

May 30, 2023

The Honorable Josh Shapiro
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Dear Legislator:

On behalf of the membership of our 50+ chambers of commerce, representing thousands of businesses across the Commonwealth, and the Pennsylvania Economic Development Association, we are contacting you about the childcare crisis that is plaguing families in Pennsylvania and across the nation.

We have heard from our member-employers from across the Commonwealth how the lack of accessible and affordable childcare is hampering their ability to hire because potential workers can either not find childcare or afford it. This impact to the workforce is negatively impacting the economy, costing employers \$2.88 billion and the state of Pennsylvania \$3.47 billion in losses each year, and thus we are recommending the PA General Assembly consider the following solutions:

- 1) **Employee Childcare Public Private Partnership** - Legislation to create a tax credit for employers who furnish employee childcare in the amount of the employer's cost in furnishing employee childcare. Legislation to incentivize employers to fund childcare for their employees by splitting the cost with the state, and providing tax credit incentives to employers who participate.
- 2) **Childcare Tax Credit for Parents** – Expanding the Child and Dependent Care Enhancement Program. Last year's budget included funds for up to 30% of childcare-related expenses that filers claim on their federal return. This program is meant to support working families by lessening their tax liability. A total of \$24.6 million went into the program for last FY and is now a permanent fixture of the state's tax code. However, expanding the program will allow more middle-income parents to return to the workforce is. \$21,614 annually, an impact to all families of any income bracket.
- 3) **Retention and Recruitment** – Proposals potentially being considered during the current state budget negotiation to offer rebates/incentives for nursing, teaching and policing jobs should be extended to the childcare community. Hiring incentives would be a great first step to address the ongoing issue of low wages (\$12.43/hour statewide average) currently paid to childcare workers being a disincentive to join this critical field.
- 4) **Regulatory Reform** – The Chamber Community is advocating that any future regulatory proposals must ensure proper stakeholder input from childcare providers with special consideration to infant care. In addition, any changes do not lead to increased costs for providers.

Our 55 chambers have come together to show the strength of the business community in the Commonwealth and urge you and your colleagues to work across the aisle, with the private sector and the childcare industry, to consider the solutions above.

We look forward to continued interaction with you on this critical issue. Please do not hesitate to contact any one of us if you have any questions or comments regarding the Chamber's childcare advocacy.

Sincerely,

Laura Manion
Chester County Chamber of
Business and Industry

Trish McFarland
Delaware County Chamber of
Commerce

Dan DeBone
Westmoreland County Chamber of
Commerce

With:
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Bedford County Chamber of Commerce

Jordan Grady
Butler County Chamber of Commerce

Amy Bradley
Cambria Regional Chamber of Commerce

Joe Hurd
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Nicole Deary
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