



Dear Provider,

On 9 October, I was delighted to be able to announce a total of €1.48 billion in current funding under Budget 2026 for early learning and childcare. This allocation represents a 9% increase on last year's funding or an additional €125 million. The specific details of the allocation include:

- €594 million to support approximately 35,000 additional children benefit from their Statutory entitlement to the National Childcare Scheme subsidies to offset the cost of early learning and childcare, which since September 2024 now also includes subsidies for families using childminders. This represents a 14% increase in the numbers of children benefitting and a 12% increase or approximately €64 million on the 2025 allocation.
- €259 million to support the implementation of the universal Early Childhood Care and Education (ECCE) programme, benefiting over 105,250 children for the 2025/2026 programme year.
- €405 million, through Core Funding in 2026 – an increase of 15% or almost €52 million on the 2025 allocation - to support a range of important priorities, including:
 - Quality through support with the costs of the new Employment Regulation Orders (ERO) that commenced on 13 October through which approximately 67% of staff working in the sector are seeing an increase in pay.
 - Accessibility for families through funding for growth in the sector at 4.2%.
 - Affordability to support services to sustainably maintain fee management conditions, including new maximum fee caps benefiting parents facing with the highest fees across the country.

The allocation for Core Funding of €393 million in year 4 (September 2025-August 2026) will rise by at least 11% in year 5 (September 2026-August 2027) to at least €437 million.

In addition, the Government is committed to supporting further enhancements in Year 5 of Core Funding that will bring further improvements in pay for staff.

- €86 million will support approximately 8,400 ECCE-aged children with a disability to benefit from the highest level of supports provided by the Access and Inclusion Model, enabling their meaningful participation in early learning and care, an increase from 7,900 children in the previous year. It will also support a 10% increase in the AIM Level 7 capitation rate (for the full year), to bring these rates into line with the new hourly rate of pay in the ERO for educators which commenced on 13 October 2025.
- €22.3 million will support children experiencing disadvantage to access and participate in early learning and childcare through a suite of Equal Start supports. This allocation will fund staffing supports for an increased number of 820 services (compared with 787 in 2025) designated as Tier 1 and Tier 2 services during 2026, catering for 37,000 children (compared with 35,000 in 2025). The allocation will also provide a higher rate of funded additional staffing hours to Tier 1 and Tier 2 Equal Start services to bring that rate into line with the new minimum hourly rates

of pay under the new ERO for educators. The increased allocation will also fund the full year delivery of the Bia Blásta pre-school nutrition programme for up to 650 services in Tier 1 and Tier 2 Equal Start services.

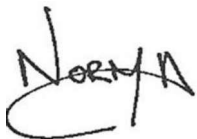
Under Budget 2026, €36 million in capital funding is also being made available. This funding will allow for the first steps in a new programme of acquisition and/or fit out of State-led early learning and childcare services. The focus in the State-led services will be on services to meet demand for affordable, accessible, high quality early learning and childcare that is not otherwise being delivered, including on full day provision particularly for younger children. Up to eight new services will be acquired over the course of 2026 resulting in approximately 700 new places being delivered. This funding allocation will allow Building Blocks Extension Scheme projects approved in 2025 which have run over into 2026 to continue to be funded, delivering 1,500 places. A further Building Blocks scheme will open for applications in 2026, focusing in this round on extensions and modifications to existing premises to allow for increased numbers of children to be offered places on a full day basis.

This increased funding will enable us to strengthen and expand upon the programmes that are already proving so successful in the lives of so many children in Ireland, and by extension to their families.

I look forward to working closely with educators, practitioners and providers to maximise the impact of these investments throughout 2026 and to achieve the best possible outcomes together.

Accompanying this letter, please find a post Budget Frequently Asked Questions document, for your information.

Yours,



Norma Foley TD.
Minister for Children, Disability and Equality