

FOR IMMEDIATE RELEASE

Thursday, December 4, 2025

MEDIA CONTACT: Brandon Cwalina, ra-pwdhspressoffice@pa.gov

Shapiro Administration Highlights New 2025-26 Budget Investments to Expand and Support Pennsylvania's Child Care Workforce

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.





Harrisburg, PA – Today, Pennsylvania Department of Human Services (DHS) Secretary Dr. Val Arkoosh visited Little Learners CDC Academy to highlight new investments for the early learning and child care workforce secured by Governor Josh Shapiro in the 2025-26 budget. 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.

To address workforce shortages and expand child care availability, **Governor Josh Shapiro's 2025-26 budget** establishes a new **\$25 million Child Care Staff Recruitment and Retention Program**, which will provide **\$450 per employee** at licensed **Child Care Works (CCW)** providers. These bonuses will support approximately **55,000 child care workers** beginning in early 2026.

"Early learning and child care programs are an invaluable resource that foster educational and social development for our youngest Pennsylvanians and are a catalyst for a healthy, vibrant economy," said **Secretary Dr. Arkoosh**. "High quality child care helps our children grow and thrive while allowing parents to work and participate in our economy. Our dedicated, passionate child care workers are the ones who make that possible, and the Shapiro Administration is proud to make these investments that will support this essential field and strengthen our child care industry and our overall economy."

Pennsylvania's early learning and child care system serves more than **300,000** children annually across the Commonwealth, including approximately **94,000** children who access care through the Child Care Works (CCW) program, Pennsylvania's state and federally-funded subsidized child care program that helps low-income families access high quality child care that allows parents with young children to work.

However, providers are struggling to hire and retain staff. Pennsylvania has an estimated **3,000** unfilled jobs in child care; if filled, **25,000** more children in Pennsylvania could have access to child care, and their parents would have the peace of mind that their kids are well taken care of so they can go to work. Child care centers also report increasing difficulty in filling positions due to low wages, and many are forced to close classrooms or limit enrollment. Without a competitive wage, it remains difficult to retain and attract qualified early childhood educators.

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 \$13.2 million increase for Early Intervention's Infants and Toddlers program in DHS' budget, with \$10 million of these funds directed to increase provider rates to address key challenges in the sector including the rising need of services for families. This investment of state dollars can be matched with federal dollars bringing the total investment in Early Intervention rates to \$22.6 million.

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

These new investments build on the work the Shapiro Administration has done during the past two years. Since 2023, DHS has invested more in access to care by increasing base reimbursement rates for providers participating in Child Care Works to the **75th percentile** of private pay rates for the first time, helping Pennsylvania meet federal best practices and providing greater financial support to child care providers and their dedicated workforce. This allows CCW providers to invest in quality of care and their workforce amid the continued challenges of operating.

Governor Shapiro signed into law a historic expansion of the Child and Dependent Care Enhancement Tax Credit that increases Pennsylvania's match from 30 to 100 percent of the federal credit, increasing the maximum benefit from \$630 to \$2,100 per family. In 2024, this increase delivered \$136.5 million to 218,953 working families. Last year, Governor Shapiro worked with the General Assembly to create the Employer Child Care Contribution Tax Credit, which allows employers who contribute to employees' child care costs to claim a tax credit of up to 30 percent of eligible contributions, capped at \$500 per employee.

The 2025-26 Budget also created a new **Working Pennsylvanians Tax Credit (WPTC)** to deliver \$193 million in tax relief to 940,000 working Pennsylvanians starting next tax season. Modeled after the federal Earned Income Tax Credit, the new statelevel credit equals 10 percent of the federal benefit. Anyone who qualifies for the federal EITC will now automatically receive both credits. The WPTC and child care credits puts more money back into the pockets of Pennsylvania families — demonstrating Governor Shapiro's commitment to building a Commonwealth where hardworking people can thrive.

Early learning and child care programs are an invaluable resource that foster educational and social development for our youngest Pennsylvanians. According to the Centers for Disease Control and Prevention, access to early childhood education improves performance in K-12 schooling, lowers health care costs, and improves employment and earning prospects into adulthood. Child care programs also allow parents to work knowing their children are safe and cared for. The CDC also cites child care as a factor for increased parental employment and income, making this industry an essential cornerstone for a healthy, vibrant economy.

Today's visit was to Little Learners CDC Academy, a licensed early childhood education center serving the Harrisburg area. They currently care for approximately 140 children, representing over 100 local working families, and are supported by a team of about 23 staff members. Little Learners serves children from six weeks through school age, emphasizing school readiness, hands-on learning, and positive social-emotional development.

"We are deeply grateful that our Governor recognizes how essential child care is to families, the workforce, and the broader economy. His acknowledgment of the critical role our industry plays—and his commitment to prioritizing it in the state budget—means a great deal to providers like us," said **Little Learners CDC Academy Director Denise Metzger.** "We are hopeful this continued investment will help strengthen employee recruitment and retention, allowing us to maintain a stable, high-quality team that supports children and families every day."

Learn more about <u>Child Care Works</u> and find more information on certified child care providers at <u>www.findchildcare.pa.gov</u>.

Read more about Governor Shapiro's 2025-26 budget.

###