

March 29, 2023

Good morning, Chairwoman Bullock, Chairman Jozwiak and members of the House Children and Youth Committee. Thank you for holding this hearing on the challenges of the child care sector and the opportunity to provide testimony today.

My name is Kimberly Early and I serve as the Senior Director of Public Policy and Advocacy for the Pennsylvania Association for the Education of Young Children (PennAEYC). PennAEYC is the state affiliate of the National Association for the Education of Young Children (NAEYC). We are a part of a network of more than 52 affiliates and nearly 60,000 individual members nationwide. PennAEYC represents a membership of over 3,300 early childhood care and education professionals throughout Pennsylvania and has 10 chapters throughout the Commonwealth.

As a statewide, non-profit membership organization, our membership includes center-based teachers and directors, home-based providers, higher education faculty and students. 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.

PennAEYC is a principal partner in the <u>Start Strong PA</u> advocacy campaign — as is my colleague Diane Barber at the Pennsylvania Child Care Association. The campaign is a non-partisan, issue advocacy campaign with grassroots support across the commonwealth led by statewide and regional non-profit organizations. Start Strong PA focuses on increasing access to high-quality, affordable child care. Campaign efforts are grounded in the data and research demonstrating the benefits of high-quality early childhood care and education services for children's healthy development and school readiness and also the benefits to working families and the broader economy.

You have just heard about the experiences and challenges that child care providers are having right now. I am going to share some compelling data on how Pennsylvania continues to experience a historic staffing crisis in the early care and education sector and the impact that crisis is having on families, employers and our broader economy. This <u>data</u> will illustrate the compression of Pennsylvania's child care, Pre-K Counts and Head Start State Supplemental program capacity, which has an effect on working families' ability to access care. Start Strong PA conducted a survey in February 2023 where nearly 1,100 programs across <u>54 counties</u> responded. According to respondents on the staffing crisis:

- Child care programs need to fill at least 3,600 open staffing positions.
- 84% of child care respondents reported staffing shortages.
- 50% of child care respondents have closed at least one classroom.



According to respondents on the impact on working families:

- Nearly 35,500 children currently sit on child care waiting lists.
- More than 30,000 additional children could be served at respondents' sites if they were fully staffed.

It is important to point out that the survey data reflects the minimum impact of the staffing shortage across the commonwealth, as there are 6,500 certified child care programs in Pennsylvania.

In May 2022, Start Strong PA conducted a similar survey with the respondents reporting that that Pennsylvania's child care centers were experiencing a staffing shortage resulting in nearly 32,500 children sitting on waiting lists. Compared to the February 2023 survey results, waiting list numbers have continued to increase across Pennsylvania over the prior 10 months. This demonstrates the need for substantial and long-term investments in the sector, as current funding levels and one-time federal support to stabilize the industry, while greatly appreciated, are not enough.

A new report from the Council for a Strong America and the Early Learning Investment Commission indicates the child care crisis is costing working families, employers, and taxpayers \$6.65 billion annually in lost wages, productivity and revenue in Pennsylvania. These productivity challenges affect both employers and employees. Of the Pennsylvania parents surveyed, 56% reported being late for work due to child care struggles, half or more of them are missing full days of work, leaving work early or being distracted while they are at work. More than half of the Pennsylvania parents surveyed said problems with child care hurt their efforts at work.

We know the crisis is caused by the low wages for child care teachers and staff, as you heard earlier today. A new report from Children First and Start Strong PA demonstrates that the average pay for child care teachers in Pennsylvania is less than \$12.50/hr, with approximately 21% of those child care teachers relying on SNAP benefits and 21% insured by Medicaid, the sector cannot compete with other industries offering higher wages for less specialized skills. Many of these staff are college educated and nearly 50 percent of educators surveyed say they are unlikely to remain in their child care jobs. Of the teachers that are planning to leave the sector 59% are highly educated, with bachelor's and master's degrees. 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.

The Governor proposed a \$66.7 million increase for the Child Care Services line item in the Department of Human Services budget, which will maintain the current system of subsidized child care access to 75,000 low-income working families and sustain Child Care Works reimbursements to meet or exceed base rates at the 60th percentile of the market rate for a child care provider's region. While these funds are needed to maintain base rates for providers and families' access to subsidized child care, they just maintain the status quo. We need to address the direct cause of the crisis – low wages. Without a direct investment in the child care sector's workforce, this crisis will continue and is likely to mean that more classrooms and



programs will close and more working parents will struggle to find care for their children. Waiting lists for child care will continue due to lack of staff and children will experience teacher turnover, which negatively impacts their development.

This is why PennAEYC and our colleagues in the Start Strong PA campaign are encouraging our state policymakers to make significant state investments to substantially increase child care wages to sustain the availability of high-quality child care for working families. We urge the General Assembly to invest \$500 million in new and recurring state funding to:

- Implement a child care teacher wage scale that will compete in today's labor market and recognizes the qualifications of the professionals doing the work. Start Strong PA proposes a plan to raise wages to (\$15/hr. for HS diploma or GED), (\$19/hr. for Associate Degree), and (\$21/hr. for Bachelor's Degree or higher). The total investment for this progressive wage scale is \$430 million.
- Invest \$70 million to increase funding for programs serving subsidized children that have reached a STAR 2, 3 or 4 rating, thereby incentivizing programs to achieve higher levels of quality, and sustaining those that have met the high-quality standards. Such an investment will help compensate child care providers closer to the actual cost of providing these services.

Investments are supported by Pennsylvania voters. A February 2023 <u>poll</u> commissioned by the Early Learning PA Coalition and conducted by Susquehanna Polling and Research of Pennsylvania voters on their support for early childhood care and education programs found that 98% of believe that early childhood education is important and that 81% favor allocating state funding to increase the wages of child care workers.

Child care teachers and staff are the "workforce behind the workforce". The data and research I shared with you today demonstrate that if we do not address the child care staffing crisis, we will continue to see negative impacts to children, working families and our economy.

Thank you very much for the opportunity to testify on this important crisis today. I am happy to answer any questions you may have upon the conclusion of this panel.