The Honorable Josh Shapiro Governor, Commonwealth of Pennsylvania 225 Main Capitol Harrisburg, PA 17120

The Honorable Kim Ward
President Pro Tempore, Senate of Pennsylvania
Senate Box 203039
292 Main Capitol Bldg.
Harrisburg, PA 17120-3039
kward@pasen.gov

The Honorable Joe Pittman Leader, Senate of Pennsylvania Senate Box 203041 350 Main Capitol Bldg. Harrisburg, PA 17120-3041 jpittman@pasen.gov

The Honorable Scott Martin
Chair, Senate Appropriations Committee
Senate Box 203013
281 Main Capitol Bldg.
Harrisburg, PA 17120-3013
smartin@pasen.gov

The Honorable Jay Costa Leader, Senate of Pennsylvania Senate Box 203043 535 Main Capitol Building Harrisburg, PA 17120-3043 costa@pasenate.com

The Honorable Vincent Hughes Chair, Senate Appropriations Committee Senate Box 203007 545 Main Capitol Bldg. Harrisburg, PA 17120-3007 vincent.hughes@pasenate.com

The Honorable Joanna McClinton
Speaker, Pennsylvania House of Representatives
139 Main Capitol
PO Box 202191
Harrisburg, PA 17120-219
jmcclinton@pahouse.net

The Honorable Matthew Bradford
Leader, Pennsylvania House of Representatives
110 Main Capitol Bldg.
PO Box 202070
Harrisburg, PA 17120-2070
mbradford@pahouse.net

The Honorable Jordan Harris Chair, House Appropriations Committee 512E Main Capitol Bldg. PO Box 202186 Harrisburg, PA 17120-2186 jharris@pahouse.net

The Honorable Bryan Cutler
Leader, Pennsylvania House of Representatives
423 Main Capitol Bldg.
PO Box 202100
Harrisburg, PA 17120-2100
bcutler@pahousegop.com

The Honorable Seth Grove Chair, House Appropriations Committee 245 Main Capitol Building PO Box 202196 Harrisburg, PA 17120-2196 sgrove@pahousegop.com

cc: Members of PA House of Representatives Members of the Senate of Pennsylvania Dear Legislator,

As local chambers of commerce across Pennsylvania, we urge you to take further action (detailed below) to address Pennsylvania's continuing child care crisis that is plaguing working families and employers.

Employers across the commonwealth representing virtually all economic sectors acknowledge that working parents' struggles in affording and finding quality child care is impeding their ability to fill open positions and hurting their bottom line. Pennsylvania's child care crisis is harming our state's economy, costing working families, employers, and taxpayers \$6.65 billion annually in lost wages, productivity and revenue.

It is important to underscore that there are <u>two</u> sides to this crisis – parents <u>affording</u> quality care, and parents <u>finding</u> quality care.

We are grateful that the General Assembly acted in a bi-partisan manner in making child care more affordable for working families through the enhanced Pennsylvania Child and Dependent Care Enhancement Tax Credit Program. This will certainly help in solving <u>part</u> of our child care crisis.

Unfortunately, tax credits do not address the historic teacher shortage that is closing child care classrooms and entire programs, driving up waitlists, thus hampering parent's ability to <u>find</u> care. Low wages are driving this teacher shortage.

According to a new Independent Fiscal Office (IFO) report, child care wages did grow between 2019 – 2023 to a statewide average of slightly more than \$15 per hour. The report cautions however that this data includes the observed impact of the \$1.6 billion in one-time federal pandemic relief funds that were allocated to stabilize the child care sector. The report further cautions that it is unclear how the depletion of the one-time funds will impact the child care sector, and whether early learning providers can sustain these recent wage increases. With working families already struggling to afford the costs of child care, providers just can't compete in a labor market with many sectors offering \$20+ per hour for largely unskilled positions.

This situation is not unique to Pennsylvania, it's happening across the nation and many states are taking action. At least eighteen states, both Republican and Democrat, have directly invested in recruitment, retention or wage impacting strategies to solve the child care teacher shortage and ensure that working families can find care.

Several states are providing a monthly per-employee stipend to child care providers for the direct purpose of helping to retain and recruit staff. Allowable uses include hiring bonuses, benefit packages, monthly wage increases, or retention bonuses for staff staying for a certain length of time or for staff achieving certain credentials or degrees. A key element of this model is the flexibility of use - understanding that local child care providers know their program, region, and employees best.

We urge you to continue to work across the aisle and enact solutions like those detailed above that will help solve the child care teacher shortage and help working families find child care. We look forward to working with you on this important issue and please don't hesitate to reach out if you have questions or concerns.

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Robert S. Carl, Jr. President & CEO

West Shore Chamber of Commerce

George Book President & CEO Greater Chambersburg Chamber of Commerce

Stephen Christian
Executive Director

Lancaster Chamber Heather Valudes President & CEO Lebanon Valley Chamber of Commerce

Karen Groh President & CEO

Clarion Area Chamber of Business & Industry

Tracy Becker Executive Director

Bradford Area Chamber of Commerce

Heidi Scrivo President & CEO

Chester County Chamber of Business & Industry

Laura Manion
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Venango Area Chamber of Commerce

Susan Williams President

Greater Reading Chamber Alliance

Lucine Sihelnik President & CEO

Upper Perkiomen Valley Chamber of Commerce

Leanne Engle Executive Director

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Christa Lundy Executive Director

Pittsburgh Airport Area Chamber of Commerce

Chris Heck President & CEO

Somerset County Chamber of Commerce

Ron Aldom Executive Director

York County Economic Alliance

Kevin Schreiber President & CEO

HighRidge Improvement District Authority

Letitia Reiser

Executive Assistance

Columbia Montour Chamber of Commerce

Christopher Berleth President & CEO Exton Region Chamber of Commerce

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Greater Latrobe-Laurel Valley Regional Chamber of Commerce

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