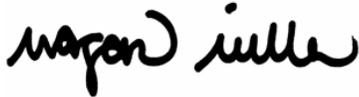


**TEXAS WORKFORCE COMMISSION**  
**Workforce Development Letter**

<b>ID/No:</b>	WD 14-22, Change 4
<b>Date:</b>	February 5, 2026
<b>Keyword:</b>	Child Care
<b>Effective:</b>	March 1, 2026

**To:** Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers



**From:** Reagan Miller, Director, Child Care & Early Learning Division

**Subject:** **Child Care Provider Data and Board Agreements—Update**

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**PURPOSE:**

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with updated guidance on policy and automation changes related to child care providers that participate in the Child Care Services (CCS) program.

This updated letter includes information related to Board agreements with providers in their local workforce development area, regardless of where the children receiving care reside.

**RESCISSIONS:**

WD Letter 14-22, Change 4

**BACKGROUND:**

On September 13, 2022, the Texas Workforce Commission’s (TWC) three-member Commission (Commission) approved amendments to TWC’s Chapter 809 Child Care Services rules at 40 Texas Administrative Code (TAC), Chapter 809. These amendments include changes necessary to implement House Bill 2607, 87th Texas Legislature, Regular Session (2021), which requires all CCS providers to participate in the Texas Rising Star program. The legislation creates a new entry level for CCS providers and requires all CCS providers to attain at least a Two-Star certification in the Texas Rising Star program. The approved rule amendments also standardize several policies at the state level to ensure greater consistency from CCS providers.

Additionally, in July 2022, TWC selected a vendor to implement a new system, Texas Child Care Connection (TX3C), to replace the child care program functions in The Workforce Information System of Texas (TWIST) and include a modernized process for capturing child care automated attendance. The automated attendance functionality of TX3C: KinderConnect was deployed on May 17, 2023, and full case management functionality began January 13, 2025.

With the transition from TWIST to TX3C, changes were made to the process of updating quality ratings, which impact provider payment rates. TX3C manages provider quality ratings using an interface developed in partnership with Children’s Learning Institute (CLI). The CLI interface serves as the system’s primary tool for updating ratings within the TX3C database. When

changes to a provider's quality rating are entered into the CLI system, that information is transmitted to TX3C, updating the payment rates they receive.

## **PROCEDURES:**

**No Local Flexibility (NLF):** This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by "must."

**Local Flexibility (LF):** This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by "may" or "recommend."

### **Provider Data Entry Requirements**

#### **TX3C: KinderTrack**

**NLF:** To ensure proper payment processing of direct care payments, each Board must, at a minimum, require that the following data is entered within five business days of receipt and is in alignment with the TX3C: KinderTrack payment schedule:

- New license/operation number issued by Child Care Regulation (CCR)
- CCS provider agreement dates
- Ineligibility dates
- Texas Rising Star level, including Entry Level designation, and accreditation status changes
- Provider published rates
- Holiday schedules
- Status as a prekindergarten partnership site
- Terminated CCS provider agreements
- Counselor notes related to the data above

**Note:** If CCR data is not yet available in TX3C: KinderTrack, Boards must enter required data as soon as practicable and document any delay in Family Notes in TX3C: KinderTrack.

**LF:** Boards may require staff members to enter other Board-specific, provider-related data into TX3C: KinderTrack based on local policy and/or procedure.

**NLF:** Boards must ensure that staff members update provider agreement data in TX3C: KinderTrack within three business days of the execution of a new or updated provider agreement.

**NLF:** Boards must ensure that staff members update the Warn Prevent Ignore (WPI) setting in TX3C: KinderTrack for WPI # 2175, "Provider Without an Agreement" to "Warn" rather than "Prevent." This will ensure that child care schedules may be authorized past the end date of a provider agreement. Boards must ensure their local processes for updating provider agreements include a backstop process that allows caseworkers can communicate these warning messages to the appropriate provider management staff.

**NLF:** Boards must inform staff that TX3C: KinderTrack has a live interface with the CLI Engage system and receives updates to providers' ratings in real time. When changes to a provider's quality rating are entered into the CLI system, that information is transmitted to TX3C: KinderTrack, which in turn updates the payment rates the provider receives.

## **CLI Engage**

**NLF:** Boards must ensure that all Texas Rising Star staff members have access to CLI Engage and are provided access to the CLI Engage User Guide, which is available to Boards on TWC's intranet.

**NLF:** Boards must ensure that new Texas Rising Star staff members are onboarded into CLI Engage and that they obtain access to the Texas Rising Star Assessment Training and Certification Program (ATCP) within 10 business days of their start date. Onboarding includes the following steps:

- The new staff member creates a CLI Engage user account.
- The Board's Community District User (CDU) notifies CLI of the new staff member via the CLI Engage Help Ticketing System, including the new staff member's name, role, email address, and Board.

**NLF:** Boards must also ensure that the Board's CDU assigns new staff members in CLI Engage to child care programs that the staff members will work with as described in the CLI Engage User Guide. Assignments in CLI Engage must be completed prior to staff members working with their assigned programs.

**NLF:** Boards must ensure that the following Texas Rising Star-related events are documented in the CLI Engage Event Log within five business days of the event and include adequate detail for future reference:

- Entry Level-designation status and required screenings related to Entry Level designation
- Details of child care program facility changes
- Documentation of mentoring visits
- Other relevant information related to a child care program's ongoing status in Texas Rising Star as required by the Texas Rising Star Staff Handbook

**NLF:** Boards must ensure that after receiving a Texas Rising Star Interest Form notification from a child care program, the Board's CDU assigns a Texas Rising Star mentor to the child care program in CLI Engage within 10 business days.

**NLF:** Boards must also ensure that mentors work with child care programs to develop a Continuous Quality Improvement Plan (CQIP) and enter the resulting plan in the CLI Engage CQIP tool within five business days of developing the plan goals and action steps. Additionally, Boards must ensure that once action steps have been completed, the CQIP is updated within five business days.

## **Board CCS Provider Agreements and Addendums**

**NLF:** Boards must enter into agreements with eligible providers located within their local workforce development area (workforce area) who are interested in participating in CCS, even if the provider intends to only serve families in a neighboring workforce area. Providers are compensated based on the payment rate of the workforce area where they are located and not the rate of the workforce area where the children reside.

**NLF:** Boards must provide Texas Rising Star mentoring and quality improvement supports to all participating providers within their workforce area with whom they have an agreement, regardless of whether the provider currently serves children enrolled through their specific Board.

**NLF:** Boards must use the following TWC-developed templates to support greater consistency across the state, improve providers' experiences with CCS, and allow Boards to implement required changes to provider agreements more quickly:

- Child Care Services Provider Agreement Template (Attachment 1)
- Child Care Services Provider Rate Addendum Template (Attachment 2)
- Child Care Services Provider Texas Rising Star Mentoring Agreement (Attachment 3)

The Child Care Services Provider Agreement Template and Child Care Services Provider Rate Addendum Template include elements related to the Chapter 809 rule amendments, such as the new requirements regarding Entry Level designation and a provider's agreement to engage with a Texas Rising Star mentor and attain at least a Two-Star Texas Rising Star certification. These requirements must also be outlined in a provider's CQIP with its managing Board.

**LF:** Boards may customize the TWC-developed templates to include additional locally defined elements.

**NLF:** At a minimum, Boards must review their agreements (and addendums, if applicable) annually to ensure that the following information is still current for each provider:

- The provider's details (all elements in the table at the beginning of the Child Care Services Provider Agreement Template)
- Board policies and/or procedures added to the Board's agreement or addendum
- Provider rates

**NLF:** Boards must ensure that a provider agreement end date is no more than two years from the effective date of the agreement for Entry Level–designated child care programs and no more than three years from the effective date of the agreement for Texas Rising Star–certified programs.

**NLF:** Boards must ensure that an agreement and addendum are re-signed by both the provider and Board or contractor staff if any of the following information changes:

- CCR licensing number
- Employer identification number (EIN)/Social Security number (SSN)
- Type of facility
- Address of facility
- Facility ownership
- Board or contractor policies
- Provider rates

**NLF:** Boards must update provider agreements for all current CCS providers located within their workforce area to certify their acknowledgement of the terms outlined in the Child Care Services Provider Agreement Template (Attachment 1) by April 1, 2026. Boards may request extensions as needed by emailing [childcare.programassistance@twc.texas.gov](mailto:childcare.programassistance@twc.texas.gov).

Note: TWC will provide Boards with an Active Providers Agreement Listing report to support staff members with this process.

**NLF:** Boards must implement a quality assurance process that requires the review of provider agreements and addendums and ensures accurate and timely data entry in TX3C: KinderTrack.

### **Reporting Attendance and Recoupment of Funds**

**NLF:** Boards must inform providers that they must report to the Board within two business days whenever a child has been absent for five consecutive days with no contact.

**NLF:** Boards must inform providers that failure to report a child's cessation of attendance within two business days may result in the Board taking corrective action or placing the provider on a Service Improvement Agreement.

### **Charging the Difference**

**NLF:** Boards must be aware that 45 Code of Federal Regulations (CFR) 98.71(a)(11) requires states to report "any amount charged by the provider to the family more than the required copayment in instances where the provider's price exceeds the subsidy payment."

**NLF:** In accordance with the federal requirements and with §809.92, Boards must ensure that a provider agreement details whether Board policy allows for charging parents the difference between the provider's published rate and the assessed Parent Share of Cost (PSoC).

**NLF:** A Board that allows providers to charge parents the difference between a provider's published rate and the assessed PSoC must ensure that those providers report the following information to the Board monthly:

- The specific families that were charged an additional amount above the PSoC
- The frequency with which each family was charged
- The amount of each additional charge

**NLF:** Boards must be aware that 45 CFR 98.45(b)(5) requires a rationale for such policies, including "an analysis of the interaction between any such additional amounts with the required family copayments, and of the ability of subsidy payment rates to provide access to care without additional fees."

**NLF:** In accordance with these federal requirements and §809.13, each Board that allows providers to charge the difference must, upon request, provide TWC with data related to the providers that charge the difference. This data must include the Board's analysis of the interaction between the additional amounts charged to families and the ability of scholarship payment rates to provide access to care without additional fees.

### **Blended Rates for School-Age Children**

**NLF:** Boards must be aware that the formula TX3C: KinderTrack uses to calculate blended child care rates is  $\text{Blended Rate} = ((\text{part-time rate} \times 175) + (\text{full-time rate} \times 30)) / 205 \text{ days}$ .

### **INQUIRIES:**

Send inquiries regarding this WD Letter to [childcare.programassistance@twc.texas.gov](mailto:childcare.programassistance@twc.texas.gov).

### **ATTACHMENTS:**

Attachment 1: Child Care Services Provider Agreement Template

Attachment 2: Child Care Services Provider Rate Addendum Template

Attachment 3: Child Care Services Provider Texas Rising Star Mentoring Agreement

Attachment 4: Revisions to WD Letter 14-22, Change 3, Shown in Track Changes

### **REFERENCES:**

40 Texas Administrative Code, Part 20, Chapter 809, Child Care Services Rules

CLI Engage User Guide