

Child Care Services Guide

Texas Workforce Commission

March 9, 2023

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Overview of Guide

Purpose

The purpose of this guide is to provide the following:

- Information about Texas Workforce Commission (TWC) Chapter 809 Child Care Services rules
- Information about child care policies and procedures
- Guidance and instruction for Workforce Development Boards (Boards) and their contractors on the child care services process

Objectives

The objectives of this guide are to:

- Establish the minimum standards for delivery of child care services
- Ensure consistency in the provision of child care services

List of Revisions

The List of Revisions includes a comprehensive list of changes made to this guide, including the revision date, the section revised, and a brief explanation of the specific revision.

Part A – Definitions

A-100: Essential Definitions

Attending a job training or educational program—An individual is attending a job training or educational program if the individual:

- is considered by the program to be officially enrolled;
- meets all attendance requirements established by the program; and
- shows progress toward successful completion of the program, demonstrated through continued enrollment in the program at the time of eligibility redetermination, as described in D-1000 of this guide.

Child—An individual who meets the general eligibility requirements contained in this guide for receiving child care services.

Child care contractor—The entity or entities under contract with the Board to manage child care services. This includes contractors involved in determining eligibility for child care services, contractors involved in the billing and reimbursement process related to child care subsidies, and contractors involved in the funding of quality improvement activities.

Child care desert—An area described in the [Texas Labor Code §302.0461](#) in which the number of children under age six with working parents is at least three times greater than the capacity of licensed child care providers in the area, based on data published annually by TWC.

Child Care Regulation (CCR)—A Texas Health and Human Services Commission (HHSC) Division responsible for protecting the health, safety, and well-being of children who attend or reside in regulated child care facilities and homes.

Child Care Services (CCS)—TWC-funded child care subsidies and quality improvement activities.

Child care subsidies or scholarships—TWC-funded payments to an eligible child care provider for the direct care of an eligible child.

Note: As stated in B-100, Boards must use the term “child care scholarships” in public outreach, provider outreach, educational materials, and public-facing website information. The term “child care subsidies” is used throughout the Child Care Services Guide to align with the language in Chapter 809.

Child experiencing homelessness—A child who is homeless, as defined in the [McKinney-Vento Act \(42 USC 11434\(a\)\), Subtitle VII-B, §725](#): “individuals who lack a fixed, regular, and adequate nighttime residence.”

Child with disabilities—A child who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. Major life activities include, but are not limited to, caring for oneself; performing manual tasks; walking; hearing; seeing, speaking, or breathing; learning; and working.

Educational program—A program that leads to one of the following:

- A high school diploma
- A certificate of High School Equivalency
- An undergraduate degree from an institution of higher education

Excessive unexplained absences—More than 40 unexplained absences in a 12-month eligibility period. “Unexplained” is defined as an absence that is any of the following:

- Not due to a child’s documented chronic illness, disability, or a court-ordered custody or visitation agreement
- A missed attendance recording that cannot be explained, unless the attendance reporting system is not available through no fault of the parent or provider

Family—Two or more individuals related by blood, marriage, or decree of court, who are living in a single residence and are included in one or more of the following categories:

- Two individuals, married—including by common law—and household dependents
- A parent and household dependents

Household dependent—An individual living in the household who is one of the following:

- Adult considered as a dependent of the parent for income tax purposes
- Child of a teen parent
- Child or other minor living in the household who is the responsibility of the parent

Improper payments—Any payment of Child Care Development Fund (CCDF) grant funds that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements governing the administration of CCDF grant funds, including payments:

- To an ineligible recipient
- For an ineligible service
- That are duplicate payments
- For services not received

Job training program—A program that provides training or instruction leading to one of the following:

- Basic literacy
- English proficiency
- An occupational or professional certification or license
- The acquisition of technical skills, knowledge and abilities specific to an occupation

Listed family home—A family home, other than the eligible child’s own residence, that is listed, but not licensed or registered with, CCR.

Military deployment—The temporary duty assignment away from the permanent military installation or place of residence for reserve components of the single military parent or dual military parents. This includes deployed parents in the regular military, military reserves or National Guard.

Parent—An individual who is responsible for the care and supervision of a child and is identified as the child’s natural parent, adoptive parent, stepparent, legal guardian, or person

standing in loco parentis (as determined in accordance with TWC policies and procedures). Unless otherwise indicated, the term applies to a single parent or both parents.

Protective services—Services provided in any of the following circumstances:

- When a child is at risk of abuse or neglect in the immediate or short-term future and the child’s family cannot or will not protect the child without DFPS Child Protective Services intervention
- When a child is in the managing conservatorship of DFPS and residing with a relative or a foster parent
- When a child has been provided with protective services by DFPS within the previous six months and requires services to ensure the stability of the family

Provider—A provider is one of the following:

- Regulated child care provider
- Relative child care provider
- Listed family home

Regulated child care provider—A provider caring for an eligible child in a location other than the eligible child’s own residence and is one of the following:

- Licensed by CCR
- Registered with CCR
- Operated and monitored by the United States military services

Relative child care provider—An individual who is at least 18 years of age, and is, by marriage, blood relationship or court decree, one of the following:

- The child’s grandparent
- The child’s great-grandparent
- The child’s aunt
- The child’s uncle
- The child’s sibling (if the sibling does not reside in the same household as the eligible child)

Residing with—Unless otherwise stated in this guide, a child is considered to be residing with the parent when the child is living with and physically present with the parent during the time period for which child care services are being requested or received.

Teen parent—An individual 18 years of age or younger, or 19 years of age and attending high school or the equivalent, who has a child.

Texas Rising Star program—A quality-based rating system for child care providers participating in TWC-subsidized child care.

Texas Rising Star provider—A regulated provider that meets the Texas Rising Star program standards. Texas Rising Star providers are categorized as:

- Entry Level—designated;
- Two-Star—certified;
- Three-Star—certified; or
- Four-Star—certified

Working—Working is defined as participation in one of the following activities:

- Activities for which one receives monetary compensation such as a salary, wages, tips, and commissions
- Activities related to Choices or Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)
- Activities related to job search at the time of eligibility determination or redetermination

Rule Reference: [§809.2](#)

Part B – General Management

B-100: Board Responsibilities

Boards are responsible for administration of the state’s subsidized child care program and must administer the program in a manner consistent with [Texas Government Code, Chapter 2308](#), as amended, and related provisions under [TWC Chapter 801 Local Workforce Development Boards](#) rules.

A Board must ensure that access to child care services is available through all Workforce Solutions Offices within its local workforce development area (workforce area).

Child care services are support services for workforce employment, job training and other services under Texas Government Code, Chapter 2308, and Chapter 801.

Upon request, a Board (or the Board’s contractor) must provide TWC with access to child care administration records and submit related information for review and monitoring, pursuant to TWC rules and policies.

Rule Reference: [§809.11](#)

The Board must ensure accurate and timely entry of all child care referral, customer, provider, budget, and claim information into TWC’s designated IT data automation systems for child care service delivery.

“Timely data entry” is defined as no later than five business days from the date the subcontractor and subrecipient receive the information to the data entry date.

Any public outreach, provider outreach, or educational materials, as well as public-facing website information, must use the term “child care scholarship” rather than “child care subsidy.” Boards may consider using the terms “Child Care Services” when referring to the program and “child care scholarship” when referring to the benefit the child receives.

B-200: Board Plan for Child Care Services

B-201: About the Board Plan for Child Care Services

A Board must, as part of its Board plan, develop, amend, and modify the Board plan to incorporate and coordinate the design and management of delivery of child care services with delivery of other workforce employment, job training, and educational services identified in [Texas Government Code §2308.304](#), et seq., as well as other workforce training and services included in the Texas workforce system.

The goal of the Board plan is to:

- Coordinate workforce training and services
- Leverage private and public funds at the local level
- Fully integrate child care services for low-income families with the network of workforce training and services under Board administration

Boards must design and manage the Board plan to maximize the delivery and availability of safe and stable child care services that assist families seeking to become independent from, or at risk of becoming dependent on, public assistance while parents are either working or attending job training or educational programs.

Rule Reference: [§809.12](#)

B-202: Coordination of Child Care Services with School Districts, Head Start, and Early Head Start

A Board must coordinate with federal, state, and local child care and early development programs, and with representatives of local government, in developing its Board plan and policies for the design and management of the delivery of child care services. Boards also must maintain written documentation of coordination efforts.

Pursuant to [Texas Education Code \(TEC\) §29.158](#), and in a manner consistent with federal law and regulations, Boards must coordinate with school districts, Head Start, and Early Head Start program providers to ensure, to the greatest extent practicable, that full-day, full-year child care is available to meet the needs of low-income parents working or attending job training or educational programs.

Under [Texas Labor Code §302.00436](#), a Board must inform the local school districts and open enrollment charter schools in its workforce area about opportunities to partner with child care providers in order to expand access to and provide facilities for prekindergarten (pre-K) programs in the workforce area, as described in B-203.

Rule Reference: [§809.14](#)

B-202.a: Information to Parents

Board coordination of subsidized child care services must provide the following contact information to applicants and to families whose child care eligibility is being terminated:

- Contact information for child care resource and referral agencies serving the relevant community
- Other providers of information and referrals serving the relevant community
- When appropriate, the local independent school district’s pre-K program or the Head Start program administrator serving the relevant community

B-202.b: Eligibility for Children Enrolled in Head Start or After-School Programs

Boards must allow children who are eligible for child care services to receive the services while enrolled in a federal Head Start program or in after-school care provided at a school, subject to Board policy regarding the waiting list and priorities for services.

B-202.c: Local Match

When seeking local funds to match CCDF federal matching funds, Boards must explore the possibility of certifying and/or transferring public funds used to serve CCDF-eligible children who are not receiving CCDF subsidies, including CCDF-eligible children enrolled in after-school care at school or Head Start sites.

Note: Local funds must meet the requirements described in Part C of this guide.

B-202.d: Other Coordination Activities

As described in [TEC §29.158](#), Boards may further coordinate child care services in the following ways:

- Cooperating with TWC or the Texas Education Agency (TEA) in conducting studies of early childhood programs
- Collecting the data necessary to determine a child’s eligibility for subsidized child care services and for pre-K, Head Start, Early Head Start, and after-school child care programs, to the extent that the collection of data does not violate the privacy restrictions detailed in the [Family Educational Rights and Privacy Act of 1974](#)
- Sharing facilities and/or staff across early childhood programs
- Identifying and using child care facilities located at school sites or in close proximity to pre-K, Head Start, or Early Head Start programs to promote access to after-school child care
- Coordinating transportation between child care facilities and pre-K, Head Start, or Early Head Start programs
- Increasing the enrollment capacity of early childhood programs
- Cooperating in the provision of staff training and professional development activities
- Identifying and developing methods for the collaborative provision of subsidized child care services and pre-K, Head Start, Early Head Start, or after-school child care programs provided at school sites, including operating a combined system for eligibility determination and/or enrollment so an applicant may apply for all services available in the applicant’s community through a single point of access
- Coordinating with the Children’s Learning Institute to develop longitudinal studies measuring the effects of quality early childhood care and education programs on educational achievement, including high school performance and completion

B-203: Information on Pre-Kindergarten Partnerships

Under the [Texas Labor Code §302.00436](#), a Board must inform its local school districts and open enrollment charter schools about opportunities to partner with child care providers in order to expand access to and provide facilities for pre-K programs in the Board’s workforce area, as described in B-203.

Rule Reference: [§809.14](#)

A pre-K partnership is a collaboration formed between a public school pre-K program and one or more quality-rated child care providers, with the goal of providing high-quality care and education to eligible three- and four-year-old children.

Pre-K partnerships provide numerous benefits to families, child care programs, school districts, and open enrollment charter school networks.

Pre-K partnerships provide families with the following benefits:

- Access to high-quality pre-K to help children transition to kindergarten
- Consistency between the school day and before or after care
- More accommodating hours for working parents who need a full workday of care for their child
- A child care curriculum aligned with that of the local school district in order to increase children’s school readiness

Pre-K partnerships provide child care programs with the following benefits:

- Higher enrollment and greater financial stability, as programs continue to fill classrooms for three- and four-year-old children while they also receive support and/or funding from the local school district
- Opportunities to share knowledge and learn from a variety of teachers with different training and educational backgrounds
- Pathways to help transition children into kindergarten at a public school
- Increased school readiness, resources, and professional development opportunities

Pre-K partnerships provide school districts and charter school networks with the following benefits:

- Quality wraparound care for longer hours than those of a typical school day
- The ability to share school readiness standards and expectations for future students
- Access to teachers who are well-trained in developmentally appropriate practice and social-emotional support
- More pre-K setting options to meet the diverse needs and preferences of families
- A larger population of eligible three- and four-year-old children without having to build more classrooms
- Increased resources and professional development opportunities
- Open lines of communication with early childhood education programs serving future students

- Earlier opportunities to engage parents

B-203.a: Informing Schools of Pre-K Partnerships

Boards must annually inform the local education agencies (LEAs), such as school districts and open enrollment charter schools in their workforce area, about opportunities to partner with child care providers in order to expand access to and provide facilities for pre-K programs.

Boards may determine the most effective way to communicate with LEAs in their workforce areas but are encouraged to share information in writing with LEA leadership and school boards.

If Boards are aware that a CCS program has secured a pre-K partnership agreement with an LEA, they must indicate this in The Workforce Information System of Texas (TWIST). Boards may reference [TA Bulletin 300](#), issued July 1, 2022, and titled “Prekindergarten Partnerships,” which provides information, resources, and direction on implementing this requirement.

B-300: Board Policies for Child Care Services

B-301: About Board Child Care Services Policies

Boards must do the following:

- Develop, adopt, and modify their policies for the design and management of the delivery of CCS in a public process in accordance with [TWC Chapter 802](#) Integrity of the Texas Workforce System rules
- Maintain written copies of the policies as required by federal and state law, and as requested by TWC, and make such policies available to TWC and the public upon request

Rule Reference: [§809.13](#)

B-302: Required Board Policies

At a minimum, a Board must develop policies for the following:

- Maintenance of a waiting list as described in B-500
- Assessment of the parent share of cost as described in B-600, including provisions for a parent's failure to pay the parent share of cost as a program violation that is subject to early termination of CCS
- Reimbursement to providers for unpaid parent share of cost, if applicable, as described in B-606
- Criteria for determining the affordability of the parent share of cost as described in B-600
- Maximum reimbursement rates as provided in B-700, including policies related to reimbursement of providers that offer transportation
- Board priority groups as described in B-400
- Transfer of a child from one provider to another as described in E-100, including a waiting period of two weeks before the effective date of a transfer, except in cases in which the provider is subject to a CCR action, or on a case-by-case basis by the Board, or the prohibition of transfer when the parent has failed to pay the parent share of cost as described in B-606
- Providers charging the difference between their published rate and the Board's reimbursement rate as provided in F-204
- Policies and procedures for contracted slots agreements, if the Board opts to enter into such agreements
- Fraud fact-finding as provided in G-100
- Policies and procedures to ensure that appropriate corrective actions are taken against a provider or parent for violations of the automated attendance requirements specified in G-500 and [Fraud and Deterrence and Compliance Monitoring \(FDCM\) Letter 01-24](#) entitled "Board Instructions: Reporting Requirements for Suspected Fraud, Waste, Theft, Program Abuse Cases, and Recovery of improper Payments for the Child Care Program"
- Policies supporting direct referrals from [recognized partnerships as described in D-1007](#)

Rule Reference: [§809.13](#).

B-400: Priority for Child Care Services

[Section 98.46\(a\)](#) of the CCDF regulations requires that states give priority of services to the following:

- Children of families with very low income
- Children with special needs, which may include any vulnerable populations as defined by the lead agency
- Children experiencing homelessness

Consistent with the CCDF regulations, the first priority group consists of children residing in families with very low income. The second priority group consists of children with special needs, including children experiencing homelessness.

Boards must be aware that, except for child care services funded by the Texas Department of Family and Protective Services (DFPS) and described in B-402.a, the priority groups in this section are for child care services funded through CCDF, which include:

- Funds allocated to Boards under [§800.58](#)
- Private donated funds as described in Part C of this guide
- Public transferred funds as described in Part C of this guide

B-401: First Priority Group – Mandatory

Boards must ensure that child care services are prioritized as required by federal statutes and TWC rules.

The first priority group is assured child care services and includes children of parents eligible for the following:

- Choices child care as referenced in D-300
- Temporary Assistance for Needy Families (TANF) Applicant child care as referenced in D-400
- SNAP E&T child care as referenced in D-500
- At-Risk child care for former Choices child care recipients whose TANF benefits were denied or voluntarily ended within the last 12 months due to employment, timing out of benefits, or an earnings increase

Rule Reference: [§809.43](#)

B-402: Second Priority Group – Subject to Availability of Funds

The second priority group is served subject to the availability of funds and includes, in the following order of priority:

1. Children who need to receive protective services child care as referenced in D-700
2. Children of a qualified veteran or qualified spouse as defined in [§801.23](#)
3. Children of a foster youth as defined in [§801.23](#)
4. Children experiencing homelessness as defined in A-100 and described in D-600

5. Children of parents on military deployment as defined in A-100 whose parents are unable to enroll in military-funded child care assistance programs
6. Children of teen parents as defined in A-100
7. Children with disabilities as defined in A-100

Rule Reference: [§809.43](#)

B-402.a: Availability of Funds for Protective Services Child Care

Services for children in this priority group are subject to the availability of funds through the DFPS, Child Protective Services, as described in D-700. Boards must ensure that child care services for children in protective services continue as long the services are authorized and funded by DFPS.

Additionally, child care discontinued by DFPS prior to the end of the 12-month eligibility period is subject to the Continuity of Care Provisions described in D-902. DFPS may discontinue care prior to the end of the 12-month eligibility period via an Early Termination or if the referral reaches its end without DFPS issuing a new referral.

B-402.b: Priority for Children of Qualified Veterans and Spouses

[Texas Labor Code §302.151–153](#) requires that veterans receive priority for training or assistance in job training or employment assistance programs or services. Therefore, pursuant to the Texas Labor Code, children of a qualified veteran or a qualified spouse must be served subject to the availability of Board funds.

Reference: [WD Letter 01-21](#), issued January 22, 2021, and titled, “Applying Priority of Service and Identifying and Documenting Eligible Veterans and Transitioning Service Members”

B-402.c: Priority for Children of Foster Youth

[Texas Family Code §264.121](#) directs TWC to prioritize and target services to meet the needs of foster youth and former foster youth. Pursuant to the Texas Family Code, Boards must serve children of foster youth subject to the availability of funds, following enrollment of children of qualified veterans and spouses.

B-402.d: Children Experiencing Homelessness

[Section 98.46\(a\)\(3\)](#) of the CCDF regulations requires states to prioritize services for children experiencing homelessness. Pursuant to CCDF regulations, Boards must serve children experiencing homelessness, subject to the availability of funds, following the enrollment of children of qualified veterans and children of foster youth.

See D-600 regarding eligibility for children experiencing homelessness.

B-402.e: Children with Special Needs and Vulnerable Populations

[Section 98.46\(a\)\(3\)](#) of the CCDF regulations requires states to prioritize services for children with special needs, which may include vulnerable populations as defined by the lead agency. The following groups are considered children with special needs and vulnerable populations, and must be served following the enrollment of children of veterans, children of foster youth, and children experiencing homelessness, and are served in the following order of priority:

1. Children of parents on military deployment whose parents are unable to enroll in military-assistance programs
2. Children of teen parents
3. Children with disabilities

B-402.f: Documenting Priority for Children of Parents on Military Deployment

Boards must ensure that children of deployed military parents who are not eligible for child care assistance through the military are added to the second priority group and served subject to the availability of funds.

Boards also must ensure that appropriate staff work within the local community to determine the availability of military-funded child care programs.

If military-funded child care programs are available in the community or workforce area, Boards must ensure that parents provide documentation of the unavailability of space or denial of care by these programs. Documentation can include a written statement from the military program; however, Boards must ensure that staff do not accept self-attestation unless no other options are available to the parent.

If military-funded child care programs are not available in the community or workforce area, Boards must ensure that parents are not required to provide documentation of that unavailability during certification or recertification for child care services.

B-402.g: Documenting Priority for Children with Disabilities

Boards must ensure that children with disabilities are added to the second priority group and served, subject to the availability of funds.

Boards also must ensure that disabilities are documented in accordance with local procedures. Acceptable forms of documentation include confirmation of the child's enrollment in or receipt of benefits from one or more of the following programs:

- Supplemental Security Income (SSI) benefits
- Social Security Disability Insurance (SSDI) benefits
- HHSC's Early Childhood Intervention (ECI) program
- A Head Start program that identified the child as having a disability
- Public school special education services, including Early Childhood Special Education

In accordance with local procedures, documentation from a qualified health care provider is also acceptable.

B-403: Third Priority – Board Determined

The third priority group includes any other priority adopted by the Board. However, a Board must not establish a priority group based on parent choice of an individual provider or provider type.

Rule Reference: [§809.43](#)

Boards must ensure that children in the first and second priority groups are enrolled before enrolling children from Board-established priority groups.

B-500: Maintenance of a Waiting List

The Board must ensure that a list of parents and their children who are waiting for CCS due to lack of funding or lack of providers is maintained and available to TWC on request.

Boards must establish a policy for maintaining the waiting list that includes, at a minimum:

- a process for determining parents' potential eligibility for child care services before they are placed on the waiting list; and
- the frequency at which parent information is updated and maintained on the waiting list.

Rule Reference: [§809.18](#)

The waiting list is for parents who need and have applied for child care services. Waiting lists allow priority groups to be serviced correctly and to ensure that low-income parents are served in the order of application date.

Child Care Open Enrollment—A Board is considered to have open enrollment if at any time during the waiting list reporting month the Board enrolled any new children into care who are **not** any of the following:

- Mandatory (as defined by TWC Chapter 809 Child Care Services rule §809.43, Priority for Child Care Services, the mandatory population consists of all of priority group one and only DFPS authorizations from priority group two)
- Suspensions returning to care within their eligibility year
- Board-to-Board transfers

Note: Opening enrollment does not mean that all enrollment restrictions have been lifted. If during the reporting month a Board has approved enrolling at least one child into care who is not in any of the categories above, then enrollment is considered open for that month. Enrollment is considered open even if numbers are limited to balance the effect of attrition.

Pre-K, Head Start/Early Head Start Exemption—As described in D-1007, if a recognized pre-K or Head Start and/or Early Head Start partnership refers a child directly to a child care provider to receive services, that child is exempt from the waiting list. (Whether or not the referred child may receive services in the contracted partnership program is subject to the availability of funding and the availability of subsidized slots at the partnership site.)

Rule Reference: [§809.18](#)

B-600: Assessing the Parent Share of Cost

B-601: Requirements for Determining the Parent Share of Cost

Federal CCDF regulations at 45 Code of Federal Regulations (CFR) §98.45(k) require that parents receiving child care assistance be assessed a parent share of cost. Parent share of cost must be on a sliding fee scale based on family size and income and may be based on other factors as appropriate but may not be based on the cost of care or amount of subsidy payment.

Boards must set a parent share of cost policy that provides for the parent share of cost being:

- assessed to all parents, except when one of the exemptions described in B-602 applies
- an amount determined on a sliding fee scale based on family size and gross monthly income (number of children in care may also be considered)
- an amount that is affordable and does not result in a barrier to families receiving assistance

Additionally, the policy must provide for a process to ensure a review of the sliding fee scale if there is a pattern of frequent terminations due to parents' failure to pay the parent share of cost.

Rule Reference: [§809.19\(a\)\(1\)](#)

B-601.a: Parent Share of Cost – Sliding Fee Scale Based on Family Size and Income

Boards must ensure that the sliding fee scale is based on family size and gross family income expressed as a percent of the US Department of Health and Human Services poverty guidelines (aka federal poverty guidelines) or state median income for the appropriate fiscal year, as shown in the [Parent Share of Cost Sliding Fee Scale](#).

Based on the Board's local policy, if care is frequently terminated due to failure to pay the parent share of cost, the Board must review the sliding fee scale and its affordability. This review must include whether the provider is charging the parent the difference between the provider's published rate and the Board's maximum reimbursement rate. If the provider is charging the difference, the Board must consider whether this is a factor that affects affordability. Based on review, Boards must adjust the sliding fee scale to ensure that the parent share of cost is not a barrier to assistance for families at certain income levels.

Rule Reference: [§809.19](#)

B-601.b: Other Considerations for Assessing Parent Share of Cost

In establishing a parent share of cost policy, Boards also may consider the number of children in care, by including an additional amount for each additional child in care.

Consistent with CCDF regulations at §98.45(k), Boards must ensure that the parent share of cost policy does not consider the cost of care or the amount of the provider reimbursement.

Boards must be aware that discounts based on family size or number of children in care—other than the additional amount per child—are not allowed. This includes any discounts for larger families.

A Board may establish a policy that upon the child’s referral for part-time, blended, or part-week care, a parent share of cost reduction may be applied. A Board may require that for a family to be eligible for the reduced parent share of cost, all children in the family have part-time, blended, or part-week care.

B-602: Parents Exempt from the Parent Share of Cost

Parents meeting one or more of the following criteria are exempt from paying the parent share of cost for the duration of the 12-month eligibility period:

- Parents participating in Choices or in Choices child care as described in D-300
- Parents participating in SNAP E&T or in SNAP E&T child care as described in D-500
- Parents of a child receiving Child Care for Children Experiencing Homelessness as described in D-600
- Parents with children receiving protective services child care, including parents of children authorized by DFPS for former protective services child care, as described in D-902, unless DFPS assesses a parent share of cost.

Rule Reference: [§809.19\(a\)\(1\)\(b\)](#)

B-603: Parent Share of Cost for Teen Parents

Teen parents not covered under exemptions listed in B-602 must be assessed a parent share of cost. Teen parent share of cost is based solely on the teen parent’s income and family size as defined in A-100.

Rule Reference: [§809.19\(a\)\(3\)](#)

B-604: Changes in the Assessed Parent Share of Cost during the 12-month Eligibility Period

B-604.a: Reductions Due to Changes in Income and Family Size

The Board must ensure that parent share of cost is reassessed when a parent reports a change in income, family size, or number of children in care that would result in a reduced parent share of cost assessment.

Rule Reference: [§809.19\(a\)\(1\)\(A\)\(iv\)\(IV\)](#)

Boards must ensure that any change in family income resulting in a reduction in the parent share of cost is documented in the case file or TWIST Counselor Notes.

B-604.b: Upon Resumption of Activities

The Board must ensure that parent share of cost is reassessed upon resumption of work, job training, or education activities following temporary changes as described in D-804. However, the newly assessed parent share of cost must not exceed the amount assessed at the most recent eligibility determination (except upon the addition of a child in care).

Rule Reference: [§809.19\(a\)\(1\)\(A\)\(iv\)\(V\)](#)

B-604.c: Temporary Reductions for Extenuating Circumstances

The Board or its child care contractor may review an assessed parent share of cost in accordance with local procedures for possible temporary reduction if there are extenuating circumstances that jeopardize a family's self-sufficiency, and may temporarily reduce the assessed parent share of cost if warranted by the circumstances.

Rule Reference: [§809.19\(a\)\(5\)](#)

Boards must ensure that any temporary reduction for extenuating circumstances is documented in TWIST Counselor Notes. Documentation must include the reason for and the duration of the temporary reduction.

Following a temporary reduction in parent share of cost, the Board must ensure that the parent share of cost is reinstated at the full amount originally assessed for the eligibility period.

Extenuating circumstances may include, but are not limited to, unexpected temporary costs such as medical expenses, work-related expenses that are not reimbursed by the employer, and extraordinary events or disasters that affect a family financially.

Additionally, Boards must consider affordability of the parent share of cost in instances when a provider is charging the parent the difference between the provider's published rate and the Board's maximum reimbursement rate.

Based on locally developed policy, Boards may limit the number of reductions of parent share of cost for extenuating circumstances during the eligibility period when requested by the parent. However, Boards must ensure that the parent share of cost is reduced any time the parent reports a decrease in income or a change in family size or number of children in care, which would result in a reduced parent share of cost as described in B-604.a.

To temporarily assist a parent who is new to the program, Boards may temporarily reduce the assessed parent share of cost for a limited period of time (not to exceed two months of child care). However, after this temporary initial reduction, the parent share of cost assessment based on the family size, income, and number of children in care must be reinstated. Parents must be informed of their actual parent share of cost before the temporary initial reduction is applied.

However, if the parent is not covered by one of the exemptions specified in B-602, then the Board or its child care contractor must not waive (reduce to zero) the assessed parent share of cost under any circumstances.

Rule Reference: [§809.19\(a\)\(6\)](#)

B-605: Prohibition of a Minimum Parent Share of Cost Amount

If the parent share of cost, based on family income and family size, is calculated to be zero, then the Board or its child care contractor must not charge the parent any minimum share of cost amount.

Rule Reference: [§809.19\(a\)\(7\)](#)

B-606: Policies Regarding Parent Failure to Pay the Parent Share of Cost

Boards must establish a policy that specifically states whether or not the Board will reimburse providers when parents fail to pay the parent share of cost.

Rule Reference: [§809.19\(a\)\(2\)](#)

The Board's policy may include full or partial reimbursement to a provider when a parent fails to pay the parent share of cost.

If the Board does not reimburse providers under the adopted policy, the Board may establish a policy requiring the parent to pay the provider before the family may be redetermined eligible for future child care services.

Rule Reference: [§809.19\(a\)\(2\)](#)

The Board's policy may include a required time frame for a provider to report nonpayment of parent share of cost and include consequences for when a provider fails to report within the specified time frame.

As described in G-600, if the Board's policy is to reimburse the provider, the Board must ensure the following:

- Parents repay the amount of the parent share of cost paid by the Board
- Parents are prohibited from future child care eligibility until the repayment owed to the Board is recovered, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care services

Rule Reference: [§809.117\(d\)\(3\)](#), [§809.117\(e\)](#)

Boards must ensure that for a customer who owes a recoupment to a Board for unpaid parent share of cost, the customer's recoupment status is flagged in TWIST on the *Intake-Common Family* tab.

Boards must ensure that when a parent owes a recoupment for unpaid parent share of cost to a Board in one workforce area, the recoupment and prohibition on future child care eligibility remain in effect even if the customer moves to a different workforce area.

In accordance with the Board's transfer policy, as described in B-302, a Board may have a policy that prohibits a parent from voluntarily transferring from a provider when he or she owes a parent share of cost to that provider. However, if a requested transfer is due to a health and safety concern for the child, the Board must work with the parent to transfer the child in accordance with local procedures.

Board child care contractors are encouraged to work with parents to determine why payments are not being made and possibly temporarily reduce the parent share of cost if necessary, as described in B-604.

A Board must establish a policy regarding termination of child care services within a 12-month eligibility period when a parent fails to pay the parent share of cost. The policy must include the following:

- A requirement to evaluate a family’s financial situation for extenuating circumstances that may affect affordability of the assessed parent share of cost
- A provision to offer a temporary reduction in the parent share of cost if the family has extenuating circumstances that warrant a reduction
- A requirement to document the evaluation of the family’s financial situation and any temporary reduction granted
- General criteria for determining the affordability of the Board’s parent share of cost and a process to identify and assess the circumstances that may jeopardize a family’s self-sufficiency
- Maintenance of a list of all terminations due to failure to pay the parent share of cost
- The Board’s definition of what constitutes frequent terminations and its process for assessing the general affordability of the Board’s parent share of cost schedule

Rule Reference: [§809.19\(a\)\(3\)](#)

B-607: When to Assess the Parent Share of Cost

Boards must ensure that the parent share of cost is only assessed at the following times:

- At the initial eligibility determination
- At the 12-month eligibility redetermination
- Upon the addition of a child in care that would result in an additional amount added to the parent share of cost
- Upon a parent’s report of a change in income, family size, or number of children in care that would result in a reduced parent share of cost assessment
- Upon resumption of work, job training, or education activities following temporary changes, which includes a parent’s report of family income after initial job search

Rule Reference: [§809.19](#)

B-608: Prohibition on Increasing the Parent Share of Cost Assessment during the 12-Month Eligibility Period

Boards must ensure that the parent share of cost does not increase above the amount assessed at initial eligibility determination or at the 12-month eligibility redetermination, except upon the addition of a child in care.

Rule Reference: [§809.19\(a\)\(1\)\(A\)\(v\)](#)

B-609: Reductions to Parent Share of Cost for Selection of a Texas Rising Star Provider

A Board may establish a policy to reduce the parent share of cost assessed in compliance with B-601.a and B-601.b upon the parent’s selection of a Texas Rising Star–certified provider.

The Board policy must ensure the following:

- The parent continues to receive the reduction if:
- The Texas Rising Star provider loses certification; or

- The parent moves or changes employment within the workforce area and no Texas Rising Star–certified providers are available to meet the needs of the parent’s changed circumstances
- The parent no longer receives the reduction if the parent voluntarily transfers the child from a Texas Rising Star–certified provider to a non–Texas Rising Star–certified provider.

Rule Reference: [§809.19\(a\)\(8\)](#)

If a parent transfers to another workforce area in which a reduction for selection of a Texas Rising Star provider is not offered, the reduction will no longer apply. Boards must make this information clear to any family receiving this discount.

B-610: Entering Parent Share of Cost Amounts into TWIST

Boards must enter sliding fee scale and parent share of cost into TWIST under the WDA Administration—Share of Cost tab.

Additional information is available in [TA Bulletin 252](#), issued August 9, 2012, and titled “Entering Board Contract Year Parent Share of Cost Amounts into The Workforce Information System of Texas.”

B-700: Maximum Provider Reimbursement Rates

B-701: About Maximum Provider Reimbursement Rates

Based on local factors, including a market rate survey provided by TWC, a Board must establish maximum reimbursement rates for child care subsidies at or above a level established by TWC in order to ensure that the rates provide equal access to child care in the local market and in a manner consistent with state and federal statutes and regulations governing child care. Boards must take such actions in an open meeting, as required by §802.1(f) and as detailed in [WD Letter 10-07](#), issued February 2, 2007, and titled “Adoption of Local Workforce Development Board Policies in Open Meetings.”

Rule Reference: [§809.20\(a\)](#)

B-702: Reimbursement Rates Based on Categories of Care

B-702.a: Provider Types

At a minimum, Boards must establish reimbursement rates for full-day and part-day units of service, as described in F-300, for the following provider types:

- Licensed child care centers, including before- or after-school programs and school-age programs, as defined by CCR
- Licensed child care homes as defined by CCR
- Registered child care homes as defined by CCR
- Relative child care providers as defined in A-100

Rule Reference: [§809.20\(a\)\(1\)](#)

B-702.b: Age Groups

At a minimum, Boards must establish reimbursement rates for full-day and part-day units of service, as described in F-300, for the following age groups in each provider type:

- Infants age zero to 17 months
- Toddlers age 18 to 35 months
- Preschool children age 36 to 71 months
- School-aged children age 72 months and older

Rule Reference: [§809.20\(a\)\(2\)](#)

B-703: Enhanced Reimbursement Rates

Boards must establish enhanced reimbursement rates for all age groups at Texas Rising Star provider facilities.

Boards must establish enhanced reimbursement rates for infant, toddler, and preschool-age children enrolled at child care providers participating in the Texas School Ready (TSR) program.

Boards must be aware that Texas Rising Star–certified providers—including Texas Rising Star–certified providers that are also participating in the TSR project—receive the enhanced reimbursement rate for all age groups.

Rule Reference: [§809.20\(b\)](#)

B-703.a: Minimum Requirements for Enhanced Reimbursement Rates

The minimum enhanced reimbursement rates established under B-703 must be greater than the maximum rate established for the same category of care as providers not meeting the requirements of B-703 up to, but not to exceed, the enhanced care provider's published rate.

The maximum enhanced provider rate must be at least:

- 5 percent greater for a Texas Rising Star Two-Star provider that is also a TSR project participant;
- 7 percent greater for a Texas Rising Star Three-Star provider; or
- 9 percent greater for a Texas Rising Star Four-Star provider.

Rule Reference: [§809.20\(c\)](#)

B-703.b: Additional Requirements for Enhanced Reimbursement Rates

Boards may establish a higher enhanced reimbursement rate than those specified in B-703.a, as long as there is a minimum 2 percent point difference between each star level.

Rule Reference: [§809.20\(d\)](#)

B-704: Reimbursement for Transportation

The Board must determine whether to reimburse providers that offer transportation. Reimbursement may be allowed as long as the combined total of the provider's published rate and the transportation rate does not exceed the maximum reimbursement rate established in B-702 and B-703.

Rule Reference: [§809.20\(f\)](#)

B-705: Reimbursement for Nontraditional Hours

Boards may establish a higher enhanced reimbursement rate for nontraditional hours, as defined by the Board. Additionally, Boards may consider enhancing the rates for nontraditional hours by adding a percentage offset. For example, a Board may implement a policy to pay 150 percent of the applicable rate for the child's age and type of care.

Rule Reference: [§809.20\(g\)](#)

B-706: Increasing Board Maximum Rates

A Board intending to increase maximum reimbursement rates must ensure that the rate increases will allow the Board to:

- meet its contracted target for the Average Number of Children Served per Day performance measure; and
- keep expenditures within its child care allocation.

Boards must be aware that failure to meet the above performance standards may result in Board corrective actions pursuant to TWC Chapter 800 General Administration rules, Subchapter E. Boards may consult with TWC Information Innovation & Insight (I|3).

B-707: Inclusion Assistance Rate for Children with Disabilities

A Board or its child care contractor must ensure that providers that are reimbursed for additional staff or equipment needed to assist in the care of a child with disabilities are paid a rate up to 190 percent of the provider's reimbursement rate for a child without disabilities of that same age.

The higher rate must take into consideration the estimated cost of the additional staff or equipment needed by a child with disabilities.

The Board must ensure that a qualified professional familiar with assessing the needs of children with disabilities certifies the need for the higher reimbursement rate.

Rule Reference: [§809.20\(e\)](#)

Additional resources can be found at [Child Care Services & Children with Disabilities](#).

B-707.a: Information Regarding the Americans with Disabilities Act

The Americans with Disabilities Act (ADA) of 1990 protects children with disabilities and requires child care providers to serve children with disabilities if reasonable accommodations can be made. However, child care providers cannot charge parents for the cost of making such accommodations available.

[Commonly Asked Questions about Child Care Centers and the Americans with Disabilities Act](#), by the US Department of Justice, Civil Rights Division, Disability Rights Section, is a useful resource for child care providers regarding ADA.

B-707.b: Intent of the Inclusion Assistance Rate

While child care providers are legally responsible for making reasonable modifications for any child with disabilities, the inclusion assistance rate is made available to providers serving low-income families to assist them in making such reasonable accommodations. The inclusion assistance rate also is available to assist providers and families if a child's disability requires more than just reasonable modifications for the child to be fully included in the child care provider's daily activities.

B-707.c: Authorizing the Inclusion Assistance Rate

Boards must be aware of the following two-step process for authorizing the inclusion assistance rate:

1. Verifying a Child's Eligibility for the Inclusion Assistance Rate

Boards must ensure that Workforce Solutions Office staff verifies a child's eligibility for the inclusion assistance rate by confirming the child's enrollment in or receipt of benefits from one or more of the following programs:

- SSI benefits

- SSDI benefits
- Texas HHSC’s ECI program
- A Head Start program that identified the child as having a disability
- Public school special education services, including Early Childhood Special Education

2. Assessing the Provider’s Need for the Inclusion Assistance Rate

Verification of a child’s participation in one of the programs listed above does not approve the child care provider for the inclusion assistance rate. Under §809.20, described in B-706, Boards must ensure that a qualified professional familiar with assessing the needs of children with disabilities certifies the need for the inclusion assistance rate.

Boards must develop a procedure for designating qualified professionals familiar with assessing the needs of children with disabilities to certify the need for the inclusion assistance rate.

Boards must ensure that designated qualified professionals consider the cost of the following when certifying a need for the inclusion assistance rate:

- Additional staff and necessary training
- Necessary equipment
- Necessary minor renovations
- Expected duration of the inclusion assistance rate
- The percentage of the increase rate, which is not to exceed 190 percent of the provider’s reimbursement rate

Boards must ensure that the designated qualified professional does the following:

- Uses Certification for Inclusion Assistance Rate Form CC-2419 to determine the need for the inclusion assistance rate
- Evaluates the parent and provider questionnaire included in form CC-2419
- Conducts observations at the provider site to confirm a need for the inclusion assistance rate
- Ensures that the provider has met the minimum standards set forth in 40 TAC §746.1315 for CPR and first aid training during the provider’s most recent inspection by the CCR
- Reviews one of the following, depending on the program in which the child is enrolled:
 - Individualized Family Service Plan from the ECI program or Early Head Start
 - Individualized Education Plan from Head Start or public school special education services, including Early Childhood Special Education
 - Other supporting documentation to identify modifications that may include types of equipment recommended for the child

Boards must ensure that child care contractors verify provider compliance with approved activities within 30 calendar days of receiving approval for the inclusion assistance rate.

Initiating the Inclusion Assistance Rate Process

Boards must be aware that the inclusion assistance rate process:

- May be initiated only by a child’s parent

- May not be initiated by child care providers

If a child care provider requests that a child receive the inclusion assistance rate, Boards must ensure that the provider is informed of the following:

- The inclusion assistance rate may be requested only by the parent
- The provider should discuss with the parent the provider’s concerns regarding the child’s special needs
- The provider may recommend that the parent contact the Board’s child care contractor to discuss inclusion assistance rate benefits and process
- The provider may refer the parent to the following appropriate programs and services for children with disabilities:
 - SSI benefits
 - SSDI benefits
 - ECI
 - Public school special education services, including Early Childhood Special Education

B-708: Determining the Amount of the Provider Reimbursement

The actual reimbursement that the Board or the Board’s child care contractor pays to the provider must be the Board’s maximum daily rate or the provider’s published daily rate, whichever is lower, less the following amounts:

- The parent share of cost assessed (and adjusted when the parent share of cost is reduced)
- Any child care funds received by the parent from other public or private entities

Rule Reference: [§809.21\(a\)](#)

B-708.a: Provider Published Rates

The Board or its child care contractor must ensure that the provider’s published daily rates are calculated according to TWC guidance and include the provider’s enrollment fees, supply fees, and activity fees.

Rule Reference: [§809.21\(b\)](#)

B-708.b: Calculating Providers’ Published Rates

Boards must be aware that the published daily rate is the sum of calculated daily rates and calculated daily fees.

Boards must ensure that child care contractors use the following methodology to calculate providers’ published rates and applicable fees upon renewal of provider agreements:

Calculating Daily Rates

Provider Type	How to Obtain the Daily Rate
Providers with monthly rates	Divide the rate by 4.33, then divide the result by 5.

Providers with biweekly rates	Divide the rate by 2.165, then divide the result by 5.
Providers with weekly rates	Divide the weekly amount by 5.
Providers with hourly rates	Multiply the hourly rate by 12 to calculate the full-day rate and by 6 to calculate the part-day rate.

Providers with multiple rates within an age category, as defined in [§809.20\(a\)\(2\)](#), will average all applicable rates to obtain the published rate for the age category, then determine the daily rate using the appropriate method.

Daily fees include the following:

- Enrollment and registration fees
- Supply fees
- Activity fees

The calculated daily fee amount is the total reported fees prorated by the number of days in the provider’s program year (full year, school year only, or summer only).

When identifying applicable fees, Boards must be aware that activity fees include only the fees that all parents are required to pay and do not include fees for optional activities such as field trips or optional classes.

B-709: Methods of Reimbursement to Providers

Boards must reimburse child care providers using either Electronic Funds Transfer (EFT) or debit card payments.

Boards may determine which of the following payment methods is most practical for its workforce area:

- EFT and debit card
- EFT only
- Debit card only

In exceptional circumstances, Boards may determine that a check is required. These exceptions enable Boards to provide payment only when the EFT and/or debit card is not a viable payment method. Boards must ensure that a justification for the check is documented.

Boards must ensure providers are paid no later than 21 calendar days following the completion of the service delivery time frame available to be paid.

Part C – Child Care Local Match Process

C-100: Child Care Local Match

TWC allocates federal funding for CCS from the US Department of Health and Human Services CCDF to workforce areas. In order to receive a portion of the CCDF funding, Boards are required to secure and submit local matching funds to TWC in accordance with federal regulations, Chapter 809, and Chapter 800.

TWC encourages Boards to secure local public and private funds for the purpose of matching federal funds in order to maximize resources for child care needs in the workforce area.

Rule Reference: [§809.17\(a\)\(1\)](#)

A Board is encouraged to secure additional local funds in excess of the amount required to match federal funds allocated to the Board in order to maximize its potential to receive additional federal funds should they become available.

Rule Reference: [§809.17\(a\)\(2\)](#)

Board performance in securing and leveraging local funds for match may make a Board eligible for incentive awards.

Rule Reference: [§809.17\(a\)\(3\)](#)

Additional information regarding local match is available in [TA Bulletin 251, Change 1](#), issued December 8, 2015, and titled “Child Care Local Match Activities and Certified Public Expenditure Sources—Update.”

C-200: Types of Local Match

C-201: Private Donations

Boards must be aware that TWC accepts funds from private entities that adhere to the following requirements:

- Are donated without restrictions that require their use for the following:
 - A specific individual, organization, facility, or institution
 - An activity not included in the CCDF State Plan or allowed under Chapter 809
- Do not revert to the donor's facility or use
- Are not used to match other federal funds
- Are certified by both the donor and TWC as meeting these requirements

Rule Reference: [§809.17\(b\)\(1\)](#)

C-202: Public Transfers and Certifications

Boards must be aware that TWC accepts funds from public entities that are:

- transferred without restrictions that would require their use for an activity not included in the CCDF State Plan or allowed under Chapter 809;
- not used to match other federal funds; and
- not federal funds, unless authorized by federal law to be used to match other federal funds.

Rule Reference: [§809.17\(b\)\(2\)](#)

Boards must be aware that TWC accepts expenditures by a public entity certifying that the expenditures are:

- for an activity included in the CCDF State Plan or allowed under Chapter 809;
- not used to match other federal funds; and
- not federal funds, unless authorized by federal law to be used to match other federal funds.

Rule Reference: [§809.17\(b\)\(3\)](#)

C-300: Use of Federal Funds Drawn from Local Match

Boards must ensure that federal funds drawn down with certified local match, public transfers and private donations are spent on families that meet TWC- and Board-established eligibility criteria.

C-400: Securing Local Match

C-401: Time Frames for Securing Local Match

Boards must secure local match within the time frames set forth in §800.73: “By the end of the fourth month following the beginning of the program year, Boards shall secure donations, transfers, and certifications totaling at least 100 percent of the amount a Board needs to secure in order to access the unmatched federal child care funds available to the workforce area at the beginning of the program year.”

Boards must be aware that CCDF federal matching funds that are not secured with eligible child care local matching funds by the end of the fourth program month may be subject to deobligation.

Boards must complete donations, transfers, and certifications as required by the following:

- [§800.73\(a\)\(2\)](#): “Throughout the program year and by the end of the twelfth month, a Board shall ensure completion of all donations, transfers, and certifications consistent with the contribution schedules and payment plans specified in the local agreements.”
- [§809.17\(e\)\(2\)](#): “Private donations and public transfers are considered complete when the funds have been received by the Commission.” (See C-201.)
- [§809.17\(e\)\(3\)](#): “Public certifications are considered complete to the extent that a signed written instrument is delivered to the Commission that reflects that the public entity has expended a specific amount of funds on eligible activities described in subsection (b)(3) of this section.” (See C-202.)

C-402: Child Care Local Match Agreement Start and End Dates

Boards may establish a Child Care Local Match Contribution Agreement (local match agreement) with a start date beginning after, or an end date ending before, the effective period in which the funds are contracted.

C-403: Verification of Public Certifications for Direct Child Care Services

The Board must ensure that a public entity certifying expenditures for direct child care services determines and verifies that the expenditures are for child care provided to an eligible child.

At a minimum, the Board must ensure that the public entity verifies the following:

- The child is either younger than 13 years of age or is a child with disabilities and is younger than 19 years of age.
- The child resides with both of the following:
 - A family whose income does not exceed 85 percent of the state median income for a family of the same size
 - A parent who requires child care in order to work or attend a job training or educational program

Rule Reference: [§809.17\(c\)](#)

Certification of expenditures may be satisfied by the local public entity certifying that the match expenditures are for direct child care services delivered to children under 13 years of age and that

the amount of local match expenditures is proportional to the low-income population as determined by using one of the following methods:

- The poverty rate of the children served by the child care facility based on US Census Bureau American FactFinder data
- The number of children enrolled in the free and reduced-price lunch program in the workforce area served by the child care program
- The number of children receiving Children’s Health Insurance Program (CHIP) benefits or other public benefits in the workforce area served by the child care program

The proportion of expenditures may be based on the relative proportion of low-income population in the workforce area, county, city or ZIP codes, or the school district or attendance zones in which the direct child care services are delivered through the local expenditures.

C-404: Restrictions on Public Prekindergarten Expenditures for Local Match

Boards must be aware that TWC cannot accept local expenditure certifications for public pre-K programs referenced in 45 CFR §98.55 because the state is already maximizing pre-K expenditures as match to the fullest extent, and federal regulations prohibit counting the same contribution more than once.

C-405: Restrictions on TSR Project Expenditures for Local Match

Boards must be aware that TWC cannot accept local expenditure certifications for the TSR project because the TEA certifies state general revenue funds for the TSR project as match for CCDF federal matching funds.

C-406: Local Match Agreements with Independent School Districts Using Public Expenditures for License-Exempt Before- and After-School Programs

Boards must be aware that public expenditures by an independent school district for license-exempt before- and after-school child care programs may be certified as local match for CCDF funding.

Boards must ensure that the certification of expenditures for direct care at license-exempt before- and after-school programs follow the guidelines described in C-403.

Boards must be aware that expenditures certified for local match by a public entity may include expenditures for any quality improvement activity described in Part H of this guide.

C-407: Private Entity Donations

Boards must be aware that pursuant to 45 CFR §98.55(f), TWC, through the CCDF State Plan, identifies Boards as entities designated by the state to receive private donated funds.

Boards must be aware that pursuant to CCDF regulations at 45 CFR §98.55(e)(2)(v), expenditures of donations from private sources are subject to the audit requirements in CCDF §98.65.

C-408: Private Entity Restrictions

Boards must be aware that if a private entity contributor is party to an administrative proceeding before TWC's three-member Commission (Commission), Texas Labor Code §301.021(b) prohibits TWC from accepting the local match agreement until 30 calendar days after the date the decision in the proceeding becomes final.

TWC interprets the term "administrative proceeding" in this context to refer to a "contested case," as defined by Texas Government Code §2001.003, that is, "a proceeding, including a ratemaking or licensing proceeding, in which the legal rights, duties, or privileges of a party are to be determined by a state agency after an opportunity for adjudicative hearing."

Consistent with Texas Labor Code §301.021(b), Boards must establish procedures that prohibit the Board from accepting local private donations from an entity that is a party to a Board-level complaint or appeal pursuant to Chapter 823, Subchapter B.

The local match agreement reflects this limitation. This restriction does not apply to transfers or certifications from public entities.

C-408.a: For-Profit Entity Restrictions

Boards must be aware that Texas Labor Code §301.021(c) prohibits TWC from accepting private donations from for-profit entities that have either of the following:

- A contract with TWC for services or products with a value of \$50,000 or greater
- A bid in response to a request for proposals (RFP) for such contract before TWC

This condition does not apply to a contract or bid that relates only to providing child care services.

Additionally, Boards must be aware that pursuant to Texas Labor Code §301.021(d), upon execution of a local match agreement for privately donated funds from a for-profit entity, the contributor must not enter into a contract with TWC or submit a bid in response to an RFP issued by TWC before the first anniversary of the date on which TWC accepted a donation from the contributor, unless the contract or bid relates only to providing child care services.

Consistent with Texas Labor Code §301.021(c), Boards must not accept a private donation from a for-profit entity that has either of the following:

- A contract with the Board for services or products with a value of \$50,000 or greater
- A bid in response to an RFP for such contract before the Board

This condition does not apply to a contract or bid that relates only to providing child care services.

Additionally, Boards must be aware that pursuant to Texas Labor Code §301.021(d), upon Board acceptance of a local match agreement for privately donated funds from a for-profit entity, the contributor must not enter into a contract with the Board or submit a bid in response to an RFP issued by the Board before the first anniversary of the date on which the Board accepted the

donation from the contributor, unless the contract or bid relates only to providing child care services.

The local match agreement reflects these limitations. This restriction does not apply to transfers or certifications from public entities.

C-500: Child Care Local Match Agreements

C-501: About Child Care Local Match Agreement

When securing pledges of child care local match, Boards must use the Child Care Local Match Contribution Agreement Forms to enter into signed, written agreements with contributors that:

- document the contributor’s pledge and remittance schedule to provide allowable matching funds for CCS;
- contain sufficient information to ensure that the local funds pledged meet federal and state requirements and that no unallowable restrictions are included;
- document that the funds meet the requirements for a private entity as outlined in C-201; and
- document that the funds meet the requirements for a public entity as outlined in C-202.

C-502: Review of Changes to Agreements

Boards must ensure that any addenda or additional requirements to the local match agreement, as requested by the contributor, is reviewed and approved by TWC before the Board submits the complete, signed agreement.

C-503: Multiparty Child Care Local Match Agreements

Boards must be aware that Multiparty Child Care Local Match Agreements (multiparty local match agreements) exist when two or more Boards agree to share match or “excess match” received for a common local match agreement. Local match agreements arising when multiple Boards independently enter into separate agreements with the same contributor do not constitute multiparty local match agreements.

All Boards benefiting from a multiparty local match agreement must be party to the local match agreement by either of the following:

- Signing the local match agreement (attach additional signature pages, as necessary)
- Signing a separate agreement among benefiting Boards that is incorporated into the local match agreement

Boards must be aware that all multiparty local match agreements are subject to review and approval. This includes multiparty local match agreements in which benefiting Boards enter a separate written agreement that is incorporated into the local match agreement.

It is recommended that Boards participating in a multiparty local match agreement through a separate agreement among benefiting Boards address the following in the separate Board agreement:

- Responsibilities of each Board
- Designation of a lead Board for communications with the contributor
- Program numbers for each Board
- Priority or order in which federal matching funds are distributed upon certification of local matching expenses by the contributor

- Priority or order in which federal matching funds are reduced when there is a reduction in the amount of local matching funds certified by the contributor

C-503.a: Presubmission Reviews of Multiparty Child Care Local Match Agreements

Boards entering into multiparty local match agreements must submit the draft agreements, including any draft addenda, to TWC’s Board and Special Initiative Contracts department to coordinate a review within TWC prior to submitting the agreements to TWC’s three-member Commission for approval.

C-504: Voluntary Local Entity Contributions of Excess Match for Statewide Use

Boards must be aware that local contributors may voluntarily state on the local match agreement whether they agree that local funds secured in excess of the amount needed to draw down the federal match amount allocated to the workforce area may be used for statewide match purposes.

Boards must be aware that completed public certifications of expenditures and donations of excess local funds, fully remitted pursuant to C-800, will be aggregated and obligated at the state level. The excess amounts would be applied to the local leverage amounts that all workforce areas would be required to secure to access federal matching funds allocated among all workforce areas.

C-600: Local Match Submission

C-601: General Submission Procedures

A Board must submit private donations, public transfers and public certifications to TWC for acceptance, with sufficient information to determine that the funds meet the requirements in C-200.

Rule Reference: [§809.17\(d\)](#)

Boards must submit local match agreements to TWC for review and acceptance in accordance with federal and state requirements.

Boards must ensure the following:

- The local match agreement start date, end date and program year are within the effective period in which the funds are contracted.
- Activities under Section E: Donation/Transfer Payment(s) and Certification of Expenditures Schedule are completed by the end of the twelfth month of the program year in which the funds are allocated, in accordance with §800.73(a)(2).
- Expenditures are reported in TWC’s Cash Draw and Expenditure Reporting system no later than 60 days following the end of the child care match grant award contract (“CCM” contract alpha).
- The local match agreement is properly signed and executed by the Board(s) and the contributor (signature requirements for multiparty local match agreements are covered in C-503: Multiparty Child Care Local Match Agreements).

Additionally, Boards submitting multiparty local match agreements must ensure the following:

- Section C: Originating Agreement Information contains the program number for each benefiting Board, or that the program numbers for each benefiting Board are incorporated into any referenced and attached agreement.
- Section D: Utilization of Funds Description is created for each Board as part of the agreement with the contributor.

Consistent with §800.73, Boards must submit complete, signed local match agreements to their assigned contract manager in TWC’s Board and Special Initiative Contracts department by the end of the fourth month following the beginning of the program year by one of the following methods:

- Email: ccm.agreements@twc.texas.gov
- Fax: (512) 936-3223
- US Mail: Texas Workforce Commission
c/o (Assigned Contract Manager)
101 East 15th Street, Room 104-T
Austin, Texas 78778-0001

C-602: Private Entity Donations

For donations pledged by private entities to either TWC or to the Board, Boards must submit an original or copy of the signed agreements to TWC.

For donations pledged to TWC by a private entity, following acceptance by the Commission, the Child Care Local Match contract is amended to include the donated funds and to make the funds available to the Board.

For donations pledged to the Board by a private entity, the donated funds will be available to the Board upon acceptance by the Commission. The Child Care Local Match contract will not be amended to include funds donated to the Board.

C-603: Submission of Transfers and Certifications

For transfers and certifications, Boards must submit an original or a copy of a signed local match agreement (or multiparty local match agreement) to TWC for one of the following:

- Transfer of funds by a public entity
- Certification of local expenditures by a public entity

C-604: Voluntary Presubmission Review

Boards entering into local match agreements, other than multiparty local match agreements, may email draft agreements to ccm.agreements@twc.texas.gov for presubmission review.

Boards must be aware that the presubmission review does not constitute, or substitute for submission to, or review and acceptance by, TWC. After completion of a presubmission review, Boards still must submit the agreement for review and approval.

C-605: Child Care Local Match Agreement Amendments

Boards must submit the Child Care Local Match Agreement Amendment Form (local match agreement amendment)—and, if necessary, an updated payment schedule—to TWC’s Board and Special Initiative Contracts department (using the email or physical address in C-600: Submission Procedures) if there is one of the following:

- An increase or decrease in the pledge amount
- A change of certification date
- A change in the use of the federal funds.

Boards also must be aware that Commission acceptance is required for local pledge increases.

C-606: Notification of Commission Acceptance

Boards must be aware that if the pledge information provided in the local match agreement or amendment (to increase a local pledge amount) meets all federal and state requirements, TWC’s Board and Special Initiative Contracts department:

- Notifies the Board of the date on which the item is placed on the Commission agenda for approval
- Provides notification of the status of the local match agreement or amendment following the scheduled meeting date

- Provides written notification when the Commission approves the local match agreement or amendment

C-700: Child Care Local Matching Funds Encumbrance and Budget Setup

C-701: General Information

Boards must be aware of the following regarding encumbrance of federal matching funds.

For individual certified pledge agreements, TWC encumbers and Boards may draw the federal match for the individual certified pledge agreement approximately one week after both of the following have occurred:

- The Commission has accepted the pledge.
- A TWC and Board contract or amendment is fully executed.

For individual donated and transferred pledge agreements, TWC encumbers and Boards may draw funds for individual pledge agreements approximately one week after all of the following have occurred:

- The Commission has accepted the pledge.
- A TWC and Board contract or amendment is fully executed.
- TWC receives the actual cash remittance.

For example, if a Board has a \$50,000 donation/transfer agreement—with remittance dates of January 2 for \$20,000 and June 2 for the remaining \$30,000—and the Commission has accepted the associated pledge, the Board will have access to draw the federal and local funds for the \$20,000 approximately one week after the \$20,000 is received by TWC and the TWC contract or amendment is fully executed. The Board will then have access to the \$30,000 in local funds and its respective federal share approximately one week after the \$30,000 donation/transfer is received by TWC and the TWC contract or amendment is fully executed.

C-702: Local Match Budgets in TWIST

Boards must create budgets in TWIST Child Care Claims and Allocations for the following:

- Donation and transfer budgets—Boards receive the total federal and local amounts because “cash” is remitted to TWC.
- Certification budgets—Boards are reimbursed only the federal share.

Note: Boards may not draw cash for donations and transfers until TWC receives the local share of the donation or transfer of funds.

Boards must ensure that:

- Expenditures of local and matched federal funds follow TWC policies for the allocated CCDF funds by submitting local contributor amendments as needed
- Budgets in the TWIST Child Care Claims and Allocations website do not exceed the workforce area’s allocated funds

Boards must not create budgets in the TWIST Child Care Claims and Allocations website until after the Commission has approved the pledge agreement.

C-703: Common Local Match Subcontract Numbers in TWIST

When creating budgets in the TWIST Child Care Claims and Allocations website, Boards may use the 10-digit smart code system, XXXXCCMXXX, when indicating the subcontract number, in which:

- the first seven digits match the first seven digits of the respective TWC contract to indicate Board number, year, and the CCM contract alpha;
- the eighth digit uses an alpha “C,” “T,” or “D” to indicate the match type as certification, transfer, or donation; and
- the last two digits are determined by the Board.

For example, Subcontract 0113CCM01 could be used by Board 01 to identify the first subcontract that it funded under TWC contract 013CCM000. Similarly, Subcontract 2813CCM05 could be used by Board 28 to identify the fifth subcontract that it funded under TWC contract 2813CCM000.

This system facilitates the tracking of funds by TWC grant award contract.

Boards may contact ccm.agreements@twc.texas.gov for further assistance with technical issues in setting up budgets in the TWIST Child Care Claims and Allocations website.

C-800: Process for Pledge Remittances and Certification of Expenditures

C-801: Local Match Pledge Remittances

Boards must ensure the following:

- Private donations of cash and public transfers of funds are paid to TWC
- Public certifications are submitted to TWC

Rule Reference: [§809.17\(e\)\(1\)](#)

C-801.a: Pledge Remittances for Donations

Boards must be aware that the Board certification of receipt of privately donated funds as documented through the Local Match Pledge Payment Coupon & Certification of Expenditures Form satisfies the requirement that cash donations are paid to TWC.

C-802: Submitting Remittances to the Texas Workforce Commission

Boards must use the Local Match Pledge Payment Coupon & Certification of Expenditures Form to do the following:

- Remit fund transfers from public entities
- Submit certification of receipts of donations from private entities
- Submit certifications of expenditures by public entities

Boards must submit remittances for fund transfers from public entities and donations from private entities, along with the certification form, to:

Texas Workforce Commission
Attn: Revenue Trust Management, Depository Section
P.O. Box 322
Austin, Texas 78767-0322

Boards also must ensure the following:

- Checks for transfer remittances are made payable to TWC by either the Board or an individual contributor.
- Direct contributors must deliver all remittances to the respective Board, even if contributors make checks payable to TWC.

Boards may consolidate several contributor remittances by requesting that contributors make their checks for transfers payable to the Board so the Board can then endorse a check for the total value payable to TWC.

To ensure accountability of pledged funds and certification of expense reports, TWC will not accept contribution remittances without a payment and certification form. Boards must ensure that the payment and certification form is complete and that it lists the specific contributor information in the contributor agreement.

Boards are not required to consolidate multiple contributor remittances when delivering payment to TWC. Boards may do one of the following:

- Submit a separate check payable to the Texas Workforce Commission for each individual remittance that contributors make payable to the Board.
- Permit contributors to remit transfers to the Board in a check made payable to the Texas Workforce Commission.

TWC will return any overpayment of funds to the Boards.

C-803: Pledge Remittances for Certifications

Boards must do the following:

- Detail the Quality Improvement and Direct Care Services portions of certified child care expenditures in the Certification of Child Care Expenditures section of the payment and certification form
- Ensure that the public entity certifying child care expenditures signs the payment and certification form and returns the form to the respective Board so that Boards (not contributors) submit forms to TWC
- Submit the Local Match Certification form by email to childcare.localmatch@twc.texas.gov

C-900: Monitoring Local Match

C-901: General Information

Boards must monitor the funds secured for match and the expenditure of any resulting funds to ensure that expenditures of federal matching funds available through TWC do not exceed an amount that corresponds to the private donations, public transfers and public certifications that are completed by the end of the program year.

Rule Reference: [§809.17\(d\)](#)

Boards must be aware that pursuant to CCDF regulations at 45 CFR §98.55(e)(2)(v), expenditures of donations from private sources are subject to the audit requirements in §98.65 of the regulations.

Boards must be aware that TWC's Board and Special Initiative Contracts department reviews receipts of pledge remittances and certifications of expenditures throughout the fiscal year. Appropriate follow-up is conducted when pledges are 30 days past due.

C-902: Documentation

Boards must provide documentation to TWC's Board and Special Initiative Contracts department for individual agreement actions including cancellations, increases, decreases, delinquencies or lapses in pledge remittances.

C-903: Record Retention

Boards must be aware that the Child Care Local Match Contribution Agreement details that contributors must retain records adequate to show that the funds they contribute are eligible for match, for the longer of the following:

- The period specified by the Board's record retention policies for such records
- Three years after the end date of the local match agreement
- Until the completion and resolution of all issues that arise from any litigation, claim, negotiation, audit or other action that began during and was ongoing as of the end of the normal retention period

Part D – Eligibility for Child Care Services

D-100: Eligibility for Child Care Services

D-101: A Child's General Eligibility for Child Care Services

Boards must be aware that, with the exception of children receiving or needing protective services as described in D-700, eligibility for subsidized child care services requires the following at the time of eligibility determination or redetermination:

- The child is either younger than 13 years of age or is a child with disabilities and is younger than 19 years of age.
- The child is a US citizen or legal immigrant as described in D-103.
- The child resides with one of the following:
 - A family within the Board's workforce area whose income does not exceed 85 percent of the state median income for a family of the same size and whose assets do not exceed \$1 million as certified by a family member and with parents who require child care in order to work, including job search, or attend job training or an educational program as defined in Part A
 - An individual standing in loco parentis for the child while the child's parent or parents are on military deployment and the deployed military parent's income does not exceed 85 percent of the state median income for a family of the same size
 - A family that meets the definition of experiencing homelessness as defined in A-100

Rule Reference: [§809.41\(a\)](#)

D-101.a: Waiting Periods for Reapplication

Boards must be aware that a parent is ineligible to reapply for child care services or to be placed on the waiting list for services for 60 calendar days if the child's enrollment or parent's eligibility is terminated due to either of the following:

- Excessive unexplained absences
- Nonpayment of parent share of cost

Boards must include the mandatory waiting period information in all termination documentation sent to the parent.

The mandatory waiting period will not apply to individuals who, during the 60-day waiting period, become one of the following:

- Choices participants who require child care to participate in the Choices program
- Choices participants on a sanction status who are required to demonstrate participation in Choices and require child care

Rule Reference: [§809.55](#)

D-101.b: Children of Parents on Military Deployment

Boards must be aware that for a child with a parent or parents on military deployment, child care eligibility is based on the income and work, education and job training activities of one of the following:

- The parent on military deployment
- The individual standing in loco parentis for the child

If eligibility is based on the circumstances of the parent on military deployment, it is assumed that military deployment automatically allows the parent to meet the minimum work requirements.

Boards must be aware that it is the responsibility of the deployed military parent or parents to ensure that the information necessary to determine eligibility is made available to the Board's child care contractor. However, the Board also must work with deployed military parents in situations in which deployment does not allow the parent to provide information within the required time frames.

D-101.c: Parents Attending Educational Programs

If a parent is enrolled full-time in a postsecondary undergraduate education program, then Boards must ensure that CCS is provided for and does not exceed a cumulative total of 60 months. This limitation applies to parents who are meeting participation requirements by postsecondary education only. Parents who are both working and attending an educational program are not subject to the cumulative 60-month limit.

Rule Reference: [§809.41\(b\)](#)

Boards must be aware that the 60-month limit excludes parents enrolled in secondary education (such as high school or a high school equivalent).

D-101.d: Making Progress toward Successful Completion of the Job Training or Educational Program

Only at the 12-month eligibility redetermination, Boards must determine whether the parent is meeting the definition of "attending a job training or educational program," as described in A-100.

Rule Reference: [§809.2\(1\)](#)

Boards may request participation information from parents or training providers to determine continued enrollment in the program and whether the parent is making progress toward completion of an education or training program.

Past performance or attendance in an education or job training program while not participating in CCS must not be considered in determining initial eligibility for child care. A parent's progress toward completion of the education or job training program must be based only on the parent's performance while receiving child care, as a lack of stable child care could contribute to a parent's inability to work toward successful completion of the education or training activity.

D-101.e: Eligibility for Non-CCDF Child Care Services

Boards must be aware that, unless otherwise specified, the provisions described in Part D apply only to child care services using funds allocated pursuant to §800.58, including local public transferred funds and local private donated funds, as described in Part C.

Rule Reference: [§809.53](#)

D-102: Child Care Eligibility Determination and Verification

The Board must ensure that its child care contractor verifies all eligibility requirements for child care services prior to authorizing child care.

Boards must be aware that self-attestation is acceptable only for confirming that the value of a family's assets does not exceed \$1 million and to verify the following:

- Initial eligibility for families experiencing homelessness
- Initial eligibility for child care during job search as described in D-108

Notwithstanding the period of time required to review a customer's application for child care services, the Board also must ensure that eligibility is redetermined no sooner than 12 months following initial determination or more recent redetermination, except for child care during job search as described in D-108.

Rule Reference: [§809.42](#)

To ensure that children receive a minimum of 12 months of services, Boards must ensure that if a customer's eligibility end date falls on a weekend or holiday, the eligibility end date is extended to the next working day.

Boards must be aware that a family is considered eligible when the parent is notified of the determination of eligibility and acknowledges the eligibility determination and parent share of cost as described in D-1004. Any changes in the parent's status after the eligibility notification are treated as changes reported during the 12-month eligibility period.

For more information, see D-1000: Eligibility Determination Processes.

D-103: Child's Age and Citizenship or Immigration Status

Boards must be aware of the following:

- Because the child is the primary beneficiary of CCS, only the child's citizenship or immigration status is subject to documentation.
- Documented receipt of TANF, SNAP benefits, Medicaid, or other public assistance in which citizenship or immigration status is a requirement for eligibility and is considered valid documentation of citizenship or immigration status.

Boards must ensure that appropriate staff verifies a child's age and US citizenship or legal immigrant status as part of CCS eligibility requirements.

Resource: Child Care Services Eligibility Documentation Log, Appendix J

D-103.a: Verifying Age and Citizenship or Immigration Status

Boards must ensure that appropriate staff members adhere to the following requirements:

- Use only the documents listed in D-103.a as acceptable sources for documenting the age and citizenship or immigration status of a child receiving child care services
- Retain appropriate documentation of the child's citizenship or legal immigration status, as well as age, in the child's case file
- Do not require documentation of citizenship or immigration status prior to placing a child on a Board's waiting list

Boards may:

- request one document that provides both proof of the child's age and the child's citizenship or immigration status; and
- accept photocopies of the documentation to expedite the eligibility process during the initial enrollment period.

Boards must be aware that the following are acceptable primary and secondary verification documents.

For primary verification for age and citizenship, the following are acceptable:

- Birth certificate (United States or its possessions)
- Current US passport
- Hospital or public health birth record (United States or its possessions)
- Church or baptismal record (United States or its possessions)
- TANF, SNAP, Medicaid, or other related public assistance records

For secondary verification for citizenship or immigration status only, if no primary documents for age and citizenship are available, the following are acceptable sources to verify a child's citizenship or immigration status:

- For a US citizen:
 - Report of birth abroad of US citizen (FS-240) issued by US Department of State
 - Certificate of Birth (FS-545) issued by a foreign service post
 - Certificate of US Citizenship (N-561)
 - Native American Tribal Document/Card (Form I-872)
- For an Immigrant/Qualified Alien:
 - Lawful Permanent Resident Card, also known as Green Card (Form I-551)
 - Form I-94/I-94a, an arrival/departure admission form given by US Immigration and Customs Enforcement at the port of entry to nonimmigrant visa holders that must be stamped with the applicable immigration rule citations as follows:
 - For Asylee—Annotated with stamp showing asylum granted under §208 of the Immigration and Nationality Act (INA), a copy of grant letter from the Asylum Office of the United States Citizenship and Immigration Services (USCIS) or a copy of the order of an immigration judge granting asylum
 - For Refugee—Annotated with stamp showing admission under INA §207 or Form I-571 (Refugee Travel Document)

- For Cuban/Haitian Entrant—Annotated with stamp showing §501(e), Permanent Resident Card, also known as Green Card (Form I-551), unexpired temporary Form I-551, or stamp in foreign passport showing §501(e)

Note: I-94/I-94a can be provided electronically.

- Alien Whose Deportation or Removal Was Withheld—order from an immigration judge showing deportation or removal withheld
- Alien Granted Conditional Entry—Form I-94 identifying the bearer as “Refugee-Conditional Entry” and a citation of §203(a)(7)
- Alien Who Has Been Declared a Battered Alien or Alien Subjected to Extreme Cruelty—USCIS petition and supporting documentation
- Alien Who Is Paroled—proof of parole under INA §212(d)(5) for a period of at least one year

For secondary verification for age only, if no documentation listed under the primary age and citizenship category is available, the following are acceptable sources to verify a child’s age:

- Adoption papers or records (United States or its possessions)
- Divorce and/or court custody decrees
- Bureau of Indian Affairs or Tribal records
- Immigration and Naturalization Service records
- Child support paternity records
- School records/identification card

D-104: Residence

As defined in A-100: Definitions, a child is considered to be residing with the parent when the child is living with and physically present with the parent during the time period for which child care services are being requested or received.

D-104.a: Residency for Children of Parents Attending an Educational Program

Boards may establish a policy to allow parents to be exempt from residing with the child if the parent is attending an educational program that leads to a postsecondary undergraduate degree from an institution of higher education.

Boards must take such actions in an open meeting, as required by §802.1(f) and as detailed in [WD Letter 10-07](#).

Rule Reference: [§809.41\(d\)](#)

D-104.b: Residency for Children of Parents on Military Deployment

Boards must be aware that children of parents on military deployment may reside with a caretaker while the parent is on military deployment.

Rule Reference: [§809.41\(a\)](#)

D-104.c: Residency during Custody and Visitation Arrangements

Boards must be aware that a child who is temporarily living with a parent on court-ordered visitation is considered to be residing with the parent during the visitation arrangement.

Boards may allow child care to continue or be suspended, depending on the particular family and child care arrangements, for custody arrangements of short duration (for example, two weeks during the summer or one week a month).

Boards must be aware that child care services may only be suspended at the concurrence of the parent, as described in D-806.

D-104.d: Residency for Children Experiencing Homelessness

A child whose family is experiencing homelessness might not have a stable residence to report. Therefore, the family’s primary sleeping location at time of eligibility determination should be used to determine county of residence. Homeless families have three months to provide documentation of eligibility, including primary night-time residence.

Resource: [Child Care Eligibility Documentation Log, Appendix J](#)

Boards must also be aware that TWIST requires a residence address in *Intake Common*, although families experiencing homelessness lack primary residences. Board child care contractors should work with families and other agencies that serve them to identify the best means to communicate and use the most practical address in TWIST.

Some options for the residence address field in TWIST include using the address of the workforce center, a homeless shelter, or the child care provider (if the provider agrees). USPS “General Delivery” may also be utilized if the customer is able to get to a post office that makes that service available.

D-105: Determining the Family Size

When determining family size, Boards must be aware of the following definitions.

D-105.a: Family and Household Dependents

A “family” is the unit composed of two or more individuals related by blood, marriage, or decree of court, who are living in a single residence and are included in one or more of the following categories:

- Two individuals, married—including by common-law—and household dependents
- A single parent and household dependents.

A “household dependent” is an individual living in the household who is one of the following:

- An adult considered as a dependent of the parent for income tax purposes
- The child of a teen parent
- A child or other minor living in the household who is the responsibility of the parent

Rule Reference: §[809.2](#)

D-105.b: Parent

A parent is an individual who is responsible for the care and supervision of a child and is identified as the child’s natural parent, adoptive parent, stepparent, legal guardian or person standing in loco parentis (as determined in accordance with TWC policies). Unless otherwise indicated, the term applies to a single parent or both parents.

Rule Reference: [§809.2](#)

D-105.c: In Loco Parentis

Boards must be aware that, in situations in which a child’s natural parent, adoptive parent, stepparent or legal guardian is unavailable to care for the child, it is sometimes necessary for the child to be cared for by an individual who is not the child’s legal guardian—that is, standing in loco parentis.

TWC defines in loco parentis as an individual 18 years of age or older who is responsible for the day-to-day care and supervision of the child when the child’s natural parent, adoptive parent, stepparent, or legal guardian is not available to care for the child. The individual must document the reason the child’s parents are unavailable to care for the child and that he or she is exercising parental responsibility for the child.

Boards must be aware that the documentation requirements for DFPS Child Protective Services (CPS) placement set forth in the following table apply only to situations in which CPS has not authorized child care as described in D-700: Child Care for Children in Protective Services.

Boards must ensure that individuals standing in loco parentis provide documentation verifying the following:

- The reason the parent is unavailable to care for the child
- That the caretaker is responsible for the child as set forth in the following table

Table 1: Documentation Requirements for In Loco Parentis

Reason Parent is Unavailable	Documentation Verifying Reason Parent is Unavailable	Documentation Verifying Caretaker is Responsible for the Child
Medical Incapacitation or In Treatment or Rehabilitation	A document from a licensed medical professional, for example, physician, psychiatrist or psychologist, stating the medical condition that makes the parent unable to care for his or her child. or A document from a licensed professional such as a counselor or therapist is an acceptable alternative as long as the recommendation or	Caretaker must have a notarized power of attorney or a sworn affidavit of temporary custody/guardianship of the child.

	<p>diagnosis does not exceed the licensed professional’s authority.</p> <p>If the parent is in a treatment or rehabilitation center, a letter from the facility verifying admission must be signed by an authorized representative of the facility and include both the admission and anticipated release date. A copy of the order mandating the placement will suffice.</p>	
CPS Placement	<p>Documentation must include at least one of the following:</p> <ul style="list-style-type: none"> • A recent (within six months) CPS safety plan or CPS placement agreement • A court order naming the individual as the caretaker • A letter from CPS that confirms the child’s placement with the caretaker or foster parent is ongoing 	No other documentation is necessary.
Military Deployment	<p>Military orders</p> <p>or</p> <p>A suitable alternative such as a confirmation by the base commander or other military official</p>	<p>A military power of attorney appointing the caretaker as guardian of the child</p> <p>or</p> <p>In lieu of a military power of attorney, a military family plan that gives the caretaker the authority to execute decisions on child care matters</p>
Incarcerated	<p>Documentation must include at least one of the following:</p> <ul style="list-style-type: none"> • A commitment order from the court • Verification from the Texas Department of Criminal Justice (TDCJ) Offender Information Search database for offenders who are incarcerated in a TDCJ facility • A letter from the sheriff’s office confirming incarceration if the parent is in a local jail 	Caretaker must have a notarized power of attorney or a sworn affidavit of temporary custody/guardianship of the child.

	The document must include the date of incarceration and anticipated release date unless the parent has not been sentenced and no release date is currently available.	
Other Reasons Parent or Legal Guardian is Unavailable	<p>A sworn affidavit of facts attesting to all of the following:</p> <ul style="list-style-type: none"> • The circumstances of how and why the caretaker assumed responsibility for the child • The whereabouts of the natural parent(s) • The caretaker’s relationship to the child • The length of time the child has been with the caretaker 	<p>Caretaker must have a notarized power of attorney or a sworn affidavit of temporary custody/guardianship of the child.</p> <p>Additionally, the caretaker must have documentation from a verifiable source that establishes his or her parental responsibility for the child. The documentation may be one of the following:</p> <ul style="list-style-type: none"> • The caretaker’s most recent Internal Revenue Service (IRS) tax return listing the child as a dependent • A letter from a child care center or other independent, nonrelative, verifiable source that can establish the individual’s parental and

		<p>financial responsibility for the child</p> <ul style="list-style-type: none"> • A letter from an independent school district • Documentation that the caretaker is receiving TANF benefits on behalf of the child, or has received TANF benefits within the past six months
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D-106: Family Income

Boards must be aware that, effective October 1 of each year, TWC supplies Boards with eligibility code cards containing up-to-date income data for determining eligibility. The income information is also loaded into TWIST. Eligibility code cards cover federal poverty guidelines (FPG) information and state median income (SMI) levels.

Boards may use either FPG or SMI to determine income eligibility limits, but in either case, family incomes cannot exceed 85 percent of SMI.

Boards must also ensure that for the purposes of determining family income and assessing the parent share of cost, family income is calculated as described in D-107.

D-106.a: Monthly Family Income

Boards must be aware that unless otherwise required by federal or state law, a family’s monthly income for purposes of determining eligibility and the parent share of cost includes all income sources that are not excluded under D-106.b: Excluded Income Sources, for each family member.

Rule Reference: [§809.44\(c\)](#)

Boards must be aware that a family’s monthly income is the gross income **before adjustments are made for taxes**, which may also be referred to as gross earnings or gross pay.

D-106.b: Excluded Income Sources

In accordance with TWC income calculation rules at §809.44(b), Boards must ensure that monthly family income excludes the following income sources:

- Medicare, Medicaid, SNAP benefits, school meals, and housing assistance
- Monthly monetary allowances provided to or for children of Vietnam veterans born with certain birth defects
- Needs-based educational scholarships, grants, and loans—including financial assistance under Title IV of the Higher Education Act—Pell Grants, Federal Supplemental Educational Opportunity grants, the Federal Work-Study Program, PLUS, Stafford loans and Perkins loans
- Individual Development Account (IDA) withdrawals for the purchase of a home, medical expenses or educational expenses
- Tax refunds and tax credits
- VISTA and AmeriCorps living allowances and stipends
- Noncash or in-kind benefits such as employer-paid fringe benefits, food, or housing received in lieu of wages (for example, an employer provides a uniform or tools)
- Foster care payments and adoption assistance
- Special military pay or allowances, including subsistence allowances, housing allowances, family separation allowances, or special allowances for duty subject to hostile fire or imminent danger (see Appendix J)
- Income from a child in the household between 14 and 19 years of age who is attending school
- Early withdrawals from qualified retirement accounts classified as hardship withdrawals by the Internal Revenue Service (IRS)
- Unemployment compensation
- Child support payments
- Cash assistance payments, including TANF, SSI, Refugee Cash Assistance, general assistance, emergency assistance, and general relief
- Onetime income received in lieu of TANF cash assistance
- Income earned by a veteran while on active military duty and certain other veterans’ benefits, such as compensation for service-connected death, vocational rehabilitation, and education assistance (see Appendix J)
- Regular payments from Social Security, such as the Old-Age and Survivors Insurance Trust Fund (see Appendix J)
- Lump sum payments received as assets from the sale of a house, in which the assets are to be reinvested in the purchases of a new home (consistent with IRS guidance)
- Payments received as the result of an automobile accident insurance settlement that are being applied to the repair or replacement of an automobile
- Onetime cash payments, including insurance payments, gifts, and lump sum inheritances
- Any income sources specifically excluded by federal law or regulation

Rule Reference: [§809.44\(b\)](#)

Boards must be aware that employer reimbursements for work-related expenses such as travel or uniforms are not considered income and therefore are not included in income calculations. Employer-paid cash benefits that are not reimbursements are included.

D-106.c: Income Excluded by Federal Law or Regulations

Boards must be aware of the following income sources specifically excluded by federal law or regulation.

Rule Reference: [§809.44\(b\)\(20\)](#)

Federal Citation	Income Excluded by Federal Law
7 USC §2017(b)	The value of the allotment provided to an eligible household under the Food Stamp Act Note: Currently exempted by TWC Child Care Services rule §809.44(b)(1)
PL 104-204	Payments to children with spina bifida born to Vietnam veterans Note: Currently exempted by TWC Child Care Services rule §809.44(b)(2)
20 USC §1087uu	Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs Note: Currently exempted by TWC Child Care Services rule §809.44(b)(3), which excludes needs-based educational scholarships, grants and loans
26 USC §32(j)	EITC refund payments and Advanced EITC received Note: Currently exempted by TWC Child Care Services rule §809.44(b)(5)
PL 105-285	IDAs, including participant savings, matching contributions and any income earned thereon Note: IDA withdrawals are currently exempted by TWC Child Care Services rule §809.44(b)(4)

42 USC §12637(d); PL 101-610; PL 93-113	Allowances, earnings and payments to persons participating in programs under the National and Community Services Act. The exclusion applies to all payments made under the AmeriCorps Program and payments under Title I, VISTA. Note: VISTA and AmeriCorps living allowances and stipends are currently exempted by TWC Child Care Services rule §809.44(b)(6).
PL 108-447	Pay received by military personnel as a result of deployment to a combat zone Note: Currently exempted by TWC Child Care Services rule §809.44(b)(9), which also excludes special military pay or allowances, for example, subsistence allowances, housing allowances and family separation allowances
29 USC §2931	Allowances, earnings, and payments to individuals participating in programs under the Workforce Innovation Opportunity Act (WIOA), except for earned income received from taking part in on-the-job training programs
42 USC §8624(f)	Payments or allowances made under the US Department of Health and Human Services' Low-Income Home Energy Assistance Program
25 USC §459e	Income derived from certain submarginal land of the United States that is held in trust for certain Native American tribes
42 USC §3056(f)	Payments received from programs funded under Title V of the Older Americans Act of 1985
42 USC §9858q	The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 2014
42 USC §5044(g) and §5058 PL 93-113	Payments to volunteers, such as Active Corps of Executives under the Domestic Volunteer Services Act of 1973, under Title II Retired Senior Volunteer Program (RSVP), Foster Grandparents and Title III Service Corps of Retired Executives
PL 100-435	Benefits from the Women, Infants and Children Program
42 USC §10602	Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance)

	because of the commission of a crime against the applicant under the Victims of Crime Act
PL 97-377 and PL 97-424	Payments from federal energy assistance, for example, for insulation, weatherization and storm windows
PL 111-291	The Claims Resolution Act of 2010 (PL 111-291) provides that amounts received from the <i>Cobell v. Salazar</i> settlement will not be treated as income for the month during which the amounts were received for purposes of any federally assisted program. Therefore, amounts received from the settlement must be excluded from income for purposes of determining initial eligibility, ongoing eligibility, or level of benefits for CCDF assistance.

D-106.d: Income Deductions

When calculating income eligibility for a family with a child with disabilities, Boards must ensure that the cost of the child’s ongoing medical expenses is deducted from the family income.

Rule Reference: [§809.50\(d\)](#)

D-106.e: Income Verification

As detailed in D-1000 (Processes for Determining Eligibility), Boards must ensure that the child care contractors verify allowable income sources and ensure eligibility for child care services before authorizing child care.

Rule Reference: [§809.42\(a\)](#)

Boards must be aware that parents are responsible for reporting family income. Board contractor staff is responsible for reviewing the income reported and excluding those sources disallowed by rule from the calculation.

Boards must ensure that appropriate staff has a process to inform the parent of the requirements for reporting income and the consequences for not reporting any income discovered later.

D-107: Calculating Family Income

Pursuant to §809.44(a), for the purposes of determining family income and assessing the parent share of cost, Boards must ensure that the family income is calculated in accordance with TWC guidelines to:

- Take into account irregular fluctuations in earnings
- Ensure that temporary increases in income, including temporary increases that result in monthly income exceeding 85 percent of SMI, do not affect eligibility or the parent share of cost

Rule Reference: [§809.44\(a\)](#)

D-107.a: Determining Average Gross Monthly Family Income from Earnings at Initial Eligibility and at Eligibility Redetermination

Boards must ensure that calculation of a family’s income for the purposes of determining initial eligibility and redetermining eligibility is based on the average monthly family income for each family member.

Unless a family member has an insufficient work history or other constraints to obtaining necessary documentation, in accordance with local procedures, Board contractor staff must review the previous three months of income for monthly pay periods, the previous 13 weeks for weekly pay periods, or the previous 12–14 weeks for biweekly pay periods for each family member to determine average earnings and the family’s financial situation.

Boards must be aware that three months is a guideline and the preferred method for determining income eligibility. Section 809.44(a) requires Boards to consider irregular fluctuations in earnings and to ensure that temporary fluctuations in income do not affect eligibility. When a parent has been continuously employed, three months of income information ensures that adequate information is available to determine typical average monthly income.

However, absent three full months of documentation, the Board may use whatever documentation a parent is able to provide, based on local procedures, including the year-to-date amount on available check stubs. If the parent does not have three full months of documentation because he or she has not been employed throughout the full three-month period before initial eligibility determination, Boards may obtain pay documents for the period employed. The time frame and type of income documentation used must be clearly explained in TWIST Counselor Notes, which includes number of check stubs used to calculate income. If the number of check stubs differs from what is required based on local policy, a clear explanation of the difference must be included in TWIST Counselor Notes.

Boards must be aware that bonus amounts that appear in the year-to-date amount but fall outside of the three-month window must be counted in accordance with D-107.d: Bonuses and Lump Sum Payments.

Boards must also be aware that a family member might be employed for three or more months but have irregular or no earnings within one or more pay periods. See D-107.c regarding fluctuations in income.

D-107.b: Substantial Change in Earnings

In some instances, such as when an individual has a substantial change in earnings during the most recent month, current employment status or anticipated earnings changes will be more representative of expected income than those of the past three months.

A family member is considered to have a “substantial change in earnings” if, at the time of eligibility determination or redetermination, the individual has experienced a permanent change in compensation or employment status within the most recent month of the three-month period, a change that will affect future earnings and would better reflect the family’s income. In this case, the income should be calculated from the period the income or employment status changed instead of the full previous three months.

Changes in earnings or employment that are considered substantial are those due to any of the following:

- A permanent decrease/change in employment status from full-time to part-time or vice versa
- A permanent decrease/change in hourly wages or compensation
- An employed family member adding or ending employment at one or more employers

D-107.c: Fluctuations in Earnings

Boards must be aware that a customer may have income fluctuations during the 3-month income calculation period. Income fluctuations that occur during the three months are calculated separately and averaged over the appropriate time period, in accordance with local procedures.

Fluctuations in earnings during sustained employment are income amounts that differ due to any of the following:

- Variable work schedules without an expected number of hours per day or per week for a pay period
- Overtime pay
- Pay based solely on commissions or tips
- Fixed compensation paid in different time periods, as in education
- Seasonal or temporary employment

Boards must be aware that it is better to annualize some fluctuations in income rather than average them across the three-month period. Examples of income that should be annualized may include, but are not limited to, the following:

- Coaching stipend paid only for season
- Accrued vacation leave paid out in a lump sum at year end
- Holiday employment

Any income fluctuations that have been considered when calculating income must be clearly explained in TWIST Counselor Notes.

D-107.d: Bonuses and Lump Sum Payments

Boards must ensure that, if pay documents indicate that a family member received a bonus or other lump sum during the income calculation period or in the year-to-date amount, staff determines the number of months the bonus or lump sum covers and if there is any expectation of future repetition. In that case, the sum is averaged over the applicable number of months to reach an average monthly figure. Refer to the following examples:

- Average an annual bonus by 12
- Average a lump sum payment by 12
- Average a quarterly bonus by 3
- Average a onetime payment by 12

Boards are advised to ask customers if they receive regular bonuses from their employers and to include this question on any Employment Verification form used to verify employment income.

D-107.e: Calculating Unearned Income

A family member may receive income unearned outside of employment, such as merit-based scholarships, alimony payments, or rental income. If a family member has received countable unearned income within the previous three months, determine the frequency of the income and average accordingly to determine an average monthly amount of unearned income.

For example, if a merit-based scholarship was received during the previous three-month period, average the scholarship amount by 12 to determine a monthly amount to include in gross monthly income.

D-107.f: Income Documentation Requirements

Boards must ensure that documentation of all employment and income earned is obtained for the previous three-month period. If the family member does not have three full months of documentation because he or she has not been employed throughout the full three-month period, the Board must obtain pay documents for the period employed.

If the family member started a new job, or experienced a substantial change in earnings, and does not have pay documents from that job, an Employment/Income Verification Form (included in the Eligibility Documentation Log, Appendix J) or other Board-defined employer verification must be completed.

If the family member is employed by the same employer or employers for the entire three-month period, the family member must provide pay history that covers the past three months (if paid monthly), 13 weeks (if paid weekly), or the previous 12–14 weeks (if paid biweekly). Pay information submitted should consist of consecutive pay periods.

If the family member is unable to obtain the required documents covering the time employed, but the amount earned over the most recent three months is reflected in the year-to-date information, then the average gross monthly income may be calculated using the documents provided. However, if the year-to-date information does not cover the period under review, or if the family member is unable to provide pay documents, an Employment/Income Verification Form (or Board-defined employer verification) must be completed.

If the family member is an employee who is paid in cash, an Employment/Income Verification Form must be completed by the employer. If the family member is not an employee, they are considered self-employed pursuant to D-109.

D-107.g: Income Calculation Methodology

Gross monthly income for eligibility determination and parent share of cost are based on pay stubs, pay frequency, and/or employer verification of hours, wages, and pay frequency, when applicable. The following terms are important for income calculation:

- Average pay per pay period—gross earnings per pay period (less bonuses and lump sums) divided by the number of pay stubs
- Average base monthly earnings—average earnings per pay period times applicable pay frequency factor (See Table 1.)
- Gross monthly income—average base monthly earnings plus prorated bonuses and lump sums plus monthly unearned income

Calculate earned income from pay stubs or employer verification, as follows:

1. If there is more than one employer with differing pay periods, calculate an average base monthly for each separately then add them to obtain the total average base monthly earnings.
2. Add the included gross pay (less bonuses and/or lump sums) from all check stubs and divide by total number of pay stubs to get an average pay per pay period per employer.
3. Multiply average pay by pay frequency factor for each employer to get the base monthly earnings (see Table 1).
4. If using employer verification rather than pay stubs, use the following formula to determine monthly earnings: Multiply hourly rate of pay by weekly hours by 4.33.
5. If a bonus or other lump sum payment was included in the pay stubs, divide the total by the applicable number of months to get the average monthly amount.
6. Gross monthly income equals average base monthly earnings plus prorated bonus and/or lump sum plus any included unearned monthly income.

Table 2: Calculating Average Base Monthly Earned Income from Pay Stubs

Pay Frequency	Calculation
Weekly	Average earnings per pay period x 4.33
Biweekly (every other week)*	Average earnings per pay period x 2.165 or Average earnings per pay period x 2.167
Twice monthly	Average earnings per pay period x 2

*Note: Boards automated income calculators may be programmed to use 2.165 or 2.167 depending on if the calculation methodology is based on 26 pay periods per year (2.167) or 4.33 weeks per month (2.165).

D-108: Income Changes during the 12-Month Eligibility Period

Boards must ensure that full eligibility determination only occurs at initial determination and at redetermination, which may not occur earlier than 12 months after the initial determination.

D-108.a: Determining if Monthly Family Income Exceeds 85 Percent of SMI during the 12-Month Eligibility Period

Boards must be aware that, pursuant to §809.73(b), during the 12-month eligibility period, parents are required to report changes in family income or family size that would cause the family to exceed 85 percent of SMI for a family of the same size. Families are only required to report changes in income that are substantial and permanent. See D-107.b.

For reported substantial and permanent increases in income during the 12-month period, the income must be calculated from the period in which the income or employment status changed.

Boards must be aware that temporary changes, including increases in income, which last three months or less, do not affect a customer's eligibility for continuing to receive child care services. However, temporary increases in income that last longer than three months must be evaluated to determine if the customer's new SMI exceeds 85 percent.

Temporary increases in income that occur during the 12-month eligibility period and last longer than three months are assessed against an annual time frame so that the calculated income reflects the customer's earnings for the entire year.

For example, a customer reports a temporary assignment that will last four months. During the four months, the customer's income will exceed 85 percent SMI. Board contractor staff recalculates income as follows:

1. $(\text{Regular gross monthly income} \times 12) + (\text{monthly earnings for temporary assignment} \times 4) = \text{adjusted income for year}$
2. $\text{Adjusted income for year} / 12 = \text{new gross monthly income}$

Board contractor staff must use the newly calculated gross monthly income to determine if the increase caused the family to have an average monthly income above 85 percent of SMI.

D-108.b: Reducing the Assessed Parent Share of Cost Due to Reductions in Income during the 12-Month Eligibility Period

Boards must ensure that, pursuant to B-604.b, a new parent share of cost is assessed upon a parent's report of a change in income, family size, or number of children in care that would result in a reduced parent share of cost assessment.

If the reported change in income is determined to be a substantial decrease in earnings, as defined in D-107.b, then the parent share of cost must be reassessed based on the new, lower reported income.

Boards must require documentation of a decrease in earnings when the parent share of cost is reduced. Additionally, Boards must ensure that the changes to the parent share of cost are documented in TWIST Counselor Notes or in the case file.

If a family member is no longer part of the household and his or her income was included in the household income, the parent's written attestation of the change is sufficient documentation if other documentation cannot be obtained. The change must also be documented in TWIST Counselor Notes.

D-108.c: Using the Income Exception Report

As described in [TA Bulletin 276, Change 1](#), issued July 13, 2022, and titled "Child Care and Unemployment Insurance Early Warning Report and Child Care Income Report—Update," the Child Care Income Exception Report is a tool to assist Boards in the oversight of CCDF funds. The TWC Division of Fraud Deterrence and Compliance Monitoring (FDCM) Business Support department sends the report to Boards quarterly. The report seeks to identify and assess customers who are potentially ineligible due to parental and/or custodial changes or underreporting of income that could place the family income over 85 percent of SMI. A customer identified in the report is not necessarily ineligible for services; the issue of eligibility may be established only after a thorough review of the customer's case file and may involve contacting the customer for further information.

Boards must use the Income Exception report on a quarterly basis to identify customers who are potentially ineligible. Boards must be aware that if a customer appears on the Child Care Income

Exception Report, care cannot be terminated based solely on the report. The contractor must reach out to the customer to determine if income exceeds 85 percent of SMI, accounting for fluctuations as described in D-107.c.

If the parent does not respond, attempting contact with the employer is the next step. Contacting the employer may be the beginning of the fraud fact-finding process. All attempts at contact with the parent and/or employer must be clearly documented in TWIST Counselor Notes.

If it is determined that the parent currently exceeds 85 percent of SMI, taking into consideration fluctuations of income pursuant to the income calculation guidelines defined in Part D of this guide, then care must be terminated. If family income is not currently less than 85 percent of SMI at the time of staff assessment, then care must continue.

If fraud fact-finding leads to a determination that the customer exceeds 85 percent of SMI, then care may be terminated at that point, regardless of whether a determination of fraud is eventually reached. However, Boards must be aware that recoupment is only pursued if a fraud determination is made per §809.117(d).

D-109: Determining Self-Employment Income

Boards must be aware that for self-employment to be considered an eligible work activity, the individual is required to demonstrate engagement in an income-producing enterprise or activity that is distinguishable from a hobby or pastime.

D-109.a: Definitions for Self-Employment

Self-employed—An individual is considered self-employed if the individual works in an income-producing trade or business as one of the following:

- The sole proprietor or independent contractor
- A member of a partnership
- Otherwise in business for him or herself and not a paid employee of the business or enterprise

Self-employment income—gross business income minus business operating expenses.

Established self-employment—a business or enterprise with demonstrated business income and expenses for more than three months.

New self-employment—a business or enterprise with demonstrated business income and expenses for less than three months.

D-109.b: Verification and Documentation of Self-Employment Income

Boards must ensure that Workforce Solutions Office staff verifies that a self-employment business or enterprise is in existence and covers the eligibility period for child care services at initial eligibility determination and at eligibility redetermination using one of the following documents:

- Current property titles, deeds, tax records, or rental agreement for the place of business
- Recent business bank statement

- Recent business phone, utility, or insurance bill
- Recent state sales tax return
- Business records that provide proof of income and expenditures, such as:
 - copies of money orders or checks received and lists of individuals/customers served (if applicable); or
 - personal wage records with third-party signed verification
- Business registration or license (that is, DBA license or Assumed Name Certificate)

D-109.c: Identifying Self-Employment Gross Income

Boards must ensure that Workforce Solutions Office staff verifies income for self-employment enterprises at initial eligibility determination, eligibility redetermination, and following a reported change in family income.

Established Self-Employment

To verify income for established self-employment enterprises, Boards must require one of the following documents from the most recent tax year and/or most recent quarter:

- IRS Form 1040 with IRS Schedule C, F, or SE federal income tax returns
- IRS Tax Transcript
- Any documents listed under New Self-Employment

New Self-Employment

To verify income for new self-employment enterprises, Boards must require one of the following documents covering a time period within the previous three months:

- Statement of profit or loss
- Recent business bank statements
- Business records that document income and expenditures, such as:
 - Copies of money orders or checks received
 - Lists of and/or invoices for customers served with dates and identifying information (such as addresses)
 - Personal receipt books of business activity and amount
 - Personal payment records with third-party signed verification (such as notary)

D-109.d: Identifying Self-Employment Net Income

Boards must ensure that Workforce Solutions Office staff verifies business expenses for self-employment enterprises at initial eligibility determination, eligibility redetermination and following a reported change in family income.

Itemized Operating Expenses

Document and deduct operating expenses from the self-employment gross income for the same period. Operating expenses may include, but are not limited to:

- Rent
- Cost of utilities
- Gas for automobile
- Payroll

- Booth rental

D-109.e: Using a Standard Deduction for Determining Net Income

Boards may implement a procedure to use a standard deduction rather than itemizing self-employment expenses. Such an approach offers a more efficient method for determining self-employment net income. Local procedures may define the amount of the standard deduction and any process to itemize expenses in lieu of using the standard deduction.

Boards must provide parents the option to itemize expenses or not itemize expenses and use the gross income.

Resource: [TA Bulletin 277](#), issued March 21, 2017, and titled “Implementing a Standard Deduction Policy for Determining Self-Employment Net Income”

D-109.f: Verifying Self-Employment Work Hours

Examples of acceptable verifiable documentation for self-employed workers include, but are not limited to:

- Quarterly federal tax returns
- Signed year-to-date profit and loss statements for each business owned
- Business ledgers, records, receipts, check receipts, and business statements
- Customer contracts or work orders
- Calendar of work appointments and money earned through these appointments

The federal minimum hourly wage for self-employed income is applied to calculate participation hours when the individual cannot provide verifiable documentation of work hours. The formulas for determining work hours based on self-employment income and minimum wage are as follows:

1. $\text{Monthly Net Self-Employment Income} / \text{Minimum Wage} = \text{Monthly Work Hours}$
2. $\text{Monthly Work Hours} / 4.33 = \text{Average Weekly Work Hours}$

If a standard deduction is used to determine net income and using the minimum wage calculation results in the average weekly hours being below the Board’s requirement, then the parent must document the weekly work hours.

D-110: Cash-Paid Earnings

If a family member is an employee paid in cash, an Employment/Income Verification Form must be completed by the employer. If the family member has cash earnings and is not an employee, consider the family member self-employed and subject to the provisions in D-109.

D-200: At-Risk Child Care

D-201: Eligibility for At-Risk Child Care

A child is eligible for At-Risk child care if the following conditions are met at initial eligibility determination and at eligibility redetermination:

- The child's family income does not exceed 85 percent of the state median income (SMI).
- Child care is required for the child's parent to work or attend a job training or educational program for a combination of at least an average of 25 hours per week for a single-parent family or 50 hours per week for a two-parent family,

Rule Reference: [§809.50\(a\)](#)

D-201.a: Income and Family Size for Teen Parents

Boards must be aware that a teen parent's family income is based solely on the following:

- The teen parent's income
- The size of the teen parent's family as defined in D-100: Eligibility for Child Care Services

Rule Reference: [§809.50\(f\)](#)

D-202: Calculating Activity Hours

Boards must ensure that work activity hours are verified as part of determining child care service eligibility before child care is authorized at initial eligibility and at the 12-month eligibility redetermination.

Boards must be aware that during the 12-month eligibility period, reductions in work, training, or education participation are not grounds for terminating care unless there is a permanent cessation of work, training or education and three months of continuing care have already been provided.

Rule Reference: [§809.51\(a\)\(2\)\(D\)](#)

Boards must be aware that in the case of two-parent households, any permanent loss of work, training, or education by one parent is regarded as a reduction in hours provided the other parent continues to participate in work, training, or education at any level. As described in §809.51(a)(2)(D), a reduction in work, training, or education hours is considered a temporary change in the ongoing status of the child's parent as working or attending a job training or education program.

D-202.a: Calculating Work Hours

Boards must be aware that to be eligible for CCS, parents must require child care in order to work or attend a job training or educational program for a combination of at least an average of 25 hours per week for a single-parent family or 50 total combined hours per week for a two-parent family, or a higher number of hours per week as established by the Board.

Rule Reference: [§809.50\(a\)\(2\)](#)

Boards must establish procedures for determining average weekly participation hours that take into account the three-month income determination period. Boards must ensure that local procedures for determining average participation hours take into account fluctuations in earnings (which may reflect fluctuations in participation hours) and situations that are outside of a parent's control. Participation hours should be rounded to the nearest whole number.

Examples of situations that are outside of a parent's control include the following:

- An employer that is closed or operates at reduced hours during specific times such as the holidays
- Breaks between semesters or gaps between completion of an education or training program and the availability of certification testing
- Closure of a business or provider of a job training or education program

D-202.b: Calculating Education Hours

Boards must be aware of the following:

- Each credit hour of postsecondary undergraduate education counts as three hours per week.
- Each credit hour of a condensed postsecondary undergraduate education course (that is, summer semester or institutions that offer condensed semesters) counts as six hours per week.
- Teen parents attending high school or the equivalent are considered to be meeting the weekly activity requirements.

Rule Reference: [§809.50\(c\)](#)

D-202.c: Work Hours for Self-Employed Individuals

When self-employed individuals are unable to provide verifiable documentation of work hours but are able to provide verifiable documentation of income, Boards may apply the federal minimum wage to net self-employed income to calculate a self-employed individual's work hours.

Examples of acceptable verifiable documentation of work hours include, but are not limited to, the following:

- Quarterly federal tax returns
- Signed year-to-date profit and loss statements for each business owned
- Business ledgers, records, receipts, check receipts and business statements
- Customer contracts or work orders
- Calendar of work appointments and money earned through these appointments

Participation hours should be rounded to the nearest whole number.

D-202.d: Allowable Reductions in Activity Hours

At initial eligibility determination or redetermination, Boards may reduce work, education and job training activity requirements if a parent's documented medical disability or need to care for

a physically or mentally disabled family member prevents the parent from participating in the activities for the required hours per week.

Rule Reference: [§809.50\(b\)](#)

D-203: Identity Verification for At-Risk Child Care

Boards must be aware that information entered into TWIST for parents, household members and children receiving At-Risk subsidized child care is validated through crossmatch verification between TWC and federal databases.

D-203.a: Identity Verification Data Elements

Boards must be aware of the following:

- Identity information is verified electronically with federal databases through a weekly batch process, with responses provided overnight. The following four data elements are used in the matching process:
 - Social Security Number (SSN)
 - Name
 - Date of Birth
 - Gender
- If all four data elements match, the individual's identity is confirmed as valid. If there are any mismatches, a mismatch report identifies the customers requiring identity verification.
- Mismatches occur for a variety of reasons:
 - Customer had a legal name change, for example, a marriage or divorce.
 - Databases have incorrect information on the customer's date of birth, gender or spelling of name.
 - Customer's SSN, name, date of birth or gender was incorrectly entered into TWIST.
 - Customer is using a falsified SSN.
 - Database mismatches are sent to Boards using encryption software.

D-203.b: Resolving Data Mismatches

Boards must ensure that appropriate staff review the customer's case file and ensure that identity data mismatches (that is, SSN, name, date of birth or gender) are resolved using the following procedures:

- Review the case file documentation containing the four data elements to determine whether a data entry error in TWIST caused the mismatch.
- If the case file review confirms a data entry error occurred, enter the correct data into TWIST.
- If the case file review confirms the data was entered into TWIST correctly, contact the customer in writing and provide the following:
 - Statement that the SSN, name, date of birth or gender information provided by the customer does not match TWC database records
 - Request for the customer to contact appropriate staff by telephone to resolve the mismatch

- Notice that if a response is not received within 15 calendar days, the customer may be subject to fraud fact-finding, and the customer's child care services may be terminated if it is determined that the eligibility determination was based on fraudulent information provided by the customer
- If the customer confirms the data elements in TWIST are correct, request proof through acceptable documentation of the correct data elements.
- If the customer states that the data elements in TWIST are incorrect:
 - Request proof through acceptable documentation of the correct data elements
 - Enter the new data elements into TWIST upon receipt of the documentation

Boards must ensure that appropriate staff accept any of the following documentation for verifying identity:

- US passport*
- State driver's license*
- Government-issued identification (ID) card*
- School ID card*
- US military card or draft record
- Birth certificate
- Military dependent's ID card*
- Native American Tribal document/card (I-872)
- US Coast Guard Merchant Mariner ID card*
- Certificate of Degree of Indian Blood or another US American Indian/Alaskan Native and Tribal document*
- Adoption papers or records
- Employee ID card*
- Signed application for Medicaid—signature of an authorized representative acting on the individual's behalf is acceptable
- Certificate of US citizenship* (N-561)
- Lawful permanent resident card, also known as a green card* (I-551)
- Employment authorization card (I-766) *
- Certificate of birth, issued by a foreign service post (FS-545)
- TANF, SNAP benefits (food stamps), or other related public assistance records
- Foreign passport*
- Form I-94 Arrival/Departure Record
- Travel document card*

*Issued with a photograph

If the customer does not respond to the request for documentation, Boards:

- must ensure that the documentation is requested and submitted by the customer during the 12-month eligibility redetermination process; and
- may initiate fraud fact-finding pursuant to TWC procedures during the 12-month eligibility period or during the 12-month eligibility redetermination period.

Additional information and technical assistance for resolving identity data mismatches is available in [TA Bulletin 249](#), issued April 2, 2013, and titled “Identity Mismatch Verification Report” and the accompanying attachment [Identity Mismatch Verification Report](#) sample.

D-203.c: Reporting Multiple Use of an SSN

If, during the course of an identity data discrepancy review, Boards discover that an SSN is being used by more than one individual or employer, Boards must immediately report this information to TWC’s Office of Investigations and submit an Incident Report (FDCM-32) within five business days. FDCM-32 is available on TWC’s intranet. (The intranet is not available to the public.)

D-300: Choices Child Care

D-301: Eligibility for Choices Child Care

Boards must be aware that a child is eligible for Choices child care if the child's parent is participating in the Choices program at initial eligibility or at eligibility redetermination.

Rule Reference: [§809.45\(a\)](#)

Boards must be aware that a child must continue to be considered eligible and receive Choices child care for 12 months unless the parent ceases to participate in the Choices program and is not engaged in any other work, training, or education activity for three months. If a former Choices participant is working or participating in education or training at any level, the child is considered eligible even when participation in the Choices program has ended.

Rule Reference: [§809.45\(b\)](#)

Boards must be aware that if a Choices customer owes a recoupment for parent share of cost, that recoupment does not affect Choices child care eligibility. However, recoupment must be paid in full before any eligibility redetermination for At-Risk child care services that may occur at the end of a Choices child care eligibility period.

D-301.a: Early Engagement in Choices

Boards must be aware that a parent applying for TANF benefits and participating in Choices early engagement is considered to be participating in Choices and eligible for Choices child care.

D-301.b: Authorization for Choices Child Care Services

Boards may use Form E-2510, Notification of Child Care Eligibility, or a locally modified Form E-2510 when arranging child care services for Choices customers. Initial authorizations for care must include the following information:

- Eligibility start date
- Parent and/or caretaker information
- Information about each child who needs care

Boards must ensure that Choices customers receive the following CCS information:

- The basic rights listed in the TWC Sample Parent Rights form
- A signed Parent Agreement to Report Attendance, which must contain, at a minimum, the following:
 - Information on the attendance standards that the parent agrees to follow
 - Information on the consequences for not meeting the standards (Choices customers are subject to the same attendance standards as At-Risk customers, as described in E-600.)
 - Information on absence reporting
 - Information on selecting a provider
 - Information about developmental screenings and information about child development, which can be found on [Early Childhood Texas](#) and is available to caregivers

D-301.c: Choices Nonparticipation

Boards must be aware that for the purposes of beginning the three-month continuation of care (job search) period, ceasing to participate in the Choices program means that the parent is not meeting the Choices participation requirements and the Choices caseworker has closed the Choices case.

Additionally, the customer must have experienced a permanent cessation of work/training activity. If the customer ceases to participate in Choices but is still in a work or training activity, job search is not required and child care should continue for the duration of the eligibility period.

Boards must ensure that when the Choices case is closed and the customer is not in any work, training or education activity, an Activity Interruption record must be entered on the TWIST Program Detail. The Activity Interruption start date should immediately follow the Choices case closure.

Boards must also be aware that a customer who has been sanctioned but whose Choices case remains open is considered to be in an employment/training activity as long as the Choices case is open.

D-301.d: Notice of Choices Case Closure

Boards may use Form E-2510, Notification of Child Care Eligibility, or a locally developed form to notify child care staff of changes in Choices customer participation. Boards must ensure that Choices staff notifies child care staff when a Choices case closes.

Child care staff must take the following actions upon notice of a closed Choices case by determining whether the customer has ceased participating in all work, training, or education:

- If the former Choices customer is engaged in work, training, or education at any level, then the Board must ensure that Choices child care continues for the duration of the 12-month eligibility period, and no Activity Interruption is entered.
- If the customer is no longer participating in any work, training, or education activity at any level, then the Board child care contractor must enter an Activity Interruption into the TWIST Choices Child Care Program Detail. The Activity Interruption Start Date immediately follows the Choices case closure date.

Board child care contractors must be aware that the Choices program will outreach former Choices customers whose cases were closed for noncompliance. Choices program outreach results in the creation of a new Choices Program Detail in TWIST. However, Choices outreach does not indicate that a customer is participating again. Choices staff will issue a new E-2510 (or other locally developed form) when a Choices customer whose Choices case was previously closed begins participating again.

Boards must be aware that Choices customers may choose to voluntarily withdraw children from child care services.

Note: “Transitional” is no longer an eligibility category for child care services. However, former Choices child care recipients who are within 12 months of exiting TANF will have At-Risk priority status. These individuals may apply for At-Risk child care services without being placed

on the waiting list, if at the time of application, they are within 12 months of exiting TANF. Choices staff notes the eligibility for this priority group on the E-2510 form. Please see the table in D-301.g for more information.

D-301.e: Notice of Choices Case Reopening

Boards must be aware that a customer who was previously in the Choices program may return to the Choices program during the 12-month eligibility period for child care services. Board child care contractors are required to ensure that when a Choices child care customer returns to participating in the Choices program, any open child care Activity Interruption is ended and the current 12-month eligibility period for child care services continues. The Activity Interruption *Return Date* should match the begin date on the Choices E-2510 form.

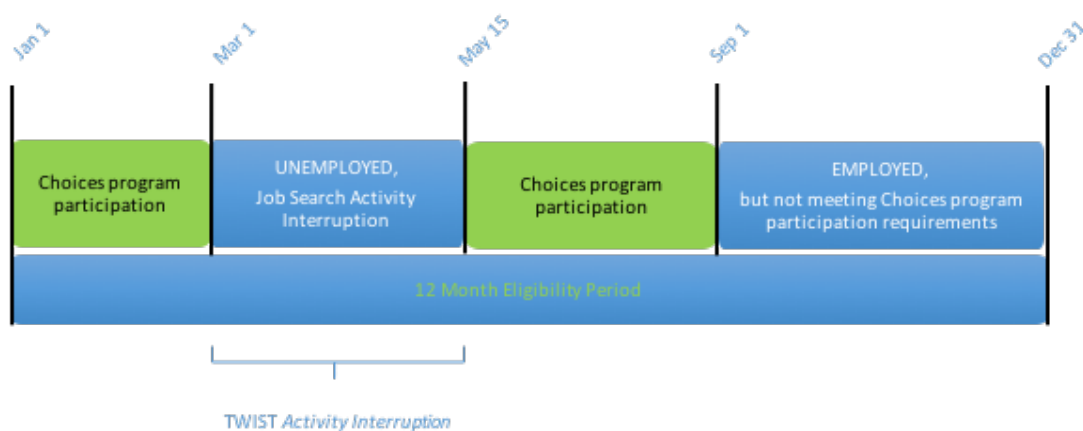
D-301.f: Activity Interruptions for Choices Child Care Customers

Boards must ensure that Activity Interruptions are entered into TWIST only when a Choices case is closed and a customer experiences a **permanent cessation** of any work, training, or education activity.

For customers experiencing a permanent cessation of work, training, or education activity, child care must continue for a minimum of three months or until the scheduled redetermination, whichever is sooner. If the customer enters an activity at any level within the three months, then care must continue for the duration of the 12-month eligibility period.

As described in D-801, Boards must ensure that temporary changes in work, training, or education participation do not affect a customer’s eligibility for child care services.

Figure 1: Example of Choices Participation Starting and Stopping within the Child Care 12-Month Eligibility Period



- **January 1–February 28:** Customer was participating in the Choices program with an open Choices case.
- **March 1–May 14:** Choices case was closed and customer was not in any work or training activity. A TWIST Activity Interruption for Job Search was entered. Customer was informed of three months of continued care to job search or return to an education/training activity.

- **May 15–August 30:** Customer began participating in the Choices program again. TWIST Activity Interruption ended because customer was participating again. Existing 12-month eligibility period continues.
- **September 1:** Choices case was closed due to sanctions. However, the customer was working a few hours per week, so eligibility for child care services was unaffected by the case closure.
- Child care services continue through the end of the 12-month eligibility period (December 31).

D-301.g: Communication between Choices and Child Care Staff

The following table describes the actions that Choices staff may take regarding a Choices participant’s case and the related child care staff actions.

Action	Choices Staff	Child Care Staff
Former Choices participants/Choices case closure occurs during Choices child care 12-month eligibility period	If the former Choices participant is not employed at the time of TANF denial STOP—the individual is not eligible for placement in the At-Risk child care priority group. Choices staff proceeds with a Choices case closure notification.	Child care staff proceeds with appropriate action based on participation status noted on the E-2510 Closure Notification form.
Former Choices participants/Choices case closure occurs during Choices child care 12-month eligibility period	<p>If the former Choices participant is employed (25+hours) and TANF has been denied for one of the following acceptable reasons:</p> <ul style="list-style-type: none"> • Income • TANF voluntary withdrawal • Time limits <p>Choices staff sends an E-2510, Notification of Child Care Eligibility (E-2510) to child care staff with the following additional information, because the participant is eligible for placement in the At-Risk child care priority group:</p> <ul style="list-style-type: none"> • At-Risk Action selected • TANF Denial Date • Program Closure Date 	Child care staff proceeds with appropriate action based on participation status noted on the E-2510 Closure Notification form and enters the 12-month window dates for At-Risk child care priority group eligibility, based on the TANF denial date provided on the Choices closure notice, into TWIST Counselor Notes.

	<ul style="list-style-type: none"> • Comment: Choices staff provides required employment information 	
Provide Choices child care	<p>Choices staff sends an E-2510, to child care staff with the following new information:</p> <ul style="list-style-type: none"> • Eligibility start date • Parent and/or caretaker information • Information about each child who needs care 	<p>Child care staff sets up a 12-month eligibility period for the customer under Choices child care.</p>
Choices case closure	<p>Choices staff sends an E-2510 to child care staff with the following information:</p> <ul style="list-style-type: none"> • Program closure date • Indication as to whether the parent is engaged in any work, training, or educational activity at any level • Date of TANF denial or TANF voluntary withdrawal due to employment or increased earnings (if applicable) or timing out of benefits 	<p>Child care staff determines whether the parent is engaged in any work, training, or education activity at any level.</p> <p>If the parent is not engaged in any work, education, or training activity, child care staff creates an Activity Interruption record in TWIST to track three months of continued care while the parent searches for a job or an education and/or training activity.</p> <p>If the parent is engaged in work, education, and/or training, then care continues for the duration of the eligibility period; no Activity Interruption should be created in TWIST.</p> <p>Staff enters date of TANF denial or voluntary withdrawal into TWIST Counselor Notes or other locally developed system so 12-month tracking may begin for priority group.</p>
Change of address	<p>Choices staff sends an E-2510 to child care staff with the following information:</p> <ul style="list-style-type: none"> • Date of change 	<p>Child care staff updates the customer's information in TWIST.</p>

	<ul style="list-style-type: none"> • Address and indication as to whether it is in another Board area in the Comment field <p>If the address is in another workforce area, Choices staff tells the parent to contact the new workforce area staff immediately to continue care.</p>	<p>If the customer has moved to a new workforce area, child care staff notifies child care staff in the new workforce area that the customer is being transferred.</p>
Add or remove child from care	<p>If the Choices case is open, Choices staff sends an E-2510 to child care staff with the following information:</p> <ul style="list-style-type: none"> • Date of change • Child’s information • Indication as to whether staff is adding or removing the child and the reason for the action <p>If the Choices case is closed, the parent works directly with child care staff to request the addition or removal of the child from care. An E-2510 form is not required.</p>	<p>If the Choices case is open, child care staff adds or removes the child from care per the family’s current eligibility period and the E-2510 received from Choices staff.</p> <p>If the Choices case is closed, child care staff adds or removes the child based on the customer’s request.</p> <p>A new TWIST Program Detail might be required to add a child.</p> <p>Note: The addition to or removal of a child from Choices child care does not change the family’s current Child Care 12-month eligibility period.</p>
Return to Choices from a recent Choices case closure	<p>If the parent participates in Choices child care, Choices staff notifies child care staff that the parent is participating in Choices again. Optionally, Choices staff sends an E-2510 with the following information:</p> <ul style="list-style-type: none"> • Date of change • Indication as to whether the customer is returning to the Choices program in the Comment field. <p>No new child care</p>	<p>Child care staff determines whether the parent is still within a 12-month eligibility period.</p> <p>If the parent is within a 12-month eligibility period, care continues within that eligibility period, and the open Activity Interruption record is ended.</p> <p>If the parent is no longer enrolled in child care, child care staff requests that Choices staff send a new E-2510 to authorize a new 12-month eligibility period.</p>

	<p>eligibility period is needed.</p> <p>If the number of children requiring care has changed, Choices staff refers to “Add or remove child from care” for further instructions.</p> <p>If the parent is not currently in Choices child care or if Choices child care was terminated, Choices staff sends an E-2510 to child care staff with the following information:</p> <ul style="list-style-type: none"> • Date of change • List of children, confirming that the same children on the TANF case are receiving care <p>Choices staff discusses discrepancies regarding children with the parent. See “Add or remove child from care” for further instructions.</p>	<p>If changes in the status occur with respect to the children requiring care, child care staff refers to “Add or remove child from care” for further instructions.</p>
<p>Discontinue care immediately</p>	<p>Choices staff sends an E-2510 with the following information:</p> <ul style="list-style-type: none"> • Discontinue date • Reason for discontinuing: Moved out of state or voluntary withdrawal from Child Care 	<p>Child care staff ends care immediately, terminating Program Detail with Termination Reason 151– Voluntarily Withdrew.</p>
<p>Parent/caregiver is determined eligible for At-Risk child care at end of Choices child care 12-month eligibility period</p>	<p>No Action</p>	<p>Child care staff proceeds with eligibility process for At-Risk child care determination.</p> <p>Child care staff includes 12-month eligibility window dates for At-Risk child care priority in TWIST Counselor Notes, if applicable.</p>

<p>Parent/caregiver is determined ineligible for At-Risk care at end of Choices child care 12-month eligibility period</p>	<p>No Action</p>	<p>Child care staff checks to see if parent/caregiver is eligible for placement in the At-Risk priority group and if there is still time available in the 12-month eligibility window.</p> <p>If time is available, child care staff notifies parent/caregiver of the At-Risk priority time frame (12-month eligibility window dates) and explains that the time frame allows the parent/caregiver to bypass the waiting list process if parent/caregiver begins meeting At-Risk eligibility before the time frame expires; child care staff then continues with the normal denial process.</p> <p>If time is not available, the normal denial process is followed.</p>
<p>Former Choices parent/caregiver applies for child care services</p>	<p>No Action</p>	<p>Child care staff checks to see if parent/caregiver falls into the At-Risk priority group based on dates of TANF denial or withdrawal:</p> <p>If parent/caregiver is within the dates of the At-Risk child care priority group 12-month eligibility window, the waiting list is bypassed and the eligibility process is started.</p> <p>If parent/caregiver is outside the dates of the At-Risk child care priority group 12-month eligibility window, parent/caregiver is assessed for waiting list eligibility based on information provided and, if eligible, added to waiting list.</p>

D-302: In Loco Parentis for Choices Child Care

Boards must be aware that HHSC determines caretaker status—including individuals standing in loco parentis—for children of Choices participants receiving TANF. Therefore, Choices participants are assumed to meet the definition of a parent, including the requirements for individuals standing in loco parentis, for each child listed on their TANF grant.

If a Choices participant requests child care for a child not listed on the TANF grant, the Board must ensure that the Choices participant meets the in loco parentis documentation requirements for that child described in the table in D-105.c prior to authorizing Choices child care.

If the Board determines that the Choices participant is not standing in loco parentis for the child, the Board must ensure that good cause is not granted based on the participant's inability to obtain child care for the child.

D-400: TANF Applicant Child Care

D-401: Eligibility for TANF Applicant Child Care

Boards must be aware that a child is eligible for TANF Applicant child care if the child's parent meets the following conditions:

- Receives a referral from HHSC to attend a Workforce Orientation for Applicants (WOA)
- Locates employment or has increased earnings prior to TANF certification
- Needs child care to accept or retain employment

Rule Reference: [§809.46\(a\)](#)

Boards must be aware that to be initially eligible for TANF Applicant child care, a child's parent must be working in, and not have voluntarily terminated, paid employment of at least 25 hours a week within 30 days prior to receiving the referral from HHSC to attend a WOA, unless the voluntary termination was for good cause connected with the parent's work.

Rule Reference: [§809.46\(b\)](#)

D-401.a: Authorization for TANF Applicant Child Care Services

Boards must ensure that initial authorizations for TANF Applicant child care include the following information:

- Eligibility start date
- Parent and/or caretaker information
- Information about each child who needs care

D-401.b: Activity Interruptions for TANF Applicant Child Care

Boards must be aware that the requirement to work a minimum of 25 hours per week is only applicable at time of initial eligibility determination for TANF Applicant child care. Reductions in work hours that fall below 25 hours per week during the 12-month eligibility period constitute temporary changes in work, training or education participation and do not affect ongoing eligibility for child care services.

Boards must ensure that an Activity Interruption is entered into TWIST when a customer experiences a **permanent cessation** of work, training, or education. Child care must continue for three months or until the next scheduled eligibility redetermination if sooner. If the customer returns to any work, training, or education activity at any level, child care must continue for the duration of the customer's 12-month eligibility period.

As described in D-801, Boards must ensure that **temporary** changes in work, training, or education participation do not affect a customer's eligibility for child care services.

D-500: SNAP E&T Child Care

Boards must be aware that a child is eligible to receive SNAP Employment and Training (E&T) child care services if the child's parent is participating in SNAP E&T services at the time of initial eligibility determination or at eligibility redetermination, in accordance with the provisions of 7 CFR Part 273.

Rule Reference: [§809.47](#)

Boards must be aware that a child continues to be eligible and must receive care for 12 months regardless of whether the parent continues to participate in the SNAP E&T program.

Rule Reference: [§809.51](#)

D-501: Activity Interruptions for SNAP E&T Customers

For customers who experience a permanent cessation of work, training, or education activity, child care must continue for a minimum of three months or until the scheduled redetermination, whichever is sooner. If the customer enters an activity at any level within the three months, then child care must continue for the duration of the 12-month eligibility period.

As described in D-801, Boards must ensure that **temporary** changes in work, training, or education participation do not affect a customer's eligibility for child care services.

D-600: Child Care for Children Experiencing Homelessness

This section describes eligibility requirements and determination for children who are experiencing homelessness, as required by [§809.52](#).

D-601: Child Care Eligibility for Children Experiencing Homelessness

For a child experiencing homelessness, as defined in the McKinney-Vento Act definition of homelessness (see A-100 and D-601.a), the Board must ensure that the child is initially enrolled for a period of three months.

Boards must ensure the following:

- If, during the three-month initial enrollment period, the parent of a child experiencing homelessness is unable to provide documentation verifying that the child’s age and citizenship or legal immigration status meet the requirements described in D-101, child care is discontinued following the three-month enrollment period.
- If, during the three-month initial enrollment period, the parent of a child experiencing homelessness provides documentation of participation at any level in work, training, or education, child care continues through the end of the 12-month initial eligibility period, inclusive of the three-month initial enrollment period.

Rule Reference: [§809.52](#)

Boards must be aware that if a family experiencing homelessness owes a recoupment to a Board, the family is not eligible for child care services until the recoupment is repaid in full.

Rule Reference: [§809.117](#)

Note: There is no time limit on how long a family can qualify for child care services if the family continues to meet the definition of homelessness at the time of eligibility redetermination.

D-601.a: McKinney-Vento Definition of Homelessness

Boards must be aware that Subtitle VII-B of the McKinney-Vento Act defines homeless children as “individuals who lack a fixed, regular, and adequate nighttime residence.”

The definition includes:

- Children and youths sharing the housing of other individuals due to loss of housing, economic hardship, or a similar reason; living in motels, hotels, trailer parks or camping grounds due to the lack of alternative adequate accommodations; living in emergency or transitional shelters; abandoned in hospitals; or awaiting foster care placement
- Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings
- Children and youths living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations or similar settings
- Migratory children who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in this section

Law Reference: [McKinney-Vento Homeless Education Assistance Improvements Act of 2001, §725](#)

D-601.b: Documenting Eligibility under the McKinney-Vento Act

Boards must be aware that the following documentation is acceptable for verifying homelessness under the McKinney-Vento Act:

- Written, electronic, or telephone verification from other agencies that have served the child or family and identified the child as experiencing homelessness (for example, local school district, homeless shelter, community-based and faith-based organizations that serve homeless families, other governmental and human services programs).
- Referral or documentation from other workforce program under WIOA.
- Completion of the Residency Information Form or similar Board-developed form.

Note: Boards must be aware that a parent’s self-attestation is sufficient for completing the Residency Information Form.

If a waiting list exists, Boards must have procedures for initial screening of families for homelessness. Families are not required to document their homelessness status until time of enrollment in child care services.

Boards must ensure that if a child on the waiting list no longer meets the definition of homelessness at the time of a wait-list pull, the child’s priority for services is updated accordingly. The child may be placed back on the waiting list based on the original waiting list application date.

D-601.c: Family Income Eligibility for Children Experiencing Homelessness

Boards must be aware that families with children meeting the definition of “experiencing homelessness” are not required to submit income eligibility documentation for initial eligibility or during the 12-month eligibility period, if determined eligible for continued care as described in D-601.

D-601.d: Initial Activity for Parents with Children Experiencing Homelessness

Boards must be aware that parents with children meeting the definition of “experiencing homelessness” are not required to demonstrate participation in work or training during the initial three months of eligibility for child care services.

D-601.e: Costs Associated with Child Care Services during the Initial Eligibility for Children Experiencing Homelessness

Boards must be aware that if a child experiencing homelessness, for whom care was initially authorized, is subsequently determined to be ineligible, the services provided before such determination will not be considered an improper payment.

D-601.f: Tracking Initial Eligibility for Children Experiencing Homelessness

Boards must ensure that Workforce Solutions Office staff uses TWIST to track each customer’s three-month window for providing documentation of eligibility for continuing services. When

child care is provided based on an initial eligibility determination, staff must enter an Activity Interruption into TWIST Program Detail.

Boards must be aware that families experiencing homelessness may provide complete documentation of eligibility at time of enrollment. In these instances, there is no requirement to track the initial three months of care, and Board contractor staff must not enter an Activity Interruption into TWIST.

D-602: Continuing Eligibility for Children Experiencing Homelessness

Boards must ensure that a child's general eligibility regarding age; citizenship or legal immigration status; and the parent's participation in work, training, or education activities at any level is verified and documented by the end of the initial three months of child care in order for care to continue. When eligibility is fully established and documented within three months of the initial eligibility determination, child care services must continue for the duration of 12 months starting from the initial eligibility determination date.

Boards must ensure that verification of the parents' participation in work, training, or education at any level is a requirement for child care to continue after the initial eligibility period.

Rule Reference: [§809.52](#)

Boards must be aware that families experiencing homelessness are considered income eligible based on their homeless status, regardless of actual income. In the event a family determined to be experiencing homelessness reports income, calculation and verification of income must not be conducted (see A-100).

D-603: Parent Share of Cost for Children Experiencing Homelessness

Boards must ensure that when eligibility is determined based on a child experiencing homelessness, no parent fee is assessed for the duration of the 12-month eligibility period.

D-700: Child Care for Children in Protective Services

This section describes eligibility requirements and determinations for children authorized and funded by DFPS CPS.

D-701: General Requirements

Boards must ensure the following:

- Determinations of eligibility for children in protective services are performed by DFPS CPS.
- Child care continues as long as authorized and funded by DFPS.
- DFPS requests for specific eligible providers for children in protective services must be implemented, including for children of foster parents when the foster parent is the owner, director, assistant director, or other individual with an ownership interest in the provider.

Boards must be aware that DFPS may authorize child care for a child under court supervision up to age 19.

Rule Reference: [§809.49](#)

Boards must be aware that children receiving child care under DFPS General Protective services are subject to the 12-month eligibility requirement. When DFPS General Protective services end prior to 12 months of services, the Board must ensure that the child is eligible for Board-funded Former DFPS child care for the duration of the 12-month eligibility period.

D-702: In Loco Parentis for CPS Child Care

Boards must be aware that individuals for whom child care is authorized by DFPS CPS are assumed to meet the requirements for individuals standing in loco parentis.

D-703: Priority for Children in Protective Services

Boards must be aware that §809.43(a)(2), detailed in B-402, establishes a second priority group for child care subject to the availability of funds and includes children whose care is funded by DFPS and who need to receive protective services child care as referenced in D-700.

Note: As described in B-402, “Subject to the availability of funds” refers to the availability of DFPS funds.

Boards must be aware that if child care is not funded by DFPS, then the child care is not included in the second priority group described in B-402.

However, Boards may include children in protective services whose child care is not funded by DFPS in the Board-designated third priority group established by §809.43(a)(3), as detailed in B-403.

D-704: Authorizations of Care for Children in Protective Services

Boards must be aware that DFPS has requested that Boards do not process child care payments for children with open DFPS cases without a properly authorized DFPS Form 2054 (Service Authorization). DFPS has requested that Boards inform child care providers not to provide child

care services to any child until they receive an approved child care authorization form from a Board's child care contractor.

Boards must be aware that DFPS will not authorize a backdated Form 2054, and verbal authorizations by CPS are not allowed.

Therefore, for children in care without a properly authorized Form 2054, Boards must ensure that payment is not approved and that providers are not reimbursed for services provided before appropriate staff receives an approved Form 2054 from the Board's child care contractor.

Boards also must be aware that child care services provided without an approved Form 2054 will not be paid.

Note: Form 2054 is approved electronically through the DFPS IMPACT system and is valid without a signature.

Within three business days from receipt of a completed DFPS authorization for child care services, Boards must ensure that the child care contractor does one of the following:

- Completes the authorization request, including all data entry
- Contacts the DFPS regional day care coordinator (RDCC) with information regarding any delays in completing the authorization and, if applicable, requests assistance from the RDCC in completing the authorization request
- Enters TWIST Counselor Notes explaining any delays that prevent local staff from meeting the three-business-days deadline for authorizing child care, as follows:
 - Form 2054 is prefilled by the DFPS IMPACT system, which may prevent some corrections or updates from being completed by an RDCC. If information in TWIST does not exactly match information on Form 2054, staff must email the RDCC with the discrepancies and carefully case-note the issue but proceed with child care services.
 - If a caregiver states that information provided by DFPS is incorrect, staff must instruct the caregiver to contact DFPS for any changes or updates and that CCS may not change information provided by DFPS until DFPS notifies local staff.
 - Staff notifies the caregiver that child care services are available and enters an appropriate TWIST Counselor Note of the outcome of the notification

Note: All email communication from DFPS or an RDCC must be maintained by local staff.

TWIST

Boards must ensure that authorizations for DFPS child care services entered into TWIST reflect exactly the following Form 2054 information:

- Authorization Begin, End, or Termination dates
- DFPS Referral Type Code as follows:
 - 1 for DFPS General Protective
 - 2 for DFPS Foster Care IV-E
 - 3 for DFPS Foster Care Not IV-E
 - 4 for DFPS Reltv/Other Caregvr
- Child's First Name and Last Name (do not include a suffix, for example, Jr. or II)

- Child’s Date of Birth
- Child’s SSN, if available
- Child’s Personal Identification Number
- Case Owner’s First Name and Last Name
- Case Owner’s SSN, if available

Missing or Incorrect Information on DFPS Form 2054 Authorizations

Boards must be aware that DFPS RDCCs will assist with correcting authorization information that is missing or incorrect. Boards must be aware of the following:

- If the RDCC provides **updated** information via an email and directs the Board to update the authorization, the Board may use the updated information to complete the authorization request without receiving an updated Form 2054. Email notices are sufficient.
- Any updated information provided by the RDCC via email that does not match the original Form 2054 must be clearly documented in TWIST Counselor Notes. If the updated Form 2054 is received, the receipt must also be documented in TWIST Counselor Notes.
- If there are any delays in processing DFPS authorizations that cannot be corrected by the RDCC, it is recommended that Boards contact TWC for further guidance and assistance.

D-704.a: Required Information for DFPS Customers

Boards must ensure that DFPS customers receive the following child care services information:

- The Parent Rights listed in the TWC Sample Parent Rights form
- A DFPS Parent Agreement to Report Attendance (signature not required for DFPS customers), which must contain, at a minimum, the following:
 - Restatement of the attendance standards that were provided to the parent by DFPS that the parent agrees to follow
 - Information on the importance of a child’s regular attendance, including information explaining the consequences for failure to comply with attendance requirements and stating that those consequences are at the sole discretion of DFPS
 - Information about quality child care
 - Information about developmental screenings and information about child development can be found on [Early Childhood Texas](#) and is available to caregivers

Boards must be aware that DFPS is the entity responsible for any consequences for failure to adhere to child attendance requirements.

D-705: CPS Child Care Early Terminations Reports

Boards must ensure that child care contractors take the following actions:

- Establish a distribution list under a single email address (for example, “CPSauthorizations@wfsolutions.com”) to be used only for receipt of the daily Early Terminations Report (ETR)

- Include on the email distribution list child care contractor staff responsible for ensuring timely termination of DFPS-funded child care services
- Give the email address to the Board’s assigned DFPS RDCC

Boards must ensure that the child care contractor informs the RDCC within 48 hours of any change in the email address.

Boards must be aware that DFPS will send a password-protected email containing the ETR to the email addresses established by Board child care contractors.

If a child care contractor does not receive the ETR by 11:00 a.m., it is recommended that Boards have contractors contact the RDCC regarding the status of the report.

Boards must be aware that the ETR lists new termination dates as the “New Term Date.”

Boards must ensure that on receipt of the ETR, child care contractors end the DFPS-funded child care services on the New Term Date or within two business days of receipt of the report, as follows:

- If the New Term Date is later than the second business day after receipt of the report, then services must end on the New Term Date.

Example: If the report is received on Wednesday and the New Term Date is for the following Monday, services must end on that Monday.

- If the New Term Date is within two business days of receipt of the report, services must end no later than the second business day following receipt of the report.

Example: If the report is received on Wednesday and the New Term Date is effective the next day, Thursday, services must end no later than Friday.

- If the New Term Date is prior to receipt of the report, services must end within two business days of receiving the report.

Example: If the report is received on Wednesday and the New Term Date was effective the previous Monday, services must end no later than Friday.

The following standard reasons for early terminations will appear in the comments section of the ETR. Boards must ensure that staff take the appropriate action for each General Protective (GP) early termination:

Early Termination Comment	Child Care Staff Actions
Case Open, Voluntary Withdrawal	Terminate child care services
Case Open, Caregiver Change	Terminate child care services under previous GP caregiver Open new GP child care services under new caregiver

Case Open, Pending Provider Change	End referral at current provider Keep case and TWIST Program Detail open pending new provider information
Case Closed, Move to Former	Terminate child care services under GP Open new child care services under Former DFPS
Case Closed, Move to General Protective	Terminate child care services under current DFPS case Open new child care services under GP
Case Closed, Move to Foster	Terminate child care services under current DFPS case Open new child care services under Foster Care
Case Closed, Move to Kinship	Terminate child care services under current DFPS case Open new child care services under Kinship Care
Case Closed, Caregiver Change	Reach out to new caregiver to determine if caregiver wants care to continue
Case Closed, Voluntary Withdrawal	End referral(s) and terminate child care
Case Closed, Child Returned Home	Reach out to parent to determine if parent wants care to continue
Case Closed, Child Placed with Relative	Reach out to relative to determine if relative wants care to continue
Case Closed, Child Adopted	Reach out to adoptive parent to determine if parent wants care to continue

DFPS has instructed all RDCC staff to send an email notification of any early terminations that will appear on the ETR. The email will include the updated DFPS Form 2054 authorization that reflects the new termination date. Child care staff must use this notification to start the termination process pending the child appearing on the ETR. If the child does not appear on the ETR, the updated DFPS Form 2054 authorization with the new termination date is still valid, and child care staff must notify the RDCC that the child did not appear on the ETR. A TWIST Counselor Note must be entered when these situations occur.

D-706: Eligibility Redetermination for Children in Texas Department of Family and Protective Services–Initiated Care

Boards must be aware that at the end of the DFPS eligibility period, caregivers whose children were receiving care through DFPS must receive ongoing child care services as follows:

General Protective Care

Boards must be aware that for General Protective services terminated before completion of the DFPS authorization date (early termination), care must be continued under the original eligibility determination with no parent share of cost and no work/training requirements.

The ETR includes a comments field where DFPS case workers may indicate the reason for the early termination. Boards must coordinate with local DFPS offices to understand the reason for General Protective services being terminated early and must assist the caregiver or family to continue child care services if desired.

If a child is not attending child care, the Board must ensure that staff performs due diligence to contact the current caregiver and offer continuing services or determine if there is a voluntary withdrawal from child care services.

The Board must ensure that if staff is unable to reach the current caregiver after repeated and concerted efforts to make contact, and if the child continues to not attend care for 30 calendar days, the caregiver is regarded as voluntarily withdrawing his or her child. The child’s referral for care must be ended, but the child’s eligibility and TWIST Program Detail must remain open for the duration of the 12-month period.

Foster Care, Relative/Other DFPS Care, and Former DFPS Care

Boards must be aware that at the end of the DFPS eligibility period, caregivers whose children were receiving care through DFPS must be determined eligible for continued CCS under At-Risk child care and must not be placed on the waiting list.

Boards also must be aware that for foster and relative care cases, if DFPS does not provide sufficient notice of termination for completion of a timely At-Risk eligibility determination, there may be a gap in care after DFPS-funded care ends and before At-Risk child care begins (if case determined eligible).

Boards are encouraged to develop procedures to mitigate any gap in child care services that may occur in DFPS child care cases for which an early termination or a continuance has not been received within 45 days (or within a locally decided time frame) of the end date of the current eligibility period.

DFPS Care Type	Child Care Action
General Protective—care ended before 12 months	Place child in Former DFPS care for remainder of 12-month period, as described in D-705
General Protective—full 12 months of care received	Determine eligibility for At-Risk child care

Foster Care terminated/2054 Expired	Determine eligibility for At-Risk child care
Relative/Other DFPS care terminated/2054 Expired	Determine eligibility for At-Risk child care
Former DFPS—12-month eligibility period ended	Determine eligibility for At-Risk child care

Boards must be aware that because each child served by DFPS is regarded as a “family of one” for tracking and federal reporting purposes, a minimum of 12 months of care must be provided for each child. Therefore, if a caregiver has more than one child receiving Former DFPS care with different eligibility dates, a family-based eligibility determination under At-Risk should not occur before all Former DFPS children in care have received a full 12 months of services.

D-800 Child Care during Interruptions in Work, Education, or Job Training

Boards must be aware that except for a child experiencing homelessness and for child care during job search, if a child met all applicable eligibility requirements for CCS on the date of the most recent eligibility determination or redetermination, the child is considered eligible and will receive services during the 12-month eligibility period, regardless of any of the following:

- Changes in family income, if the family income does not exceed 85 percent of the state median income (SMI) for a family of the same size
- Temporary changes in the ongoing status of the child's parent as working or attending a job training or education program (as described below in D-801)

Rule Reference: [§809.51\(a\)](#)

D-801: Temporary Changes in Work, Education, or Job Training

Boards must be aware that temporary changes in the ongoing status of a child's parent as working or attending a job training or education program include, at a minimum, any:

- Time-limited absence from work for an employed parent for periods of family leave (including parental leave) or sick leave
- Interruption in work for a seasonal worker who is not working between regular industry work seasons
- Student holiday or break for a parent participating in training or education
- Reduction in work, training, or education hours, as long as the parent is still working or attending a training or education program
- Other cessation of work or attendance in training or in an education program that does not exceed three months
- Change in age, including turning 13 years old during the eligibility period (or 19 years if disabled)
- Change in residency within the state

Rule Reference: [§809.51\(a\)\(2\)](#)

Boards must be aware that parents are only required to report information that affects a family's eligibility or that enables the Board or contractor to contact the family or pay the provider.

Rule Reference: [§809.73\(a\)](#)

With the exception of a change in residency, parents are not required to report the above listed temporary changes in work, training, or education.

Note: Three months of continued care for job search only applies to the permanent cessation of work, education, or training. For temporary interruptions, such as medical leave or seasonal breaks, care continues for the duration of the eligibility period with no TWIST Activity Interruption entered.

Boards must ensure that when a customer reports a temporary change, Workforce Solutions Office staff updates TWIST Intake-Common and enters the information into TWIST Counselor Notes. However, temporary changes must **not** be entered into the Activity Interruption tab of the TWIST Program Detail. Activity Interruptions must be entered only when the customer has a permanent cessation of work, education or training activity, as described in D-807.

Boards should use the Unemployment Insurance Early Warning report as a tool to help identify caregivers who have become unemployed and refer them to workforce services.

D-802: Termination of Services for Permanent Cessation of Work, Education, or Job Training (Activity Interruptions)

Boards must be aware that with the exception of Former DFPS cases as described in D-902 and children experiencing homelessness who are receiving the initial three months of care as described in D-600, a permanent cessation of work, education, or training must be cause for termination of care.

However, before terminating child care for a non-temporary cessation of activity, Boards must ensure that child care continues for a minimum of three months or up until the scheduled redetermination if sooner, to allow the parent to resume participation in an activity.

Rule Reference: [§809.51\(b\)](#)

Boards must be aware that, the parent must receive written notification at least 15 calendar days prior to any termination of child care services.

Rule Reference: [§809.71](#)

Boards must also be aware that unreported changes may be cause for not redetermining eligibility at the 12-month eligibility determination.

D-802.a: Unreported Cessation of Work, Education, or Job Training

Boards must be aware that if a parent fails to report a cessation of work, education, or job training but the discovery is made after the parent has already resumed participation in work, education or job training, then care should continue.

If parent does not report a permanent cessation of work, education, or training that has already exceeded three months and the Board contractor discovers that one has occurred, care must be terminated with proper notice to the parent. Prior to making a determination to end care, however, the Board contractor must verify that the parent has not resumed participation in any activity at any level.

In either case, unreported interruptions in participation exceeding three months are subject to fraud fact-finding.

D-803: Resumption of Activities during the Three-Month Continuation of Care Period

If a parent resumes participation at any level in work, education, or job training, Boards must ensure that child care continues for the remainder of the 12-month period at the same or greater level, depending on any increase in the activity hours of the parent.

Rule Reference: [§809.51\(c\)](#)

D-804: Parent Share of Cost on Resumption of Activities

On the resumption of participation at any level in any allowable activity, Boards must ensure that the parent share of cost is not increased above the initially assessed amount for the remainder of the 12-month eligibility period, including for parents who are exempt from the parent share of cost as described in B-604.

Rule Reference: [§809.51\(c\)](#)

D-805: Required Verification on Resumption of Activities

Boards must ensure that, on the resumption of participation, the child care contractor, in accordance with local procedures, verifies and documents only the following:

- The family income does not exceed 85 percent of SMI
- Resumption of work or attendance at a job training or education program with participation at any level

Rule Reference: [§809.51\(c\)](#)

D-806: Suspensions of Child Care

Boards must be aware that suspensions of child care services during interruptions in parent's work, training, or education status is allowable only at the parent's concurrence.

Rule Reference: [§809.51\(d\)](#)

Boards may have a procedure that requires a minimum number of weeks that a parent may request suspensions. For example, a Board may require that suspensions be at least two weeks in duration.

Boards must be aware that parents whose care is suspended are still required to report permanent loss of work or cessation of education or training, as well as changes that may result in the family exceeding 85 percent of SMI.

Rule Reference: [§809.73\(b\)](#)

Note: A parent may request a suspension of child care at any time during a 12-month eligibility period.

D-807: At-Risk Activity Interruptions—Tracking Non-Temporary Cessation of Activities

Boards must ensure that, with the exception of Former DFPS cases, permanent cessation of work, training, or education activities is reported in the TWIST Program Detail Activity

Interruptions tab in order to ensure that three months of continued care are provided while a parent attempts to get back into work, education or training.

Boards must ensure that contractor staff records an interruption in work, education, or training when the parent reports the change. The Activity Interruption start date must immediately follow the last day of participation in work, training, or education, as reported by the parent, and child care must continue for a minimum of three months or until the scheduled redetermination, whichever is sooner. Boards must be aware that verbal notification from the parent is allowable.

Boards must be aware that there is no limit placed on the number of three-month continued child care periods that a customer may receive within a 12-month eligibility period.

D-808: Permanent Cessation of Activities in Two-Parent Households

Boards must be aware that in two-parent households, a permanent cessation of activity is defined as **both** parents experiencing a concurrent loss of work, education or job training. Provided one parent is still engaged in an activity, the family must be regarded as experiencing a reduction in hours, which is defined as a temporary change and does not affect a child's 12-month eligibility (as described in D-801).

D-809: Child Care after a Permanent Change in Caregiver

In some instances, a child's caregiver may permanently change, such as in the event of a parent's death or a parent's incarceration that will last longer than three months. Boards must be aware that the child's eligibility and care must continue during the 12-month period if the new caregiver meets both of the following conditions:

- Family income is below 85 percent of SMI
- Caregiver is participating in work, education or training at any level
- If necessary, a three-month Activity Interruption may be used to allow a new caregiver time to verify income and participation requirements.
- Once all documentation is received to confirm the caregiver has met eligibility, a new Program Detail must be opened under the new caregiver for the remainder of the 12-month period.

D-900: Continuity of Care

D-901: General Information

Boards must be aware of the following continuity of care provisions from the TWC Child Care Services rules:

- Enrolled children must receive child care through the end of the applicable 12-month eligibility period
- Except as provided by D-901.below and §809.75(b) as detailed in E-500, relating to child care during appeal, nothing in this section can be interpreted in a manner that results in a child being removed from care

Rule Reference: [§809.54\(a\)-\(b\)](#)

D-901.a: Reasons for Terminating Care within a 12-Month Eligibility Period

Boards must be aware that child care may be terminated during the 12-month eligibility period only for one of the following reasons:

- Family income exceeds 85 percent of state median income (SMI), taking into consideration irregular fluctuations in income as described in D-107
- Three months of continuing care has been provided to a family in which the parents have experienced a non-temporary cessation in work, education, or training and have not resumed work, education, or training within the three months
- Three months of initial care was provided to a family experiencing homelessness, but eligibility could not be verified by the end of the three months
- Eligibility was determined based on fraud
- At the parent's request (voluntary withdrawal)
- An out-of-state move
- Failure to pay the parent share of cost (intentional program violation)
- Accruing excessive unexplained absences (more than 40)
- Failure to meet activity requirements during the initial three-month eligibility period for child care for children experiencing homelessness (D-601)
- Failure to meet activity requirements during the initial three-month job search period. (D-1008)

Boards must ensure that a child's care is not terminated during the 12-month eligibility period due to lack of funds or due to staff error.

Boards must ensure that sufficient documentation is available to support a termination of a child's care for excessive absences. This must include, but is not limited to, proof of documented notifications provided to the parent and provider that the child has 15 or more general absences and again when the child has 30 or more general absences. All communication and documentation sent must be noted in TWIST Counselor Notes.

Boards must also ensure that a parent is notified when he or she is subject to a waiting period for reapplication for child care services when care has been terminated because of a program violation.

D-902: Continuity of Care for Children in Protective Services

Boards must be aware that for closed DFPS General Protective Services cases in which child care is no longer funded by DFPS, child care is required to continue as Former DFPS child care through the end of the 12-month eligibility period using TWC-allocated funds.

Rule Reference: [§809.54\(c\)](#)

Boards must be aware that for DFPS foster and relative care, TWC is not required to fund child care for a 12-month period. However, for DFPS foster and relative care that is terminated by DFPS, if the caregiver needs child care to continue and he or she meets At-Risk eligibility requirements, care must continue under At-Risk. If DFPS does not provide notice of termination early enough to determine eligibility for At-Risk child care, there may be a gap in care between DFPS-funded care ending and At-Risk care beginning, but the child must not be placed on the Board's waiting list.

D-902.a: Eligibility Redetermination for Children in Former Protective Services

Boards must ensure that at the end of the eligibility period for Former DFPS child care, eligibility redetermination is conducted for continued care if the family in which the child resides meets eligibility for At-Risk child care.

Boards must send a redetermination packet for At-Risk child care within 45 days (or within a locally developed time frame) of the end date of the current Former DFPS eligibility period to avoid a gap in care. Boards must be aware that because each child served by DFPS is regarded as a "family of one" for tracking and federal reporting purposes, a minimum of 12 months of care must be provided for each child. Therefore, if a caregiver has more than one child receiving Former DFPS care with different eligibility dates, a family-based eligibility determination under At-Risk should not occur before all Former DFPS children in care have received a full 12 months of services.

D-903: Continuity of Care for Children of Parents in Military Deployment

Boards must ensure that pursuant to TWC rule §809.54(d) no children of military parents in military deployment have a disruption of child care services or eligibility because of the military deployment. Boards must be aware that the requirements of TWC rule §809.54(d) apply across local workforce development areas (workforce areas).

If an enrolled child is receiving child care in one workforce area and moves to another workforce area to live with guardians while the parent is in military deployment, Boards must ensure the continuity of care across workforce areas.

Boards in the workforce area in which the child care is ending must notify the parent, guardians and the workforce area to which the child is moving that the continuity of care requirements of §809.54(d) apply to the child.

Boards in the workforce area in which the child will be residing must accept the transfer of the child to ensure compliance with TWC rule §809.54(d).

Rule Reference: [§809.54\(d\)](#)

D-904: Continuity of Care for Court-Ordered Custody or Visitation

Boards must ensure that a child who is required by a court-ordered custody or visitation arrangement to leave a provider's care is permitted to continue receiving child care by the same provider, or another provider if agreed to by the parent in advance of the leave, upon return from the court-ordered custody or visitation arrangement.

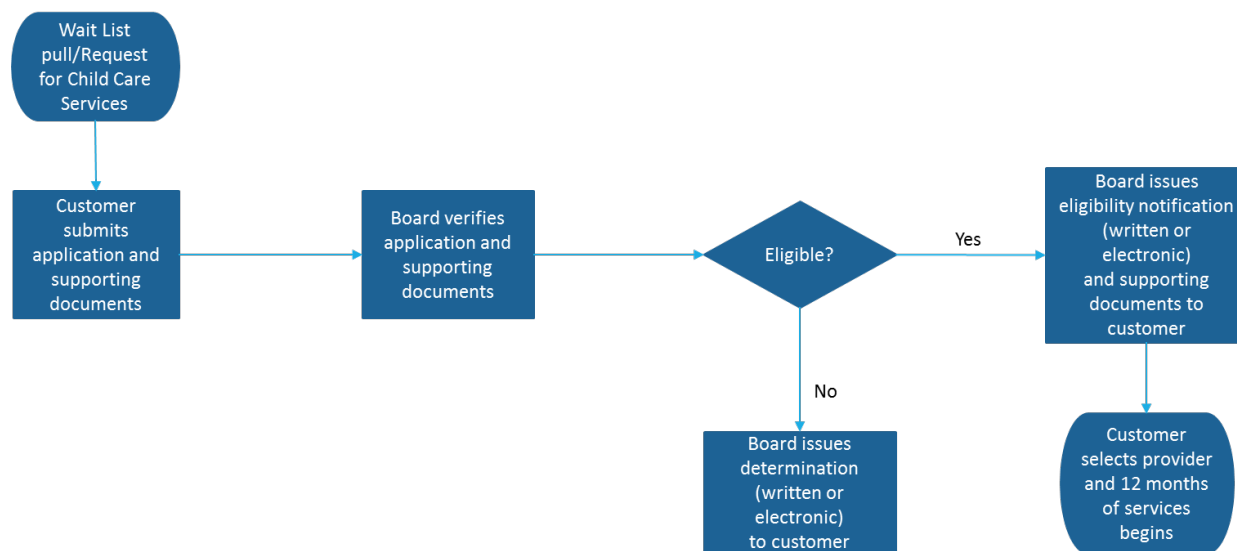
Rule Reference: [§809.54](#)

D-1000: Processes for Determining Eligibility

With the exception of children experiencing homelessness, a Board must ensure that its child care contractor verifies all eligibility requirements for child care services before authorizing child care.

Rule Reference: [§809.42\(a\)](#)

Figure 2: Eligibility Determination Process



Eligibility Determination Process (as depicted above):

- 1) Wait List pull/Request for Child Care Services
- 2) Customer submits application and supporting documents
- 3) Board verifies application and supporting documents
- 4) Board verifies the customer's eligibility and takes the following actions:
 - a) If not eligible, Board issues (written or electronic) determination to customer and ends the process.
 - b) If eligible, Board issues (written or electronic) eligibility notification and supporting documents to customer.
- 5) Customer selects provider and 12 months of services begins; end process

D-1001: Waiting List Applications

Boards must have a policy for determining potential eligibility and placing customers on a waiting list. Eligibility screenings conducted for the purpose of adding a customer to a waiting list may be based on customer self-attestation.

Rule Reference: [§809.13\(c\)\(2\)](#)

Waiting list requests based on the customer's self-attestation for potential eligibility for child care services are not subject to appeal by the parent.

Boards must ensure that when funds become available, customers are invited to submit a full eligibility application and are provided the minimum information required as part of the application for child care services as described in D-1001.

Boards must ensure that a family is not placed on the waiting list if the family has not satisfied the 60-calendar day waiting period required if previous child care services were terminated for nonpayment of the parent share of cost.

Boards must ensure that a child is not placed on the waiting list if the child has not satisfied the 60-calendar day waiting period required if the child's previous child care services were terminated for excessive absences.

Rule Reference: [§809.55](#)

D-1002: Enrollment Application for Child Care Services

Boards must ensure that customers applying for At-Risk child care services complete a full application for services at initial enrollment and redeterminations. Boards may use the TWC-developed sample forms included in Appendix J or develop their own local forms.

Boards must ensure that applications for child care services include the following required elements:

1. Instructions for completing application (paper or electronic)
2. Application form, which must include, at a minimum, the following:
 - Eligibility elements:
 - Family income
 - Residency information
 - Household composition
 - Age and citizenship status of child or children
 - Work/training/education hours
 - Supporting documentation for each of the eligibility elements
 - Statement for applicant to confirm that eligibility information is true and accurate
 - Demographic/special population elements (parent may decline to disclose):
 - Race
 - Ethnicity
 - Primary language spoken at home
 - Child's disability status
 - Veteran status
 - Former foster child status
3. Parents' rights information, which must contain at a minimum:
 - The basic rights listed in the TWC Sample Parent Rights (Appendix J) form
 - A statement that by selecting a provider and entering into care, the parent acknowledges that he or she has read and understood the information about parent rights

4. Parent agreement to use child care services and adhere to child attendance requirements, which must contain, at a minimum, information on the importance of regular attendance and confirmation that the parent agrees to the consequences for excessive absences
5. Signature required (electronic acceptable)

D-1003: Verification of Eligibility for Child Care Services

Boards must ensure that verification of eligibility is completed within 20 calendar days of receipt of the completed Enrollment Application for Child Care Services form. Boards must not issue a Notice of Eligibility for Child Care Services until all applicable eligibility criteria have been verified and the customer has submitted all required application documents as described in D-1002.

A customer failing to submit all required documentation may be grounds for making a determination of ineligibility. When a determination of ineligibility is made, the customer must be notified and given notice of the right to appeal the determination, as described in D-1004.b: Notification of Non-Eligibility for Child Care Services.

Rule Reference: [§809.72\(b\)](#)

For customers who are At-Risk or experiencing homelessness, Boards may use the TWC-developed Eligibility Documentation Log (Appendix J) to document the eligibility determination and verification of supporting documents. Boards may also use a locally developed form and/or process for verifying eligibility.

Resource: Child Care Services Eligibility Documentation Log, Appendix J

D-1003.a: Eligibility Verification for Children Experiencing Homelessness

Boards must be aware that parent self-attestation is acceptable to establish initial eligibility for children experiencing homelessness. Boards must ensure that families experiencing homelessness have an initial eligibility period of three months to provide documentation that verifies eligibility.

Rule Reference: [§809.52](#)

The Board must ensure that appropriate staff creates a Homeless Initial Care Activity Interruption in the TWIST Program Detail to track the initial grace period for families who are experiencing homelessness who cannot provide documentation at time of enrollment in child care services.

However, Boards must be aware that families experiencing homelessness may provide complete eligibility documentation upon enrollment in child care services. When complete documentation is available at time of enrollment, the Board must ensure that appropriate staff enrolls the family under the Homeless eligibility characteristic but does not create an Activity Interruption record for Homeless Initial Care.

D-1003.b: Eligibility for Customers on the Waiting List Experiencing a Temporary Break in Employment, Education, or Training

Boards must be aware that at the time of a wait-list pull, a customer may not meet participation requirements due to a temporary break in employment, education, or training (for example, an independent school district employee or a student on summer break) as described in D-801.

Boards may place a hold status on the eligibility determination and enrollment of these customers until the temporary break ends and care is required.

D-1004: Notification of Eligibility for Child Care Services

Boards must ensure that once eligibility is verified, the parent is provided with a written notification of his or her eligibility (that is, Notice of Eligibility for Child Care Services, Appendix J-103). Receipt of the notification of eligibility must be acknowledged by the parent before the authorization of care.

The parent’s selection of a provider and entering into care or continued attendance at a previously selected provider constitute acknowledgment of the notification of eligibility.

The 12-month period begins on the date that authorized care is scheduled to begin (referral start date) at the selected provider.

D-1004.a: Required Forms and Form Elements for Eligibility Notification

Boards may use the TWC-developed forms to notify parents of their eligibility for CCS. The following documents are designed to be included in an eligibility notification packet and are in Appendix J:

- Notification of Child Care Services Eligibility Letter—Must include income information specific to the eligibility determination, or the Board may opt to attach a CC 2050 Form (signature not required)
- Parent Rights
- Parent Agreement to Report Attendance
- Parent Information for Choosing a Provider and Information on Developmental Screenings, such as the [Early Childhood Texas](#) website
- Babel notices as referenced in [WD Letter 02-19](#), issued January 29, 2019, and titled “Babel Notices”
- Discrimination notices as referenced in [WD Letter 24-01](#), issued June 22, 2001, and titled “Prohibition Against Discrimination Based on Disability or Limited English Proficiency in the Administration of Workforce Services”

Boards may customize these forms or develop their own. However, the following elements must be included in any Board-developed notification of eligibility for CCS:

- A written eligibility notification, which must contain at a minimum, the following:
 - Congratulatory opening statement
 - Requirement that the parent select a provider within 14 days or contact the contractor if the parent has difficulty finding an eligible provider
 - Specific eligibility reasons/elements*
 - Calculated monthly income including all income sources used to determine eligibility*

- Household composition (family size)*
- Expected parent share of cost amount*
- 85 percent SMI information (income table)
- Requirement to report changes
- No signature required
- Parent’s rights information, which must contain at a minimum:
 - The basic rights listed in the TWC Sample Parent Rights form (Appendix J)
 - A statement that by selecting a provider and entering into care, the parent acknowledges they have read and understood the information about parent rights
- Parent agreement to adhere to child attendance requirements, which must contain, at a minimum:
 - Information on the absence standards that the parent agrees to follow and the state-defined consequences for not meeting the standards
 - Information on absence reporting
- Parent information for choosing a provider, which must contain at a minimum:
 - Information on parent choice, including types of providers available
 - Information on choosing a quality provider, including information about Texas Rising Star providers
 - Information about how to access CCR provider compliance/inspection information
- Additional consumer information, including information on developmental screenings and a link to the Parent Portal

*These items are included on the CC 2050 form, which may be included in the notification packet.

Parents/caregivers may be provided a link to find information on child care providers as well as on developmental screenings, such as Early Childhood Texas.

Boards must be aware that parents are not required to sign and return the written eligibility notification. Parent response through the selection of a child care provider or request for subsidized care to begin with a previously selected provider serves as acknowledgment and agreement with the eligibility determination and acceptance of the rights and responsibilities for receiving child care services.

Boards must ensure that Form 2450 or a locally developed notification of enrollment is sent to the provider.

D-1004.b: Notification of Ineligibility for Child Care Services

Boards must ensure that when a customer is found ineligible, the parent is provided with a written notification of the determination. The notification of ineligibility must contain, at a minimum:

- Mailing date
- Description of determination reasons
- Improper payment amount (if applicable)
- Fraud or non-fraud determination (if applicable)

- Appeal rights and procedures
- Address and fax number to send appeal

Rule Reference: [§823.3](#)

D-1004.c: Repayment of Parent Share of Cost Owed to a Board

If a Board has a policy to reimburse providers for unpaid parent share of cost and a parent owes a Board an unpaid parent share of cost at the time of eligibility determination or redetermination, the Board must ensure that the customer is prohibited from a new eligibility period until the outstanding amount is paid in full to the Board to which the parent owes repayment.

Rule Reference: [§809.117\(e\)](#)

If a Board does not have a policy to reimburse providers when a parent fails to pay the parent share of cost, the Board may establish a policy to require the parent to pay the provider before the family can be redetermined eligible for future child care services.

Rule Reference: [§809.19\(f\)](#)

D-1004.d: Eligibility Determination and Excessive Absences

Boards must ensure that if a child has exceeded 40 total unexplained absences and has been terminated from care as a result (as described in E-601), then the child is ineligible for care for 60 calendar days from the date of the early termination.

Rule Reference: [§809.78\(a\)\(2\)](#)

Boards must ensure that absences due to a child's documented chronic illness, disability, or documented court-ordered visitation are not counted in the number of absences.

Rule Reference: [§809.78\(c\)](#)

Boards must be aware that there is no established number of allowable absences for court-ordered visitation. Boards must ensure that the duration of allowable absences is based on the order of the court. Boards also must ensure that providers are reimbursed for absences due to court-ordered visitation.

Boards are encouraged to use the Child Care Absence Worklist Report 272 available through the [Workforce Reports](#) portal to help track and notify providers and parents about absences.

D-1005: Process for Redetermining Eligibility

Notwithstanding the period of time required to review a customer's application for child care services, a redetermination of eligibility may not occur before 12 months from the end of the most recent eligibility period.

Rule Reference: [§809.42\(a\)](#)

However, Boards must be aware that the process for redetermining eligibility should begin before the end of the 12-month eligibility period. The actual redetermination decision may be reached before the end of the 12-month eligibility period. However, if the parent is determined

ineligible for a new period of care, care must continue through the end of the current 12-month eligibility period.

Rule Reference: [§809.51\(a\)](#)

Boards must be aware that once an eligibility redetermination has been made, absences accrued in the time remaining between the end of the current eligibility period and the beginning of the new eligibility period are not required to be reassessed. For example, if a child has 38 absences at the time of eligibility redetermination and there are three weeks remaining in the current eligibility period, the Board is not required to check if the child has accrued additional absences in that three-week period; the eligibility determination may stand.

Boards must ensure that, for the purposes of eligibility redetermination, applications for child care services include the following required elements:

1. Instructions for completing application
2. Application form, which must include, at a minimum, the following:
 - Eligibility elements:
 - Family income
 - Residency information
 - Household composition
 - Age and citizenship status of child or children
 - Work/training/education hours
 - Supporting documentation for each of the eligibility elements (except age/citizenship status of children previously verified)
 - Statement acknowledging that eligibility information is true and accurate
 - Demographic/special population elements (parent may decline to disclose):
 - Race
 - Ethnicity
 - Primary language spoken at home
 - Child's disability status
 - Veteran status
 - Former foster child status
3. Parents' rights information, which must contain, at a minimum:
 - The basic rights listed in the TWC Sample Parent Rights form (Appendix J)
 - A statement that by selecting a provider and entering into care, parents acknowledge that they have read and understood the information about parent rights
4. Parent agreement to adhere to child attendance requirements, which must contain at a minimum:
 - Information on the absence standards that the parent agrees to follow and the consequences for not meeting the standards
 - Information on absence reporting
5. Signature required (electronic acceptable)

Boards must be aware that if at time of eligibility redetermination the family is experiencing a temporary status change in work, education or job training, the Board has the option to extend the eligibility period to the date the parent is expected to return to work, school, or training. In accordance with local procedures, the redetermination would then be based on the work, education, training, and income upon the parent's return to activity.

Effective October 1, 2017, Boards must ensure that extensions of the 12-month eligibility periods are only granted on a case-by-case basis when a customer is experiencing a temporary status change in work, education or training. Boards must document in TWIST Counselor Notes the duration of and reason for any extension granted for a customer's eligibility redetermination.

However, Boards may start new eligibility periods that are up to 13 months long, but no longer, to allow adequate time for quality eligibility redetermination processes and continuity of care.

As stated in D-1008, initial job search may be used at redetermination.

D-1006: Transfers between Local Workforce Development Areas

Boards must be aware that a child who relocates from one local workforce development area (workforce area) to another—but remains within the state—must remain eligible and continue to receive services for the duration of his or her eligibility period. Eligibility must not be redetermined based on a move to a new workforce area under a different Board.

Rule Reference: [§809.51\(a\)\(2\)\(G\)](#)

If a transfer between workforce areas occurs, the receiving Board must communicate with the originating Board to determine the customer's eligibility period and parent share of cost and must work with the parent to locate an eligible provider. All case changes in TWIST must be completed and a new Program Detail reflecting the new residence address must be completed. This must occur even if the child care provider remains the same.

Boards must ensure that child care contractors document transfers between Boards and any associated case changes in TWIST Counselor Notes.

D-1006.a: Parent Share of Cost and Transfers between Local Workforce Development Areas

Boards must be aware that the parent share of cost may not increase from the amount assessed at the beginning of the customer's 12-month eligibility period. However, if a move results in a decrease in the family income (and/or increase in family size), which would place the family in a lower parent share of cost range, then the parent share of cost must be reduced.

Boards must ensure that any adjustments to the parent share of cost related to a transfer between workforce areas are documented in TWIST Counselor Notes.

Boards must be aware that if a parent adds a child to care after transferring to a new workforce area, the parent share of cost assigned for the new child in care must be based on the receiving Board's parent share of cost sliding fee scale. Additionally, if a child is removed from care after a Board-to-Board transfer, the new parent share of cost for the remaining children in care will be

based on the receiving Board's parent share of cost sliding fee scale, if that amount is lower than the original parent share of cost before the removal of the child from child care services.

D-1006.b: Verification of Changes Related to Transfers between Local Workforce Development Areas

Receiving Boards must ensure that case changes resulting from a customer's relocation are documented and verified.

For residency information, verbal attestation from the customer is acceptable for the transfer to a new workforce area. If the parent's employment has not changed, verbal attestation of continuing employment and that income remains below 85 percent of SMI is also acceptable.

If employment has changed, however, the receiving Board's child care contractor must verify and document the new employment and income, in accordance with D-108: Income Changes during the 12-Month Eligibility Period.

D-1007: Direct Child Care Referrals for Recognized Partnerships

Boards must establish policies and procedures supporting direct referrals from recognized partnerships.

Boards must be aware that a recognized partnership:

- exists between a child care provider and one of the following:
 - A public school prekindergarten provider
 - A local education agency
 - A Head Start or Early Head Start program
- requires both parties to enter into an agreement such as a memorandum of understanding; and
- serves children under age six who are dually enrolled in both programs.

Rule reference: [§809.22](#)

Boards must exempt children from the Board's waiting list who were directly referred from a recognized partnership, subject to the availability of funding and the availability of subsidized slots at the partnership site.

Rule reference: [§809.18\(b\)\(3\)](#); [§809.22\(c\)](#)

Boards must ensure that they have developed and implemented processes for identifying and exempting children from the waiting list who are directly referred from a recognized partnership, once all children in the first and second priority groups have been served. This is subject to the availability of funding and available slots at a partnership site.

Boards may outreach families of potentially eligible children who are on the waiting list and provide the families with application and referral information for recognized partnerships.

Boards must ensure that priority of service is applied to the pool of direct partnership referrals if funding is limited or if the number of direct referrals exceeds the number of available subsidized slots at a partnership site.

D-1008: Child Care during Initial Job Search

Boards must be aware that a parent, including a parent in a dual-parent family, is eligible for child care during initial job search if at initial eligibility determination or redetermination the family does not meet the minimum participation requirements for At-Risk child care as described in D-200.

Boards must allow parents eligible to receive CCS during initial job search to self-attest that the:

- family does not meet the minimum participation requirements for At-Risk child care as described in D-200; and
- family income does not exceed 85 percent of the state median income.

Rule Reference: [§809.56\(a\)–\(b\)](#)

Boards must not collect income information or activity hours for parents who qualify for child care during initial job search. However, Boards must collect all other eligibility information that is normally required for At-Risk child care, as outlined in D-100.

D-1008.a: Three-Month Initial Job Search Period

Boards must ensure that child care during initial job search is limited to one initial three-month job search period per family within a 12-month period.

Rule Reference: §809.56(c)(e)

Boards must ensure that eligibility continues for a total of 12 months, inclusive of the initial three-month period, if the family meets the following requirements within or by the end of the initial three months, as follows:

- For a single-parent family, a family must have at least 25 hours per week of total activity participation, which must include a minimum of 12 hours per week in employment.
- For a dual-parent family, a family must have a total combined 50 hours per week of total activity participation, which must include a minimum total combined 25 hours per week in employment.
- The family income does not exceed 85 percent of the state median income.

Care must be terminated if the family does not meet minimum activity requirements above within three months of initial eligibility.

Rule Reference: §809.56(c)

The family will not be eligible for another initial job search period for a full 12 months. For example, if initial job search runs from January and ends in April, the family would not be eligible for a new initial job search period until January of the next calendar year.

Boards must ensure that parents are aware of the requirement to report changes in work attendance, including gaining employment, as described in E-301.

D-1008.b: Optional Extension of Initial Three-Month Eligibility Period

Boards may extend an initial job search period for a maximum of 30 calendar days in order to ensure continuity of care while staff completes the paperwork to determine eligibility for a parent who has gained employment that meets activity requirements.

Boards must ensure that any extensions for the initial three months of eligibility must be documented in TWIST Counselor Notes counted in the total 12-month eligibility time frame.

Boards must ensure that the parent share of cost remains at zero during the extension, ensuring that when the parent share of cost is resumed it is based upon a full income determination.

D-1008.c: Parent Share of Cost during the Initial Job Search Period

A Board must ensure that for child care during the initial three-month job search period, the following applies regarding the parent share of cost:

- A Board must initially assess the parent share of cost at the highest amount based on the family size and number of children in care.
- The initially assessed amount will immediately be temporarily reduced to zero. This provision also applies to dual-parent families in which one parent is employed but the family meets the requirements for child care during initial job search.
- If the parent begins to meet participation requirements described in D-1008.a, within or by the end of the three-month job search period, the parent share of cost shall be reinstated at the initially assessed amount or the amount based on the actual family income, whichever is lower.

Rule Reference: §809.56(d)

Boards must ensure that the initially assessed parent share of cost is documented in TWIST Counselor Notes. The maximum parent share of cost amount, based on family size and the number of children in care, must be documented in TWIST Counselor Notes and communicated to the family.

D-1008.d: Registration in WorkInTexas.com

Boards must ensure that the parent receiving child care during the initial job search is registered with the state's labor exchange system (currently WorkInTexas.com) and has access to appropriate services available through the one-stop delivery network.

Rule Reference: §809.56(f)

The parent is required to register in WorkInTexas.com and “have access to appropriate services.” The parent is not required to complete the Wagner-Peyser application unless staff-assisted services are needed and appropriate. As stated in WD Letter 01-20, Change 2, issued August 3, 2022, and titled “Managing Individuals in the WorkInTexas.com System—Update,” “Workforce Solutions Office staff must enroll individuals as participants in the Wagner-Peyser program if staff-assisted services will be provided to them. If staff-assisted services will not be provided to an individual, then there is no reason to enroll the individual as a participant in the Wagner-Peyser program.” The parent must create an individual user account in [WorkInTexas.com](https://www.workintexas.com).

CCS staff may work with the local WorkInTexas.com liaison to determine local procedures used to verify WorkInTexas.com registration.

D-1008.e: Child Care during Initial Job Search Priority

Boards must ensure that priority of service, as described in B-400, is followed when serving initial job search cases.

D-1008.f: Documentation for Child Care during Initial Job Search

If a parent reports meeting the minimum activity requirement described in D-1008.a, within or by the end of the three-month period, the Board must determine eligibility for continued care under D-1008.a, and collect required eligibility documentation for income and activity hours.

D-1008.g: Initial Job Search in TWIST

Boards must ensure that staff uses the special projects code for initial job search (12-Job Search) when setting up CCS for initial job search.

If participation requirements described in D-1008.a, are met, staff will end the Job Search Program Detail and open a Low Income Program Detail for the remainder of the 12-month time frame.

D-1008.h: Application Screening for Child Care during Job Search

Boards must ensure that online screening questions and applications allow job search applicants to apply for CCS.

Boards must ensure that their Board and/or contractor websites include information for parents about the availability of and eligibility requirements for child care during initial job search.

Part E – Parent Rights and Responsibilities

E-100: Parent Rights

E-101: About Parent Rights

Boards must ensure that Board child care contractors inform parents in writing that parents have the right to the following:

- Choosing the type of child care provider that best suits their needs and to be informed of all child care options available to them as included in the consumer education information described in H-102
- Visiting available child care providers before making their choice of a child care option
- Receiving assistance in choosing initial or additional child care referrals and being informed of the Board’s policies regarding transferring children from one provider to another, which must include a waiting period of two weeks before the effective date of a transfer, except in cases in which the provider is subject to a CCR action, as described in F-400, when the transfer is authorized by CPS for a child in protective services; or on a case-by-case basis as determined by the Board
- Being informed of TWC’s rules and Board policies related to providers charging parents amounts above the assessed parent share of cost as described in F-202
- Being represented when applying for CCS
- Being notified of their eligibility to receive CCS within 20 calendar days from the day the Board’s child care contractor receives all necessary documentation required to initially determine eligibility for child care
- Receiving CCS regardless of race, color, national origin, age, sex, disability, political beliefs, or religion
- Filing a written complaint of alleged discriminatory acts within 180 calendar days from the date of the alleged discriminatory act, pursuant to §823.10(b)
- Having the Board and the Board’s child care contractor treat information used to determine eligibility for CCS as confidential
- Receiving written notification at least 15 calendar days before the denial, delay, reduction, or termination of CCS (including information about parent appeal rights)
- Rejecting an offer of CCS or voluntarily withdrawing their child from child care unless the child is in protective services
- Being informed of the possible consequences of rejecting or ending the child care that is offered
- Being informed of the eligibility documentation and reporting requirements described in E-200 and E-300
- Being informed of the parent appeal rights described in E-400
- Being informed of required background and criminal history checks for relative child care providers through the listing process with CCR, as described in F-102, before the parent or guardian selects the relative child care provider
- Receiving written notification of the possible termination of CCS for excessive unexplained absences including information about possible ineligibility to reapply for CCS for 60 calendar days

- Receiving written notification of possible termination of CCS for failure to pay the parent share of cost including information about possible ineligibility to reapply for CCS for 60 calendar days

Rule Reference: [§809.71](#)

E-200: Parent Eligibility Documentation Requirements

Boards must be aware of the following provisions:

- Except for a child experiencing homelessness, as described in D-600, or for child care during job search at initial eligibility, as described in D-1008, before a child may be initially determined or redetermined eligible and authorized to receive CCS, parents must provide the Board's child care contractor with all information necessary to determine eligibility according to the Board's administrative policies and procedures.
- A parent's failure to submit eligibility documentation will result in denial of CCS or termination of services at the 12-month eligibility redetermination period.

Rule Reference: [§809.72](#)

E-300: Parent Reporting Requirements during the Eligibility Period

Boards must ensure that during the 12-month eligibility period or during the three-month initial job search period and the subsequent eligibility period described in D-1008, parents are required only to report items that impact the family’s eligibility or that enable the Board or Board contractor to contact the family or pay the provider.

Rule Reference: [§809.73\(a\)](#)

Boards must be aware that parents are not required to report temporary changes in work, education or job training as described in D-801.

E-301: Required Parent Reporting

Boards must be aware of the following:

- Parents are required to report to the child care contractor, within 14 calendar days of the occurrence, only the following:
 - Changes in family income or family size that would cause the family to exceed 85 percent of the SMI for a family of the same size
 - Changes in work or attendance at a job training or an educational program that are not considered to be temporary changes as described in D-801
 - Any change in family residence, primary phone number or e-mail address (if applicable)
- Failure to report such changes may result in fact-finding for suspected fraud as described in Part G.

Rule Reference: [§809.73](#)

E-302: Board-Required Parent Reporting Options

Boards must allow parents to report at any time, and child care contractors must take appropriate action regarding changes in the following:

- Income and family size, which may result in a reduction in the parent share of cost
- Work, job training, or education program participation that may result in an increase in the level of child care services

Boards must ensure that if changes that result in a lower parent share of cost or an increase in the level of child care services are reported more than 14 calendar days after the occurrence, the changes are not treated retroactively.

E-303: Reporting of Job Training or Educational Program Participation

Boards must be aware that parents are only required to report changes in program participation that constitute a permanent end to participation. Student holidays, breaks within a semester, or breaks between semesters, including those lasting longer than three months, are “temporary”

changes, as described in D-801. Parents are not required to report temporary changes in work, training, or educational program participation.

Rule Reference: [§809.51](#)

Before eligibility redetermination, Boards may request participation information from parents or training providers in order to determine continued enrollment in the program and whether the parent is making progress toward completion of an education or training program as defined in A-100.

Boards must be aware that progress toward completion of an education or training program must not affect the current 12-month eligibility period. A Board's assessment of whether a customer is making progress toward completion of an education or training program is only relevant for eligibility redetermination.

E-400: Parent Appeal Rights

Board must be aware that, unless otherwise stated in this section, a parent may request a hearing pursuant to TWC Chapter 823 Integrated Complaints, Hearings, and Appeals rules for the following:

- If the parent's eligibility or child's enrollment is denied, delayed, reduced, suspended, or terminated by the Board's child care contractor, Choices caseworker, or SNAP E&T caseworker
- Regarding the amount of recoupment determined pursuant to G-600

Additionally, parents have the following rights:

- A parent may have another individual represent them during this process.
- A parent of a child in protective services may not appeal pursuant to Chapter 823 but must follow the procedures established by DFPS.

Rule Reference: [§809.74](#)

Boards must be aware that a written determination is not issued when a customer does not meet the prescreening criteria to be placed on the Board's waiting list. However, in accordance with [40 TAC Chapter 823: General Hearings, §823.10. Board-Level Complaints](#), customers denied placement on the waiting list have the right to file a written complaint within 180 days of the denial.

Boards must ensure that any customer denied placement on the waiting list has the opportunity to immediately reapply.

E-500: Child Care during Appeal

E-501: General Information

Boards must be aware of the following:

- If care was terminated for excessive unexplained absences or nonpayment of parent share of cost, the parent may still request an appeal but no child care will be offered during the appeal process.
- If a parent requests a hearing and has a child currently enrolled in child care, the Board must ensure that child care services continue during the appeal process until a decision is reached, unless child care was terminated due to excessive unexplained absences or nonpayment of parent share of cost.
- The cost of providing services during the appeal process is subject to recovery from the parent by the Board, if the appeal decision is rendered against the parent.

Rule Reference: [§809.75](#)

Boards must be aware that care may be ended upon an affirmative decision by the Board. However, care must continue if the parent requests that care continue during a TWC hearing within the allowed time frame and requests. Boards must ensure that the parent is made aware that if TWC affirms the appeal decision of the Board, the parent will be responsible for the cost of care provided during appeals.

E-502: Notification of Child Care during Appeal

Boards must notify parents of the following:

- The cost of providing services during an appeal is subject to recovery from the parent if the appeal decision is rendered against the parent
- The parent is ineligible for future child care services until the amount of the recovery is repaid in full
- The parent has the right to refuse to continue care during the appeal process

E-600: Attendance Standards, Notice, and Reporting Requirements

E-601: Attendance Standards

Boards must ensure that parents are notified of the following:

- Parents must ensure that the eligible child attends on a regular basis consistent with the child's authorization for enrollment.
- Meeting attendance standards for CCS consists of no more than 40 total unexplained absences in a 12-month eligibility period.
- Unexplained absences include the following:
 - Any absence that is not due to a child's documented chronic illness, disability, or court-ordered custody or visitation agreement
 - Any missed attendance recording that cannot be explained, except if the attendance reporting system is not available through no fault of the parent or provider
- Failure to meet attendance standards may result in termination of care for the child due to excessive unexplained absences.
- If a child exceeds 40 total unexplained absences in the current eligibility period, then the child may be terminated from care for excessive unexplained absences.
- Child care providers may end a child's enrollment with the provider if the child does not meet the provider's established attendance policy.

Parents must report attendance and absences and adhere to TWC procedures for reporting attendance and absences, including the use of the TWC's attendance reporting system.

Rule Reference: [§809.78\(a\)\(1\)–\(5\)](#)

Boards must ensure that written notice to the parent and the child care provider are provided at reasonable times through established communication channels regarding the child's absences and the potential termination of services. Boards must send written notices as soon as practicable after a child reaches 15 general absences and again at 30 general absences cumulatively within a 12-month eligibility period.

Note: Boards must be aware that until a new automated attendance system is available, absence notification must be provided in accordance with WD Letter 08-21, issued March 22, 2021, and titled "Child Care Automated Attendance and Manual Absence Tracking."

Boards must ensure that multiple documented attempts are made to determine why the child is absent and to explain the importance of regular attendance. Boards have flexibility in determining what constitutes multiple attempts as long as the required two written notifications to parents and providers as described above are documented in TWIST Counselor Notes. Boards are strongly encouraged to reach out to parents through other methods in addition to the required written notifications.

Boards are encouraged to use Child Care Absence Worklist Report 272 available through the [Workforce Reports](#) portal to help track and notify providers and parents about absences.

E-601.a: Absence Exceptions

Boards must ensure that absences due to a child's documented chronic illness, disability, or court-ordered visitation are not counted in the number of unexplained absences in E-601.

E-601.b: Provider Attendance Policies

Child care providers may end a child's enrollment with the provider if the child does not meet the provider's established attendance policy. When a child's enrollment has been ended by a provider for this reason, Boards must work with the parent to place the otherwise eligible child with another eligible provider.

Rule Reference: [§809.78\(e\)](#)

E-601.c: Attendance Standards & DFPS General Protective Care

Boards must be aware that for children who are receiving care under a DFPS General Protective Care authorization, care must continue in accordance with the authorization regardless of accrued absences. Termination of child care services for DFPS General Protective authorization is solely the responsibility of DFPS.

Note: Boards must be aware that until a new automated attendance system is available, absence notification must be provided in accordance with WD Letter 08-21.

Boards must be aware that 15-and 30-day absence notifications must be sent to all families and child care providers which includes DFPS General Protective. Boards may use the new Child Care Absence Worklist Report to make these notifications.

Boards must be aware that if a parent cannot be reached after repeated contact attempts, is not communicating with the provider or bringing the child to care, the Board's child care contractor shall end the child care referral after 30 calendar days of no contact but leave the child's eligibility and TWIST Program Detail open. Before ending the referral, the contractor must reach out to the DFPS regional day care coordinator to ensure that DFPS is aware that the child is not attending. Boards must ensure that the reason for the termination of the referral is documented in TWIST Counselor Notes.

E-601.d Suggested Absence Tracking and Notification Practices

Because of the importance of attendance, Boards are encouraged to increase communication with parents and providers by using some or all of the following suggestions to help avoid excessive absence issues:

- After each written absence notice is sent, add the child's name and number of absences to the case in TWIST Counselor Notes.
- Ensure that written notices include the following information:
 - The parent must contact Child Care Services immediately to provide documentation of child's chronic illness or disability or of a court-ordered custody or visitation agreement so absence count may be corrected.
 - Child care services may be terminated if a child has more than 40 unexplained absences.

- Follow-up with the parent after each warning letter is sent by using his or her preferred contact method—calls, text, and/or email.
- Clearly document in TWIST Counselor Notes all communications regarding absences separate from contact for other reasons with a specific subject line (for example, Absences Follow-Up).
- Document written provider notifications of the child’s absences (include the child’s name and number of absences) in TWIST Counselor Notes.
- Encourage the provider to have the parent contact Child Care Services regarding unexplained absences.
- Document at least 15 days before termination of services that written notification was sent to the parent with the right to appeal in TWIST Counselor Notes.
- At initial eligibility and redetermination, specifically state in TWIST Counselor Notes that staff discussed, and the parent signed a disclosure stating that the parent is required to report daily attendance and absences.
- Encourage providers to post reminders about the importance of regular attendance on the health and well-being of the child.
- Increase communication about the importance of attendance by using flyers, bright signage, and Board website notices.

Boards are encouraged to use the Child Care Absence Worklist Report 272 available through the [Workforce Reports](#) portal to help track and notify providers and parents about absences.

E-602: Parent Attendance Requirements

Boards must ensure that parents are notified that they are required to report to the Board when child care is no longer needed.

E-603: Parent Attendance Agreement

Boards must ensure that parents sign a written acknowledgment indicating their understanding of the attendance standards and reporting requirements at each of the following stages:

- Initial eligibility determination
- Each eligibility redetermination

Boards may use the Parent Agreement to Report Child Care Attendance (Appendix J) to obtain written acknowledgment of the parent’s agreement with the attendance reporting responsibilities.

Boards choosing to create a locally developed parent agreement must ensure that it contains all of the elements in the Parent Agreement to Report Child Care Attendance, including the parent’s signature (electronic signature acceptable).

E-604: Special Provisions for Parents with Variable Schedules

Boards must be aware that authorizations for child care services need not align exactly with parents’ work schedules. Boards are encouraged to establish child care authorization procedures that take into account the developmental needs of the child, the child care needs of the parent and the requirement to ensure proper use of public funds.

Boards must be aware that in order to prevent overcounting of absences caused by a parent's variable work schedule and minimize the potential for excess authorizations to providers, TWIST will generate claims under one of the following two calculations for a service month:

TWIST Calculation 1

If the actual number of days reported as paid in TWIST plus the number of paid holidays is greater than the number of days in the month minus eight, then the claim is the actual days reported present plus paid holidays reported in TWIST.

TWIST Calculation 2

If the actual number of days reported as paid plus the number of paid holidays is equal to or less than the number of days in the month minus eight, then the claim is the lesser of the following:

- The number of days in a month minus eight
- The maximum number of days authorized in the month

Boards must be aware that the two calculations apply only to child care referrals for parents with flexible work, education, or job training schedules.

The desk aid [Variable Schedules in The Workforce Information System of Texas](#) provides examples of each of these calculations.

E-605: Choices and SNAP E&T Child Care

Boards must ensure that all attendance requirements are included as child care program requirements for Choices and SNAP E&T participants.

E-606: Child Protective Services Child Care

Boards must ensure that child care continues as long as it is authorized and funded by DFPS, regardless of the number of paid absences.

For care authorized and funded by DFPS, termination of child care services is solely at the direction of DFPS.

Part F – Requirements to Provide Child Care

F-100: Minimum Requirements for Providers

F-101: Eligible Child Care Providers

Boards must ensure that child care subsidies are paid only to the following:

- Regulated child care providers, defined in A-100 as a provider caring for an eligible child in a location other than the eligible child’s own residence, and one of the following:
 - Licensed by CCR
 - Registered with CCR
 - Operated and monitored by the United States military services
- Relative child care providers subject to the listed requirements in F-102 and defined in A-100 as an individual who is at least 18 years of age, and is, by marriage, blood relationship or court decree, one of the following:
 - The child’s grandparent
 - The child’s great-grandparent
 - The child’s aunt
 - The child’s uncle
 - The child’s sibling (if the sibling does not reside in the same household as the eligible child)

Regulated child care providers must meet Texas Rising Star requirements as a certified provider or designated as an Entry Level provider for the prescribed time periods, as described in Part I of this guide.

Rule Reference: [§809.91\(a\)](#)

F-101.a: Out-of-State Child Care Providers

At a Board’s option, child care subsidies may be paid to child care providers licensed in a neighboring state, subject to the following requirements:

- Boards must ensure that the Board’s child care contractor reviews the licensing status of the out-of-state provider every month, at a minimum, to confirm the provider is meeting the minimum state licensing standards.
- Boards must ensure that the out-of-state provider meets the requirements of the neighboring state to serve CCDF–subsidized children.
- The provider must agree to comply with the requirements of this chapter and all Board policies and Board child care contractor procedures, including, but not limited to, the following:
 - Acceptance of the Board’s reimbursement rate schedule
 - Use of the TWC’s child care attendance process

F-102: Relative Providers Listed With CCR

Boards must be aware of the following:

- For relative child care providers to be eligible for reimbursement for TWC-funded child care services, they must list with CCR.
- Pursuant to 45 CFR §98.41(e), relative child care providers listed with CCR will be exempt from the health and safety requirements of 45 CFR Part 98.

Rule Reference: [§809.91\(e\)](#)

A Board must not prohibit a relative child care provider that is listed with CCR and that meets the definition of a relative provider from being an eligible relative child care provider.

Rule Reference: [§809.91\(b\)](#)

F-102.a: Submitting the Listed Home Application Electronically

Boards must be aware that CCR:

- has implemented the [Application Process](#), which allows a child care provider to apply online to become a listed home provider; and
- recommends that applicants apply online using the CCR website to facilitate and expedite the application process for relative provider listed homes.

Boards must be aware that providers that are required to list with CCR may submit the listed home application in one of the following ways:

- Electronically through the CCR website at [Become a Child Care Home Provider](#)
- Manually by using the hard copy application and forms

Boards must be aware that the following forms, which must be completed by relative child care providers that are required to list with CCR, are located on the [CCR website](#):

- Listing Request, Form 2986
- Listing Request, Form 2986, Spanish
- Request for Criminal History and Central Registry Check, Form 2971
- Request for Criminal History and Central Registry Check, Form 2971, Spanish
- Listed Family Home Fee Schedule, Form 3008

Boards must ensure that the above forms are made available to relative providers that are required to list with CCR.

Boards also must ensure that these relative providers receive the following information regarding submission of the forms to CCR:

- The Listing Request, Form 2986, and the Request for Criminal History and Central Registry Check, Form 2971, must be submitted to the appropriate [Local Child Care Regulation Office](#).
- The relative applying for the listing permit and each individual listed in the Listing Request, Form 2986, must be included in the Request for Criminal History and Central Registry Check, Form 2971.
- The Listed Family Home Fee Schedule, Form 3008, must be submitted to: Texas Health and Human Services Commission

Accounts Receivable
P.O. Box 149055
Austin, Texas 78714-9055

- Except for relative providers caring for a child in the child’s home (in-home child care), relative providers required to list with CCR must pay a \$20 fee and \$2 for each background check requested and submit the payment with the Listed Family Home Fee Schedule, Form 3008.
- The relative provider must fill out the forms completely. CCR will return incomplete forms to the applicant, which will delay the listing process.

Boards may provide the [Instructions for Relative Child Care Providers on Completing Required Texas Department of Family and Protective Services Forms](#) to relative providers who must list with CCR.

Boards may encourage their child care contractors to assist relatives in filling out the application forms by reviewing the applications for completeness.

Boards must ensure that relative providers applying to be listed with CCR receive the information in the [Requirements for Listed Family Homes](#) desk aid.

Expediting the Listed Home Application

Boards must be aware of the following CCR recommendations, which may expedite completion of the listing process:

- Do not send the original Listed Family Home Fee Schedule, Form 3008, and fee payment check to the local Child Care Regulation Office with the Listing Request, Form 2986, and the Request for Criminal History and Central Registry Check, Form 2971. However, relative listing applicants are encouraged to include a photocopy of the Listed Family Home Fee Schedule, Form 3008, and a photocopy of the check with the Listing Request, Form 2986, and the Request for Criminal History and Central Registry Check, Form 2971, when submitting them to the local Child Care Regulation Office.
- CCR expects to process applications as quickly as possible. To expedite the process, relative listing applicants should be discouraged from contacting CCR regarding the status of their applications—with the following exception: If a relative listing applicant has not received the listing permit or been contacted by CCR regarding the status of the application within 45 days of submitting it, he or she then may contact CCR.

F-102.b: Relatives Providing Care in the Child’s Home

Boards must allow relative child care providers to care for a child in the child’s home (in-home child care) only for the following:

- A child with disabilities as defined in §809.2(6), and his or her siblings
- A child under 18 months of age, and his or her siblings
- A child of a teen parent
- When the parent’s work schedule requires evening, overnight or weekend child care in which taking the child outside of the child’s home would be disruptive to the child

A Board may allow relative in-home child care for circumstances in which the Board's child care contractor determines and documents that other child care provider arrangements are not available in the community.

Rule Reference: [§809.91\(e\)\(2\)–\(3\)](#)

Boards must ensure that local procedures are established that require Board child care contractors to adequately document the need for in-home care when based on a parent's work schedule.

If a Board uses in-home child care based on a lack of child care in the community, the Board must ensure that local procedures are established that aid the Board's child care contractor in determining and documenting the circumstances of that lack.

F-102.c: Notification to All Parents Choosing Relative Child Care Providers

Boards must ensure that a parent requesting a relative child care provider—including in-home child care—is notified of the following:

- The requested relative provider must apply for a listing with CCR by following the procedures in F-102.
- Individuals in the listed home are subject to:
 - Criminal background checks, including checks against the Texas Department of Public Safety Sex Offender Registry
 - Checks against the DFPS child abuse central registry

F-102.d: Notification to Parents Choosing Relative In-Home Child Care Providers

If a parent requests in-home child care, Boards must ensure that Board contractor staff notify the parent that the in-home child care provider may have the listing fee waived only if the following conditions are met:

- The request for in-home care is approved by Board contractor staff using the Listed Family Home Fee Waiver Authorization form (CC-2432).
- The form is completed, signed, and attached to the listed home application sent to CCR by the relative.

The [Listed Family Home Fee Waiver Authorization Form](#) (CC-2432) is available on the intranet. (The intranet is not available to the public.)

F-102.e: Listed Family Homes with Suspended Permits

Boards must be aware that the CCR Weekly Report includes Listed Homes whose permit has been suspended for failure to pay the permit fee to CCR or other permit deficiencies.

Boards must ensure that if a Listed Home on the list is a relative provider, any referrals must be ended if the status is "LH – Voluntary Suspension" and intake must be closed upon receipt of this report. The provider should be contacted immediately and informed of the situation and that payments will be ended pending resolution of the deficiency.

The Program Detail should remain open for any children in care with the provider, and the parent should be given the option to choose another eligible provider.

Referrals must remain ended and intake closed until the provider has paid the fee or corrected the deficiencies and appears as “LH – End Voluntary Suspension” on the weekly report.

F-103: Other Requirements Placed on Providers

Except as provided by the criteria for Texas Rising Star certification or Entry Level designation, a Board or the Board’s child care contractor must not place requirements on regulated providers that:

- exceed the state licensing requirements stipulated in Texas Human Resources Code Chapter 42; or
- have the effect of monitoring the provider for compliance with state licensing requirements stipulated in Texas Human Resources Code Chapter 42.

When a Board or the Board’s child care contractor, in the course of fulfilling its responsibilities, gains knowledge of any possible violation regarding regulatory standards, the Board or its child care contractor must report the information to the appropriate regulatory agency.

Rule Reference: [§809.91\(c\)](#)

Pursuant to 45 CFR §98.68 (a)(3), Boards must ensure that processes are in place to train eligible child care providers about CCDF program requirements and integrity.

Boards may accomplish this by providing an orientation to new providers, adhering to the requirements included in the provider agreement, and offering training to child care providers. Some examples include the following:

- Annual trainings
- Tip sheets for new providers
- Provider handbooks
- Periodic informational sessions for current and new providers

F-104: Parents as Child Care Providers

Boards must ensure that subsidies are not paid for a child at the following child care providers:

- Licensed child care centers, including before- or after-school programs and school-age programs, in which the parent or his or her spouse, including the child’s parent or stepparent, is the director or assistant director, or has an ownership interest (with the exception of foster parents authorized by DFPS pursuant to D-700).
- Licensed, registered or listed child care homes where the parent also works during the hours his or her child is in care

Rule Reference: [§809.91\(f\)](#)

Boards must be aware that the rule affecting parents who work at child care facilities applies only to home-based care situations. For center-based care, a parent may work at the facility, unless the parent is the director, assistant director or has an ownership interest in the facility.

F-200: Child Care Provider Responsibilities and Reporting Requirements

F-201: Written Notice and Agreement

Boards must ensure that child care providers are given written notice of and agree to their responsibilities, reporting requirements, and requirements for reimbursement, as well as complete any required Board training as described in F-200 and as well as in F-103, prior to enrolling a child.

F-202: Collecting Parent Share of Cost and Other Child Care Funds

Boards must ensure that child care providers:

- Are responsible for collecting the parent share of cost as assessed, as detailed in B-601, before child care services are delivered
- Are responsible for collecting other child care funds received by the parent as detailed in B-707
- Report to the Board or the Board's child care contractor in a timely manner instances in which the parent fails to pay the parent share of cost

Rule Reference: [§809.92\(b\)\(1\)–\(3\)](#)

F-203: Child Attendance Reporting Requirements for Providers

Boards must ensure that child care providers follow the attendance reporting and tracking procedures required by TWC, the Board or, if applicable, the Board's child care contractor.

Rule Reference: [§809.92\(b\)\(4\)](#)

Boards must ensure that providers are notified and agree with the requirements for attendance as described in F-500.

F-204: Provider Charges to Parents

Providers must not charge fees to a parent receiving child care subsidies that are not charged to a parent who is not receiving subsidies.

Rule Reference: [§809.92\(h\)](#)

F-204.a: Charges to Parents with No Parent Share of Cost

Boards must ensure that providers do not charge the difference between the provider's published rate and the amount of the Board's reimbursement rate, as described in §809.21, to the following:

- Parents who are exempt from the parent share of cost assessment pursuant to B-602
- Parents whose parent share of cost is calculated to be zero pursuant to B-605
- Parents who receive child care during initial job search pursuant to D-1008 during the initial three-month period

Rule Reference: [§809.92\(c\)](#)

F-204.b: Charges to Parents with a Parent Share of Cost

A Board may develop a policy that allows providers to charge parents more than the assessed parent share of cost in instances in which the provider's published rate exceeds the Board's reimbursement rate (including the assessed parent share of cost) to all parents not exempt from the parent share of cost as outlined in B-602. Rule Reference: [§809.92\(d\)](#)

F-204.c: Providers Reporting Charges to Parents

Boards that allow providers to charge additional amounts pursuant to F-204.b must ensure that providers report, in a manner determined by the Board, the following to the Board each month:

- The specific families that were charged an additional amount greater than the assessed amount
- The frequency with which each family was charged
- The amount of each additional charge

Boards that develop a policy pursuant to F-204.b must also take the following actions:

- Provide the rationale for the Board's policy to allow providers to charge families additional amounts greater than the assessed parent share of cost, including a demonstration of how the policy promotes affordability and access for families
- Describe the Board's analysis of the interaction between the additional amounts charged to families with the required parent share of cost and the ability of current reimbursement rates to provide access to care without additional fees

Boards must provide the above information to TWC upon request. At a minimum, TWC will request the provider-reported data, rationale, and analysis in the last year of each three-year CCDF State Plan cycle (currently, 2022–2024) in preparation for the next state plan period.

Rule Reference: [§809.92\(e\)–\(f\)](#)

F-205: Provider Denials of Referrals

While providers may choose to limit the number of subsidized children they accept, Boards must ensure that providers do not deny a child care referral based on the parent's income status, receipt of public assistance or the child's status with CPS. For example, providers may choose to accept no more than 10 subsidized children, but they may not choose to limit those they do accept to exclusively children of at-risk parents.

Rule Reference: [§809.92\(g\)](#)

Boards must be aware that the rules do not require providers to accept referrals that interrupt their business practices applied to the general public. For example, if a provider has a policy that it does not accept part-week or part-time enrollments and this policy is applied to the general public, then the rules will not require that provider to accept part-week or part-time subsidized enrollments.

F-206: Providers Placed on Corrective or Adverse Action by CCR

Boards must ensure that providers are given written notice of and agree to the required actions for providers placed on corrective or adverse action, as detailed in F-402.

F-300: Provider Reimbursement

Boards must ensure that reimbursement for child care is paid only to the provider.

Rule Reference: [§809.93\(a\)](#)

Boards must ensure that providers are paid no later than 21 calendar days following the completion of the service delivery time frame available to be paid.

A Board or its child care contractor must not reimburse a provider retroactively for new Board maximum reimbursement rates or new provider published rates.

Rule Reference: [§809.93\(h\)](#)

Boards must not reimburse providers that are debarred from other state or federal programs unless and until the debarment is removed.

Rule Reference: [§809.93\(e\)](#)

F-301: Reimbursement Based on Monthly Enrollment Authorization

A Board or its child care contractor must reimburse a regulated provider based on a child's monthly enrollment authorization, excluding periods of suspension as described in E-601.

Rule Reference: [§809.93\(b\)](#)

Unless otherwise determined by the Board and approved by TWC for automated reporting purposes, the monthly enrollment authorization reimbursement for child care is based on the unit of service authorized, as follows:

- A full-day unit of service is 6 to 12 hours of care provided within a 24-hour period.
- A part-day unit of service is fewer than 6 hours of care provided within a 24-hour period.
- A blended-day unit of service is for a child enrolled in a school program, pre-K, Head Start, or Early Head Start in which child care is provided part-day with care provided occasionally on a full-day basis.

Rule Reference: [§809.93\(f\)](#)

A Board or its child care contractor must ensure that parent travel time to and from the child care facility and the parent's work, school, or job training site is included in determining whether to authorize reimbursement for full-day, part-day, or blended-day care.

Rule Reference: [§809.93\(i\)](#)

A Board or its child care contractor must ensure that providers are not paid for holding spaces open.

Rule Reference: [§809.93\(g\)](#)

Boards must ensure that Form 2450 or a locally developed notification of enrollment, is sent to the provider.

F-302: Reimbursement for Relative Providers

Boards must ensure that a relative child care provider is not reimbursed for days on which a child is absent.

Rule Reference: [§809.93\(c\)](#)

Boards must be aware of the following:

- For a child in relative care, the child’s absences are not counted toward the maximum number of absences allowed.
- There are no paid “holidays” for relative providers, and Boards must ensure that no relative provider days are authorized or paid as holidays.

Boards must ensure that relative child care providers are not reimbursed for more children than permitted by the CCR minimum regulatory standards for registered child care homes. A Board may permit more children to be cared for by a relative child care provider on a case-by-case basis as determined by the Board.

Rule Reference: [§809.93\(d\)](#)

F-303: Reimbursement for Providers on a Notice of Freeze or Notice of Levy

Texas Labor Code, Title 4, §213.059 (Delinquency; Notice of Levy), requires TWC to identify and obtain control of assets owned by or debts owed to an individual who is delinquent in the payment of any amount, including contributions, penalties and interest due under the Texas Unemployment Compensation Act. An “asset” means a credit, bank or savings account or deposit, or any other intangible or personal property.

Texas Labor Code, Title 2 (Protection of Laborers), Subtitle C (Wages) §61.091 (Notice of Delinquency) through §61.095 (Discharge of Liability) requires TWC to identify and obtain control of assets owned by or debts owed to an individual who is delinquent in the payment of wages, including penalties due under Texas Labor Code, Chapter 61.

To enforce the delinquency provision, TWC is required to provide notice not to transfer or dispose of the assets or debts owed to any other individual who possesses or controls the assets or debts of a delinquent individual. TWC’s Division of Fraud Deterrence and Compliance Monitoring (FDCM) oversees this process and issues a Notice of Freeze to the entity in possession of assets or debts owed, instructing that a hold be placed on the assets. The Notice of Freeze provides:

- The amount of contributions, penalties, interest, wages and/or other amounts due
- Any additional amount that will accrue by operation of law in a period not to exceed 30 days after the date on which the notice is given

After issuance of the Notice of Freeze, TWC has up to 60 days to issue a Notice of Levy, which authorizes the entity holding the assets or debts to transfer them to TWC. However, at any time during the 60-day period, FDCM may levy on the asset or debt by delivery of a Notice of Levy.

If the delinquent entity is a child care provider owed reimbursements for child care services through TWC's child care program, FDCM provides both the Notice of Freeze and the Notice of Levy to the Board's executive director in the affected workforce area.

Upon receipt of a Notice of Freeze, Boards must ensure that a 60-day freeze is placed on any child care subsidies owed to the individual or child care provider identified in the notice.

Boards must be aware of the following:

- TWC may release a Notice of Freeze before the end of the 60-day period.
- TWC may issue a Notice of Levy requesting the held funds be transferred to TWC. The Notice of Levy will not exceed the total amount of the delinquency.
- The Notice of Freeze will expire automatically after the 60-day period absent any additional action taken by TWC.

Boards must ensure the following:

- A response to the Notice of Freeze is sent to FDCM within 20 days of its receipt.
- The response references the nature and value of any child care subsidies owed to the individual or child care provider identified in the notice.
- Any subsequent payments to the individual or child care provider during the 60-day period are held until a Notice of Levy is received or the freeze expires.
- Upon receipt of a Notice of Levy indicating the total amount requested, all held child care payments are transferred to TWC.

Boards must be aware that a Notice of Freeze or a Notice of Levy on subsidy payments does not make a child care provider ineligible to care for TWC-subsidized children. However, the provider may choose to discontinue providing subsidized child care services.

If a provider chooses to discontinue providing TWC-subsidized child care services, Boards must ensure that the provider agrees to give notice to parents and the Board or its child care contractor at least 30 days before the discontinuation of services to avoid interruptions in care and minimize impact on parents and children.

Boards must be aware that a provider on a Notice of Freeze or Notice of Levy is not eligible for the Texas Rising Star program.

Rule Reference: [§809.131\(a\)\(2\)\(B\)](#)

F-304: Reimbursement for Providers Debarred from the Child and Adult Care Food Program

The Child and Adult Care Food Program (CACFP) is a federally funded program administered in Texas by the Food and Nutrition Division of the Texas Department of Agriculture (TDA). The program reimburses eligible child care centers for part of the cost associated with serving approved, nutritious meals and snacks to children.

When TDA determines a provider noncompliant in one or more aspects of its operation of CACFP, a notice of termination and disqualification is given to the provider and all responsible

principals within the provider organization are placed on the US Department of Agriculture (USDA) National Disqualification List (NDL).

Boards must be aware that placement on NDL includes the following consequences:

- Provider is not allowed to participate in CACFP as a contracting entity or site.
- Provider and responsible principals are not allowed to perform any CACFP function or serve as a principal in any organization or site in CACFP.
- Provider will remain on NDL until the USDA Food and Nutrition Service, in consultation with the TDA Food and Nutrition Division, determines that the noncompliance has been corrected, or until seven years after the disqualification. (If any CACFP debt has not been repaid, the provider and responsible principals will remain on NDL until the debt has been repaid.)

Pursuant to §809.93, Boards must not reimburse providers that have been placed on NDL for CACFP.

Boards must be aware that once a provider has been placed on NDL, TDA notifies TWC and TWC forwards the notification to the Board in the workforce area in which the provider is located (managing Board) and any other Board with subsidized children enrolled with the provider, including children receiving protective services funded by DFPS.

Upon receipt of notification from TWC, the Board must ensure the following:

- Parents with children enrolled in TWC-funded child care with the provider are notified, in writing or by telephone, no later than two business days after receiving the notice from TWC that the provider is no longer an eligible provider of subsidized child care.
- Parents are given the option of having children remain enrolled at the provider or transferred to another eligible provider.
- Parents are notified that if a parent elects to keep a child enrolled at the facility, it is considered a voluntary withdrawal from subsidized child care services.
- Parents electing to transfer care to another provider must choose an eligible provider within 10 business days after receiving notification from the Board.
- All current referrals end within 10 business days after the parent receives the notification.
- The agreement with the provider ends in the month in which the 10th business day after the parent receives notification from the Board occurs.
- No new referrals for child care services are made to the provider.

The managing Board must ensure that for a provider disqualified from CACFP the following information is entered into TWIST:

- Date the report was sent to the Board (entered as the “Ineligible Provider Date” on the Program Detail, Provider tab)
- Select 4-Fed/State Debarment under Corrective/Adverse on the Program Detail, Provider tab

Boards must ensure that if a parent transfers a child, the transfer is not counted against the parent under the Board’s transfer policy.

Written Notification to Parents Regarding Provider Termination and Disqualification

Boards may develop letters to notify parents of a provider's disqualification status.

However, Boards must ensure the following:

- The form in [Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program](#), or a locally developed notification of termination and disqualification form, is included with the letter to parents ([Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program](#)–Spanish version).
- Locally developed forms contain the following:
 - Board name
 - Parent name
 - Case number
 - Child care provider
 - Date notification sent
 - Purpose of notice and brief explanation of termination and disqualification action
 - Parent options for responding to notification
 - Requirement to respond within 10 business days
 - Statement that withdrawal from child care is voluntary and the parent will be responsible for full cost of care if no response is received
 - Signature block as shown on the [Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program](#) ([Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program](#) – Spanish version)

F-400: Providers Placed on Corrective or Adverse Action by the Texas Department of Family and Protective Services

F-401: General Information

CCR may place child care providers on corrective or adverse action if the provider has repeated violations of CCR standards.

CCR corrective actions are steps that CCR may impose on an operation to assist it in becoming compliant with standards, rules and child care law. These actions are imposed when an operation has repeated deficiencies in standards that do not endanger the health and safety of children. Licensing staff may place the operation on evaluation or probation.

CCR adverse actions are steps that CCR may take to force an operation to close. Adverse actions are taken when an operation has been cited for deficiencies that pose a risk to the health and safety of children, or if there are indications of a continued failure to comply with standards, rules or child care law. Adverse actions include denial of an application, revocation or suspension of a permit or an adverse amendment with conditions on a permit.

TWC rules require Boards to take certain actions if CCR places a child care provider serving subsidized children on corrective or adverse action.

F-402: Providers Placed on Probation Corrective Action

For a provider placed on probation corrective action (probationary status) by CCR, Boards must ensure the following:

- Parents with children in TWC-funded child care are notified in writing of the provider's corrective action probationary status no later than five business days after receiving notification from TWC of CCR's decision to place the provider on corrective action probationary status.
- No new referrals are made to the provider while on corrective action probationary status.

Rule Reference: [§809.94\(a\)](#)

F-403: Reimbursements for Providers on Corrective Action

For a provider placed on corrective action by CCR, Boards must ensure that while on corrective action probationary status the provider is not reimbursed at the Boards' enhanced reimbursement rates, as described in B-703.

Rule Reference: [§809.94\(c\)](#)

F-404: Providers Placed on Adverse Action

When CCR is taking adverse action against a provider, Boards must ensure the following:

- Parents with children enrolled in TWC-funded child care with the provider are notified, in writing or by telephone, no later than two business days after receiving TWC notification that CCR intends to take adverse action against the provider.

- Children enrolled in TWC-funded child care with the provider are transferred to another eligible provider no later than five business days after receiving TWC notification that CCR intends to take adverse action against the provider.
- No new referrals for TWC-funded child care are made to the provider while CCR is taking adverse action.

Rule Reference: [§809.94\(d\)](#)

F-405: Summary of Required Actions for Providers on Corrective or Adverse Action

The following table summarizes the actions to be taken when a child care provider has been placed on corrective or adverse action with CCR.

Status	Required Notification of Parents	Required to Stop New Enrollments	Required to Remove Currently Enrolled Children	Provider Eligible to Receive Enhanced Rates
Probation Corrective Action	Yes	Yes	No	No
Adverse Action	Yes	Yes	Yes	No

F-406: Notification to Boards of Providers Placed on Corrective or Adverse Action by CCR

Boards must be aware of the following:

- CCR will notify TWC on a weekly basis of providers placed on corrective or adverse action during the previous week.
- TWC will send Boards a list of providers placed on corrective or adverse action with CCR.

Boards must ensure that parents are notified of a provider’s status only after receiving official notification from TWC.

However, in situations when a facility closure is imminent or has already happened, CCR may directly notify TWC or a Board. Boards may take action if this type of notification is received.

F-407: Written Notification to Parents Regarding Providers Placed on Corrective or Adverse Action

Boards may develop letters to notify parents of a provider’s status with CCR.

However, Boards must ensure the following:

- The [Parent Notification of Provider Corrective Action](#) form, or a locally developed corrective action notification form, is included with the letter to parents.
- Locally developed forms retain the following:
 - Board name
 - Parent name
 - Case number
 - Child care provider
 - Date notification sent
 - Type, purpose and explanation of corrective action
 - Parent options for responding to the notification
 - Requirement to request a transfer within 14 calendar days in order to not be subject to the Board’s transfer policies

F-408: Parents Requesting Transfer to Another Eligible Provider

Boards must be aware of the following:

- A parent requesting transfer to another eligible provider is not required to submit the request in writing and may submit the transfer request over the phone.
- Boards must have a policy implementing a waiting period of two weeks before the effective date of a transfer, except in cases in which the provider is subject to a CCR probationary status or corrective action, or on a case-by-case basis as determined by the Board.

Boards must be aware that if the parent requests to transfer the child because the provider is on corrective or adverse action, then the transfer must not be counted against the parent under the Board’s transfer policy.

Rule Reference: [§809.94\(b\)](#)

F-500: Provider Attendance Agreement

F-501: Regular Review of Attendance by Providers

Boards must ensure that providers agree to review attendance records and report any child with five consecutive days of absences. This report will count as one provider notice for the child.

Note: Boards must be aware that until a new automated attendance system is available, absence notification must be provided in accordance with WD Letter 08-21.

F-502: Penalties for Not Reporting Child Absences

Boards must ensure that providers agree to comply with guidance in accordance with WD Letter 08-21 and are aware that failing to do so may warrant corrective or adverse actions, such as investigation and prosecution of fraud, and the actions described in Part G, which include—but are not limited to—the following:

- Closing intake
- Moving children to another provider selected by the parent
- Withholding provider payments or reimbursement of costs incurred
- Termination of child care services
- Recoupment of funds

Part G – Fraud, Fact-Finding and Improper Payments

G-100: General Fraud Fact-Finding Procedures

Boards must develop procedures consistent with fraud prevention provisions in the TWC Board Agreement for the prevention of fraud by a parent, provider, or any other individual in a position to commit fraud.

Rule Reference: [§809.111\(a\)](#)

Boards must be aware that in relation to child care services, an individual commits fraud if, to obtain or increase a benefit or other payment, either for the individual or for another individual, he or she does either of the following:

- Makes a false statement or representation, knowing it to be false
- Knowingly fails to disclose a material fact

Rule Reference: [§809.111\(b\)](#)

This definition is consistent with the definition of fraudulently obtaining benefits under Texas Labor Code §214.001.

Boards must ensure that procedures for researching and fact-finding for possible fraud are developed and implemented to deter and detect suspected fraud for child care services in their local workforce development areas. Procedures must include provisions for suspected fraud to be reported to TWC in accordance with TWC policies and procedures.

On review of suspected fraud reports, TWC may either accept a case for investigation and action at the state level, or return the case to the Board or its child care contractor for action including, but not limited to, one of the following:

- Further fact-finding
- Other corrective action as provided in this guide or as may be appropriate

The Board must ensure that a final fact-finding report is submitted to TWC after a case is returned to the Board or its child care contractor and all feasible avenues of fact-finding and corrective actions have been exhausted.

Rule Reference: [§809.111\(c\)–\(f\)](#)

In accordance with ,” Boards must use the tools and reports available in [TA Bulletin 276, Change 1](#), issued July 13, 2022, and titled “Child Care and Unemployment Insurance Early Warning Report and Child Care Income Report—Update,” and in the Child Care Fact-Finder’s Desk Aid (FDCM-55).

Note: Boards must report suspected nonemployee program fraud in the Program Integrity Reporting and Tracking System (PIRTS) before fact-finding. PIRTS will produce a case number for the incident.

To gain access to PIRTS, Boards need to complete [PIRTS User Agreement \(FDCM-67\)](#).

G-200: Suspected Fraud

Boards must be aware that a parent, provider, or any other person in a position to commit fraud may be suspected of fraud if the individual presents or causes to be presented to the Board or its child care contractor one or more of the following items:

- A request for reimbursement in excess of the amount charged by the provider for the child care
- A claim for child care services if evidence indicates that the individual may have one of the following:
 - Known, or should have known, that child care services were not provided as claimed
 - Known, or should have known, that information provided is false or fraudulent
 - Received child care services during a period in which the parent or child was not eligible for services
 - Known, or should have known, that child care subsidies were provided to an individual not eligible to be a provider
 - Otherwise indicated that the individual knew or should have known that the actions were in violation of state or federal statute or regulations relating to child care services

Rule Reference: [§809.112\(a\)](#)

Boards must be aware that the following parental actions may be grounds for suspected fraud and cause for Boards to conduct fraud fact-finding or for TWC's three-member Commission to initiate a fraud investigation:

- Not reporting or falsely reporting the following at initial eligibility or at eligibility redetermination:
 - Household composition or income sources or amounts that would have resulted in ineligibility or a higher parent share of cost
 - Work, training, or education hours that would have resulted in ineligibility
- Not reporting the following during the 12-month eligibility period inclusive of the three-month initial job search period, if applicable:
 - Changes in income or household composition that would cause the family income to exceed 85 percent of the SMI (taking into consideration fluctuations of income)
 - A permanent loss of job or cessation of training or education that exceeds three months
 - Improper or inaccurate reporting of attendance

Rule Reference: [§809.112\(b\)](#)

G-300: Action to Prevent or Correct Suspected Fraud

G-301: Provider Fraud

TWC or a Board may take the following actions if TWC or the Board finds that a provider has committed fraud:

- Temporary withholding of payments to the provider for child care services delivered
- Nonpayment of child care services delivered
- Recoupment of funds from the provider
- Stop authorizing care at the provider's facility or location
- Prohibit future eligibility to provide TWC-funded child care services
- Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent or stop suspected fraud

Rule Reference: [§809.113\(a\)](#)

Boards must be aware that if a provider agreement is terminated due to fraud, this information must be entered into TWIST comments and any other Board with a current provider agreement must be notified of this action.

G-302: Parent Fraud

TWC or the Board may take the following actions if TWC or the Board finds that a parent has committed fraud:

- Recouping funds from the parent for the entire cost of care.
Note: Boards must ensure that when a parent owes a recoupment to a Board for a fraud determination, the parent's recoupment status is flagged on the Intake-Common Family tab in TWIST.
- Prohibiting future child care eligibility until a recoupment is repaid in full, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care
- Limiting the enrollment of the parent's child to a regulated child care provider
- Terminating care during the 12-month eligibility period if eligibility was determined using fraudulent information provided by the parent
- Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent or stop suspected fraud

Rule Reference: [§809.113\(b\)](#)

G-400: Failure to Comply with TWC Rules and Board Policies

Boards must ensure that parents and providers comply with TWC rules.

TWC, the Board or the Board's child care contractor may consider failure by a provider or parent to comply with TWC rules as an act that may warrant corrective and adverse action as detailed in G-500.

Failure by a provider or parent to comply with TWC Chapter 809 rules must be considered a breach of contract, which may result in corrective action.

Rule Reference: [§809.114](#)

G-500: Board Corrective Adverse Actions

G-501: Determining Appropriate Board Corrective Actions

When determining appropriate corrective actions, Boards or the Board's child care contractors must consider the following:

- The scope of the violation
- The severity of the violation
- The compliance history of the individual or entity

Rule Reference: [§809.115\(a\)](#)

G-502: Types of Board Corrective Actions

Corrective actions for providers may include, but are not limited to, the following:

- Closing intake
- Moving children to another provider selected by the parent
- Withholding provider payments or reimbursement of costs incurred
- Recoupment of funds
- Ending an agreement (staff must complete data entry in the provider TWIST record and enter a note in the provider comments section)

Rule Reference: [§809.115\(b\)](#)

Boards must be aware that if a provider agreement is terminated for any reason, this information must be entered into TWIST comments and any other Board with a current provider agreement must be notified of this action.

G-503: Service Improvement Agreements

When a provider violates a provision of Part F, a written Service Improvement Agreement (SIA) may be negotiated between the provider and the Board or the Board's child care contractor. At the least, the SIA must include the following:

- Basis for the SIA
- Steps required to reach compliance including, if applicable, technical assistance
- Time limits for implementing the improvements
- Consequences of noncompliance with the SIA

Rule Reference: [§809.115\(c\)](#)

G-504: Board Corrective Actions for Violations of Absence Reporting

Boards must develop policies and procedures to ensure that the Board or the Board's child care contractor take corrective action consistent with sections G-501, G-502, and G-503 against a provider when the provider fails to report a child's five consecutive absences.

G-600: Recovery of Improper Payments

Boards must attempt recovery of all improper payments. TWC must not pay for improper payments.

Board recovery of improper payments must be managed in accordance with TWC policies and procedures.

Rule Reference: [§809.117\(a\)–\(b\)](#)

G-601: Recoupments of Improper Payments from Providers

Boards must ensure that providers repay improper payments for child care services received in the following circumstances:

- Instances involving fraud
- Instances in which the provider did not meet the provider eligibility requirements
- Instances in which the provider was paid for the child care services from another source
- Instances in which the provider did not deliver the child care services
- Instances in which referred children have been moved from one facility to another without authorization from the child care contractor
- Other instances in which repayment is deemed an appropriate action

Rule Reference: [§809.117\(c\)](#)

G-602: Recoupments of Improper Payments from Parents

Boards must ensure that parents repay improper payments for child care only in the following circumstances:

- Instances involving fraud as defined in this guide
- Instances in which the parent has received child care services while awaiting an appeal and the determination is affirmed by the hearing officer
- Instances in which the parent fails to pay the parent share of cost and the Board's policy is for the Board to pay the provider for the parent's failure to pay the parent share of cost

Rule Reference: [§809.117\(d\)](#)

Note: The Board must ensure that the parent is not held responsible for repayment when Board or Board contractor error may have resulted in the improper payment.

G-603: Prohibition on Future Eligibility for Parents Owing Recoupments

The Board must ensure that a parent subject to repayment provisions is prohibited from future child care eligibility until the repayment amount owed to a Board is recovered, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care.

Rule Reference: [§809.117\(e\)](#)

Part H – Consumer Education and Child Care Quality Activities

H-100: Promoting Consumer Education

H-101: General Information

Boards must promote informed child care choices by providing consumer education information to the following:

- Parents who are eligible for child care services (child care scholarships for eligible children)
- Parents who are placed on a Board’s waiting list
- Parents who are no longer eligible for child care services
- Applicants who are not eligible for child care services

Boards must ensure that consumer education information, including consumer education information provided through a Board’s website, contains the following, at a minimum:

- Information about the Texas Information and Referral Network/2-1-1 Texas (2-1-1 Texas)
- The website and telephone number of the Texas Health and Human Services Commission Child Care Regulation (CCR) so parents may obtain health and safety requirements, including information on:
 - The prevention and control of infectious diseases (including immunizations)
 - Building and physical premises safety
 - Minimum health and safety training appropriate to the provider setting
 - The regulatory compliance history of child care providers
- A description of the full range of eligible child care providers set forth in F-101
- A description of programs available in the local workforce development area (workforce area) relating to school readiness and quality rating systems, including:
 - Texas Rising Star provider criteria described in Part I
 - Integrated school readiness models, pursuant to TEC §29.160
- A list of child care providers that meet quality indicators, pursuant to Texas Government Code §2308.3171
- A link to the website for the official statewide [Child Care Availability Portal](#)

Rule Reference: [§809.15](#)

Additional consumer education information may be found at [Early Childhood Texas](#).

Any public outreach, provider outreach, or educational materials, as well as public-facing website information, must use the term “child care scholarship” instead of “child care subsidy.” Boards may consider using “Child Care Services” when referring to the program and “child care scholarship” when referring to the benefit the child receives.

Boards must ensure that all policy changes and requested updates to a Board’s website are completed in a timely manner.

H-102: Consumer Education on Quality Child Care Indicators

Boards must be aware that Texas Government Code §2308.3171 defines a “quality child care indicator” as any appropriate indicator of quality services, including if the provider is one of the following:

- A Texas Rising Star–certified provider
- Accredited by a nationally recognized accrediting organization approved by TWC
- A provider certified under TEC §29.161
- Participating in the TSR project

Pursuant to Texas Government Code §2308.3171(b), Boards must do the following:

- Provide information on quality child care indicators to each licensed or registered child care provider in the workforce area
- Determine the manner in which to provide this information

Pursuant to Texas Government Code §2308.3171(c), Boards must post the following information in a prominent place on their websites, in Workforce Solutions offices and in mobile Workforce Solutions offices:

- A list of local child care providers that have a quality child care indicator and accept subsidies, updated at least quarterly
- A list of local parenting classes, if any are available in the workforce area

Each Board must ensure that information on quality child care indicators is provided in printed materials for distribution to parents and the public, including the Board’s web address for quality indicator information.

Boards also may choose additional methods to disseminate information on quality child care indicators.

Boards must:

- Provide information to parents and the public on quality child care indicators for each licensed or registered child care provider in the workforce area
- Determine the manner in which to provide the information on quality child care indicators

Boards also must establish the manner in which to provide the information. Acceptable methods include, but are not limited to, the following:

- Posting the information on the Board’s website and including the web address on appropriate printed materials distributed to parents and the public
- Distributing printed information

- Furnishing parents with a list of providers by geographic area (for example, county, city, and ZIP code)

Boards may provide this information using one of the following:

- TWIST Report #252
- Board-developed reports

H-103: Local Quality Indicators

Boards must be aware that Texas Government Code §2308.3171:

- provides Boards with the flexibility to identify local child care programs that have achieved any other measurable target relevant to improving the quality of child care in Texas; and
- requires TWC approval of an identified program as a “quality child care indicator.”

Boards also must be aware that child care providers requesting TWC approval of their programs as meeting a quality child care indicator will be required by TWC to demonstrate that the programs meet an established set of criteria developed by an independent accrediting entity listed below.

Programs are required to meet at least one of the following criteria:

- Standard curriculum and activities
- Group size and teacher/child ratios that are higher than minimum licensing requirements;
- Director and teacher training requirements that are higher than minimum licensing requirements
- Family involvement activities
- Child outcomes/school readiness

The independent accrediting entity must:

- have an established history of developing research-based criteria for determining that child care providers accredited by the entity meet quality measures;
- have an established process for evaluating child care providers against the quality measures;
- document that an independent evaluator approved by the accrediting entity has certified the child care provider as meeting the criteria for certification; and
- conduct the certification or accreditation at least every five years.

To request TWC approval of a program to be included as a quality child care indicator, Boards must send the request to childcare.programassistance@twc.texas.gov.

Boards must be aware that TWC will notify the Board and the provider requesting the designation of meeting a quality child care indicator upon approval or denial of the quality criteria and the accrediting entity.

If TWC approves the criteria and the accrediting entity before adding the provider to the list of quality indicators, Boards must confirm that the provider also meets the minimum health and safety licensing criteria outlined in the appropriate [Texas Rising Star Screening Form](#).

H-104: Quality Child Care Providers in TWIST

Texas Rising Star Information

Boards must ensure that accurate information is entered into TWIST for each Texas Rising Star–certified provider in the workforce area. At a minimum, the information must include the following:

- Effective dates of each Texas Rising Star provider’s certification
- Star level (Two-Star, Three-Star, or Four-Star) of each Texas Rising Star–certified provider

National Accredited Provider Information

The following TWC-approved, nationally accredited organizations list nationally accredited providers in Texas on their websites:

- [National Association for the Education of Young Children](#)
- [National Early Childhood Program Accreditation](#)
- [National Accreditation Commission for Early Care and Education Program](#)
- [Association of Christian Schools International](#)
- [National Association for Family Child Care](#)
- [Council of Accreditation \(formerly the National After School Association\)](#)
- [Cognia Quality Early Learning Schools \(QELS\)](#)
- Early Head Start and/or Head Start programs regulated by CCR

Boards must update nationally accredited provider information in TWIST at least every three months.

Texas School Ready

Boards must be aware that the Children’s Learning Institute (CLI) provides TWC a list of TSR grant participants. TWC provides this information to Boards upon receipt from CLI. Boards must update TWIST to include information on TSR grant participants.

H-105: Board Cooperation with 2-1-1 Texas

As part of consumer education on child care quality indicators, Board must cooperate with CCR to provide 2-1-1 Texas with information, as determined by CCR, for inclusion in the statewide information and referral network.

Rule Reference: [§809.15](#)

H-106: Information on Developmental Screenings

Boards must ensure that information regarding developmental screenings includes services available in the workforce area for conducting developmental screenings and providing referrals for the following:

- HHSC’s comprehensive preventative child health services under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program
- Developmental screening services available through the ECI program
- Developmental screening services available through Early Childhood Special Education

Rule Reference: [§809.15](#)

Boards have the flexibility to choose methods for disseminating developmental screening information to parents, including providing information through Board websites and providing a link to [Early Childhood Texas Developmental Screenings](#).

Boards must be aware that they are not required to make referrals or to ensure that developmental screenings are conducted. The only requirement is that Boards provide information to parents on available resources and services for conducting developmental screenings.

Boards also are encouraged to make information and training on developmental screenings available to providers.

H-107: Additional Information to Parents

As described in B-202, consumer education information provided to parents must include the following contact information for applicants and families whose child care eligibility is being terminated:

- Child care resource and referral agencies serving the relevant community
- Other providers of information and referrals serving the relevant community
- When appropriate, the administrator of the local independent school district’s prekindergarten or the Head Start program serving the relevant community

H-200: Quality Improvement Activities

H-201: General Information

Boards must be aware that child care funds allocated by TWC pursuant to its allocation rules (generally, Chapter 800, Subchapter B, Allocation and Funding, and specifically §800.58), including local public transferred funds and local private donated funds, as provided in Part C, to the extent that they are used for nondirect care quality improvement activities, must be expended in accordance with the CCDF State Plan.

Boards must be aware that expenditures certified by a public entity, as provided in Part C, may include expenditures for any quality improvement activity described in 45 CFR Part 98.

Rule Reference: [§809.16](#)

H-202: Required Quality Improvement Activities

Boards must be aware that Texas Government Code §2308.317(c) requires each Board to use at least 2 percent of the Board's yearly child care allocation for quality initiatives. However, at the beginning of Board Contract Year 2023, the Commission increased the allocation to 4 percent.

Boards must ensure that the 4 percent allocation dedicated to quality child care initiatives is used for the following:

- Quality child care programs, including programs meeting either of the following conditions:
 - The director receives mentoring services.
 - The program is in the process of obtaining Texas Rising Star certification.
- Technical assistance, including the following:
 - Assistance to Texas Rising Star providers and providers seeking Texas Rising Star certification
 - Consumer information regarding the selection of quality child care for parents
 - Parenting education information
- Professional development for child care providers, directors, and employees
- Educational materials for children served by child care providers
- Educational information for parents on the development of children under age five

H-202.a: Priority for Quality Initiatives

Boards must ensure priority for the quality allocation is given to quality child care initiatives that benefit child care facilities and that are working toward Texas Rising Star certification or are Texas Rising Star providers working toward a higher certification level.

H-202.b: Restrictions on the Use of Quality Funds

Boards must ensure that the quality allocation is not used for the following:

- Reimbursement for direct child care services
- Increasing Board maximum reimbursement rates
- Tiered reimbursement rates for Texas Rising Star providers

H-203: Allowable Quality Improvement Activities

Boards must be aware that activities designed to improve the quality and availability of child care also may include, but are not limited to, the following:

- Operating directly or providing financial assistance to organizations (including private nonprofit organizations, public organizations and units of general purpose local government) for the development, establishment, expansion, operation and coordination of resource and referral programs specifically related to child care
- Making grants or providing loans to child care providers to assist such providers in meeting applicable state, local and tribal child care standards
- Improving the monitoring of compliance with, and enforcement of, applicable state, local and tribal requirements
- Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention and care of children with special needs
- Improving salaries and other compensation (such as fringe benefits) for full- and part-time staff who provide child care services for which assistance is provided under this part
- Supporting the training and professional development of the child care workforce
- Improving the development or implementation of early learning and development guidelines
- Improving the supply and quality of child care programs and services for infants and toddlers
- Evaluating the quality of child care programs, including evaluating how programs positively affect children
- Supporting providers in the pursuit of certification under the Texas Rising Star program or national accreditation
- Other activities to improve the quality of child care services as long as outcome measures relating to improved provider preparedness, child safety, child well-being or kindergarten-entry are possible
- Any other activities that are consistent with the intent of 45 CFR Part 98

H-204: Training and Professional Development

Boards must ensure that Board-funded training provided to employees and operators of licensed child care centers, licensed child care homes and registered child care homes that are required to meet the minimum training standards in Texas Human Resources Code §42.0421, is:

- Appropriate and relevant to the age of the children cared for by the provider
- Delivered by a trainer who meets one of the following Texas Human Resources Code §42.0421(f)–(g) qualifications:
 - Registered with the [Texas Early Childhood Professional Development System \(TECPDS\) Texas Trainer Registry](#)
 - An instructor who teaches early childhood development or another relevant course at a public or private secondary school or at a public or private institution

- A state agency employee with relevant expertise (for example, CCR or state health services)
- A physician, psychologist, licensed professional counselor, social worker or registered nurse
- Holds a generally recognized credential or possesses documented knowledge relevant to the training the individual will provide (for example, an individual with a current child care professional credential, a firefighter who offers training on fire safety, a county health employee who offers training on immunizations)
- A registered child care home provider or director of a licensed child care center or licensed child care home in good standing with CCR, and who has demonstrated core knowledge in child development and caregiving and is only providing training at the home or center in which the provider, director or primary caregiver and the individuals receiving training are employed
- Has at least two years of experience working in child development, a child development program, early childhood education, a childhood education program or a Head Start or Early Head Start program and has been awarded a child development associate credential, or holds at least an associate's degree in child development, early childhood education or a related field

Boards also must be aware that Texas Human Resources Code §42.0421(f)–(g) specifies that the director of a licensed child care center or primary caregiver of a licensed or registered child care home may provide training to his or her staff as long as CCR has not:

- Placed the operation on probation, suspension, emergency suspension or revocation
- Assessed an administrative penalty in the two years preceding the training

Boards may require that all Board-funded child care training, including training that is not required to meet the minimum training standards required by CCR, meets the requirements in this section.

Online professional development courses are available to child care providers at [Texas A&M University AgriLife Child Care Online Courses](#).

H-205: Limitations on Construction

Boards must ensure compliance with 45 CFR Part 98 regarding construction expenditures, as follows:

- For state and local agencies and nonsectarian agencies or organizations:
 - Funds must not be expended for the purchase or improvement of land, or for the purchase, construction or permanent improvement of any building or facility.
 - Funds may be expended for minor remodeling, and for upgrading child care facilities to ensure that providers meet state and local child care standards, including applicable health and safety requirements.
- For sectarian agencies or organizations:
 - Funds must not be expended for the purchase or improvement of land, or for the purchase, construction or permanent improvement of any building or facility.

- Funds may be expended for minor remodeling only if necessary to bring the facility into compliance with the health and safety requirements established pursuant to 45 CFR Part 98.

Rule Reference: [§809.16](#)

H-206: Reporting Board Quality Activities

Boards must use the [Board Child Care Quality Expenditure & Activity Report Template](#) to report all nondirect care quality improvement activities, funded through any TWC funding source. [WD Letter 25-22, Change 1](#), issued February 8, 2022, and titled “Child Care Quality Funds Report and Implementation and Expenditure Plan—Update,” provides guidance on planning and reporting requirements for nondirect care Child Care Quality (CCQ) funds.

Boards must submit the completed quarterly report to BCM@twc.texas.gov no later than 30 days after the end of the quarter on the following schedule:

Reporting Period	Quarterly Report Due
Quarter 1: October 1–December 31	January 30
Quarter 2: January 1–March 31	April 30
Quarter 3: April 1–June 30	July 30
Quarter 4: July 1–September 30	October 30

Part I – Texas Rising Star Program

I-100: Texas Rising Star Program

I-101: Texas Rising Star Program Rules

Boards must be aware that [Chapter 809, Subchapter G](#) provides the rules for the Texas Rising Star program.

The purpose of the Texas Rising Star program rules is to interpret and implement Texas Government Code §2308.3155(b), requiring TWC to establish rules to administer the Texas Rising Star program, including guidelines for rating a child care provider for Texas Rising Star certification and designation of an Entry Level child care provider.

The Texas Rising Star program rules identify the organizational structure and categories of, and the scoring factors that will be included in, the Texas Rising Star certification guidelines.

I-102: Texas Rising Star Guidelines

Boards must be aware that [Texas Rising Star Certification Guidelines](#) are available.

The Texas Rising Star program rules require that the Texas Rising Star Guidelines for rating a child care provider describe the measures for the Texas Rising Star program, which must contain, at a minimum, measures for child care providers regarding the following:

- Director and staff qualifications and training
- Teacher-child interactions
- Program administration (family involvement, family education, and program management)
- Indoor and outdoor learning environments

Texas Rising Star guidelines specify measures that:

- must be met in order for a provider to be certified at each star level; and
- are observed and have points awarded through on-site assessments.

Texas Rising Star guidelines specify the scoring methodology and scoring thresholds for each star level. The Texas Rising Star Guidelines also describe:

- the points threshold for high and medium-high CCR deficiencies; and
- the process for designating providers as Entry Level.

TWC is required to adopt the Texas Rising Star guidelines subject to the requirements of the Texas Open Meetings Act.

TWC may amend the Texas Rising Star guidelines, provided that the amendments are adopted subject to the requirements of the Texas Open Meetings Act.

Rule Reference: [§809.130](#)

I-200: Eligibility for the Texas Rising Star Program

I-201: Texas Rising Star Entry Level Designation

Regulated child care providers that do not meet Texas Rising Star certification requirements, as described in I-201 and established in the Texas Rising Star guidelines, will be initially designated as Entry Level if the child care provider:

- is not on corrective or adverse action with CCR; and
- does not exceed the points threshold for high and medium-high CCR deficiencies within the most recent 12-month period as established in the guidelines.

Rule Reference: [§809.132\(b\)](#)

A provider initially meeting the requirements in this section is eligible for mentoring services through the Texas Rising Star program during the time periods described in I-203.a and I-203.b.

Rule Reference: [§809.132\(c\)](#)

I-201.a: Maximum 24-Month Entry Level Period

A provider must be initially designated as Entry Level for no more than 24 months unless approved for a waiver under I-203.b.

An Entry Level provider will be reviewed for Texas Rising Star certification no later than the end of the 12th month of the 24-month period.

If an Entry Level provider is not eligible for Texas Rising Star certification by the end of the 18th month, the provider may not receive referrals for new families as an Entry Level provider, unless the provider is located in a child care desert or serves an underserved population and is approved by TWC to accept new family referrals.

Rule Reference: [§809.132\(d\)–\(e\)](#)

I-201.b: Extension of the 24-Month Entry Level Period

Boards must be aware that TWC may approve a waiver to extend the time limit under I-203.a, if the provider is:

- located in a child care desert or serves an underserved population as determined by TWC;
- unable to meet the certification requirements due to a federal-or state-declared emergency and/or disaster; or
- unable to meet the certification requirements due to conditions that TWC determines are outside of the provider's control.

Boards must be aware that approved waivers will not exceed a total of 36 months.

Rule Reference: [§809.132\(f\)–\(g\)](#)

I-202: Eligibility for Texas Rising Star Certification

Boards must be aware that a regulated child care provider is eligible for Texas Rising Star program certification if the provider has a current agreement to serve TWC-subsidized children.

The provider must also meet one of the following conditions:

- Has a permanent (non-expiring) license or registration from CCR with at least 12 months of licensing history with CCR
- Meets the requirements outlined in the Screening Criteria for CCS, which can be found on the Texas Rising Star website at [TRS Tools](#)
- Has, at a minimum, a program director account registered in the Texas Early Childhood Professional Development System Workforce Registry
- Be regulated by and in good standing with the US military

Rule Reference: [§809.131](#)

I-203: Texas Rising Star Restrictions for Providers on Corrective Action

Boards must be aware that a child care provider is not eligible for certification under the Texas Rising Star program if the provider is on one of the following:

- Corrective action with a Board, as described in G-500
- A Notice of Freeze with TWC, as described in F-303
- Corrective or adverse action with CCR, as described in F-400

Rule Reference: [§809.131\(a\)\(2\)](#)

I-300: Impacts on Texas Rising Star Certification

I-301: Suspension of Texas Rising Star Certification

Boards must be aware that a Texas Rising Star provider's certification is placed on suspension status under the following circumstances:

- Provider is placed on corrective action with a Board, as detailed in G-500
- Provider is under a Notice of Freeze with TWC, as detailed in F-303
- CCR places the provider on corrective or adverse action, as detailed in F-400
- Provider had 15 or more total high- or medium-high-weighted licensing deficiencies of any type during the most recent 12-month licensing history
- Provider has more than four probationary impacts during its three-year certification period
- Provider has a consecutive third probationary impact
- Provider is cited for specified CCR minimum standards regarding weapons and ammunition
- Provider is not meeting at least the Two-Star level due to noncompliance with Texas Rising Star guidelines at the most recent assessment of certification

Rule Reference: [§809.132\(a\)](#)

If no deficiencies described in I-302–304 are cited during the previous six months, Texas Rising Star-certified providers in suspension status may request an assessment after six months following the suspension date.

Rule Reference: [§809.132\(e\)](#)

I-301.a: Impact of Suspension Status

Texas Rising Star-certified providers in suspension status:

- may provide CCS as long as the provider meets at least the Entry Level criteria described in I-204;
- may not receive the enhanced reimbursement rate and must be reimbursed at the Board's Entry Level reimbursement rate; and
- may not receive referrals from a new family during the last six months of the 15-month suspension period unless the provider is approved by TWC to accept new family referrals and:
 - is located in a child care desert; or
 - serves an underserved population and is approved by TWC to accept new family referrals.

Rule Reference: [§809.132\(h\)](#)

I-301.b: Failure to Achieve Star-Level Certification

Texas Rising Star-certified providers in suspension status that fail to achieve at least a Two-Star certification by the end of the 15-month suspension period:

- are not eligible to provide CCS under this chapter;
- are not eligible for the Entry Level designation time frame described in I-204.a;
- are not eligible for the extension waiver described in I-204.b; and
- must subsequently meet at least Two-Star certification eligibility and screening requirements to provide CCS.

Rule Reference: [§809.132\(i\)](#)

I-302: Texas Rising Star–Certified Providers with Specified Star-Level Drop Licensing Deficiencies

Boards must be aware that a Texas Rising Star–certified provider found to have any of the specified “star-level drop” licensing deficiencies listed in the Texas Rising Star guidelines during the provider’s most recent 12-month CCR history must accept one of the following consequences:

- A provider would be reduced by one star level for each deficiency cited, so a Four-Star provider would be reduced to a Three-Star provider, and a Three-Star provider would be reduced to a Two-Star provider.
- A Two-Star provider is placed on suspension status.

Rule Reference: [§809.132\(b\)](#)

I-303: Probation for Texas Rising Star–Certified Providers

I-303.a: Specified Deficiencies that Result in Probation

Boards must be aware that a Texas Rising Star–certified provider found to have any of the specified probationary deficiencies listed in the Texas Rising Star guidelines during the provider’s most recent 12-month CCR history must be placed on a six-month probationary period.

Boards must be aware of the following:

- Texas Rising Star–certified providers on a six-month probationary period that are cited by CCR for any additional specified probationary deficiencies within the probationary period must be placed on a second consecutive probation and lose a star level, with a Two-Star–certified provider being placed on suspension status.
- If CCR does not cite any additional specified probationary deficiencies during the probationary period, the provider may be removed from probation status.
- If any additional specified probationary deficiencies are cited by CCR during the second probationary period, the Texas Rising Star provider will be placed on suspension status.

Rule Reference: [§809.132\(c\)](#)

I-303.b: Accumulated Total Deficiencies that Results in Probation

Boards must be aware that a Texas Rising Star–certified provider found to have 10 to 14 total high- or medium-high–weighted licensing deficiencies during the provider’s most recent 12-month CCR history must be placed on a six-month Texas Rising Star probationary period.

Boards must be aware of the following:

- Texas Rising Star–certified providers on a six-month probationary period that are cited by CCR within the probationary period for any additional high-or medium-high–weighted deficiencies must be placed on a second consecutive probation and lose a star level, with a Two-Star provider being placed on suspension status.
- If no additional high or medium-high–weighted deficiencies are cited by CCR during the probationary period, the provider may be removed from probation status.

- If any new high or medium-high-weighted deficiencies—not to exceed 14 total deficiencies—are cited by CCR during the second six-month probationary period, the provider must be placed on suspension status.

Rule Reference: [§809.132\(d\)](#)

I-305: Reinstatement of Texas Rising Star Certification Star Level

Boards must be aware of the following:

Texas Rising Star-certified providers not on suspension but losing a star level due to licensing deficiencies may be reinstated at the former star level if no citations described in I-302–304 occur within the six-month reduction time frame.

I-400: Request for Texas Rising Star Certification

Boards must be aware that child care providers requesting Texas Rising Star certification must submit the request in accordance with the Texas Rising Star Guidelines.

Boards must be aware that child care providers requesting Texas Rising Star certification are required to complete the following:

- An orientation on the Texas Rising Star guidelines, including an overview of the following:
 - Texas Rising Star program certification process
 - Texas Rising Star program measures
 - Texas Rising Star program assessment process
- Creation of a continuous quality improvement plan
- A Texas Rising Star program self-assessment

Rule Reference: [§809.133\(a\)](#)

The assessment entity must ensure that the provider receives the following:

- Written acknowledgment of receipt of the request for certification and self-assessment
- An estimated time frame for scheduling the initial assessment, sent within 20 days of receipt of the request

Rule Reference: [§809.133\(b\)](#)

Note: Throughout this guide, Boards are responsible for the tasks assigned to the Texas Rising Star assessor within their respective workforce areas until the centralized assessor entity is procured and designated by TWC.

Rule Reference: [§809.133\(h\)](#)

I-500: Texas Rising Star Program Assessments and Monitoring

I-501: Texas Rising Star Program Assessments

TWC's designated assessment entity (assessment entity) must ensure the following:

- An assessment is conducted for any provider that meets the eligibility requirement as described in I-200 and requests Texas Rising Star certification.
- Texas Rising Star certification is granted to any provider that is assessed and verified as meeting the Texas Rising Star provider certification criteria set forth in the Texas Rising Star guidelines.

The assessment entity must ensure that Texas Rising Star assessments are conducted as follows:

- On-site assessment of 100 percent of the provider classrooms at the initial assessment for Texas Rising Star certification and at each scheduled recertification
- Recertification of all Texas Rising Star providers every three years

Rule Reference: [§809.133\(b\)–\(c\)](#)

I-502: Texas Rising Star Program Monitoring

The assessment entity must ensure that Texas Rising Star–certified providers are monitored on an annual basis and the monitoring includes the following:

- At least one unannounced on-site visit
- A review of the provider's licensing compliance, as described in I-300

The assessment entity must ensure compliance with the process and procedures in the Texas Rising Star guidelines for conducting assessments of nationally accredited child care facilities and child care facilities regulated by the US military.

The assessment entity must ensure compliance with the process and procedures in the Texas Rising Star guidelines for conducting assessments of Texas Rising Star–certified providers that have a change of ownership, move, or expand locations.

Boards must ensure compliance with the process and procedures in the Texas Rising Star guidelines for implementing and supporting a continuous quality improvement framework.

Rule Reference: [§809.133\(e\)–\(g\)](#)

I-600: Texas Rising Star Staff

I-601: Minimum Requirements for Texas Rising Star Assessor Staff

Boards and TWC’s designated assessment entity must ensure that Texas Rising Star staff:

- meets the background check requirement consistent with TAC Chapter 745; and
- completes the Texas Rising Star standards training, as described in the Texas Rising Star guidelines.

Rule Reference: [§809.134\(a\)](#)

I-602: Minimum Education Requirements for Texas Rising Star Mentors

Boards must ensure that Texas Rising Star mentors meet the minimum education requirements as follows:

- Bachelor’s degree from an accredited four-year college or university in early childhood education, child development, special education, child psychology, educational psychology, elementary education, or family consumer science
- Bachelor’s degree from an accredited four-year college or university with at least 18 credit hours in early childhood education, child development, special education, child psychology, educational psychology, elementary education, or family consumer science with at least 12 credit hours in child development
- Associate’s degree in early childhood education, child development, special education, child psychology, educational psychology, elementary education, or family consumer science, and two years of suitable experience in early childhood education as determined by the Board

As described in WD Letter 02-21, Change 1, issued September 23, 2022, and titled, “Texas Rising Star Staff Education Extensions—Update,” TWC may grant a waiver of no more than two years to obtain the minimum education requirements outlined in this section if a Board can demonstrate that no applicants in its workforce area meet the minimum education requirements.

Rule Reference: [§809.134\(b\)](#)

I-603: Minimum Work Experience for Texas Rising Star Mentors

Boards must ensure that Texas Rising Star staff meets the minimum work experience requirements of one year of full-time early childhood classroom experience in a child care, Early Head Start, Head Start, or prekindergarten through third-grade school program.

Rule Reference: [§809.134\(d\)](#)

I-604: Roles and Responsibilities for Texas Rising Star Staff

Boards and TWC’s designated assessment entity must ensure that Texas Rising Star staff members comply with their assigned responsibilities, as follows:

- A mentor is a designated Board or Board contractor staff member who helps providers obtain, maintain, or achieve higher star levels of certification.
- An assessor is a staff member or contractor of the assessment entity who assesses and monitors providers that obtain, maintain, and achieve higher levels of quality.
- A dual-role staff member is defined as an individual meeting the definitions of a mentor and assessor.

Boards and the assessment entity must ensure that the dual-role staff member providing Texas Rising Star mentoring services to a provider does not act as the assessor of that same provider when determining Texas Rising Star certification.

Boards and the assessment entity must ensure that staff members complete annual professional development and continuing education consistent with the CCR Texas Rising Star annual minimum training hours requirement for a Texas Rising Star–certified child care program director.

Boards and the assessment entity must be aware that, pursuant to Texas Family Code §261.101, Texas Rising Star staff members are mandated reporters when observing serious incidents, as described in the Texas Rising Star guidelines.

Rule Reference: [§809.136](#)

Boards must be aware that mentoring and/or technical assistance to Texas Rising Star providers and providers seeking Texas Rising Star certification may be delivered by either Board contractor staff or staff hired directly by the Board.

I-605: Other Requirements for Texas Rising Star Staff

TWC’s designated assessment entity must ensure that assessors attain and maintain the Texas Rising Star Assessor Certification, as described in the Texas Rising Star guidelines.

Boards must ensure that mentors attain mentor micro-credentialing, as described in the Texas Rising Star guidelines.

Rule Reference: [§809.134\(f\)–\(g\)](#)

I-700: Texas Rising Star Process for Reconsideration

Boards must be aware that TWC's designated Texas Rising Star assessment entity is responsible for facility assessment reconsideration for the Texas Rising Star certification program. The Texas Rising Star program is not subject to TWC Chapter 823 Integrated Complaints, Hearings, and Appeals rules.

Rule Reference: [§809.135](#)

Note: Boards are responsible for the tasks assigned to the Texas Rising Star assessor entity within their respective workforce areas until the assessor entity is procured and designated by TWC.

Rule Reference: [§809.133\(h\)](#)

Part J – Appendix

J-100: Forms and Desk Aids

J-101: Child Care Local Match

- [Child Care Local Match Contribution Agreement Forms](#)
- [Child Care Local Match Agreement Amendment Form](#)
- [Local Match Payment Coupon & Certification of Expenditures Form](#)

J-102: Eligibility Processes

- [Child Care Services Application Recommended Language for Acknowledgement](#)
- [Parent Rights Form](#)
- [Parent Agreement to Report Child Care Attendance](#)
- [Notification of Child Care Services Eligibility Letter](#)
- [Child Care Eligibility Documentation Log](#)
- [Parent Share of Cost Sliding Fee Scale](#)
- [Including Absences and Z-Days with Variable Schedules – Examples](#)

J-103: Income Determination

- [Income Calculation Examples](#)
- [Income Determination: Military Income Sources](#)
- [Income Determination: Veterans' Income Sources](#)
- [Income Determination: Social Security Income Sources](#)

J-104: Requirements for Provision of Child Care

- [Instructions for Relative Child Care Providers on Completing Required Texas Department of Family and Protective Services Forms](#)
- [Requirements for Listed Family Homes](#)
- [Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program](#)
- [Parent Notification of Child Care Provider Disqualified from the Child and Adult Care Food Program – Spanish](#)
- [Parent Notification of Child Care Provider Placed on Corrective Action](#)
- [Listed Family Home Fee Waiver Authorization \(CC-2432\)](#) - Form CC-2432 is available on the TWC intranet. (The TWC intranet is not available to the public.)
- [Certification for Inclusion Assistance Rate CC-2419](#) - Form CC-2419 is available on the TWC intranet. (The TWC intranet is not available to the public.)

J-105: Quality Improvement

- [WD Letter 25-22, Change 1](#), and guidance on planning and reporting requirements for nondirect care Child Care Quality (CCQ) funds
- [Board CCQ Expenditure Plan and Activity Report](#)

List of Revisions

The tables below include a comprehensive list of the substantive changes made to this guide, including the revision date, the section revised, and a brief explanation of the specific revision.

Note: The guide also contains minor, nonsubstantive editorial changes that are not included on the List of Revisions.

November 2022

Section	Revisions
A-100	Definition updates based on rule revisions
B-202	Updated to reference Texas Labor Code and pre-K partnerships with child care providers
B-203	Updated information on pre-K partnerships
B-302	Updated required Board policies to align with rule revisions
B-500	Updated pre-K, Head Start, and Early Head Start waiting list exemptions
B-600	Updated rule revision references
B-703	Updated Infant and Toddler TSR rates
B-705	Updated rule revisions for nontraditional hours
D-101	Updated rule revisions for initial job search, SMI, and educational progress
D-102	Updated rule revisions
D-106.b	Updated excluded income
D-200	Updated rule revisions
D-1007	Updated rule revisions for recognized partnerships
D-1008	Updated rule revisions for child care during initial job search
E-100	Updated rule revisions for parent rights
E-200	Updated to include initial job search
E-300	Updated to include initial job search
E-600	Updated language clarification and rule revisions

F-100	Updated Texas Rising Star and Entry Level designation
F-103	Updated Entry Level designation
F-204	Updated rule revisions for provider charges to parents
F-301	Clarified the meaning of “blended day”
G-200	Updated rule revisions for initial job search
H-200	Clarified language regarding the CCDF State Plan
I-100	Updated rule revisions for Entry Level designation
I-200	Updated rule revisions for Entry Level designation
I-300	Updated rule revisions for impacts on Texas Rising Star certification
I-306	Updated rule revisions for providers on suspension status
I-400	Updated rule revisions for Texas Rising Star certification
I-500	Updated rule revisions for assessment entity
I-600	Updated rule revisions for minimum requirements for Texas Rising Star staff
I-700	Updated rule revisions for entity assessor language
Appendix J	<p>Appendix revised as follows:</p> <ul style="list-style-type: none"> • CCS Eligibility Documentation Log—Updated • Notification of CCS Eligibility Letter—Updated • Listed Family Home Fee Waiver Authorization—Added • Parent Information Developmental Screenings—Removed • Parent Information for Choosing a Child Care Provider—Removed

April 2022

Section	Revisions
B-100	Updated language for timely data entry, using ‘child care scholarship’ for outreach
B-302	Updated language to include transfer waiting period and contracted slots
B-601	Added language for parent share of cost reduction for part-time/week and blended child care

B-610	Updated language to address transfers and allowable discounts
B-708	Updated language to address provider payment exceptions and timely provider payment
D-301	Updated language to address attendance changes
D-704	Added language to address DFPS authorizations
D-705	Added language to address DFPS Early Terminations
D-1002	Added language to address application requirements
D-1004	Added language to address attendances changes
D-1005	Added language to address redetermination information requirements
D-1006	Added language to address Board to Board transfers
D-1007	Added new section: Pre-K
E-600	Clarified language regarding attendance
F-103	Added language to address child care provider training required
F-200	Added language to address child care provider training
F-300	Added language to address timely provider payment
F-408	Clarified language to address the waiting period for child care provider transfers
F-500	Removed and added language regarding provider attendance reporting requirement
G-300	Added language to address provider agreement termination and notification
G-502	Added language to address provider agreement termination and notification
H-101	Added language to address Board website updates
H-203	Clarified language
I-102	Added and clarified language about Texas Rising Star guidelines
I-201	Added language to address rules changes for Texas Rising Star
I-203	Added language to address Texas Rising Star Application restrictions

I-300	Added language to address Texas Rising Star Certification loss
I-400	Added language to address Texas Rising Star application changes
I-500	Updated language
I-600	Updated language for Texas Rising Star staff
Appendix J	Updated documents: <ul style="list-style-type: none"> • Absences and Variable Schedules • Parent Agreement to Report Child Attendance • Parent Information Developmental Screenings • Parent Information for Choosing a Child Care Provider • Sample Notification of CC Eligibility

November 2020

Section	Revisions
B-500	Updated language regarding waiting lists
B-601	Updated language regarding allowable discounts
D-100	Updated language
D-202	Updated language
D-704	Updated language regarding DFPS responsible entity
D-800	Updated language
D-901	Updated and clarified language related to excessive absences
D-1000	Updated language
D-1002, D-1005	Added residency requirement
D-1004	Updated document list
E-101	Adjusted information regarding parent rights
E-600	Clarified DFPS and attendance information
F-400	Removed Evaluation and clarified language
G-100	Updated language regarding PIRTS
G-302	Clarified language regarding recoupment
H-100	Updated language

March 2019

Section	Revisions
A-100	Added and adjusted definitions
I-300	Updated language to align with rule change
I-604	Updated language to align with rule change

October 2018

Section	Revisions
A-100	Added definition of “excessive unexplained absences”
B-302	Added new policy for termination of care for nonpayment of parent share of cost and criteria for determining affordability
B-401	Clarified priority group
B-601	Updated language to align with rule change
B-606	Updated language to align with rule change
D-101	Added waiting periods for reapplication
D-104	Updated language to align with rule change
D-301	Updated language in Choices table
D-601	Clarified of homelessness time frame eligibility
D-809	Added additional option of Activity Interruption
D-901	Added reasons for termination of care
D-1001	Added waiting list information
D-1005	Added language to address absence accrual between eligibility periods
E-100	Adjusted parent rights language
501, D-107, D-108, D-202, D-607, D-901, D-902, E 101, E-500, E-501, E-600, G-302	Clarified language

June 2018

Section	Revisions
B-401	Revised mandatory priority group to reflect changes to Transitional child care
D-301.g	Adjusted Choices table
D-650	Removed Transitional
D-807	Made minor revision to adjust language regarding Activity Interruptions
D-901.a	Added out-of-state move as an allowable termination reason
D-1005	Added language to allow for eligibility periods of up to 13 months to facilitate quality redetermination processes
Throughout	Updated references regarding DFPS and CCR because CCR now a part of HHSC

November 2017

Section	Revisions
B-606	Updated to align with CCDBG reauthorization and changes to TWC Chapter 809 Child Care Services Rules
Part C	Updated to Local Match to align with new policy
Part D	<p>Added multiple clarifications on eligibility policies regarding:</p> <ul style="list-style-type: none"> • Income calculation clarifications • Using the Income Exception Report • Clarifications on providing Choices child care • Homelessness screening and waiting list procedures • Clarifications on providing child care for children receiving protective services • Clarifications regarding temporary interruptions in activity • Clarifications regarding suspensions of care • Child care after a permanent change of caregiver (death or incarceration of parent) • Clarifications related to Continuity of Care • Eligibility procedures for customers on the waiting list experiencing a temporary interruption in activity • Clarification on extending eligibility redetermination dates • Clarification on parent share of cost for new child after Board transfer
E-601	Clarified attendance policies

Part J	Made minor revisions to Eligibility Documentation Log and revised Local Match forms to align with new policy
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March 2017

Section	Revisions
Parts A, B, D, E, F, G, H, and J	Updated to align with CCDBG reauthorization and changes to TAC Chapter 809 Child Care Services Rules

2014

Section	Revisions
Recissions (48)	WD Letters 12-14; 05-14; 04-14; 33-13; 12-13, Change 1; 20-13; 30-12, Change 1; 26-12; 33-11; 15-11, Change 1; 05-11; 28-09; 12-08, Change 1; 67-07; 34-06; 57-03; 11-07; 53-07; 36-08; 44-08; 10-13; 30-12, Change 1; 24-13; 19-13; 10-13; 04-13; 34-11; 42-09; 44-08; 36-08; 12-08, Change 1; 53-07; 11-07; 48-04; 18-03; 03-13; 25-11; 43-08; 01-13, Change 1; 09-13; 05-13; 02-13; 02-12; 37-11; 32-11; 37-10; 19-09; 50-07, Change 1; 16-07
B-705	Changed to align with new policy