

**Announcement
ELRC #25-05**



Pennsylvania
**Office of Child Development
and Early Learning**

Pennsylvania Office of Child Development and Early Learning
Bureau of Policy and Professional Development

Issue Date: 12/15/2025

Effective Date: 12/15/2025

Expiration Date: 06/30/2026

Subject: Child Care Staff Recruitment and Retention Program

To: All DHS Certified Child Care Providers; Early Learning Resource Centers (ELRCs); and The Office of Child Development and Early Learning (OCDEL) ELRC Program Representatives

From: Shante' Brown
Deputy Secretary, Office of Child Development & Early Learning

PURPOSE

To provide information regarding the 2025–2026 Child Care Staff Recruitment and Retention (CCSRR) Program. A funding opportunity for certified child care programs that maintain a Child Care Works (CCW) Certified Provider Agreement. The intent of the program is to support existing child care staff and recruitment within the field.

BACKGROUND

The 2025-26 enacted state budget includes \$25 million for retention and recruitment funding to qualified DHS certified providers. Qualified staff are eligible for a Retention Bonus. To the extent that funding is available, qualified child care providers may receive funds to provide new qualified hires with a Recruitment Bonus.

DISCUSSION

The Office of Child Development and Early Learning (OCDEL) recognizes that providers continue to struggle to have the necessary staff complement to meet demand. Some providers are operating at a reduced capacity as staff leave the industry, thus disrupting the availability of care for Pennsylvania families.

To address the ongoing crisis, OCDEL will implement a new initiative titled the Child Care Staff Recruitment and Retention (CCSRR) Program. OCDEL will issue up to \$25 million to qualified providers for the purpose of retention and recruitment efforts. The focus of this funding is to assist providers with employment resolutions, to the extent that funding is available.

To prepare qualified providers for the release of the 2025-2026 Child Care Staff Recruitment and Retention Program application period, the following includes pertinent details.

PROVIDER ELIGIBILITY

QUALIFIED CHILD CARE PROVIDER

A DHS-certified child care provider must meet all eligibility criteria as of the date of application submission and at payment by ELRCs to be considered qualified:

1. Certified by DHS as a Child Care Center, Group Child Care Home, or Family Child Care Home and holds a current Regular Certificate of Compliance.
2. In operation and serving children/families.
3. Holds a current CCW Certified Provider Agreement with DHS/OCDEL.
4. Does not have an open referral to the Office of Attorney General (OAG) or an ongoing repayment plan with an ELRC for any previous OCDEL grants/awards.
5. Has completed reporting on all previous OCDEL grants/awards.
6. Does not owe liens/liabilities to the Commonwealth.

INELIGIBLE CHILD CARE PROVIDER

A DHS-certified provider is considered ineligible if any of the following are applicable:

1. Had their Regular Certificate of Compliance revoked, denied, nonrenewed.
2. Holds a Provisional Certificate of Compliance.
3. Had their CCW Certified Provider Agreement revoked at any time due to fraud.
4. Not serving children as of the date of the provider's submitted application.
5. Has an open referral to the Office of Attorney General (OAG) or an ongoing repayment plan with an ELRC for any previous grants/awards.
6. Has not completed reporting on any previous OCDEL grants/awards.
7. Owes liens/liabilities to the Commonwealth.

STAFF RETENTION BONUS

Qualified child care providers will request Retention Bonuses on behalf of **all current, qualified staff**. Retention Bonuses are not based on job performance or the qualified child care provider's discretion. All qualified staff employed at the physical program location at the time of application must be included.

Qualified staff are eligible for a **one-time** \$450 Retention Bonus. Payments may not supplant existing funds used for staff wages, bonuses, or benefits. Allocated funds may only be used for Retention Bonus payments.

QUALIFIED STAFF

Staff of a qualified child care provider are considered eligible to receive a Retention Bonus if the following applies:

1. Is an employee of a qualified child care provider who is responsible for the direct supervision of children at a minimum of 15 hours per week at the physical program location.
2. Is an employee of a qualified child care provider at the time the application is submitted as well as when funding is issued by the ELRC.

Owners/Operators of a qualified child care provider are considered eligible to receive a Retention Bonus if they directly supervise children a minimum of 15 hours per week.

Staff working in Pre-K Counts (PKC), Head Start State Supplemental Assistance Program (HSSAP), Head Start (HS), Early Head Start (EHS), and Contracted Slots (CS) Programs are **ONLY** eligible to receive a Retention Bonus if:

- They directly supervise children for a minimum of 15 hours per week at a DHS-certified child care location **outside of the PKC, HSSAP, HS, EHS, and CS program hours.**

Qualified staff working at multiple locations or legal entities can only receive one Retention Bonus. **Staff can only be included on one application within a Legal Entity.**

Upon receiving funds from the ELRC, a qualified child care provider must issue a Retention Bonus within 45 calendar days, even if a qualified staff member has given notice of their resignation.

NOTE: If a qualified child care provider has qualified staff leave after an application is submitted but before funding is issued by the ELRC, the provider may either shift the Retention Bonus funds for the qualified staff to Staff Recruitment Bonuses or return the funds to ELRC. Qualified child care providers cannot exceed the allowable number of new staff bonuses indicated in the *Recruitment Bonus Funds* chart below.

INELIGIBLE STAFF

- Staff who do not directly supervise children at least 15 hours per week.
- Child care executives or owners/operators who do not directly supervise children at least 15 hours per week.
- Janitorial staff
- Food service staff
- Administrative or support staff
- Transportation staff
- Volunteers
- Unpaid relatives
- Staff who do not work at the physical child care provider location identified on the application.

STAFF RECRUITMENT BONUS

Recruitment bonuses can be paid to a newly employed, qualified staff member hired after the date of application submission. New hires must meet all requirements detailed in the 'Qualified Staff' section to receive a Recruitment Bonus. The Recruitment Bonus is a **one-time payment** of \$450 per new qualified staff as outlined in the *Recruitment Bonus Funds* chart below.

Funding will be allocated based on provider type and licensed capacity.

NOTE: Recruitment Bonuses are contingent upon the availability of funds. If funding is limited, Recruitment Bonus payments by ELRCs to qualified providers will be issued based on the order in which applications are submitted.

RECRUITMENT BONUS FUNDS			
Provider Type	License Capacity	Allowable Number of New Staff	Award Amount (\$450 Per New Staff)
FAMILY		1	\$450
GROUP		2	\$900
CENTERS	6-77	2	\$900
	78-180	3	\$1,350
	181 +	4	\$1,800
	School Age Only	2	\$900

APPLICATION

Qualified providers must submit a completed application (*2025-2026 Child Care Retention and Recruitment Application*) to their regional ELRC by **January 29, 2026**. Qualified providers must also ensure the qualified staff listed in the application (and who will therefore receive a Retention Bonus) are appropriately assigned to the qualified provider's Professional Development (PD) Registry profile. For additional details, please read the section labeled 'PD REGISTRY'.

Applications can be submitted electronically or via USPS, as validated with a postmark date no later than **January 29, 2026**. ELRCs must approve or deny an application within 45 calendar days of receipt. Electronic submission of the application via email is the preferred submission method.

APPLICATION VERIFICATION

Beginning January 29, 2026, and ending on March 15, 2026, the ELRCs will be processing all applications to verify eligibility requirements are met by both providers and staff.

NOTE: If an ELRC determines that a provider does not meet the eligibility criteria, the ELRC will complete and send the CCSRR Denial Letter to the provider electronically (email or fax) or via USPS.

PD REGISTRY

Prior to a qualified provider submitting an application, the following must be completed:

- Each qualified staff member must have a profile in the PD Registry.
- The PD Registry must be updated if staff information is not accurate and current.
- Owners/operators must all provide an end date in the PD Registry for any staff who are no longer employed at the provider's location.

TIP: If a qualified provider or qualified staff member are not registered in the PD Registry, they can reference the "How to Claim an Unregistered Organization Profile" Tip Sheet document and other PD Registry Tip Sheets at <https://www.pakeys.org/pdregistry/resources/>. The ELRC and the PA Key will help providers who are unsure of how to navigate the PD Registry.

NOTE: Qualified staff included in the application must match the qualified staff information in the qualified provider's PD Registry profile. If discrepancies are found, the ELRC will notify the qualified provider, and they must update the PD Registry within the 45 calendar day window

from the time the application was submitted to the ELRC. If updates are not completed within that timeframe, the ELRC will deny the application.

FUNDING AND SPENDING REQUIREMENTS

STAFF RETENTION BONUS

- Funding for Retention Bonuses to qualified providers by the ELRCs will occur between January 21, 2026, and March 15, 2026.
- Retention Bonuses must be paid to qualified staff (in full) by the provider within 45 calendar days of receipt from the ELRC.
- Retention Bonus funds cannot be used to supplant qualified staff salaries/wages.
 - Retention Bonuses must be paid through employer payroll.
 - *See Monitoring Information section below for more information.*
 - If there is a valid reason that a provider cannot issue a Retention Bonus to a qualified staff member within the 45 calendar days of receiving funds, the provider must submit a written request to the ELRC explaining why additional time is needed.

STAFF RECRUITMENT BONUS

- If funding is available, Recruitment Bonus funds to qualified providers will be issued between February 16, 2026, and April 17, 2026.
- Recruitment Bonuses for newly employed, qualified staff must be issued by a qualified provider between February 16, 2026 and June 30, 2026.

If Retention Bonus and Recruitment Bonus funds are not spent by June 30, 2026, qualified providers must return any remaining balance to their ELRC.

FINAL EXPENSE REPORT (FER)

Processing Final Expense Report (FER) from Qualified Providers

All qualified providers who receive CCSRR funds must report how they were spent using the CCSRR Final Expense Report (FER). Providers must complete their FER and submit it to the ELRC no later than July 31, 2026.

DUNNING CYCLE PROCESS

Qualified providers who fail to meet the spending and reporting requirements will be subject to the Dunning Cycle as detailed in [Commonwealth Management Directive 310.10](#). OCDEL's Dunning Cycle will consist of three letters informing providers of the spending and reporting requirements they agreed to in the CCSRR Application. Failure to respond to the three Dunning Cycle letters will result in a fourth letter informing qualified providers of their referral to OAG and of their Keystone STARS suspension. The OAG is statutorily authorized to collect delinquent debt for state agencies pursuant to 71 P.S. § 204(c).

NOTE: Suspension of the Keystone STARS rating will result in a qualified provider being ineligible to receive quality tiered reimbursement payments for Child Care Works (CCW) enrollment as well as future Keystone STARS grants and awards.

MONITORING INFORMATION

Qualified providers must keep original receipts and documentation of expenditures for review by ELRCs and state/federal agents for auditing/monitoring purposes. All CCSRR related receipts and documents must be maintained for 7 years.

- Payroll receipts/documentation must be available for review and include the date of payment and show applicable tax deductions.

All Retention Bonuses must be processed through a qualified provider's payroll and are subject to applicable taxes (processing through IRS 1099 is prohibited).

- Qualified providers must adhere to IRS guidelines for employers and be responsible for any employer portion of taxes as awards are distributed.
- If a legal entity is a limited liability corporation (LLC) and must file a Schedule K-1, they must also submit a 1040 Form to document that the appropriate taxes were paid.
- For Family Child Care Homes that file taxes with a Schedule C, they must also submit a 1040 Form to document that the appropriate taxes were paid.

The department may recover payment from a qualified provider that receives payment under this section if the qualified provider does not comply with the provisions of this section or with applicable Federal or State law. A child care provider that receives payment from the department under this section shall provide documents, records, and other information related to a payment made under this section in the time, manner and format requested by either the Department or by any other Federal or Commonwealth agency that is authorized to audit the entity or the payments.

TIMELINE

December 15, 2025: CCSRR Application posted to the DHS and PA Key websites.

December 15, 2025 – January 29, 2026: CCSRR Application submission period.

January 21, 2026 – March 15, 2026: ELRC timeframe to release Retention Bonus funding to qualified providers.

January 29, 2026- March 15, 2026: ELRC processes applications to verify eligibility requirements are met by both the qualified provider and qualified staff.

January 29, 2026: Last day applications will be accepted by the ELRC. Any application postmarked after this date will not be eligible.

February 16, 2026 – April 17, 2026: ELRC timeframe to release Recruitment Bonus payments to qualified providers.

February 16, 2026 – June 30, 2026: Provider timeframe to release Recruitment Bonus payments to newly hired, qualified staff.

June 30, 2026: Last day for providers to spend or return CCSRR funds.

July 31, 2026: Last day for Final Expense Report Forms to be received at the ELRC.

NEXT STEPS

1. Beginning on **December 15, 2025**, if you are a qualified provider, submit a CCSRR Application to your Regional ELRC.
2. Follow the additional steps detailed in the Timeline section.
3. Contact the Regional ELRC with any questions.