Chairman David Rowe and members of the Pennsylvania House Republican Policy Committee,

Thank you for the opportunity to discuss a critical pillar of Pennsylvania's economy: the state of our child care industry.

My name is Jolie L. Cover, and I am the President and Executive Director of **Begin With Us Child Care and Preschool, Inc.** in Altoona, Blair County. For 34 years, we have been a fixture in our community, currently serving 179 children across three STAR 4-rated centers. We employ 42 dedicated staff members who provide everything from infant care to preschool to summer camp. We are also a Pennsylvania Pre-K Counts grantee and have been since 2007.

Our mission is clear: to provide a nurturing, high-quality environment that gives children their best start in life, and has a lasting and positive impact upon children, parents, practitioners, teachers, and thereby the community at large. We strive for excellence in our commitment to children by inspiring them to be creative, confident thinkers.

The research is undeniable - high-quality early learning promotes school readiness, boosts math and reading scores, and increases long-term graduation and employment rates. Conversely, it reduces the need for special education, welfare, and the costs associated with the justice system. (First Focus on Children)

However, the system providing these results is in a state of emergency. Child care is a non-partisan issue. Child care is essential. When our child care system fails, the ripple effects are felt by every employer in this Commonwealth. We are currently facing a workforce crisis that is the primary driver of limited access and rising costs for families.

The math simply no longer works for providers or parents. Our educators often earn less than entry-level retail or fast-food workers. We are losing talented teachers to sectors that are less stressful and better compensated. We are seeing a significant rise in aggressive behaviors among young children. Our staff is often ill-equipped and overwhelmed, leading many to leave the field for their own well-being. The high costs pf liability insurance, rent, and supply costs leave providers with razor-thin margins. Many child care programs cannot afford to offer essential benefits like health insurance, paid leave, or retirement plans, making it difficult to view the field as a viable long-term career.

Administrators are forced to braid fragmented funding streams just to keep doors open. Low reimbursement rates for Child Care Works (CCW) make it impossible to offer competitive salaries without passing unsustainable costs onto families. Because families already struggle with high tuition, providers cannot simply raise rates to fund better staff compensation without losing enrollment.

Pennsylvania public schools spend an average of $23,061 per student. In contrast, the state expects early childhood providers to deliver foundational education for less than half that amount. We are serving the same children. Whether a child is 3 or 13, their access to education and safety requires adequate investment.

According to industry data, the true cost of high-quality infant care in Pennsylvania is $25,980 per year. However, in Blair County, the market only supports a rate of approximately $11,180. Providers are forced to plead for resources to bridge a $14,800 gap per child. When premier programs continue to demonstrate high quality, it should not be burdensome to maintain it. High quality programs are golden to their community. Those providers should be respected, supported, and funded, so that communities don't lose them.

We must move beyond stop-gap grants toward sustainable, systemic funding. Democrats and Republicans must work together to find viable solutions. I propose three specific solutions:

1. **Modernize EITC Distribution:** Current Educational Improvement Tax Credit (EITC) funds are in silos across our state. We must allow for geographic flexibility, enabling unused funds in counties to be redistributed to other counties like Blair, where the need exceeds local corporate participation. It is a shame when millions of EITC funds designated to early childhood go unused in our state each year.
2. **Establish Dedicated Revenue Streams:** Pennsylvania should study the Vermont Model (Act 76), which implemented a modest 0.44% payroll tax. This creates a sustainable $125 million annual fund that stabilizes provider wages and reduces the burden on working parents.
3. **Fund for High-Quality Maintenance:** Any provider that achieves pristine status through state quality ratings should be met with automatic funding parity. Quality should be rewarded with stability, not the burden of financial insolvency. High quality programs should have a sustainable funding model so they can perform their work and focus on children and families without the fear of unstable funding.

The $25 million Recruitment and Retention Program that was placed in the 2025-26 budget was a vital first step. Efforts such as this in other states had positive outcomes on the workforce.

- 4,358 child care providers applied in the first year of the program (75% of eligible providers in PA)
- 33,688 child care teachers will receive retention bonuses of $645/annually
- 4,972 newly hired child care teachers will receive recruitment bonuses of $645/annually

Accessible high-quality child care relies on balancing rigorous safety standards with the practical realities of operating a business. Low staff-to-child ratios are the cornerstone of this balance, directly impacting immediate physical safety and long-term developmental outcomes. (ProCare, Linkedin)

Staff-to-child ratios are not just administrative metrics; they are essential safeguards. Low ratios allow for active supervision, where teachers can truly watch and guide every child and respond instantly to emergencies. Smaller groups facilitate positive and meaningful interactions - eye contact and responsive care - that are critical for brain development, language skills, and emotional security. Lower ratios also help staff maintain strict handwashing and sanitization routines, which significantly reduce the spread of infectious diseases common in group settings. (West Bend Insurance Company, learntastic, Center for American Progress, Prenatal-to-3 Policy Impact Center, Virtual Lab School, ChildCareEd)

The rigorous health and safety practices prevent specific, high-risk incidents. Training in safe sleep positions has been credited with reducing Sudden Infant Death Syndrome (SIDS) by over 50%. Proper ratios and documentation prevent life-threatening reactions by ensuring staff can double-check food ingredients for children with known allergies. Annual training and regularly practiced fire drills, "stay safe" procedures (lockdown or weather drills) ensure staff remain calm and can effectively secure children during a crisis. Safe playground equipment and adequate supervision reduce common but potentially serious injuries, such as brain injuries from falls. (Center for American Progress, Hotaling Insurance Services, The Hartford, Head Start, Centers for Disease Control and Prevention)

Providers increasingly face rising costs and administrative hurdles. Liability insurance is a critical protection for both the provider and the families they serve. Pennsylvania requires proof of liability insurance to issue or renew a license. Operational costs are skyrocketing. For example, since 2024, we have had a 68.5% increase in property, liability, professional, umbrella, and auto insurances. A single serious injury claim can reach seven figures. Insurance prevents such a

claim from bankrupting a center. Other coverage types are also necessary to properly cover providers. Professional liability covers supervision errors, such as a child getting hurt because a teacher was distracted. Abuse and Molestation is often a separate, mandatory endorsement that covers legal and medical fees related to sensitive allegations. (Bipartisan Policy Center, Hotaling Insurance Services, The Hartford, RevTrak)

Quality, affordable child care is not just a family issue - it is a fundamental economic necessity. Without it, Pennsylvania's workforce cannot go to work. By investing strategically in the professionals who care for our children, we ensure that Pennsylvania's businesses have the stable workforce they need to thrive. High quality child care and preschool needs financially supported now more than ever. A great beginning never ends!

Thank you for your time and your leadership.

Respectfully submitted,

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