



**Testimony of Elizabeth Stelle, Vice President of Policy
Commonwealth Foundation
House GOP Policy Committee
Hearing on Childcare Affordability*
June 3, 2026**

Chairman Rowe and members of the committee:

Thank you for the invitation to testify and for your attention to this issue.

My name is Elizabeth Stelle. I am the Vice President of Policy Analysis at the Commonwealth Foundation for Public Policy Alternatives, a free market think tank that advances policy ideas to empower all Pennsylvanians thrive. I am also a working mom who has personally experienced the stress of finding affordable and reliable daycare in Pennsylvania.

Introduction

Childcare remains too expensive in the commonwealth. In 2024, the average annual cost of center-based infant care equated to 11.5 percent of the median married household income and 40 percent of the median household income for single-parent families.¹ Why so high? I'm here today to show how red tape is a significant driver of our childcare crisis and to discuss practical steps lawmakers can take to reduce the cost of quality childcare.²

Red Tape Drives Up Costs

Pennsylvania is the third most regulated state for childcare, according to the Archbridge Institute's "[2026 State Childcare Regulations Index](#)."³ Only two states—Vermont and New York—impose more stringent regulatory burdens.

Research shows a strong connection between regulation and high costs, and little to no correlation between the most common forms of daycare regulation and quality. To paraphrase the [Mercatus Center](#), we regulate "easily observable measures" (i.e., what we can see) instead of what affects the quality of care.⁴

Two specific examples:

- Research by the Mercatus Center shows requiring a high school diploma for lead teachers raises the cost of infant care between 25 and 46 percent and, for the care of four-year-olds, between 22 and 40 percent. Moreover, Mercatus found that smaller ratios do not have a significant impact on the quality of childcare.⁵

- And the American Enterprise Institute’s finding that in states mandating a 4:1 toddler-to-staff ratio, the cost of care is 2.5 times the cost of care in states where the mandated ratio is 12:1.⁶

And the higher costs from restrictive ratios can negatively impact quality for low-income families. Since low-income families are more sensitive to price.⁷

Instead, Pennsylvania families should have the freedom to choose the setting and provider best suited for their family. After all, childcare is not one-size-fits-all.

Solutions

Meanwhile, state funding for childcare continues to climb, increasing more than \$50 million since 2023 alone. And, in his 2026–27 budget plan, Gov. Josh Shapiro proposes a **\$10 million** increase for childcare worker subsidies.

It’s not working. To solve Pennsylvania’s childcare affordability crisis, lawmakers should remove regulations that drive up costs without impacting the quality of care.

Regulations ripe for reform include removing post-secondary credentials for classroom teachers, strategically increasing child-to-staff ratios to alleviate staffing challenges, and eliminating maximum group sizes.

Teacher Credentials

In addition to a high school diploma, Pennsylvania childcare workers, in most cases, must have an associate’s degree. Pennsylvania is one of just three states that require daycare teachers, or classroom supervisors to hold a degree. In the State Childcare Regulations Index, Pennsylvania ranks 50th for the most onerous education requirements.

Credentials for childcare directors are even more rigorous. **Directors** must have, at minimum, a bachelor’s degree in “early childhood education, child development, special education, elementary education, or ... human services” and a year of experience with children or a bachelor’s with thirty credit hours in these fields plus two years of experience with children. And, for those holding an associate’s degree, if it is in one of these fields, they must have three years of experience with children; if not, the 30-credit-hour rule applies alongside four years of experience with children.⁸

These staffing mandates further limit the ability of centers to employ aides, reducing flexibility in scheduling and recruitment.

Child-to-Staff Ratios

Pennsylvania’s regulations require early childhood learning centers to **maintain** between a 4:1 and 6:1 child-to-staff ratio, depending on the child’s age. Ratios gradually rise to 15:1 for school-age children.

Every state sets the maximum child-to-staff ratios, but Pennsylvania's are among the most restrictive. On average, states require a 4:1 ratio for infants and a 7:1 ratio for older toddlers and 16 to 17 school agers per staff member.⁹

Pennsylvania ranks 43rd most restrictive on child-to-staff ratios. In most age categories, more than half of the states allow more children per staff member.

Maximum Group Size

Pennsylvania's limits on total group size are even more restrictive than ratios. Pennsylvania ranks 48th most restrictive for group size; only Vermont and Connecticut impose stricter group sizes. Six states impose no maximum group sizes, giving centers more flexibility to adjust to fluctuating attendance and staff levels. Raising limits or eliminating maximum group sizes entirely can open additional childcare slots without raising costs for families. This reform addresses both the affordability and worker shortage issues.

Conclusion

By streamlining excessive worker credentials, rebalancing child-to-staff ratios, and ending maximum group size limits, Pennsylvania can begin to lower the cost of operating high-quality childcare centers.

Thank you for continuing to focus on this critical issue; I welcome your questions.

¹ Child Care Aware® of America, "Child Care Affordability in Pennsylvania" in "Child Care in America: 2024 Price and Supply Report," May 2025,

<https://info.childcareaware.org/hubfs/Pricing%20and%20Landscape%20Infograms/Pricing%20Sheets%20PDF/2024-2025-price-fact-sheet-child-care-affordability-Penn.pdf>.

² Corey V. Kendig and Elizabeth Stelle, "Fixing the Childcare Affordability Crisis in Pennsylvania," Commonwealth Foundation, March 10, 2026, https://commonwealthfoundation.org/research/fixing-the-childcare-affordability-crisis-in-pennsylvania/#_ednref4.

³ Anna Claire Flowers et al., "2026 State Childcare Regulations Index" (Archbridge Institute, February 3, 2026), 5, 44, <https://www.archbridgeinstitute.org/wp-content/uploads/2026/02/2026-State-Childcare-Regulations-Index.pdf>; https://csorwvu.com/wp-content/uploads/2024/10/Childcare-Regulation-Index_PDF.pdf.

⁴ Diana W. Thomas and Devon Gorry, "Regulation and the Cost of Child Care," Mercatus Center, August 17, 2015, <https://www.mercatus.org/students/research/working-papers/regulation-and-cost-child-care>.

⁵ Thomas and Gorry, "Regulation and the Cost of Child Care."

⁶ Vanessa Brown Calder, "Childcare Regulation and Affordability," American Enterprise Institute, October 21, 2025, <https://www.aei.org/research-products/report/childcare-regulation-and-affordability/#footnote-section>.

⁷ Randal Heeb and M. Rebecca Kilburn, "The Effects of State Regulations on Childcare Prices and Choices," Working Paper No. WR-137-NICHD (RAND Corporation, December 21, 2004), 13–14, https://www.rand.org/pubs/working_papers/WR137.html.

⁸ 55 Pa. Code § 3270.34.

⁹ 55 Pa. Code § 3270.51.