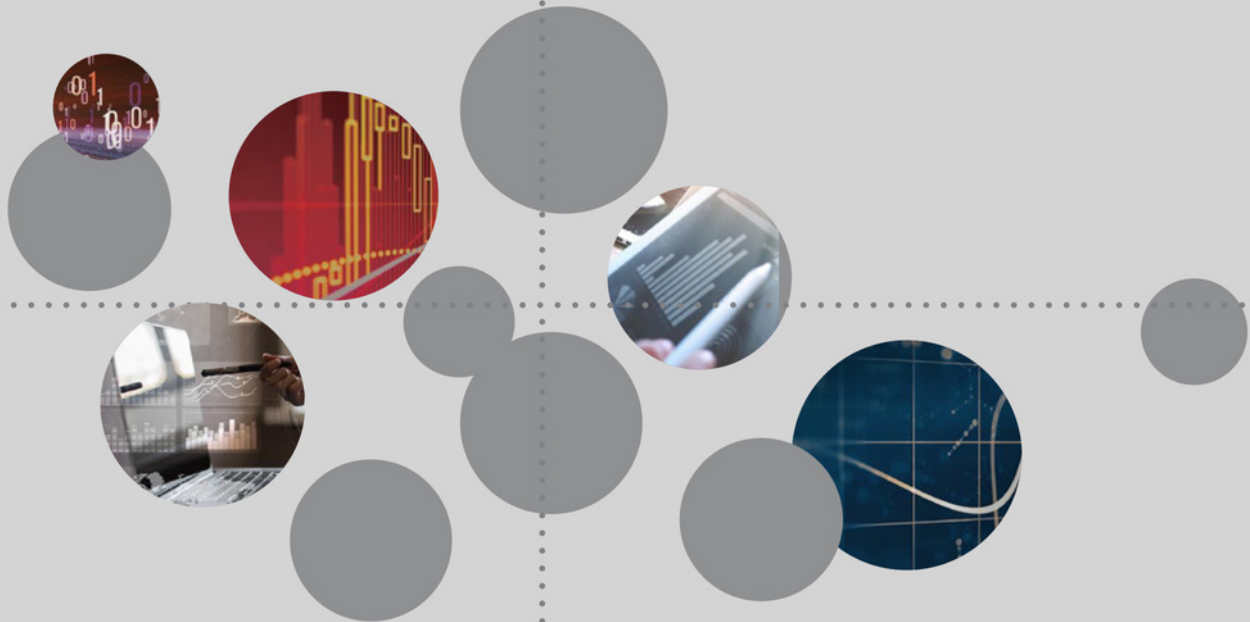


# Policy Tracker

**The Institute**

*Turning Information into Insight*

THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



Issue 9: Q1 2023

# EDUCATION



## EARLY CHILDHOOD EDUCATION

While earlier programs may generate the highest potential returns, donors that support children beyond age three nonetheless play an important role in sustaining and extending benefits

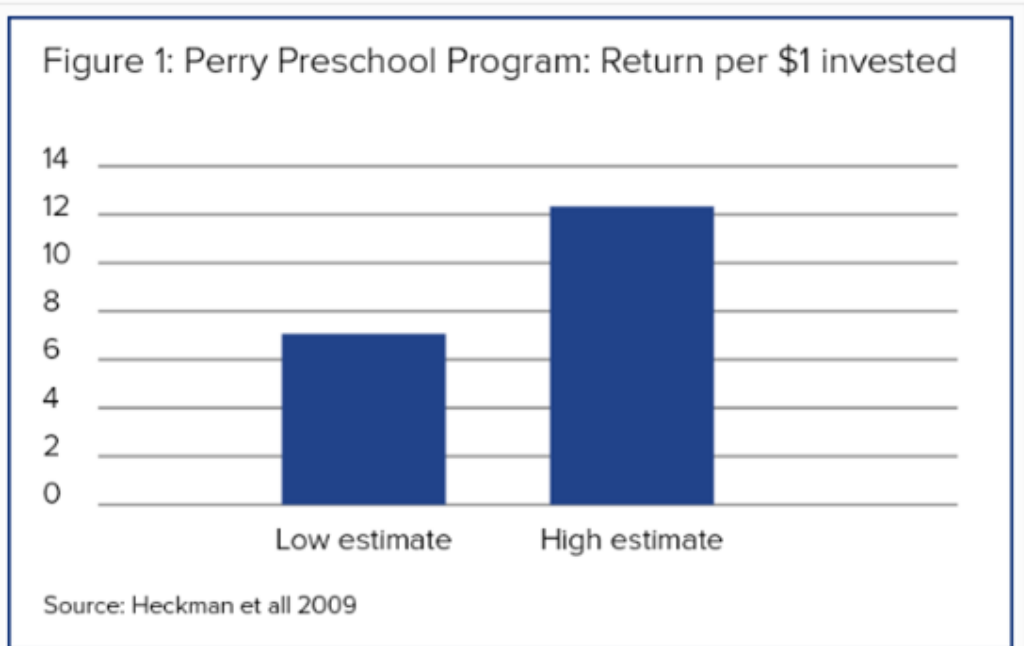
## Early Childhood Return on Investment

The National Forum on Early Childhood Policy and Programs has found that high quality early childhood programs can yield a \$4 – \$9 return per \$1 invested. A 2009 study of Perry Preschool, a high-quality program for 3–5-year-olds developed in Michigan in the 1960s, estimated a return to society between about \$7 and \$12 for each \$1 invested (see Figure 1 below). It is important to note that different assumptions can shift estimates and that different studies often rely on different assumptions, limiting comparisons across studies and programs. Nonetheless, early childhood stands out as a particularly notable area for investment precisely because so many interventions appear to save money in the longer term. Not all early childhood programs provide the same benefits and returns. A landmark study of early childhood programs found that five of seven programs for which costs and benefits were calculated had positive cost-benefit ratios, but there was variance both in the benefits tracked and in returns among the five.

There is also a school of thought arguing that investing earlier in a child’s life yields higher returns on investment. Nobel Prize-winning economist James Heckman has written extensively on investments and early childhood, arguing (based on his own analysis of a range of programs) that returns on unit dollar invested are at least theoretically higher earliest in a child’s life (See Figure 2).

While earlier programs may generate the highest potential returns, donors that support children beyond age three nonetheless play an important role in sustaining and extending benefits, and there is good evidence that programs targeting older age groups can also generate positive returns.

*(continued on the next page)*



# EDUCATION



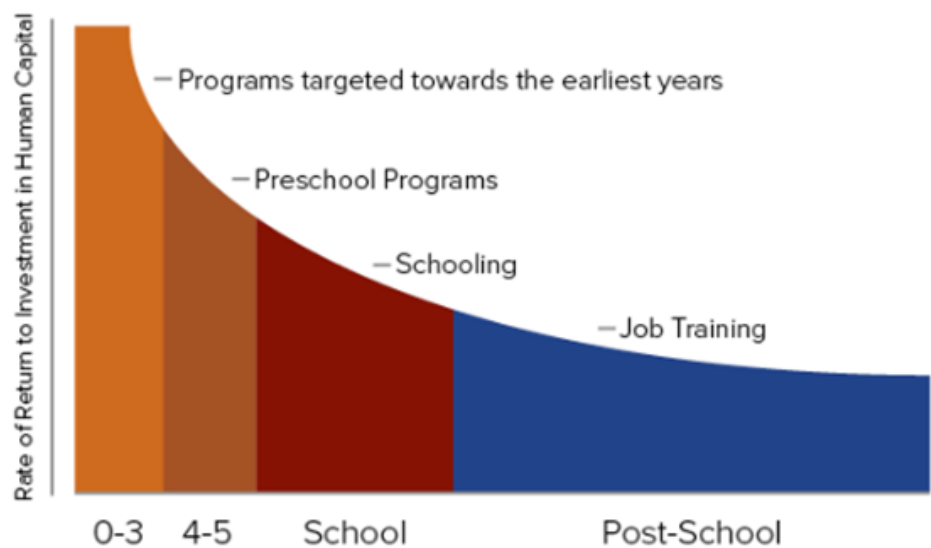
## Early Childhood Return on Investment (cont.)

### How are benefits or returns calculated?

There are different ways to estimate the benefits associated with social programs. Almost all rely on underlying program evaluation information that distinguishes the outcomes or results for participants in a program from outcomes typical of a similar group. Estimating the return on investment involves putting prices on actual or predicted outcomes, in an attempt to link costs and benefits. In other words, these studies take often non-economic outcomes, and decide what they are “worth” in dollar terms.

It is difficult to assign value to some factors, however, and there is often disagreement on how best to “monetize” non-economic benefits. For example, what is the “value” of a child’s love of reading (a benefit of some programs)? Other program outcomes may be more straightforward in terms of value. If a program reduces emergency room visits over a period and by a certain percentage, for example, those cost savings can be fairly easily calculated.

Figure 2: Returns to a Unit Dollar Invested are Highest in Earliest Years



Source: Heckman and LaFontaine (2007)





# STATE LEGISLATIVE BRIEFING

A curated briefing of state legislative proposals and recent legislative actions

## State Senate Bill Would Establish Statewide Recovery-to-Work Pilot

A Senate bill introduced earlier this year, SB 69, would establish Recovery-to-work as a pilot program within the Department of Labor and Industry, provide for local recovery-to-work pilot programs, and incentivize business participation. The bill provides funding to local workforce development boards, business partners, and other agencies to develop collaborative recovery-to-work programs which would provide career opportunities to individuals in recovery from drug and alcohol addiction. Programming includes career readiness skills training and support services for participants' continued recovery.

## Senate Advances Lead-Testing Bill

The Senate Health and Human Services Committee recently voted to advance legislation that would implement universal lead screening of young children. The bill, introduced by State Senator Lisa Baker, would require that health providers “make reasonable efforts to ensure that a patient...receives at least one blood lead test by 24 months of age.” The bill, if passed, would expand about previous legislation, Act 150, which encourages but does not mandate screening.

## Legislation Removes Costs for Preventative Care

Act 1 of 2023, the first bill signed by Governor Shapiro, requires health insurers to cover the costs of preventative breast and ovarian cancer screenings of high-risk women. The bill passed both the House and Senate unanimously.

## House to Consider Paid Leave

The Pennsylvania State House is considering a bill, HB 181, The Family and Medical Leave Insurance Act, that would establish a statewide Family and Medical Leave Insurance Program. The Act would provide paid leave to Pennsylvania Workers for purposes such as caring for elderly loved ones, being with family after the birth of a child, or caring for themselves during an illness or after a major surgery. The program would be funded through payroll contributions of no more than one percent of an employee's wages.

The program would provide income replacement for eligible workers for up to 12 weeks consecutively or 20 weeks in a year. Income paid would be calculated at 90 percent of the employee's wages up 50 percent of the state average wage, and 50 percent of wages earned above that threshold.







# STATE LEGISLATIVE BRIEFING

A curated briefing of state legislative proposals and recent legislative actions

## Several Bills Address Cannabis Policy

State Senators Dan Laughlin and Sharif Street have announced a forthcoming proposal which would create a commercial marijuana market for adults 21 and older. Details of the proposal are not yet available, but the Senators have indicated the bill is designed as a bipartisan approach to legalization that would prioritize public safety and social equity. Senator Marty Flynn also released a cosponsorship memo seeking support for a forthcoming legalization proposal.

In the State House, Rep. David Deloso also introduced legislation last month, HB 1080, to legalize cannabis for adults 21 and older. This bill would create a state-run market using the state store system of the Liquor Control Board. Retail cannabis would be taxed at 19 percent, with that revenue going to the state's general fund. Another House bill, HB 1082, establishes a permitting process for commercial farmers to cultivate cannabis for the legal marketplace, if one is established.

A recent House bill, HB 1079, addresses the state's existing medical marijuana program. The bill would amend the Workers' Compensation Act to require employers to reimburse qualifying workers' medical marijuana costs, up to \$3,000 per year.

Senate Bill 773, introduced in June 2023, would amend the Medical Marijuana Act's provisions on permits and licenses, and provide for additional dispensary permits.

## Governor Eliminates Degree Requirements for Most State Jobs

In an executive order, Governor Shapiro eliminated a requirement that applicants hold a bachelor's degree for 92 percent of state government jobs where that credential may not be truly needed. The order instead instructs state agencies to emphasize skills and experience during the hiring process.





# FEDERAL LEGISLATIVE BRIEFING

A curated briefing of federal legislative proposals and recent legislative actions

## Compromise Bill Raises Debt Ceiling, Includes Spending Provisions

Negotiations between Democrats and Republicans in Congress has resulted in the passage of a bill raising the federal debt ceiling. The bill was signed by President Biden on June 3. The compromise bill, which allows the government to continue to pay financial obligations through 2025, also included provisions related to assistance programs, veterans, and energy.

The bill includes language that reforms the National Environmental Policy Act in order to streamline environmental review processes for energy projects. This change is expected to speed up permitting for pipeline projects.

Work requirements for public assistance programs were also addressed. Previously, there were no work requirements for people eligible for SNAP over age 50. The bill raises that age to 54. However, SNAP work requirements are suspended under the bill for veterans and people experiencing homelessness of any age.

Additionally, the bill provides increased funding for veterans' medical care, including the toxic exposure fund for veterans who were affected by exposure to hazardous conditions such as burn pits.

## Senate to Consider Bipartisan Action on Rail Safety

In response to the train derailment in East Palestine, Ohio, the Senate Commerce Committee approved the Railway Safety Act of 2023. This bipartisan bill aims to prevent similar disasters in the future through mandating the use of railroad defect detectors and requires that railroads notify states about hazardous materials being transported and adhere to speed restrictions in urban areas. The bill also increases access to hazmat protective gear for fire departments and creates a program to make fire departments whole after responding to a derailment.

## Senate Bill Would Waive Tariff on Baby Formula

A bipartisan group of Senators and Representatives introduced legislation that would permanently waive tariffs on infant formula base powder. In response to a nationwide shortage of formula in 2022, a previous bill was signed into law temporarily suspending this tariff. The new bill would make this change permanent to prevent future supply issues.

## Federal Government Urged to Act on Tech Hub Designation

One provision of the CHIPS and Science Act, signed last year, is the newly created Tech Hubs program. This economic development initiative aims to accelerate growth in technology sectors in cities and communities across the country. Senator Casey recently urged the Commerce Department to move forward on designating Tech Hub regions: "EDA must move quickly to award designations, award regional planning dollars, and ultimately fund nationally important work in newly designated hubs throughout the country. My team and I have engaged with stakeholders throughout Pennsylvania; they are ready to compete, both for this opportunity as soon as it is available and with the global economy," Senator Casey wrote.



# FEDERAL LEGISLATIVE BRIEFING

A curated briefing of federal legislative proposals and recent legislative actions

## Several Bills Aim to Address Child Care Access

The Child Care for Every Community Act, was introduced by a group of House and Senate Democrats earlier this year that would create mandatory federal investment in a network of local child care and early learning providers from birth to school age. It would establish a sliding scale payment with spending capped at seven percent of household income. Families with incomes below 75 percent of their state's median income would pay no out of pocket costs. The bill would also connect providers with training and assistance to increase quality standards and require that early childhood educators received pay comparable to public school teachers with similar credentials.

Last year, Republican Senators introduced a bill reauthorizing the Child Care and Development Block Grant, and another group of House and Senate Democrats introduced the Child Care for Working Families Act. Both of these bills seek to expand access to child care via the existing CCDBG program, in contrast to the Child Care for Every Community Act, which would create a new framework. The Child Care for Working Families Act would also cap child care spending for working families at seven percent and address supply of child care by raising wages for child care workers and incentivize establishment of new providers, particularly in underserved communities.

The Republican proposal, the Child Care and Development Block Grant Reauthorization Act, which would expand eligibility for CCDBG subsidy. Currently, families making less than 85 percent of the state median income are eligible for subsidies, but under this proposal, states could extend eligibility to 150 percent of state median income. Families with incomes under this threshold would not be guaranteed a subsidy, as funding levels would be determined annually by Congress. The proposal also would require states to implement cost estimation models to ensure subsidy rates paid to providers were adequate to cover the true cost of care, with the goal of increasing wages for child care workforce.

With control of Congress closely divided, it is likely that a compromise between these or other proposals would be necessary in order to pass substantial child care or early education legislation in the near future.



# TRANSPORTATION & INFRASTRUCTURE



## Community Impacts of Investing in Transportation

This brief summarizes findings from this year's Planning, Land Use, Transportation & Infrastructure Task Force report on community impacts of investing in transportation infrastructure.

The Infrastructure Investment & Jobs Act, also known as the Bipartisan Infrastructure Law, was promulgated in 2021. This bill provides for a considerable expansion of funds for transportation infrastructure, including the largest influx of funds for public transportation since Amtrak was founded in 1971. The Infrastructure Investment and Jobs Act designates \$550 billion dollars in federal investment from fiscal years 2022 to 2026. This represents a significant opportunity for Northeastern Pennsylvania to invest in infrastructure.

It is anticipated that Pennsylvania will receive \$13.2 billion dollars over the next five years to use towards highways and bridges. Local officials in Pennsylvania outlined numerous projects to use these funds, including projects to pave and repair 245 miles of roads and replace 88 bridges. Plans released by Amtrak also indicate a planned resumption of passenger rail service between Scranton and New York City.

Amtrak has projected \$2.9 billion dollars in initial economic activity from jobs created by the construction phase of the project. Workers in a variety of occupations will be needed for construction, as well as support services from local vendors, suppliers and subcontractors. After the service is operational, Amtrak estimates \$87 million dollars annually in economic impact, assuming three daily round trips between New York City and Scranton. In addition, the project could grow economic activity in the tourism sector as well as expand the workforce pipeline.

Research shows that transportation investments yield significant returns across several different areas. The American Public Transit Association (APTA) estimates that for every one dollar invested in public transportation, there is an economic return of four dollars. These economic impacts come from several sources: including cost savings for riders compared with car ownership, reduced traffic congestion increasing the efficiency of businesses, and the economic ripple effect of capital projects and day-to-day operations, in which transit workers spend their money in the local economy. Investment in public transit is also associated with improved economic mobility and social equity, as those without cars, older adults, and other vulnerable groups can better access jobs, services, and health care.

Investing in our roads and bridges also brings economic benefits. A significant share of funds spent on construction and paid to workers in wages is reinvested locally. The benefits compound when road and bridge improvements are combined with alternative modes of transportation, in a "complete street" model. We recommend that planners and officials favor such approaches to take advantage of the economic benefits of new funding streams as well as positive health, social, and quality of life impacts.

*(continued on the next page)*

TRANSPORTATION  
&  
INFRASTRUCTURE



## Community Impacts of Investing in Transportation (cont.)

Infrastructure improvements that promote walking and cycling can have positive impacts on community health. Public health officials have found that poor transportation systems can result in higher incidences of asthma, cardiovascular disease, and obesity. Active transportation infrastructure and investments in traffic calming could also result in a reduction in pedestrian and cyclist traffic deaths, as well as help promote air quality and environmental sustainability goals. There are even educational impacts: children who walk to school have been found to have slightly lower rates of absenteeism and may have improved academic performance.

Other, less tangible, impacts can also result from investment in transportation and infrastructure projects. Increased connectivity of transportation networks can improve quality of life, community connectedness, and contribute to an overall vibrancy and sense of place. For example, when a new light rail line opened in Salt Lake City, Utah, the mayor at the time observed an immediate change, noting that transit riders interacted with each other, tying the community together.

Many funding opportunities are available to applicants besides those who typically build or operate transportation infrastructure. Nonprofit organizations and institutions like universities can play a greater role in identifying needs and pursuing funding to address them.

The study recommends that municipalities, counties, and regional planning and development organizations explore new ways to collaborate. Some funding formulas prioritize or exclude projects based on population size; a collective effort could result in new opportunities for resources.





# The Institute

Turning Information into Insight

THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



## Policy Tracker

### The Institute Contributors

#### Lead Editor

Andrew Chew, AICP  
Chief Research Officer

---

## Funding Support

Funding for the Policy Tracker has been generously provided by:



**MOSES TAYLOR**  
FOUNDATION  
*Advancing Our Legacy of Health*

### The Institute Staff

Teri Ooms  
President & CEO

Jill Avery-Stoss  
Chief Operating Officer

Jolene Carey-Pace  
Research Analyst

Mark Shaffer  
Research Analyst

Sarah Bender  
Research Assistant

Ethan Van Gorden  
Research Assistant