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Lt. Gov. Austin Davis Highlights Shapiro-Davis Administration's Investments to Expand Access to Affordable, High-Quality Child Care

Davis Joined State Sen. James Malone in Lancaster County to Focus on Child Care's Importance for Workers and Employers

ELIZABETHTOWN, PA – Lt. Gov. Austin Davis stopped by a Lancaster County child care center today to highlight how the Shapiro-Davis Administration is expanding access to high-quality child care, making it more affordable for working parents and encouraging employers to help their workers with this critical need.

“As I’ve traveled across the Commonwealth, I’ve heard over and over again how child care isn’t just essential for families — it’s essential for employers, too,” said **Davis**, who serves as co-chair of the **Early Learning Investment Commission (ELIC)**. “The business community recognizes this is a workforce issue because if their employees don’t have access to affordable child care, they can’t work. The Shapiro-Davis Administration has made this issue a top priority, to support working moms and dads, their employers, as well as the teachers that care for our most precious resource — our children.”

Today’s event focused on the [Employer Child Care Contribution Tax Credit Program](#), which encourages Pennsylvania businesses to support their employees who have children in eligible child care or early learning programs. The program offers employers a break on their state taxes when they provide their employees with qualifying financial support to cover child care, educational costs, and expenses related to a disability. Currently, employers can receive a state tax credit equal to 30 percent of their employees’ eligible child care costs (with a maximum annual contribution of \$500 per employee).

State Sen. James Andrew Malone, who joined Davis at today’s event, has introduced legislation that would update this program, increasing the tax credit to 100 percent, with a maximum contribution limit of \$10,000 annually. This would increase the maximum tax credit from \$150 per employee to \$10,000. The program would be capped at \$10 million in tax credits awarded per fiscal year.

“The cost of child care is one of the largest burdens on working families in Pennsylvania,” said **Malone**. “Making it more affordable is crucial for the prosperity of Lancaster families and the health of our state’s economy. I’m thankful that Lieutenant Governor Davis joined me in Elizabethtown to talk about my plan to expand the Employer Child Care Contribution Tax Credit, as well as his and Governor Shapiro’s

efforts to invest in making child care more affordable by supporting parents and building the workforce. Expanding tax credits for employers who contribute to their employees' child care costs is good for families and good for businesses. Increasing these incentives, alongside the Shapiro-Davis Administration's smart investments in child care, are how Pennsylvania can expand access to this essential service for everyone."

In addition to creating this new tax credit for employers in 2024, the Shapiro-Davis Administration boosted the [Child Care and Dependent Care Enhancement Tax Credit](#), which goes to working parents. In 2023, Gov. Josh Shapiro signed legislation that tripled this state tax credit, and last year, it provided \$136.5 million in tax relief to more than 200,000 working families in Pennsylvania.

Child care workers are also benefiting from the Shapiro-Davis Administration's investments in this essential sector. In last year's bipartisan budget, the Shapiro-Davis Administration secured \$25 million for recruitment and retention bonuses for child care workers, and those bonuses started going out to centers this spring. [More than 4,300 child care providers applied for the funding, and nearly 39,000 child care workers are receiving bonuses of \\$645.](#)

"When parents can work, businesses can grow," said **Vanessa Philbert, CEO of Community Action Partnership of Lancaster and board chair of the Lancaster Chamber**. "Child care is the bridge that makes both possible, creating stronger families, a more resilient workforce, and healthier communities for generations to come."

In response to overwhelming demand, the [2026-27 budget proposes](#) an additional \$10 million for recruitment and retention bonuses for child care workers across Pennsylvania, for a total investment of \$35 million.



From left to right: Elizabethtown Child Care Center Executive Director Lisa Wilson, state Sen. James Andrew Malone, Lt. Gov. Austin Davis, Community Action Partnership of Lancaster County CEO Vanessa Philbert, Elizabethtown Mayor Phil Clark; additional photos/video are available at PACast.com.

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