



Supporting Our Childcare Industry

Pennsylvania employers of all sizes and spanning a broad range of industries continue to report difficulty finding individuals to fill open positions. According to Feb. 2024 [data](#) compiled by the U.S. Chamber of Commerce, there are currently 340,000 job openings in Pennsylvania with only 66 available workers for every 100 open jobs and a labor participation rate of 61.9, which is below the national average. This workforce crisis is holding back Pennsylvania's economy and addressing it will require concerted action from all stakeholders and lawmakers advancing policies that encourage people into the workforce.

There are many reasons why otherwise employable Pennsylvanians may be impeded from entering or reentering the workforce. Former Gov. Wolf's Keystone Workforce Command Center, on which the PA Chamber served, [identified](#) a number of "barriers to employment," the PA Independent Fiscal Office [issued a report in 2022](#) titled *Where Did the Workers Go?*, which outlined a number of theories, and many employers have described their experiences hearing from their people and job applicants on their personal challenges.

One of the themes that has emerged from surveys, studies and employer feedback is childcare access.

Much of the public policy discussion around support for the childcare sector has focused on funding: e.g. increasing state

support to supplement wages, tax credits, public-private partnerships or pursuing alternative funding models. These are priorities and concepts worthwhile for consideration; however, we urge a more comprehensive discussion on support for the childcare sector as part of a broader workforce agenda.



Providers have noted other areas of concern, including related to staffing, administrative burdens and insurance costs:



Support Staffing Efforts

Childcare providers report significant difficulty finding, hiring and retaining qualified workers. In addition to consideration of potential funding solutions, lawmakers should consider other ways to help providers mitigate staffing challenges while maintaining robust safety and care standards for children:

- Evaluate eligibility for group and assistant group supervisors and consider revisions to rules regulating educational qualifications;
- Explore whether relevant personal and professional experience should be factored into educational requirements;
- Review current staffing requirements to ensure standards are effective and practical;
- Adopt policies that encourage future and retired schoolteachers to enter the childcare workforce.
- Support credential and degree achievement programs to build a qualified pipeline of child care group and assistant group supervisors.



Reduce Administrative Burden

Childcare providers attempting to open new facilities report excessive wait times for necessary permits and licenses and existing facilities are governed by an onerous regulatory framework that includes significant paperwork. Lawmakers and regulators should strive to prioritize child safety without overburdening providers:

- Improve and expedite current permitting and licensing processes;
- Review the industry’s regulatory framework, and the Keystone STARS process, with the goal of reducing excessive or repetitive paperwork;
- Direct the Office of Child Development and Early Learning (OCDEL) to focus on assisting providers by offering practical solutions and educational materials to help ensure regulatory compliance;
- Ensure providers are consulted early and regularly as regulations are developed and updated.
- Carefully evaluate proposed mandates to assess their impact on childcare providers, prioritize solutions that minimize added costs and administrative demands while maintaining high-quality care.



Combat Rising Insurance Costs

Childcare centers are required to maintain general liability insurance, yet many are finding rates increasing and fewer options. Multiple theories have been posited for this trend including lingering impacts of the pandemic and the marketplace responding to enacted or proposed changes to statute of limitations laws. Whether trends continue or ultimately subside, lawmakers can take action to lower insurance costs by protecting providers from frivolous or excessive litigation:

- Institute a statutory damages cap for childcare providers;
- Restore Fair Share Act protections that ensure defendants can only be held liable for damages proportional to their responsibility;
- Require plaintiffs to file claims against childcare providers in the county in which the alleged cause of action occurred, thereby preventing claims from being unfairly filed in Philadelphia.