

**PKC# 25-03:
2025-2026 Fiscal Year
PKC/HSSAP Guidance
and Clarifications**



Pennsylvania
**Office of Child Development
and Early Learning**

**Pennsylvania Office of Child Development and Early Learning
Bureau of Policy and Professional Development**

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Subject: Pennsylvania Pre-K Counts and Head Start Supplemental Assistance Program: Guidance and Clarifications for the 2025-2026 Fiscal Year

To: Pennsylvania Pre-K Counts Providers
Head Start Supplemental Assistance Program Providers

Priority: High

Category: Action Required

Action: Read Next Steps

Required Response: None

PURPOSE

This resource provides clear guidance and helpful clarifications for Pennsylvania Pre-K Counts (PA PKC) and Head Start Supplemental Assistance Program (HSSAP) grantees, following the 2025-2026 state budget impasse.

BACKGROUND

During the budget impasse, most authorized payments to vendors and grantees for expenditures incurred during Fiscal Year 2025-2026 were delayed. The Pennsylvania state budget for Fiscal Year 2025-2026 was signed on November 12, 2025, and initiated payment processing for PA PKC and HSSAP grantees.

PA PKC and HSSAP grantees must review this document prepared by the Office of Child Development and Early Learning (OCDEL) to determine next steps related to payments, use of funds, programming and monitoring.

DISCUSSION

Guidance and clarifications related to PA PKC and HSSAP are arranged by topic area below.

PAYMENTS

Monthly payments through November 2025 for PA PKC and HSSAP grantees with a final approved continuation grant application and a final approved FY 25-26 budget have been processed and are in queue for payment at Treasury. An exact payment date is not known at this time, please be assured Treasury is working to move all Commonwealth payments as quickly as possible.

Grantees are expected to continue following the fiscal reporting procedures and deadlines outlined in [PA PKC Statute, Regulations and Guidance](#). Quarterly Reports and the reconciliation of cash on hand, are required to be submitted no later than the 10th working day of the month. Once this deadline has passed, no changes can be made to the previously submitted report. Reports submitted after this date are considered delinquent and may cause an added delay in payments.

Grantees with delinquent Final Expenditure Reports (FER) for Fiscal Year 2024-2025 may experience an additional delay in payment until the FER from the previous fiscal year is submitted and accepted.

PROGRAM OPERATIONS

Grantees who are not currently operating due to the budget impasse must take the necessary steps to begin PA PKC/HSSAP programming as soon as payments are processed and funding becomes available. Grantees must communicate their operational plans and instructional days with their Preschool Program Specialists. Grant funds may not be placed in a reserve account or used for administrative purposes.

USE OF FUNDS

Grantees with final approved continuation grant application and a final approved FY 25-26 budget will receive all payments owed to them, regardless of variations in operations. PA PKC funds may only be used for costs associated with providing Program services to eligible students enrolled in the Program and may not be used for administrative or indirect costs (PA Code Title XVI § 405.73. Use of Funds.)

Head Start Program Performance Standards (45 CFR part 1304) indicate program costs include costs incurred in accordance with an approved Head Start budget which directly relates to the provision of program component services.

PA PKC and HSSAP grantees with changes to their approved 2025-2026 Budgets must submit a budget revision as soon as possible.

As a reminder, funding for PA PKC and HSSAP is distributed on the state fiscal year (ending June 30) and cannot be carried over to the following year.

BUDGET REVISIONS

OCDEL recognizes that due to the budget impasse, grantees may have to revise their previously approved budget for 2025-2026. Budget revisions that show deviations above or below 10 percent from the originally approved budget and/or include the addition of a new line item, must be completed as soon as possible. These budget revisions must include strong written justification including quotes, receipts, proposals or work plans. The justification must be clearly aligned to a Plan of Correction, documented areas of improvement on the Program Review Instrument (PRI) and/or reflect a demonstrated, legitimate need.

Providers intending to use grant funding to pay for interest associated with a loan/line of credit to sustain PKC/HSSAP programming must submit a budget revision as soon as possible, once PKC/HSSAP funds are released. The budget revision must be approved prior to using grant funding for this purpose. Providers will also be required to submit documentation of their loan or line of credit and proof of payment. HSSAP/PA PKC grantees with an approved 25-26 Continuation Grant/Budget who obtain a loan or line of credit specifically to sustain or provide HSSAP/PA PKC programming, may use grant funds to pay for interest associated with the loan or line of credit.

Providers must consult [PKC Announcement 25# 02: Allowable Use of Pennsylvania Pre-K Counts and Head Start Supplemental Assistance Program Grant Funds](#) for additional guidance related to use of PA PKC and HSSAP grant funds for interest payments.

In all cases, OCDEL reviews these budget revisions for approval and reserves the right to deny budget revisions that are not pre-approved. Programs must adhere to the guidance provided with the [PA Pre-K Counts Fiscal Supplement](#) and [Head Start Performance Standards](#) when revising program budgets.

INSTRUCTIONAL TIME

PA PKC: When serving enrolled children, PA PKC grantees must provide a minimum of 2.5 hours/day (half day) or 5.0 hours/day (full day) of classroom instructional time per day.

If this expectation is met, the grantee will not receive a deduction on the Program Review Instrument for Fiscal Year 2025-2026, under 'Length of Day and Year' if two of the three indicators below are also met:

- Grantee provides 180 days of classroom instruction per year.
- Grantee has a plan for make-up days unrelated to the budget impasse, to ensure the remaining planned instructional days are met.
- Closures and approved make-up/flexible instruction days are tracked and made available to the Department by request. Provider informs Preschool Program Specialist within 24 hours of emergency flexible instruction use.

HSSAP: When serving enrolled children, HSSAP grantees must provide the approved number of instructional hours as agreed upon in the grant agreement/contract.

If this expectation is met, the grantee will not receive a deduction on the Program Review Instrument for Fiscal Year 2025-2026, under 'Length of Day and Year' if one of the two indicators below are also met:

- Grantee has a plan for make-up days unrelated to the budget impasse, to ensure the remaining planned instructional days are met. If an emergency closure is used, approval is granted by Federal Specialist as well as Preschool Program Specialist.
- Closures and make-up days are tracked and made available to the Department by request.

ENROLLMENT

Programs experiencing enrollment challenges that are directly correlated with the budget impasse and/or operational impacts must include this information in their enrollment improvement plan.

Consistent with [PA PKC Statute, Regulations and Guidance](#); PA PKC grantees who were under-enrolled in previous fiscal years (not related to the budget impasse) may be subject to the recapture, withholding, or reduction of their base grant during the continuation grant process.

Grantees who are at risk of reallocation due to historical under enrollment will receive additional information in January 2026.

TRANSITION OF CHILDREN FROM OTHER PROGRAMS

PA Code Title XVI § 405.23. Disallowance of Duplicate Funding states, 'program funds may not be used to provide the same service for a child already receiving that service funded by another resource.'

A child may not be enrolled in PA PKC while simultaneously receiving services from another funding source for the hours of instructional time provided by PA PKC.

PA PKC enrollment start dates for children may not overlap with enrollment in other programs. This does not include children who are enrolled in additional programs that extend beyond the PA PKC day as reflected in PELICAN.

Head Start programs support family access to comprehensive early learning options by coordinating eligibility, enrollment, and transition activities with other early childhood programs, as required under the Head Start Program Performance Standards (45 CFR §1302.70 and §1302.101).

Grantees are encouraged to discuss any additional concerns or questions with their Preschool Program Specialists.

2025-2026 PRE-K COUNTS INCREASE

The 2025-2026 Pennsylvania state budget includes a 2.36% increase for Pre-K Counts. This increase raises the per-slot PA PKC amount to **\$10,750** for full time slots and **\$5,375** for part time slots to allow programs to continue serving children, help providers raise wages and stabilize the early educator workforce. Once the increase is processed in PELICAN through a funding adjustment by the PA PKC team, providers will be expected to submit a budget revision. Additional information regarding the increase will be forthcoming.

ACTION STEPS

- PA PKC and HSSAP providers must accurately reflect actual program start dates, operational schedules and child enrollment in PELICAN.
- Providers must communicate operational changes with their Preschool Program Specialists and if applicable, submit budget revisions as soon as possible.
- Providers must submit their plan for instructional days and calendar for the remainder of the year to the Preschool Program Specialist.

NEXT STEPS

Review the information contained in this document with relevant staff. Please direct any questions to your Preschool Program Specialist.