

September 30, 2019



## **Budget Primer**

### **Department of Human Services**

#### **Child Development**

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Through its Office of Child Development and Early Learning, the Department of Human Services delivers a number of services designed to care – and create opportunities – for Pennsylvania’s children. The intent of many of these services is to improve family stability and self-sufficiency by allowing parents to pursue employment or education understanding their children are receiving safe, secure, and developmentally appropriate care.

Act 1A of 2019 (amounts in thousands)	State Funds	Federal Funds	Other Funds	TOTAL FUNDS
Community-Based Family Centers	\$18,558	\$25,342	\$0	\$43,900
Child Care Services	\$156,482	\$425,291	\$0	\$581,773
Child Care Assistance	\$109,885	\$239,248	\$1,705	\$350,838
Nurse Family Partnership	\$13,178	\$2,544	\$0	\$15,722
Early Intervention	\$161,432	\$79,124	\$0	\$240,556
<b>TOTAL</b>	<b>\$459,535</b>	<b>\$771,549</b>	<b>\$1,705</b>	<b>\$1,232,789</b>

## Child Care

Pennsylvania provides financial assistance and subsidized child care to low-income families to help parents maintain employment and increase self-sufficiency. A significant share of the funding for these programs comes from federal block grant dollars, particularly the Temporary Assistance for Needy Families (TANF) block grant and the Child Care and Development Block Grant (CCDBG).

**Child Care Works** is Pennsylvania’s subsidized child care program, which helps low-income families find reliable, safe, quality child care in their communities. The program is delivered in partnership with county governments or local non-profits around the commonwealth. More than 200,000 children receive subsidies through Child Care Works each year.

**Keystone STARS** is Pennsylvania’s voluntary quality rating and improvement system, and it works to:

- Improve the quality of early care and education;
- Support early care and education providers in meeting their quality improvement goals;
- Recognize programs for continuous quality improvement and meeting higher quality standards; and
- Provide families with a way to choose a quality early care and education program.

Child care providers participating in Keystone STARS are assigned a STAR level of 1, 2, 3, or 4, depending on the quality of care as evaluated by DHS using the best evidence and research on early childhood development. Providers receive subsidy add-ons for attaining higher STAR levels.

The **Early Learning Resource Centers**, launched in 2018 by Governor Wolf, are a series of 19 regional partners that provide a single-point-of-contact for families looking for the highest quality child care options for their children.

Child Care Works, Keystone STARS, and the Early Learning Resource Centers are partially supported by state and federal resources in two different appropriations: child care services, directed towards low income populations generally, and child care assistance, specifically target toward TANF and former TANF families.



## **Child Care Services**

The child care services appropriation provides subsidies to eligible families and supports Child Care Works and Keystone STARS. Eligibility for subsidized child care is based on a family's annual income and requires a parent or parents to meet minimum work requirements. The income cut-off for subsidized childcare is 200 percent of federal poverty income guidelines at the time eligibility is determined. If a family's income increases to more than 235 percent of federal poverty income guidelines, they become ineligible for the program.

Parents may elect any lawfully operating child care provider for services, including relatives or neighbors. Families also contribute copayments for their child care on a sliding scale, with copayments capped at 11 percent of income. Families earning less than 100 percent of federal poverty income guidelines have copayments capped at 8 percent.

Admittance to this program is based on funding availability, which has led to a waiting list of 4,700 children as of January 2019. However, Act 1A of 2019 provided an additional \$15 million to provide child care services to 970 children on the waiting list. Act 1A also included \$10 million (split between the appropriations for child care services and child care assistance) in additional funding to provide a 28 percent rate increase to child care providers meeting the qualifications for STAR 2, 3, and 4 levels.

## **Child Care Assistance**

The child care assistance appropriation also supports Child Care Works and Keystone STARS. Through this appropriation, families receive subsidies if they are in approved employment and training activities and are receiving or have recently transitioned off TANF. Families participating in unpaid employment or training activities through Supplemental Nutrition Assistance Program (SNAP) are also eligible.

Approximately 52,000 families receive services through this appropriation at an average cost of \$510 per family per month.

This appropriation also supports the Early Learning Network, which is an electronic data system on early childhood programs and provides teachers and the Office of Child Development and Early Learning with the best evidence-based research for future program development.

## **Other Services for Children**

### **Early Intervention Services**

The Early Intervention program is targeted to infants from birth to age three with developmental delays and disabilities. The program is funded with state and federal dollars – 67 percent and 33 percent, respectively – but is administered by 48 county or multi-county operations. Counties must also contribute 10 percent of program costs to receive state and federal funds. Following a screening and evaluation process, an Individual Family Service Plan is developed for each child in the program.

Particular risk categories include:

- Lead exposure;
- Treatment in a neonatal intensive care unit;
- Low birth weight;
- Birth to a chemically dependent mother;
- Serious abuse; and
- Homelessness.



There are two main components to early intervention services: the early periodic screening, diagnosis, and treatment program utilizes approximately 90 percent of the total appropriation to serve approximately 14,700 infants and families at an average cost of just under \$600 per family per month; and the Infant, Toddlers, and Families Waiver accounts for the remaining 10 percent of the appropriation and serves approximately 1,660 families at an average cost of \$466 per family per month.

By statute, 2 to 4 percent of state funds directed towards early intervention services must be used for professional development and technical assistance for providers.

Act 1A of 2019 included \$6.8 million (\$5 million in state funds and \$1.8 million in federal) to provide a 3 percent increase in rates paid to providers of early intervention services.

### **Community-Based Family Centers**

DHS funds 42 family centers serving 31 Pennsylvania counties. The centers provide families with a menu of services that include parental support and education programs, health care information, assistance accessing health care services, child development activities, toy and resource libraries, and comprehensive information about services available in the community.

Each community family center is the result of planning, collaboration, and commitment from community stakeholders, including local officials, educators, health providers, social service experts, and families themselves.

This appropriation also supports six different evidence-based home visitation models that operate around the commonwealth, covering 66 of 67 counties. These models are:

- Parents as Teachers;
- Nurse-Family Partnership;
- Health Families America;
- Early Head Start-Home Based Option;
- Safe Care Augmented; and
- Family Check-Up® For Children

Home visitation across the commonwealth serves 8,900 families. However, Act 1A of 2019 included an additional \$5 million in state funds to expand home-visitation services under the program to 800 more Pennsylvania families.

### **Nurse Family Partnership**

The Nurse-Family Partnership is an intensive and comprehensive home-visitation program targeting young, low-income, first-time mothers. Each program participant is paired with a specially educated nurse early in her pregnancy and receives ongoing support and home visitation through the child's second birthday. Home visits promote the physical, cognitive, and emotional development of the children. Parents also receive support and instruction on evidence-based best practices for raising their child. The focus on prenatal care, nutrition, and responsible parenting are considered vital to early childhood development.

### **Child Care and Development Fund Block Grant**

The Child Care and Development Fund block grant was enacted by the federal government as a component of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, more commonly known as welfare reform. Like many federal block grants for human services programs, CCDFBG provides maximum flexibility to states. In the 2018/19 fiscal year, state spending on child care services and child care assistance fell while utilization of CCDFBG funds increased.



## Child Care and Development Fund Block Grant Spending (in thousands)

