

## GOVERNOR JOSH SHAPIRO

## FOR IMMEDIATE RELEASE

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In Bucks County, Governor Shapiro Highlights New Recruitment & Retention Bonuses for Pennsylvania Child Care Workers Secured in the 2025-26 Budget

The <u>2025-26 budget</u> signed by Governor Shapiro creates a new \$25 million Child Care Staff Recruitment and Retention Program to support 55,000 child care workers statewide

By providing \$450 bonuses to staff at licensed Child Care Works providers, the Governor is strengthening the child care workforce and expanding access to care for Pennsylvania families.





Bristol, PA – Today, Governor Josh Shapiro joined Pennsylvania Department of Human Services Secretary Dr. Val Arkoosh, as well as legislative and community leaders, at Children of God Educational Services in Bucks County to highlight child care investments secured in the <a href="2025-26">2025-26</a> budget the Governor signed last week. These investments will help Pennsylvania recruit and retain child care workers, expand access to quality care, and ensure more parents can stay in the workforce and provide for their families.

Pennsylvania's child care industry has **3,000 unfilled jobs** — openings that, if filled, would allow providers to serve **25,000 additional children**. Providers continue to struggle with low wages that make it hard to hire and retain qualified staff, forcing them to close classrooms and turn families away.

To address workforce shortages and expand child care availability, the 2025-26 budget establishes a **\$25** million Child Care Staff Recruitment and Retention Program, which will provide roughly **\$450** annually per employee to licensed Child Care Works

(CCW) providers. These bonuses will support approximately **55,000 child care workers** and help stabilize the child care sector.

"When parents can't find affordable, reliable care, they can't work — and our economy suffers," said **Governor Shapiro**. "We've lowered costs by tripling the Child and Dependent Care Enhancement Tax Credit for nearly 219,000 working families, but affordability isn't enough — we also have to expand access. That's why we're making investments to help child care centers hire and retain talented educators. These bonuses will help strengthen the workforce, open more slots for children, and make sure families across Pennsylvania can find the care they need."

The budget also invests an additional \$7.5 million for Pre-K Counts to help providers raise wages and stabilize the early educator workforce, along with a \$10 million increase for Early Intervention services to support families with children experiencing developmental delays.

"Early childhood education programs are vital to a child's educational, social, and emotional development during their youngest years," said **Secretary Arkoosh.** "Early childhood educators provide a foundation that will benefit children throughout their entire lives. They are set up for success in school and in their own careers down the road when they have high-quality early childhood opportunities. Investments in high-quality child care programs pay dividends well into the future. Our dedicated, passionate child care workers are the ones who make that possible. The benefits of high-quality child care to our kids, their parents and caregivers, and to our economy are not possible without a thriving workforce of child care professionals."

In addition to child care investments, the Governor's new **Working Pennsylvanians Tax Credit (WPTC)**— created in the 2025–26 budget — <u>will deliver</u> \$193 million in tax relief to 940,000 working Pennsylvanians beginning next tax season. Modeled after the federal Earned Income Tax Credit, the new state-level credit equals 10 percent of the federal benefit. Anyone who qualifies for the federal EITC will now automatically receive both credits, reducing taxes owed and putting more money back into the pockets of hardworking Pennsylvanians.

## Building on the Shapiro Administration's Record of Child Care Affordability

These new investments build on Governor Shapiro's progress since taking office to make child care more affordable, accessible, and available, including when his first two budgets:

• Expanded the Child and Dependent Care Enhancement Tax Credit: In December 2023, Governor Shapiro signed into law a major expansion of the credit, increasing Pennsylvania's match from 30 percent to 100 percent of the federal credit. The maximum benefit rose from \$630 to \$2,100 per family — and last year, this expansion delivered \$136.5 million to 218,953 working families.

- Created the Employer Child Care Contribution Tax Credit: In the FY2024-25 budget, the Governor secured a new credit encouraging employers to contribute to workers' child care expenses. Employers can claim a tax credit for up to 30 percent of eligible contributions, capped at \$500 per employee helping businesses support working parents and strengthening the workforce.
- Secured nearly \$117 million across his first two budgets for Child Care Works, helping up to 80,000 low-income families access subsidized care each year.
- Increased investments in early childhood education, including \$15 million more for Pre-K Counts and a \$2.7 million boost for Head Start.

Today's event was held at **Children of God Educational Services**, a four-star Keystone STARS child care center serving approximately 55 children year-round and employing up to 20 staff during summer months. With 98 percent of children receiving some form of subsidy, state investments directly support their programs — including Pre-K Counts, before- and after-school care, summer and winter camps, and academic enrichment.

"Today, we are celebrating a truly monumental investment in child care," said **Valerie Hamilton, Founder and Executive Director of Children of God Educational Services.** "Child care providers are the workforce behind the workforce. They deserve competitive wages, families deserve affordable, high-quality care, and our children deserve safe, nurturing places to learn and grow. Governor Shapiro understands that child care is essential to Pennsylvania's economy, and this budget reflects that understanding. These new recruitment and retention bonuses will help stabilize this field and strengthen communities across the Commonwealth."

"I've been working in child care for over a year, and even as a high school student, I know how important this work is," said **Madison Peneguy**, a senior at Bristol High **School who works at Children of God**. "My mom has worked in child care for nearly 16 years, and while I've always wanted to follow in her footsteps, the low wages in this field have made me hesitant. This new recruitment and retention incentive gives me hope for the future — it makes me excited to stay in this career and keep growing in it. The children I work with brighten my day, every day. I appreciate Governor Shapiro for recognizing how hard we work and making this field a priority."

With the <u>2025-26 budget</u> signed into law, the **Shapiro Administration** will implement the Child Care Staff Recruitment and Retention Program and deliver bonuses to eligible workers later this fiscal year.

"Child care is one of the biggest costs facing families in the 10th Senate District. This is fundamentally an economic issue — when families can't afford child care, a parent is often forced to leave the workforce. I'm proud that we made tackling these costs a priority in this year's budget," said **Senator Steve Santarsiero**. "Early childhood educators are the backbone of our child care system, and investing in staff retention

and recruitment is essential to making child care more stable, accessible, and affordable for Pennsylvania families."

"It takes a village to raise a child — and our child care workers, teachers, and caregivers are the heart of that village," said **Representative Tina Davis**. "I'm grateful to them for the essential work they do every day, and I'm grateful to Governor Shapiro and Secretary Arkoosh for working tirelessly to deliver a budget that truly supports working families. The Governor never gave up — this bipartisan, compromise budget delivers real results for the people of Pennsylvania."

**Governor Shapiro's** 2025-26 budget will build on the foundation the **Shapiro Administration** has constructed over the past two years and move Pennsylvania forward as the Governor continues working across the aisle to get stuff done and ensure people across the Commonwealth have the freedom to chart their own course and the opportunity to succeed.

Read more about Governor Shapiro's <u>2025-26 budget</u>, view the Governor's final budget remarks as prepared <u>here</u>, or watch the Governor deliver remarks <u>here</u>.

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