

**Pennsylvania Partnerships for Children
2017-18 Public Policy Agenda
For Board Approval 12-15-2016**

Child Welfare

Rationale:

Determining when a child should be removed from their family due to safety concerns is a difficult task with potential long-term implications; Pennsylvania has acknowledged the care required when making these decisions by overhauling its Child Protective Services Law in recent years. Now, the state must continue to thoroughly monitor and evaluate the new laws to ensure additional issues or gaps in services are addressed as they are uncovered. Despite the best efforts of prevention and strengthening services, some children will be appropriately removed from their families and placed in foster care. For these children, it is imperative that Pennsylvania not only work to provide them with a permanent family or adult connection, but also consider their well-being while in care. Efforts to reduce the use of congregate care, quickly identify relatives, kin or other families willing to serve as resources, and providing stability in educational settings are three ways the state has recently begun to prioritize the well-being of children in foster care.

Unfortunately, while prevention and family strengthening services seek to reduce unnecessary foster care placements, increase family-based placements when children are appropriately removed from their homes, and ultimately improve outcomes for children and their families, these services are too often overlooked due to an existing, fixed funding structure that incentivizes removal. As child welfare services are primarily funded by state and local funds, Pennsylvania should consider flexible child welfare funding reform in an effort to more strategically utilize state dollars and contain costs as appropriate. The better use of these funds is required to prevent the need for foster care, safeguard the well being of children who do require out of home care and ensure children who are in foster care exit to permanent families.

Additional services to promote permanency are still needed, such as advancing foster family recruiting, licensing, training and retention policies that ensure the availability of safe, committed foster families and promoting evidence-based behavioral health services that seek to enhance foster family and child interaction and reduce placement disruptions. Placement instability in foster care has been found to contribute to a number of negative outcomes for youth, such as increased behavioral symptoms, lower academic achievement and poor developmental, social, and emotional functioning in adulthood.ⁱ In contrast, fewer placement moves are linked with fewer school changes, less trauma and distress, less mental health and behavioral problems, and increased probability of experiencing a lasting positive relationship with an adult.

A greater use of permanency services is also necessary to continue to ensure fewer youth exit foster care without a permanent family or adult connection. When youth age out without such a connection, we know their outcomes on a host of indicators will be poor:

- Nearly half will not complete high school and are twice as likely to drop out of high school as other students.ⁱⁱ
- Nearly half are unable to secure a job four years after leaving the system and struggle to pay their bills.ⁱⁱⁱ

- Nearly 1 in 4 youth have been arrested since leaving care.^{iv}

In 2016, the Pennsylvania Department of Human Services (DHS) took a vital step forward when it comes to finding permanent families for all children in the child welfare system, regardless of age or other special circumstance, by convening a stakeholder workgroup tasked with developing strategies and drafting the necessary statutory language that would eliminate Another Planned Permanent Living Arrangement (APPLA) as a court-ordered permanency goal by 2019. Sparked by federal action in implementing the Preventing Sex Trafficking and Strengthening Families Act, DHS, with assistance from PPC, statutorily limited the use of APPLA to children aged 16 and older, and required the identification of a significant connection for any child with the goal of APPLA. The stakeholder group resulting from that state law went a step further in recommending an expedited track to phase out APPLA, and our work will continue moving into the 2017-18 legislation session to bring this recommendation to the General Assembly. Ensuring children who are in foster care exit to permanent families improves not only the current well-being of children, but also the functioning of these youth in adulthood. Research shows that children and youth placed in family-based care are less likely to become delinquent^v, face fewer alcohol or substance abuse problems, and have lower risks of teen pregnancy, homelessness, incarceration, and unemployment.^{vi} These same youths also achieve higher levels of education, have more social supports and close relationships, including more positive relationships with biological siblings, and are more optimistic about their economic future.

With the combination of greater permanency services, attention to protective services laws, and a better use of child welfare funds, Pennsylvania will be well poised to help children avoid the inherent trauma that comes with removal from one's family of origin.

Current Status:

- Twenty-four pieces of child protection legislation have been adopted since the 2013-14 legislative session stemming from the 2012 recommendations of the Task Force on Child Protection.
- The increased rate of child abuse reporting due to greater public awareness and the implementation of the Child Protective Services Law resulted in the 2016 audit of Pennsylvania's ChildLine child abuse hotline, pushing the Department of Human Services to implement a number of changes to ensure a more efficient and effective response to reports of child abuse and neglect.
- In 2015, about 1 in 6 foster care placements in Pennsylvania involved congregate care, placing Pennsylvania 41st across all states in congregate care usage.
- Act 94 of 2015 brought Pennsylvania into compliance with the federal Preventing Sex Trafficking and Strengthening Families Act by limiting APPLA as a permanency goal to youth age 16 and older. Over 19 percent of youth in Pennsylvania age 16 and older had a court-ordered goal of APPLA in 2015, which too often translated into long-term foster care and aging out without a permanent family or other adult connection.
- In addition to limiting APPLA to youth age 16 or older, Act 94 of 2015 mandates that efforts be made to identify supportive adult connections for all youth with the goal of APPLA. About 76 percent of youth in Pennsylvania with a goal of APPLA who leave foster care do not achieve permanency.
- Six pieces of legislation were introduced in 2015-2016 to bring Pennsylvania into compliance with the federal Every Student Succeeds Act (ESSA), which provides for the

educational stability of youth in foster care through increased collaboration between school districts and child welfare agencies, but all failed to pass both chambers prior to the end of the 2015-2016 legislative session. The legislative package requires three bills (amending the human services code, the school code and Title 42 judicial language). This package was introduced in both the House and Senate, equating to the six pieces of legislation, which will likely need to be reintroduced moving into the 2017-18 session.

Public Policy Framework:

Take steps to align child welfare funding with desired child and family outcomes.

- Advance child welfare financing at both the state and federal levels that is driven by the principles of alignment, prevention and intervention, flexibility, incentives and performance awards, reinvestment and scaling.
- Continue to improve the state's data collection, reporting and technology systems to track performance and improve services for youth at risk of and in out-of-home care.
- Maintain and expand evidence-based home visiting financing and strategies for the highest risk families with young children, including low-income families and those identified with other risk factors.

Strengthen the response to reports of child abuse and neglect and the services and supports children and families receive to reduce instances of child maltreatment.

- Continue to implement appropriate child protection policies related to Pennsylvania's new Child Protective Services Law.
- Ensure additional issues that emerge from the Task Force on Child Protection, including additional requirements for clearances/background checks, alignment of employment bans, and record retention, are implemented in the best interests of children and youth.
- Ensure Child Advocacy Centers meet national quality standards and are available to serve all children in need of them.
- Broaden access to family strengthening services, such as home visiting, that are evidence-based and enhance the safety and well-being of children, including families at high risk of involvement with the child welfare system.

Ensure that all children in foster care receive services and supports that increase their well-being while in placement and increase their chances of becoming part of a permanent family.

- Continue efforts to eliminate APPLA as a permanency goal.
- Strengthen and require ongoing permanency services for all children and youth in foster care, regardless of their court-ordered permanency goal, until legal permanency is achieved through reunification, adoption, guardianship, or placement with fit and willing relatives, and ensure their access to appropriate post-permanency or aftercare services.
- Enhance requirements related to the Resource Family Care Registry that would enable county child welfare agencies access to further improve the placement of children, encourage use of family-based care and promote children remaining in the same schools and communities.
- Advance foster family recruitment, licensing, training and retention policies that increase the use of family-based foster care placements, reduce foster care placement disruptions, and reduce the use of congregate care settings for all children and youth in foster care.

- Fully implement requirements to search for and identify extended family and kin for children served by the child welfare system related to Act 55 of 2013.
- Explore and promote evidence-based behavioral health services that seek to enhance foster family and child interaction and reduce placement disruptions.

Improve the education outcomes of children involved with the child welfare system.

- Advance requirements to ensure all children receiving child welfare services are appropriately enrolled in school, receive an education that is aligned with the commonwealth’s academic standards and their individualized needs, and that every effort is made to keep children and youth in the same school when they enter foster care or change foster care placements.
- Seek ways to strengthen the statewide collection and sharing of education data between schools and child welfare agencies.

Federal Action:

- Seek comprehensive federal child welfare finance reform.
- Support the reauthorization of the federal Maternal, Infant and Early Childhood Home Visiting (MIECHV) program.
- Support enhanced background checks for employees and volunteers that have direct contact with children, and employment bans for certain criminal offenses and child abuse findings.

Children’s Health

Rationale:

Children have unique health care needs because of their ongoing development. As they grow and change, children require an array of services to meet their physical and behavioral health care needs, including vision and dental care.

Health insurance coverage helps ensure access to preventive and primary health care services, and helps provide peace of mind and financial security for families. Children who have health insurance generally have a relationship with a primary care physician and are more likely to be immunized, receive regular check-ups and get prompt treatment for common childhood ailments, such as ear infections and asthma.

Conversely, uninsured children are less likely to see a doctor on a regular basis or when symptoms develop. Because children with health insurance are more likely to avoid preventable childhood illnesses, they generally have better school attendance and better school performance than the uninsured.

Tremendous progress has been made in reducing the number of uninsured children in Pennsylvania since the enactment of the Children’s Health Insurance Program (CHIP) and the Cover All Kids expansion of CHIP, but the number of uninsured parents remains high. According to American Community Survey data for 2015, there are approximately 111,000 uninsured children in Pennsylvania. That is down from 139,000 children in 2014. We are making progress. But we have more work to do.

Health insurance coverage is the gateway to health care services, but an insurance card alone doesn't guarantee children will have access to the benefits and providers they need to meet their physical and behavioral health care needs. It is important that all children, especially children enrolled in Medicaid and CHIP, be screened for developmental delays in the first three years of life in accordance with Bright Futures standards, and if a possible delay is identified, be referred for follow-up assessment and care coordination. Delays that are identified early can provide for interventions at the earliest possible time to provide each child with their best opportunity for success. In addition, lack of proper nutrition for children and maternal depression are contributing factors that impede proper childhood development and warrant additional research into how public policies can be formulated to improve outcomes.

Current Status:

- The commonwealth is among a select few states that make health coverage available to all documented children who do not have access to or cannot afford it through the 2006 Cover All Kids expansion to CHIP. Enrollment in Medicaid and CHIP has increased since the expansion. In addition, the expansion of Medicaid to low-income adults that occurred in 2015 has resulted in more children being enrolled in Medicaid. However, despite these opportunities, approximately 111,000 Pennsylvania children – about 4.1 percent of the commonwealth's children - remain uninsured today.
- More than 40 percent of children are insured in Pennsylvania through Medicaid and CHIP. There were 1,210,827 children enrolled in Medicaid and 165,418 children enrolled in CHIP under the age of 19 in September 2016.
- More than 58,000 children are enrolled in Medicaid under Pennsylvania's unique "family of one" category that permits children to receive Medicaid without regard to parental income, as long as the child has a disabling condition that meets the Supplemental Security Income standards for disability for a child.
- Pennsylvania funds CHIP and Medicaid with federal and state funds. In the current federal fiscal year, about 52 cents of every dollar spent on Medicaid in Pennsylvania comes from the federal government. The federal match for CHIP in the current federal fiscal year is 89 percent.
- CHIP provides standard private insurance levels of behavioral health benefits for enrollees. Medicaid offers a richer benefit package for behavioral health. Unfortunately, many parents do not realize that when a child presents significant behavioral health needs, he or she should be eligible for Medicaid and no longer be insured under CHIP. Without knowing of the opportunity to enroll in Medicaid, families could exhaust CHIP behavioral health benefits and pay for services out of pocket. Parents must be notified of the opportunity to enroll in Medicaid in these situations.
- Both CHIP and Medicaid provide dental benefits. Not all employer-provided health care plans provide dental coverage, and a great number provide poor dental coverage. While the Pennsylvania Insurance Department (PID) implemented required orthodontia services, in 2012 they moved away from requiring all insurers to use the Salzmann Index (a tool for assessing the severity of dental malocclusions as a means to assist in establishing the necessity of treatment) to help measure the need for orthodontia services. However, Pennsylvania returned to the Salzmann index for all children enrolled in CHIP effective December 2016.

- The ACA continues to impact children’s health coverage in Pennsylvania in several beneficial ways, including:
 - Insuring more low-income parents, which has resulted in more children becoming insured.
 - Continuing CHIP through federal fiscal year 2019, although the program is only funded through 2017. Additional federal funding is needed for the program to continue beyond September 30, 2017. CHIP is currently reauthorized in Pennsylvania through December 31, 2017.
 - Expanding eligibility for Medicaid for children up to age 26 who age out of foster care beginning in 2014.
 - Requiring states to use a common enrollment process for Medicaid, CHIP and marketplace coverage. This effort is expected to enhance opportunities to streamline enrollment for individuals applying for coverage. However, Pennsylvania has additional policies and procedures that should be adopted to streamline eligibility and renewal for Medicaid and CHIP.
 - Requiring insurance plans to provide additional preventative services for children, including developmental screening for children under age 3, and surveillance throughout childhood. In addition, when a child birth to age 3 is screened and a possible delay in development is identified, ensuring that insurance plans complete follow-up assessment and care coordination needs to be improved.
- Following the presidential election in November 2016, and corresponding congressional elections, there is a heightened need to defend against any potential changes to the Medicaid or CHIP programs, or any “repeal and replace” effort of the Affordable Care Act that impacts children.
 - Congressional Republicans have noted they will swiftly attempt to repeal the ACA, but may take up to two years in crafting a replacement.
 - Interest has been shown in both Medicaid block grants and per capita caps, which are troublesome for children and families.
 - Funding for CHIP could likely be tied as a bargaining chip to any changes made to Medicaid and/or the ACA.
 - Work will not only be needed to defend against negative changes on a federal level, but also protecting Medicaid expansion in Pennsylvania, which was completed in 2015.

Public Policy Framework:

Protect against negative changes to Medicaid, CHIP and/or the Affordable Care Act.

- Defend against attempts to cap Medicaid spending through block grants, per capita caps, as well as those revised standards included in the ACA.
- Secure adequate federal and state funds to maintain current CHIP and Medicaid eligibility standards without compromising one program in exchange for another. Ensure messaging on CHIP builds off the health and success of the Medicaid program.

Build on the success of Medicaid and CHIP to ensure every Pennsylvania child is insured.

- Streamline the eligibility determination and renewal process by implementing policies such as express-lane eligibility, fast track and administrative renewals for both Medicaid and CHIP and implementing continuous eligibility for Medicaid.

- Ensure access to Medicaid for former foster youth.
- Assess whether the health care handshake is working as intended in achieving cross-program enrollment.
- Evaluate opportunities to work to increase eligibility standards and access to coverage for children, including additional eligibility groups.
- Outreach to other child-serving systems to increase referrals to CHIP and Medicaid.

Assure that benefit packages for children have appropriate health care benefits to meet their needs.

- Continually monitor and review access and coverage to ensure compliance with managed care requirements in both the Medicaid and CHIP contracting process.
- Appropriately advocate for needed changes or additions in both physical and behavioral health benefit packages as necessary.

Assure that children enrolled in Medicaid and CHIP are appropriately screened and provided with all opportunities for their healthy development.

- Determine Pennsylvania’s progress at conducting developmental screens at recommended intervals and conducting follow-up assessment and care coordination for children identified as having possible delays and identify and advance policy steps to improve outcomes.
- Investigate maternal depression screening in Pennsylvania, as the health of a mother can impact the health and development of her child.

Work to improve opportunities to maximize good health through promoting federal and state laws and policies focused on childhood nutrition.

- Evaluate existing and proposed federal and state legislation, policies and regulations and investigate new policy options that aim to improve nutritional opportunities for children, particularly low-income children.

Potential Federal Action:

- CHIP federal funding must be extended before September 30, 2017
- Annual appropriations
- Continued support from federal agencies to stop any attempts to reduce eligibility for, and access to, coverage.
- Threats to Medicaid as an entitlement program and threats to CHIP or Medicaid in return for additional CHIP funding.
- “Repeal and replace” activity on the Affordable Care Act that would negatively impact children and families.

Early Childhood Education

Rationale:

Most brain development has occurred by the time a child reaches kindergarten.^{vii} Unfortunately, the stimulating environments and nurturing interactions that can develop those young minds to their fullest potential are not provided to every child. These earliest years provide a platform that can either propel a child toward a lifetime of accomplishments or a future of challenges. Study after study shows that high-quality early education provides dramatic and long-lasting benefits.

Mediocre or poor-quality early education can hamper the learning, language, literacy and social skills children need for success in school.^{viii}

Investing in early childhood is fiscally responsible and generates both short- and long-term economic outcomes. Children who have high-quality early learning experiences arrive at kindergarten more prepared to learn, are more likely to graduate from high school, attend college and secure employment and are less likely to require special education or remediation. As adults, they are less likely to be incarcerated or rely on public benefits.^{ix} Studies have shown that investments in high-quality early education replace larger public sector expenditures on special education, welfare and juvenile justice. Economists and business leaders are increasingly convinced that high-quality early education is a sound investment - creating a productive workforce, stimulating the economy and yielding significant financial returns.^x Parents are children's first and most important teachers. Evidence-based home visitation programs offer a variety of family-focused services to at-risk families with infants and young children. Evidence shows that voluntary, home visiting programs that match parents with trained professionals can lead to improved maternal and child health outcomes, positive parenting, safe homes and connections to integrated services.^{xi}

During their early years, children grow and learn in a variety of settings. Most children learn, grow and develop in a manner consistent with their peers, but other children experience delays or have disabilities. Oftentimes, parents notice when a child doesn't meet an expected milestone. Other times, that analysis comes from a pediatrician or a caregiver in an early learning program. Having access to early identification and treatment of developmental delays and disabilities can reduce the need for more costly support services and remediation once a child enters school.^{xii}

Out-of-home care is a necessity for many families due to work schedules. Child care subsidies make quality child care more affordable and help low-income parents access the child care they need to go to work and support their families. Families receiving child care subsidies are counseled by Child Care Information Services agency staff to choose providers participating in the quality rating improvement system. Families able to enroll their children at high-quality programs are in settings that result in better cognitive, social and emotional outcomes in children who are at risk of school failure.^{xiii} Without child care subsidy, low-income families simply could not afford to pay the full cost of child care. In fact, data demonstrates that the cost of child care for two children exceeds housing costs for families in Pennsylvania, with child care fees being 100.6 percent higher than annual rental costs and 9.3 percent higher than annual mortgage payments.^{xiv}

Research has demonstrated that children who spent more time in high-quality child care in their first five years had better reading and math scores across their elementary school years.^{xv} Keystone STARS is Pennsylvania's quality rating improvement system for child care programs. Providers are rated on a scale (from STAR 1 to STAR 4) and earn STAR levels based on meeting research-based standards related to: staff qualifications and professional development; early learning programming; partnerships with family and community; and leadership and management. Despite Keystone STARS being established more than a decade ago, not all child care is high quality and there is still much room for improvement.

High-quality pre-kindergarten for every 3- and 4-year-old in Pennsylvania is a proven solution that can help ensure every child is ready to succeed in school and life. Research shows investing in high-quality pre-k has a long-term ripple effect that positively benefits children by:

- Significantly improving early literacy, language and math skills as children enter kindergarten.^{xvi}
- Cutting special education placements by nearly half through second grade.^{xvii xviii}
- Reducing grade repetition by as much as a third through eighth grade.^{xix}
- Increasing the likelihood of high school graduation and college enrollment, in turn leading to stronger employment opportunities and lifetime earning potential.^{xx}

In addition, the benefits of pre-k impact taxpayers through crime-related and special education savings, for example. The public policy debate on high-quality pre-k has moved from whether or not it is a wise investment to focus instead on how it can be funded to reach more children. The research is clear and support is evident that investing in a child's first few years establishes a foundation for school readiness by helping to shape the cognitive, physical, social and emotional development that children need to be successful in school, careers and life. Children get one opportunity to receive quality early childhood services. If that opportunity is missed, it cannot be recaptured.

Current Status:

Home Visiting

- Pennsylvania's current structure of supports to vulnerable families and children includes the integration of several existing evidence-based home visiting programs.
- In March 2010, Congress authorized the creation of the Maternal, Infant, and Early Childhood Home Visiting program (MIECHV) to promote evidence-based (i.e., scientifically proven) home visiting programs as a means to strengthen health and development outcomes for at-risk children and their families. Originally authorized for five years, Congress extended MIECHV funding for two additional years in 2015; absent Congressional action MIECHV will expire on September 30, 2017. In 2016-17, Pennsylvania received \$16.3 million in federal funds under MIECHV to support evidence-based home visiting within the commonwealth.
- Four evidence-based home visiting models in Pennsylvania receive MIECHV funds as a percentage or total of their funding, including Early Head Start (EHS), Healthy Families America (HFA), Nurse-Family Partnership (NFP) and Parents as Teachers (PAT).
- Two of the four MIECHV-funded models also receive state funding. In fiscal 2016-17 the state appropriation for NFP totaled \$11.978 million and PAT, which is supported through state funded Community-Based Family Centers, received \$3.258 million in state dollars.
- There are 178,085 children under 6 years of age living in families with incomes under 100 percent of the federal poverty income guidelines in Pennsylvania. In 2015-16, the federal MIECHV program supported a total of 2,883 families across the commonwealth.
- Funding of evidence-based home visiting varies by model:
 - EHS serves 48 counties and is funded through MIECHV and other federal grant funds.
 - HFA serves seven counties and is funded through MIECHV.

- NFP serves 46 counties and is funded through MIECHV, Medicaid, state funds, and contributions from NFP implementing agencies.
- PAT serves 51 counties and is funded through MIECHV, federal/state/county child welfare funds and private dollars.

Early Intervention

- In fiscal 2016-17, the combined state and federal investment in Early Intervention for children birth to age 5 is \$473 million. The state investment is \$381 million.
- Early intervention services are an entitlement. More than 89,500 children birth to age 5 received early intervention services in fiscal 2015-16.

Child Care Access and Quality

- **Child Care Works Subsidized Child Care Program:** On average, 120,000 children ages birth to age 13 receive assistance each month through Pennsylvania's child care subsidy program. In September 2016, the low-income waiting list stood at 7,878 children. For providers, reimbursement rates alone fail to provide adequate financing to deliver high-quality programs.
- **Keystone STARS/Rising STARS:** Pennsylvania's quality rating and improvement system counts participation by 49.2 percent of regulated child care providers, but only 17 percent reached the STAR 3 and 4 levels. Approximately 61 percent of children receiving subsidized child care are enrolled in programs participating in Keystone STARS and only 23.7 percent of the children in the subsidy program receive services at STAR 3 and 4 providers. The Rising STARS initiative is focused on increasing the availability of high-quality child care for at-risk children. This strategy incentivizes providers to reach higher STARS levels and takes steps toward compensating providers for the true cost of providing high-quality child care in STAR 3 and 4 programs. OCDEL also launched the Keystone STARS Revisioning process in February 2016. The goal of the process is to determine what changes are needed to increase the number of participating providers, and what barriers existing STAR providers face when trying to attain higher levels of quality. As part of the process, a Revisioning Think Tank Team was formed and charged with engaging a diverse group of early learning stakeholders in the creation of a new conceptual framework for Keystone STARS. Over the next five months, the team met with the child care community across the state to develop recommendations and are expected to release a final proposal by the end of 2016.
- **Professional Development:** The T.E.A.C.H. Early Childhood Scholarship Program was reinstated for the 2016-17 fiscal year, to provide child care staff with programs and support systems that improve their education and compensation. The scholarship covers most of the cost for tuition and class materials and recipients also receive a travel stipend each semester they are enrolled in class. T.E.A.C.H. requires that the sponsoring child care program offer paid release time for the student to attend class, study, or handle personal needs. At the end of the scholarship year, if they complete their educational requirement, participants are eligible to receive either a stipend or a raise, and agree to continue working in their child care program for one year after each scholarship year. The Rising STARS Tuition Assistance Program was established in 2013 with goals to support early learning practitioners and eliminating barriers to enrolling in higher education degree programs. Rising STARS Tuition Assistance Program supports eligible

applicants enrolling in Child Development Associate (CDA) degree or other college-credit bearing courses by covering 95 percent of the tuition cost of a class prior to the beginning of the course.

- **Investment:** The total state and federal investment for child care access and quality in fiscal 2016-17 is nearly \$774 million. Pennsylvania provides \$288 million of the total budget. However, this is a decrease in state support of \$20 million, or 7 percent, from the prior fiscal year. The legislature cut funding to child care, in order to balance the 16-17 budget, on the presumption that an infusion of federal funds through the Child Care Development Block Grant (CCDBG) would effectively replace the state dollars. However, much of this federal funding has already been allocated.

Pre-k

- Only about 55,000, or 18.6 percent, of Pennsylvania's 3- and 4-year-olds benefit from high-quality, publicly funded pre-k, while 81.4 percent of 3- and 4- year-olds do not have access at all.
- Focusing on children below 300 percent of the federal poverty guidelines, 68.6 percent - or 116,000 - of 3- and 4- year-olds do not have access to publicly funded, high-quality pre-k.
- High-quality pre-k includes Pennsylvania Pre-K Counts, the Head Start Supplemental Assistance Program, Keystone STARS 3 and 4 enrollments; Head Start; public school pre-k; accredited or PA Department of Education licensed nursery schools; providers accredited by the National Association for the Education of Young Children, National Early Childhood Program Accreditation, and National Afterschool Association/Council on Accreditation.
- There are two dedicated state funding streams for high-quality pre-k:
 - **Pennsylvania Pre-K Counts** provides 3- and 4-year-olds at risk of educational failure with high-quality pre-k programs through a mixed service delivery system. Pre-K Counts funding increased by \$25 million in the 2016-17 fiscal year to \$147.284 million. The program served 13,456 children in the 2014-15 school year.
 - **Head Start Supplemental Assistance Program (HSSAP)** augments the federally funded Head Start program. HSSAP funding was increased by \$5 million in the 2016-17 fiscal year to \$49.178 million. The program served 4,781 children in the 2014-15 school year.
 - Other states are outpacing Pennsylvania when it comes to expanding high-quality pre-k programs, putting the commonwealth at a competitive disadvantage. Our neighboring states of Maryland, New Jersey, New York and West Virginia are serving significantly more 4-year-olds than Pennsylvania.^{xxi}

Public Policy Framework:

Increase the availability of evidence-based home visiting strategies to strengthen families and meet the comprehensive needs of infants and young children at highest risk.

- Expand evidence-based home visiting financing and strategies for the highest risk families with young children, including low-income families and those identified with other risk factors.

- Explore additional federal and state financing options for evidence-based home visiting services, including additional Medicaid match for services provided through the Nurse Family Partnership Program and the utilization of child welfare dollars.
- Explore the development of a county-based intake service to ensure families and children are appropriately referred to need programs and allow for the scaling of these services.

Monitor investments and policies that support the inclusion of children with developmental delays and disabilities in high-quality early learning programs and provide ongoing supports to parents and providers.

- Support adequate investments to identify and provide necessary services to all young children eligible for early intervention services. Preserve eligibility and high-quality implementation standards for children in the Early Intervention Program.
- Maximize all state and federal funding for Early Intervention.

Ensure the availability of high-quality child care for at-risk children.

- Take steps to ensure that children enrolled in Child Care Works (CCW) can attend STAR 3 and 4 programs regardless of where they live and when their parents work.
- Support efforts to reimburse child care providers, including tiered reimbursement, at the full cost of quality care, ensuring Pennsylvania’s full compliance with CCDBG “access to care” provisions.
- Provide financial support and technical assistance to STAR 1 and 2 providers to move up the STAR ladder, creating a more financially-stable and larger pool of high-quality care providers for at-risk children in the subsidized child care program. Create program parameters that time-limit provider participation at STAR 1 or 2 if payment and TA is appropriately provided.
- Reimburse all family child care home, group homes or centers operating in the same market and of a similar quality level, comparable reimbursement for Child Care Works services.
- Create and scale a financing strategy that increases the supply of high-quality infant and toddler care.
- Explore additional financing options that assist middle-income families who are not income-eligible to afford high-quality child care.

Ensure the health and safety of children in child care settings and improve child care quality.

- Maintain appropriate certification standards for all child care facilities to ensure the health and safety of children in care, including preventing any “carve out” of certain facility types and full compliance with federal guidance.
- Review and implement changes to Keystone STARS that focus on standards to improve child outcomes and program effectiveness.

Increase the number of children enrolled in publicly funded high-quality pre-k.

- Expand investments so that every 3- and 4-year-old will have access to high-quality pre-k:
 - Increase funds for publicly funded, high-quality pre-k, so at least 60 percent of at-risk 3- and 4-year-olds can voluntarily participate.

- Promote financing strategies to help middle-income families who are not income-eligible to afford high-quality pre-kindergarten.
- Ensure an adequate supply of high quality pre-k providers are eligible for participation in publicly funded programs and preserve the mixed pre-k service delivery system.

Promote comprehensive Pre-K to K-12 transition policies that emphasize kindergarten readiness and foster relationships between families, teachers, and community partners.

- Explore and advance the commonwealth’s Kindergarten Entry Inventory (KEI) reporting tool as a no-cost option for teachers to track students' proficiency across both cognitive and non-cognitive domains, and ensure locally developed assessments used as an alternative to KEI are consistent, high quality, and provide a clear sense of the readiness gaps and learning needs of students.
- Support efforts for professional development of staff in engaging families and learning about student needs as they transition to kindergarten.
- Explore opportunities to facilitate pre-K- 3 professional development focused on improved instructional strategies that provide meaningful outcomes for parents and establish the literacy and mathematical foundations needed to succeed at the next grade level.
- Ensure the continued alignment of academic and social-emotional learning goals found in the Pennsylvania’s Learning Standards for Early Childhood with the expectations of kindergarten and beyond.
- Increase communication and data sharing between early learning providers and school districts to help teachers gather and share information regarding child readiness and instructional practices.
- Explore and promote extended early learning summer programs, including the OCDEL sponsored Summer Kindergarten Readiness Program, aimed at mitigating learning loss, improving skill comprehension, and facilitating long-term knowledge retention as well as offering opportunities for early learning providers to partner with school districts in providing transition information for children entering kindergarten.

Ensure the effective operations of OCDEL programs.

- Support the effective implementation, use, and reporting of OCDEL data systems and their coordination with other child and family service data systems.
- Promote impactful strategies to integrate core functions of OCDEL programs to improve efficiencies in data collection/reporting, payment, licensing, monitoring and program improvement.

Potential Federal Action:

- Annual appropriations – Child Care Development Block Grant (CCDBG), Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG), Head Start, Early Head Start, Individuals with Disabilities Education Act (IDEA) - Part B, and IDEA - Part C, Preschool Expansion/Development Grants and Early Head Start – Child Care Partnerships.
- Maternal, Infant, Early Childhood Home Visiting (MIECHV) full reauthorization is needed by September 30, 2017.
- State plan submission and implementation of Every Student Succeeds Act (ESSA).

- TANF Reauthorization
- Advancements of federal policies and legislation expanding and improving Pennsylvania’s early learning systems.

K-12 Education

Rationale:

One of the most important factors influencing the future success of any child is the quality of his or her education. Children who have the advantage of rigorous schooling and who develop knowledge, skills, creativity and determination will carry our state and nation forward as a leader in a global economy. Achievement has remained stagnant in recent years, demonstrating once again that Pennsylvania has significant hurdles to overcome to ensure all children can receive a high-quality public education.

Although Pennsylvania’s academic growth compared to other states is higher than expected, our student achievement results are not improving at a sufficient rate. The number of 3rd through 8th grade students scoring advanced or proficient in both reading and math have remained almost unchanged. In the 2014-15 academic year, only 42.4 percent of 3rd through 8th grade students were advanced or proficient in math and 60.8 percent were advanced or proficient in reading. A year earlier, 39.6 percent of 3rd through 8th grade students were advanced or proficient in math and 60 percent were advanced or proficient in reading. Yet the number of students proficient or advanced in science over that time frame decreased from 67.8 percent to 67 percent, respectively. These scores clearly indicate Pennsylvania must refocus its efforts to improve student achievement.

Today, many Pennsylvania school districts can be categorized as “haves” or “have-nots.” Some students live in districts with all the financial resources required to provide them with the best instructional strategies and state-of-the-art equipment, while others do not. Our goal must be to level the playing field. All students and teachers deserve to be supported in the classroom regardless of where they live. The implementation of a fair funding formula for basic education funding in 2016 was an important first step, but to fully realize the goal of a level playing field, the commonwealth must invest additional state resources so all schools are adequately equipped to help students achieve.

Policymakers in Pennsylvania, like those in many other states, recognize that an effective teacher is the most important school-based factor influencing achievement – a factor more important than class size, school size, afterschool program quality or which school a student attends.^{xxii} Teachers, just like their students, need the right resources, clear expectations and constructive feedback to be the most effective in the classroom. While many of those tools and supports exist, they too often are overlooked or unavailable in many of Pennsylvania’s schools. Pennsylvania took an important step forward in 2012 by authorizing a new educator evaluation system, but this achievement should not signal the end of the commonwealth’s work to improve educator effectiveness.^{xxiii}

Current Status:

Basic Education

- A 2014 study projected that school revenues are unlikely to match school expenditures without district and state actions to cut costs and enhance revenues. Under existing conditions and fiscal policies almost 50 percent of districts will be without sufficient revenue to cover mandatory and necessary costs in 2017-18.^{xxiv}
- State funding through the basic education subsidy – the largest state funding source for public education -- is \$5.9 billion. Pennsylvania uses a “hold harmless” approach to distribute a significant amount of basic education funding, meaning school districts receive at least as much funding as they received the year before. Governor Wolf and the General Assembly made a historic decision by codifying the new student-weighted basic education funding formula, as recommended by the Basic Education Funding Commission, into statute through Act 35 of 2016. The main objective of the new formula is to equitably distribute new state resources according to various factors that reflect student and community differences such as poverty, local effort and capacity, and rural and small district conditions. The formula will help ensure new state funding is distributed to schools and students that are most in need. However, only approximately 6 percent of basic education subsidy payments are currently distributed through the recently enacted formula, while the rest remain tied to the “hold harmless” approach to school finance. The Ready to Learn Block Grant continues to be a vital funding source for school districts as well. It was funded at \$250 million for the current fiscal year and distributed by a formula using a base student amount, market value/personal income aid ratio, and weights for poverty and English Language Learners. School districts must use the funds to invest in effective educational strategies, practices and initiatives to improve student achievement. There are more than 12 strategies identified by PDE, including curriculum alignment, teacher training, professional development, full-day kindergarten, pre-kindergarten and more.
- As mentioned, Pennsylvania’s system for basic education funding is not entirely based on what resources are necessary to support students in reaching academic expectations or on consistently applied student and district factors. This results in some districts being able to offer valuable academic programming, while others cannot. For example, 15 school districts eliminated full-day kindergarten since 2010, while 72 school districts established new or increased availability of their full-day kindergarten programs. These types of disparate opportunities have their root in the commonwealth’s “hold harmless” school funding approach.
- The commonwealth has adopted the Pennsylvania Core Standards in English language arts, mathematics, Science, Technology, and History and Social Studies. The standards establish higher academic expectations for all children in public schools and the aligned assessment measure how well students are achieving to the standards. In early 2016, Governor Wolf signed Senate Bill 880 to delay the Keystone Exam graduation requirement for a two-year period. Beginning with the graduating class of 2019, students will be required to demonstrate proficiency on three end-of-course Keystone Exams in literature, algebra I and biology to assure they are prepared for postsecondary education, the workforce, or military service when they graduate from high school. More than 49 percent of the graduating class of 2015 did not score proficient or advanced on each of the three Keystone Exams, and the poor performance was not limited to our most distressed schools. As a requirement to SB 880, PDE investigated alternative options for a state level graduation requirement and issued a report on its recommendations in the summer of 2016. The report contained four pathways for students to demonstrate

postsecondary readiness including; a composite score on all three Keystone Exams; achieving equivalent scores on one or more alternative assessments such as the SAT; attaining an Industry-Based Competency Certificate for CTE students or completing a Career Portfolio for non-CTE students; and meet locally-established criteria and providing three pieces of evidence that reflect postsecondary engagement. The report also recommended that Project Based Assessments be eliminated as an alternative to Keystone Exams and to discontinue the requirement that students who do not demonstrate proficiency be offered supplemental instruction.

- Pennsylvania has a robust and important charter school community, but there are concerns about accountability, performance and overpayments. There are 152 charter schools, 10 regional charter schools and 14 cyber charter schools that collectively enroll over 132,000 students. More than sixty school districts authorize and oversee charter schools and regional charter schools.^{xxv} Cyber charter schools are approved and overseen by PDE. The General Assembly, the Wolf administration and stakeholders have not been successful reaching consensus on charter reform legislation. Issues that prevented enactment include: cyber charter payments, enrollment caps, accountability standards, a higher education authorizer and authorization of a multiple charter organization.

Special Education

- After six years of flat state funding, special education received a \$70 million increase over the past three fiscal years and now stands at \$1.096 billion, but this is far from adequate. During the years of flat funding, school districts saw their special education instructional costs increase by 20 percent, or \$560 million dollars.^{xxvi}
- Following the student-weighted basic education funding formula in the spring of 2016, the governor and the General Assembly reached another landmark consensus by codifying the special education funding formula recommended by the Special Education Funding Commission into statute. The new formula includes factors reflecting student needs based on three cost categories – low, moderate, and high. It also includes factors that consider community differences such as poverty, property tax levels, and rural/small district conditions. However, only approximately 6 percent of special education subsidy payments are currently distributed through the recently enacted formula, while the rest remain tied to the “hold harmless” approach to school finance. Furthermore, the new formula does not apply to charter school entities, as they continue to receive funding from school districts based on the average special education student expenditure in the student’s home district, with no consideration of the level of disability of the student or the three cost categories. As a result, charter schools are overpaid for students with mild disabilities and underpaid for students with more severe disabilities. This system creates an incentive for charters to over-identify students with disabilities that require low-cost support and to dissuade or “counsel out” students with slightly greater needs. A recent report by the Pennsylvania School Boards Association found that charter schools reported receiving more than \$100 million in excess special education payments from school districts.^{xxvii}

Educator Effectiveness

- Pennsylvania continues to implement the statutorily required evaluation system for teachers, principals and non-teaching professionals. The teacher evaluation system rates

teachers based 50 percent on observation/practice and 50 percent on multiple measures of student achievement. The system went into effect for teachers in the 2013-14 academic year and principals and non-teaching professionals in the 2014-15 academic year. With changes in the administration and perhaps as part of PDE's implementation of the ESSA, any scaling back of the evaluation system will need to be defended in order to preserve the important gains made in the law.

- Decisions about teacher furloughs and tenure are not being based on how effective teachers are at increasing the academic achievement of their students. Furloughs are determined by seniority and Pennsylvania law prohibits school districts from using criteria other than seniority when making layoff decisions. Tenure is granted after three years if a teacher receives satisfactory evaluations and completes an induction program. The legislature passed HB 805 in 2016, which would have altered the furlough process to account for other criteria, but it was vetoed by Gov. Wolf.

Every Student Succeeds Act (ESSA)

- On December 10, 2015, President Obama signed the Every Student Succeeds Act (ESSA), which reauthorizes the Elementary and Secondary Education Act (ESEA). Developed and passed with strong bipartisan agreement, ESSA replaces the No Child Left Behind Act. It provides significant flexibility around federal education policy by shifting authority back to states and maintaining rigorous benchmarks with regard to testing requirements, accountability, the performance of low performing schools, teacher quality, and academic standards.
- ESSA requires that states develop and submit a State Plan to the U.S. Department of Education (USDE). To ensure that Pennsylvania's State Plan is rooted in the day-to-day needs of educators, students, and communities, PDE designed a stakeholder engagement process that relies on participation from a group of diverse leaders and practitioners. There were four working groups covering the areas of Assessment, Accountability, Educator Certification, and Educator Evaluation. The final working group recommendations were released in October 2016, with PDE noting it will continue to gather input from around the state with a goal of final submission of a plan to USDE in the spring of 2017.
- The new framework under ESSA largely goes into effect in the 2017-18 school year, with 2016-17 serving as a transition year. Pennsylvania's existing state plan remains effective until August 1, 2016. Under ESSA, states are expected to continue interventions in priority and focus schools through the 2016-17 school year.

Public Policy Framework:

Ensure all children receive a high-quality public education that is supported by a rational school funding system, and sustained multi-year commitments that provide schools with the resources needed to maximize student achievement.

- Continue driving multiple year investments through the enacted basic education and special education funding formulas to ensure adequate and equitable support is provided to school districts, while also eliminating the state's basic and special education funding gap and increasing its share of public education costs.
- Revise the per-student basic and special education charter and cyber charter school funding formulas to more accurately reflect the costs assumed by charter school entities

to deliver services, and incorporate weighted elements that better consider student characteristics.

- Support other investments beyond funding that will help ensure all children exit 3rd grade with the ability to competently perform at grade level. Explore and advance the commonwealth's Kindergarten Entry Inventory (KEI) assessment tool as a no-cost option for teachers to track students' proficiency across both cognitive and social-emotional domains, and ensure locally developed assessments used as an alternative to KEI are consistent, high quality, and provide a clear sense of the readiness gaps and learning needs of students. Explore opportunities to facilitate pre-k-3 professional development focused on improved instructional strategies that provide meaningful outcomes for parents and establish the literacy and mathematical foundations needed to succeed at the next grade level. Explore and appropriately promote extended summer programs aimed at mitigating learning loss, improving skill comprehension, and facilitating long-term knowledge retention.

Continue to develop a comprehensive and transparent accountability framework that effectively evaluates the performance of schools and their personnel, while also providing parents with insight on the quality of education their child is being provided.

- Advance policies that offer consistent, uniformed, and rational accountability standards across all public school domains, and/or eliminate any double-standards that may currently be in place.
- Continue to support the educator effectiveness evaluation system that incorporates observation, multiple measures of student performance including value-added student assessment, and encourages school districts to use the evaluations to make appropriately informed decisions regarding retention and remediation policies. Also, explore and advance new proposals that improve public school accountability for student results and more accurately inform the public on how students and schools are performing.
- Revise and improve the Pennsylvania School Performance Profile system to more accurately measure the ability of schools to increase student proficiency and support its use as a public tool for gauging school district effectiveness.
- Amend state policies to ensure tenure awards are aligned with effectiveness while eliminating seniority as the sole provision governing educator furloughs, and incorporating the use of effectiveness measures as a factor.
- Support efforts to improve charter school governance, performance and accountability (academic and fiscal). Expand the reach of *successful* charter schools and responsibly address the continued operation of failing charter schools.

Ensure the state's academic standards continually provide a quality benchmark for defining student proficiency across all grade levels, and support an assessment system that measures student growth, identifies adequacy gaps, and recognizes curriculum and instruction needs.

- Maintain Pennsylvania's rigorous academic standards including the criteria currently presented in the Pennsylvania Core Standards.
- Maintain rigorous high school graduation requirements that ensure students are postsecondary and workforce ready regardless of where they graduate from in the

commonwealth while fully implanting all state assessments, such as Keystone Exams, to ensure curriculum is aligned with the state’s proficiency benchmarks.

- Continue to support the improvement of the Master Provider and Master Client Indices as well as the integration of the Early Learning Network (ELN) longitudinal data system with the Pennsylvania Information Management System (PIMS) currently utilized by school districts to more effectively track student progress from pre-k through secondary education.

Potential Federal Action:

- Federal budget opportunities on Title I and IDEA.

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^{xxvi} Source: Calculation is based on the difference in special education instructional expenditures between 2008-09 and 2012-13 as reported on school district Annual Financial Reports (1200 account) to the Pennsylvania Department of Education.

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