



Testimony

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

Before the:
House Labor & Industry Committee

Presented by:
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Chairman Dawkins, Chairman James, and Honorable Members of the House Labor & Industry Committee, thank you for the opportunity to testify today on an issue that is critical to Pennsylvania's workforce and economic competitiveness: childcare. My name is Aaron Riggleman, and I serve as Director of Government Affairs for the Pennsylvania Chamber of Business and Industry. The PA Chamber represents approximately 12,000 employers across every region and every industry. We work toward one mission: making Pennsylvania the most competitive state in the nation to do business.

Pennsylvania's workforce shortage remains one of the greatest challenges facing employers today. Across industries, businesses consistently identify workforce availability as a top concern, and increasingly, childcare is a major part of that conversation.

For many Pennsylvanians, the ability to work depends on access to reliable, affordable childcare. When childcare is unavailable or unaffordable, workforce participation suffers. This is not just a family issue; it is an economic issue that affects employers, workers, and the Commonwealth as a whole.

The PA Chamber partnered with the U.S. Chamber Foundation to better understand the scope of this challenge, and the findings are significant: Pennsylvania loses an estimated \$3.47 billion annually due to childcare-related disruptions. Employers lose approximately \$2.88 billion in productivity from absenteeism and turnover, while the Commonwealth loses roughly \$591 million in tax revenue. These figures make clear that childcare is not a side issue in Pennsylvania's workforce conversation : it is central to it.

Recognizing childcare as a workforce issue also requires us to recognize that childcare providers themselves are employers and small businesses. Like businesses across Pennsylvania, providers are navigating workforce shortages, rising operational costs, and government barriers that can make it harder to meet demand.

One of the clearest examples is staffing. Providers consistently report that hiring and retaining qualified workers is among their greatest challenges, often forcing them to reduce classroom capacity even when families are desperately seeking care. At the same time, many providers have raised legitimate concerns that current credentialing requirements can unnecessarily narrow the labor pool by overlooking practical, real-world caregiving experience, including experienced parents and primary caregivers who may be well-equipped to enter the workforce but receive little recognition for that experience. If Pennsylvania wants to expand childcare capacity, we must also expand practical pathways for qualified workers to enter the field.

That conversation should also include how we develop the next generation of childcare professionals. Childcare should be treated as a critical workforce sector, and Pennsylvania should prioritize practical workforce programs and workforce development strategies that help recruit, train, and retain workers in the field. That includes creating flexible career pathways, expanding awareness of childcare as a viable profession, supporting internships, student observers, and early exposure opportunities, and ensuring workforce development efforts are practical and accessible for providers already operating under significant pressure. Providers have noted, for example, that when a high school student wants to job shadow in a childcare setting to explore the profession, that student

can be counted against staffing ratios rather than viewed as part of a workforce development opportunity , creating unnecessary barriers to early exposure and recruitment. Workforce programs should help remove those kinds of obstacles so providers can introduce young people to the field without triggering additional operational burdens. Providers need workforce systems that strengthen talent pipelines and reduce barriers to entry, not frameworks weighed down by unnecessary bureaucracy.

Workforce challenges, however, are only one part of the equation. Providers also regularly report that outdated or overly burdensome regulations increase costs and complicate operations without necessarily improving safety. In conversations across Pennsylvania, providers have pointed to examples ranging from redundant emergency contact posting requirements that create paperwork burdens without changing actual emergency response, to rigid supervision interpretations that can penalize common-sense classroom situations, to facility and space standards that may unnecessarily limit capacity or flexibility in shared or leased spaces. These challenges can make it harder for providers to focus on what matters most: delivering safe, reliable care. Child safety must always remain the priority, but regulations should also be modern, practical, and focused on meaningful outcomes.

Those regulatory pressures are often compounded by broader operational hurdles. Licensing delays, zoning obstacles, and compliance burdens can all slow expansion or discourage new providers from entering the market altogether. At a time when childcare shortages are already limiting workforce participation, Pennsylvania should be focused on helping responsible providers grow , not creating avoidable barriers that restrict capacity.

Even for providers able to navigate staffing shortages and regulatory burdens, rising liability insurance costs remain a serious threat. Across Pennsylvania, childcare providers face escalating premiums, limited coverage options, and legal risks that can force small operators to close their doors. If lawmakers are serious about expanding childcare capacity, Pennsylvania must also address the legal climate driving these costs. That means strengthening Fair Share protections, establishing reasonable liability caps, and ending venue shopping practices that inflate litigation and insurance expenses. Without meaningful tort reform, rising legal and insurance pressures will continue to undermine childcare availability across the Commonwealth.

Taken together, these challenges make one thing clear: childcare must be treated as essential workforce infrastructure. If Pennsylvania is serious about improving labor force participation, supporting employers, and strengthening economic competitiveness, then we need a policy environment that supports both working families and the providers who make work possible.

That means addressing staffing shortages, creating practical workforce pipelines, modernizing outdated regulations, reducing unnecessary administrative burdens, and improving the broader business climate for childcare providers.

Pennsylvania's childcare challenges are complex, but they are not insurmountable. Practical reforms can make a real difference. Childcare providers do not need lower standards ; they need workable standards that protect children while allowing providers to operate, grow, and meet the needs of Pennsylvania families.

The PA Chamber appreciates this committee's leadership on this issue and urges continued collaboration to strengthen childcare access, workforce participation, and Pennsylvania's economic future.

Thank you again for the opportunity to testify, and I welcome any questions.