

Governor Shapiro FY 2026 State Budget Proposal What's it Means for Children

By Amy Kobeta / Communications Director Children First

HARRISBURG - Governor Shapiro delivered his third proposed budget to the PA legislature, outlining what he called commonsense investments to make the lives of Pennsylvanians better. The \$51.5 billion proposed budget wisely increases spending to offset the impact of inflation so that Pennsylvania's children do not suffer the impact of cuts to critical programs. In fact, the lion's share of Shapiro's new spending is laser focused on improving the lives of children.

Public Education Shapiro Puts the Students with the Greatest Needs First The most historic policy change embodied in the Governor's budget is the ambitious investment in public schools and higher education. The big news is the \$1 billion for public schools that supports the Shapiro policy of prioritizing state funds for schools to the communities with the lowest wealth. Shapiro's proposal represents the second year of the tidal shift where education funding is directed towards the 348 low-wealth school districts that need it the most, including 181 rural school districts. This investment represents a continued serious effort to abide by the Commonwealth Court order to provide a thorough and effective public education to all students in Pennsylvania. Specifically, \$526 million is targeted for schools found to be underfunded by the state's highest court and confirmed by legislation passed last year that found the funding gap for

these districts to be \$4.5 billion. The proposed increase represents the second major infusion of funds for these districts, bringing the gap down to \$3.5 billion. Although this progress is substantial, at this rate, it may take nearly a decade to afford students in these low-wealth districts access to a top-quality education. Governor Shapiro's bold proposal sets a clear marker of his commitment to addressing the school funding gap. We hope to persuade House and Senate members to accelerate the pace of closing this gap. Every School District Receives More State Support, Progress on this Front is Needed Every local school district will also receive increases in funding through a \$75 million increase in Basic Education Funding – state funds distributed to every school district as part of the state's share of total education costs. In addition, a \$40 million increase was provided for Special Education Funding.

These increases appear to be below the rate of inflation which is likely to mean that school districts will likely need to boost property taxes to compensate for weak state investments and rising costs, or worse yet, cuts to services for students. State lawmakers have the power to increase these basic state investments so that both taxpayers and students are protected from the impact of inflation while preserving the quality of their schools. **Cutting Wasteful Education Spending Takes Center Stage** In addition to these investments, the Governor proposed adopting a standard cyber charter school tuition rate of \$8,000 per student, saving school districts an estimated \$378 million annually that otherwise would go to cyber schools.

This common-sense reform would align the tuition that school districts send to cyber charter schools with the cost of educating students on a computer. Additionally, a statewide standard rate would remove the wild disparities in payments to cyber charter schools based on their home school district funding – some school districts pay under \$8,000 per child while others pay over \$25,000 per child for the same educational service. (This policy reform was recommended three years ago by Children First's PA Charter Performance Center.) Other key priorities in the Governor's education funding plan that we fully endorse are: • \$125 million more in school repairs • \$100 million to continue school safety and mental health investments • \$20 million more to expand student teacher stipends • \$11 million more to fund school meals including providing universal free breakfast for every student • \$7 million to continue supporting dual enrollment, giving high school students

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The administration projects that these funds will serve 3,000 more children, bringing the total number of children served to 54,300. The proposed budget also included a \$14.6 million increase for early intervention services for 3–4-year-old children (EI Part B) to continue the program. The administration expects to serve 3,500 pre-school-aged children in early intervention, bringing the total number of children served in that program to 76,320. Unfortunately, the state's Head Start Supplemental Assistance Program (HSSAP) was flat funded. During these uncertain times, this was a missed opportunity to support low-income families, and our invaluable Head Start providers. Key priorities in the Governor's early childhood education funding plan include: • \$55 million for a child care recruitment and retention fund • \$17 million for Pre-K Counts, of which \$15 million for a rate increase and \$2 million to continue services • \$16 million for infant/toddler Early Intervention, of which \$10 million for a rate increase to enable higher wages for providers and \$6 million to continue services. • \$14.6 million for three- and four-year-old Early Intervention services to continue services.



Landan Postal with his Pre-K teacher at graduation

Technical Education
Child Care and Pre-K Child care was another big focus of the Governor's address where he made the clear case that the child care sector faces a worker shortage because of low wages. Finally Raising the Wages of the Workforce behind the Workforce – Child Care and Pre-K Investments that Work After years of advocates sounding the alarm on the early childhood education staffing crisis, the Governor proposed investments focused on the recruitment and retention of the early childhood workforce. The Governor's proposal includes a remarkable increase of \$103 million for the early childhood education sector, which includes child care, pre-k, and early intervention. Over 80% of that investment is dedicated to lifting the workforce. In child care alone, since the start of the pandemic, 2,200 child care programs have closed in the Commonwealth. An additional 25,000 children could be served if 3,000 open job positions could be filled.

There was a new line-item for a \$55 million recruitment and retention fund for the 54,000 child care teachers in programs that are willing to accept children whose child care is subsidized by the Commonwealth because of the families' low income. These funds are expected to provide a minimum \$1,000 bonus per early childhood educator to incentivize them to enter careers or stay in their jobs. Additionally, there was a \$17 million increase for Pre-K Counts, of which \$15 million is also for a rate increase to increase wages for pre-k teachers.

Increasing Access to the Specialist to Help Young Children with Healthy Development Early intervention (EI) for infants and toddlers (Part C) and for 3- and 4-year-olds (Part B) also saw an increase. Early intervention is a lifeline for families with young children who need developmental services (speech, occupational, or physical therapy). These are the types of services that keep children in child care programs, mitigating the harmful effects of suspension and expulsion of children from programs. The budget included \$10 million more for early interventions services for infants and toddlers, (EI Part C), exclusively focused on a rate increase so that early intervention providers can raise wages.