



September 22, 2025

Dear Governor Shapiro and Members of the Pennsylvania General Assembly,

As part of a large coalition of state associations representing nonprofit, for-profit, and county-based organizations, we are united in our concerns over the ongoing state budget impasse. While we appreciate the leadership and dedication of everyone who has been elected to govern Pennsylvania, we must come to terms with the truth. A recent survey of our partners, as well as anecdotes from the field, clearly demonstrate that the lack of action to enact a state budget means our communities are hurting, critical services are shutting down, and Pennsylvanians' quality of life is impacted.

Our coalition surveyed organizations representing all 67 counties in Pennsylvania, and everyone has the same concern. Our services cannot continue without a state budget, and our community members are in danger. The effects of a late state budget are measurable as of the end of August, but the survey proves the situation will become demonstratively worse in October, with staff layoffs, service curtailments and expensive borrowing set to escalate significantly.

Providers of life-sustaining and workforce-enabling services across the Commonwealth are unable to access the funding they need to deliver critical support such as older adult care and meals, early childhood education, mental health services, housing assistance, food support, child protection services and protections for survivors of domestic violence. These critical organizations are forced to cut or scale back programs essential to all community members.

The effects of a budget impasse are not just impacting the services being provided, but long-term economic effects are just as alarming. In the recent survey sample, approximately 80% of respondents reported that they will run out of contingency funds by October. We have begun to see nonprofits close their doors, while others are starting to take out high-interest loans, further impacting their financial stability in the future. Some of these organizations are still paying back loans from a budget impasse in the past, as the government cannot refund these unforeseen costs.

Further, many nonprofits have already begun laying off or furloughing staff members. Nonprofits account for 15.7% of private sector jobs in Pennsylvania, according to a 2025 Economic Impact survey by the Pennsylvania Association of Nonprofit Organizations, and generate \$67.4 billion in annual earnings. Many employees in key community support roles like domestic violence case managers, intellectual disability supports coordinators, and early care and education teachers, are Asset-Limited, Income Constrained, Employed - among the 28% of Pennsylvanians who work but struggle to make ends meet and live paycheck to paycheck, according to United Way of Pennsylvania. These workers are already constrained due to prolonged underfunding of programs, and a lack of resources.

The longer the impasse drags on, the more it will exacerbate the financial insecurity of your constituents. According to our survey, the number of workers who will be affected will more than double by the end of October, leaving a smaller workforce to deal with increasing needs in emergency services such as older adult care, child care, food assistance, and rape crisis services for survivors.

Our concerns are not a partisan issue. The budget impasse is inflicting real harm on our communities, economy, and the people we serve collectively. Every dollar that has to be spent for interest on lines of credit to keep services open, and interest dollars lost by tapping reserves to fill the gap of Commonwealth dollars, is wasted resource. The longer this continues, the deeper the damage will become, damage that cannot be quickly undone.

On behalf of Pennsylvania's diverse coalition of state associations representing nonprofit, for-profit, and county-based organizations, we call on all parties to immediately pass a budget that meets the needs of all Pennsylvanians. The stability and well-being of our communities depend on it.

Sincerely,

Community Action Association of Pennsylvania
Feeding PA
Hunger- Free PA
Pennsylvania Association of Area Agencies on Aging
Pennsylvania Association of Nonprofit Associations
Pennsylvania Council of Children, Youth and Family Services

Pennsylvania State Alliance of YMCAs
Pennsylvania Head Start Association
Pennsylvania Association for the Education of Young Children
Pennsylvania Coalition to Advance Respect
Rehabilitation and Community Providers Association
United Way of Pennsylvania