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HOUSE MAJORITY POLICY COMMITTEE

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HOUSE OF REPRESENTATIVES COMMONWEALTH of PENNSYLVANIA

House Democratic Policy Committee Hearing

Solving the Childcare Crisis

Friday, February 21, 2025 | 12:00 p.m.

Representative Justin Fleming

OPENING REMARKS 12:00p.m. Rep. J

Rep. Justin Fleming, D-Dauphin

PANEL ONE 12:05p.m.

Lisa Whitworth, Director Little Learners' Child Development Center, Inc.

Mariel Campbell, Administrator Mikayla's Place Child Development Academy

Q & A with Legislators

PANEL TW0 12:35p.m.

Jen DeBell, Executive Director *Pennsylvania Association for the Education of Young Children*

Q & A with Legislators

Remarks and Testimony can be found by scanning the QR Code below:



February 21, 2025

Introduction

Thank you to Chairman Bizzarro and Representative Fleming for hosting this hearing on the child care staffing crisis. I appreciate the opportunity to provide testimony today.

My name is Jen DeBell and I serve as the Executive Director of the Pennsylvania Association for the Education of Young Children (PennAEYC). PennAEYC is a statewide, nonprofit organization, representing a membership of over 3,000 early childhood care and education professionals in Pennsylvania. Our membership includes center-based teachers and directors, home-based providers, higher education faculty and students. We have a network of 10 chapters throughout the commonwealth and are the state affiliate of the National Association for the Education of Young Children (NAEYC), giving us the privilege to be part of a network of more than 52 affiliates and nearly 60,000 individual members nationwide.

Our mission is to be an effective voice for high-quality early childhood care and education and we do that through policy development, advocacy and professional development and supports for early childhood professionals. Our vision is that all Pennsylvania families will have access to high-quality, affordable early childhood care and education opportunities for their children provided by a profession that is valued, well-compensated and supported.

In addition to our policy and advocacy efforts, we provide professional learning opportunities to early care and education professionals and also offer a free online platform, SharedSource PA, with thousands of downloadable business and classroom resources to save programs time and money.

PennAEYC is a proud principal partner in the Start Strong PA nonpartisan issue advocacy campaign. Start Strong PA focuses on increasing access to high-guality, affordable child care. Our campaign efforts are grounded in data and research and informed by those most impacted - families, child care professionals and programs.

Research demonstrates that high-quality child care fosters healthy development and school readiness in our youngest children, allows parents to be able to work, increases job retention and productivity for employers and positively impacts our overall economy. According to the First Five Years Fund, investing in high-quality child care generates up to \$7.30 for every dollar invested, and the availability of early childhood education programs attracts homebuyers and increases property values by \$13 for every dollar invested in programs.

Despite the benefits, the child care system has endured decades of inadequate funding. Child care programs have struggled to cover their costs and keep and recruit teachers and staff and families have struggled to find and afford child care. The General Assembly and Governor have made headway on the issue of child care affordability by establishing and enhancing a state

child care and dependent tax credit and establishing a tax credit for businesses which help their employees with child care costs. The commonwealth has also ensured our most in need families who rely upon child care subsidy continue to have lower copayments, a policy which began with critical federal pandemic relief funds dedicated to child care.

It is now time to focus on the supply side of the problem. Child care programs continue to grapple with severe staffing shortages and this is impacting the ability of families to find and maintain child care so they can work.

Data on the child care staffing crisis and its negative impact on children, working families, employers and the economy.

Child care earnings fail to meet the cost of living in every single Pennsylvania county, with the average wage earned being \$15.15 per hour. A <u>Start Strong PA wage analysis and survey</u> highlighted that 21 percent of staff relied on SNAP to put food on the table and Medicaid for their health coverage. It also demonstrated racial disparities even after job title, education, geography, and program quality were taken into account. Black educators earn approximately 2 percent less, Hispanic educators make 5 percent less, and other groups, including Asian and multiracial educators, make 10 percent less than their white counterparts.

Start Strong PA and the Office of Child Development and Early Learning (OCDEL) conducted a survey and 13 listening sessions of child care programs together in the fall and winter of 2023. Staff compensation was the top issue noted by participants.

Despite the important role child care teachers and staff play in shaping the healthy development and school readiness of our youngest children, they are not compensated appropriately for the work they do. This lack of appropriate compensation is driving the staffing crisis.

Many programs report they lose teachers with degrees to school districts, which can pay more and provide benefits. In addition, many jobs requiring much less skill – such as working in fast food or convenience or big box stores have much higher hourly wages. We regularly are told by child care teachers how much they love what they do, but they have no choice but to leave the sector for higher pay elsewhere so they can support their own families.

In Pennsylvania, child care employment fell by 40 percent from 2019 to 2023 <u>according to The</u> <u>Century Foundation</u>. Data on the Pennsylvania Open Data Portal indicates a net loss of 628 child care programs since the beginning of the pandemic to January 2025.

Start Strong PA has conducted surveys of child care providers to gauge the impact of the staffing crisis. The latest survey was conducted in September 2024. Statewide 1,140 programs responded and the data indicated:

- 92 percent reported challenges recruiting teachers.
- 85 percent reported teacher shortages.
- 3,038 unfilled positions were reported.
- 25,320 more children could be served if programs were fully staffed.

It is important to note that the programs responding made up only 17.6 percent of the certified (licensed) programs in the commonwealth. So, the impact is much greater regarding unfilled positions and children who could be served.

Staff turnover negatively impacts children, who require stable and positive adult relationships to thrive. Families rely on child care to be able to work so the constriction of the child care supply is negatively impacting them and their employers. In fact, KPMG's <u>"Crisis in childcare and the state of work in America"</u> indicates that, "The crisis in childcare in the US is a headwind for women's labor force participation and parents more broadly and is disrupting the lives of children, extended families and coworkers."

A survey conducted by the PA Chamber and Early Learning Investment Commission indicated that 81 percent of employers had moderate or significant recruitment and retention issues due to child care. Reports from ReadyNation demonstrate the child care crisis is costing working families, employers, and taxpayers <u>\$6.65 billion annually in lost wages, productivity and revenue in Pennsylvania</u>, with the cost of the crisis for <u>working mothers at \$2.4 billion</u>.

It is imperative Pennsylvania address this problem head-on. Without public investment, child care programs will continue to struggle to recruit and retain teachers, as the subsidy system does not reimburse programs for the cost of the care provided and private pay families can not afford to pay more for child care.

The solution: investment in retention and recruitment of child care teachers

PennAEYC and our partners in Start Strong PA have advocated for an investment specifically in the recruitment and retention of child care teachers. We were thrilled that Governor Shapiro proposed a new line item for Child Care Recruitment and Retention in the Department of Human Services budget. The Governor is championing a \$55 million investment in recurring state funding to provide an additional \$1,000 per educator for licensed child care programs that participate in the child care subsidy program.

This type of investment is proven. <u>A report we issued with Start Strong PA</u> demonstrates that other states, regardless of party control, are making these kinds of investments. An updated version we will issue soon will demonstrate they are seeing positive results. Governor Shapiro also noted in his budget speech that a similar initiative was successful with municipal police officers. It is also important to note that OCDEL has the experience to implement the proposed investment successfully, as they drove out similar funds during the pandemic, which were the result of the General Assembly prioritizing one-time, discretionary American Rescue Plan dollars to help stabilize child care staffing.

This is also an investment that is embraced by Pennsylvania voters, with a September 2024 Susquehanna Polling and Research poll indicating 71 percent favoring an increase in funding for child care teachers to solve the staffing crisis.

We look forward to working with you and your colleagues in the House and Senate to ensure these urgently needed funds are included in the final budget and to the extent that state budget resources are available, increasing the investment so we can more fully address the child care crisis and its impact on working families and employers. If we want Pennsylvania to have a thriving workforce, we need to invest in the sector that supports all others – child care.

Thank you again for highlighting the issue of the child care staffing crisis and for the opportunity to provide testimony.