and emotional support services for abused children or those who encounter the law are absent from the plan.

Governor Shapiro proposed:

- An additional \$12.5 million to the budgets for Youth Development Centers and Youth Forestry Centers. While these are detention programs, if we're going to incarcerate children and teens, the facilities should be adequately funded.
- A terrific investment of \$10 million to shore up the public defender's offices to adequately support people who can't pay for their own legal defense. This is good news for kids caught up in the juvenile justice system as Pennsylvania is one of only two states that does not allocate state funds to indigent defense.
- A boost of \$75 million for violence intervention and prevention programs – specifically, community-led programs focused on prevention of gun violence.

The sum of these modest increases is not large enough to change the trajectory of the children who face the greatest obstacles in life. In fact, the budget itself sustains the obstacles to great early learning and decent schools for every child. At a minimum before lavish tax cuts that further decrease business taxation in the state are enacted, we implore the members of the Pennsylvania House and Senate to heed the call "Please, may the children have some more?"