

Budget Impasse

Further Weakens PA's Child Care and Pre-K System; Hurting Working Families, Children, Businesses, and the Economy

We need a state budget NOW that INVESTS in child care and pre-k teachers!

The Pennsylvania state budget is MONTHS overdue....with NO deal in sight.

Every day without a budget, we jeopardize:

Our Children's Education: Children are being denied critical, once in a lifetime, early learning opportunities.

Working Families' Stability: Early learning classrooms are closed, crippling families' ability to find the care they need in order to work.

Our Overall Economic Success: When working parents struggle with care decisions, employers experience workforce disruptions hurting their bottom line.

The Future of PA's Child Care and Pre-K System: Pennsylvania's early learning sector, already crippled by near poverty-level wages, is now facing an impossible choice due to the budget delay: take on high-interest debt to pay teachers and open pre-k classrooms, or delay opening and risk losing their staff to other industries.



PA Child Care Crisis

- **3,200 eligible pre-k providers are currently denied payment for over 66,500 slots** resulting in closed classrooms or programs self-funding with high interest loans.
- Pennsylvania's early learning teacher shortage is a direct result of low pay. **With the average child care teacher earning just \$15.15 an hour**, providers cannot compete with other sectors offering over \$20 an hour for less demanding work.
- Research confirms that **teachers are the most critical component of high-quality early learning**. Every day the budget is delayed and Pre-K Counts programs remain closed, we have a greater chance of losing qualified professionals for good.
- The budget impasse is actively worsening a child care crisis that already **costs Pennsylvania's economy \$6.65 billion annually in lost wages, productivity, and revenue** every year.
- The June 2024 ReadyNation Report reveals that **inadequate child care costs Pennsylvania's working mothers \$2.4 billion annually** in lost earnings and productivity.
- **Closed classrooms undermine prior bipartisan efforts** to help families afford child care through the enhanced PA Child and Dependent Care Enhancement Tax Credit Program and the Employer Child Care Contribution Tax Credit.

- Data from the **September 2024 Start Strong PA survey** of 1,140 child care providers showed more than 3,000 open positions. If those positions were filled, these 1,100+ providers could be serving almost 25,320 more children.
- Pennsylvania can't afford to fall further behind. **As our budget stalls, 18 other states including Georgia, Iowa, and Oklahoma are proactively investing** in child care teacher wages and retention.
- The PA Chamber of Business and Industry 2024 survey of PA employers showed:
 - **81 percent have moderate or significant recruitment and retention issues due to child care challenges.**
 - 69 percent indicate it is extremely or very important to help their employees meet their child care needs.

As part of the 2025–26 final state budget, Pennsylvania policymakers should:

support the proposed investment of \$55 million in a new and recurring Child Care Recruitment and Retention line item to grant licensed child care providers participating in the child care subsidy program an additional \$1,000 per educator.

include \$17 million in additional funding for Pre-K Counts.

include an investment of \$9.5 million for Head Start Supplemental Assistance Program to help stabilize the Head Start workforce.



**START
STRONG
PA**

