



**2025-26 KEYSTONE STARS CONTINUOUS QUALITY IMPROVEMENT AWARD
ELIGIBILITY AND ACCEPTANCE LETTER**

Date: _____

Provider Location Name: _____

Provider MPI Number: _____

Provider Address: _____

Provider City, State, Zip Code: _____

Return Information:

Early Learning Resource Center #

ELRC Contact Name

Address

City, State Zip Code

Phone Number

Email Address

Fax Number

Dear Child Care Provider,

ELRC _____, on behalf of the Department of Human Services (DHS) and the Office of Child Development and Early Learning (OCDEL), is pleased to inform you of your program's eligibility to receive a 2025-26 Keystone STARS Continuous Quality Improvement Award (CQI Award). This award is being made available to STAR 2, 3, and 4 providers who meet the eligibility requirements detailed in [Announcement ELRC #25-03](#).

You are eligible to receive up to \$_____ in award funding. To receive this funding, you must complete, sign, and return this Eligibility and Acceptance Letter to the ELRC on or before **December 1, 2025**, via the email address, postal address, or fax number provided in the box above. The ELRC will issue payment no later than **December 26, 2025**, following receipt of your completed and signed Eligibility and Acceptance Letter.

Award funds must be spent on allowable expenses related to the five Keystone STARS Performance Standard categories, as outlined below, and detailed in the attached Appendix II.

- Staff Qualifications and Professional Development
- Partnerships with Families and Communities
- Accreditation (OCDEL Approved Alternate Pathways)
- Early Childhood Education Program
- Leadership and Management

NOTE: Award funds can be applied to eligible expenses incurred from July 1, 2025, to March 13, 2026.

As a requirement, you must report how CQI Award funds were spent. You must also keep original receipts and documentation of all expenses and purchases made with CQI Award funds. You will receive additional reporting instructions with your award payment.

- ☐ I accept the full STARS CQI Award in the amount of \$_____.
- ☐ I accept a portion of the STARS CQI Award in the amount of \$_____.
- ☐ I decline the STARS CQI Award.

By accepting the CQI Award and signing this document, you understand the penalty for misleading a public servant or falsifying information is a misdemeanor of the third degree pursuant to Title 18, Section 4903(b) of the PA Crimes Code and you can be penalized by fine, jail, prison, subsidized child care ineligibility, or a mixture of these four options for making any false statements.

Additionally, by accepting the STARS CQI Award funds you are agreeing to accept the requirements of the award, including the completion and submission (to the ELRC) of the one-page Final Expense Report (FER), and following all other requirements in the attached Appendix I.

Signature: _____

Email Address: _____

Title: _____

Phone Number: _____

Date: _____

2025-26 KEYSTONE STARS CONTINUOUS QUALITY IMPROVEMENT AWARD LEGAL REQUIREMENTS

- I. When the ACCEPTANCE LETTER is signed it becomes official and legally binding and the signee (and the child care program) is the AWARDEE.
- II. This ACCEPTANCE LETTER is effective September 2, 2025 and will end on June 30, 2026.
- III. The EARLY LEARNING RESOURCE CENTER will disburse funds to the AWARDEE in one lump-sum payment.
- IV. The AWARDEE agrees to:
 - A. Follow all requirements specified in [Announcement ELRC #25-03](#).
 - B. Spend award funds for allowable expenses by no later than March 13, 2026.
 - C. Return funds unspent by the end of the award period to the EARLY LEARNING RESOURCE CENTER.
 - D. A Final Expense Report will be sent by the EARLY LEARNING RESOURCE CENTER to each AWARDEE. The AWARDEE must complete and enter the report in PELICAN Provider Self Service (PSS), or send to the EARLY LEARNING RESOURCE CENTER by March 27, 2026.
 - E. On the Final Expense Report, the AWARDEE must report any unspent award funds. The AWARDEE must make a check payable for this amount and send to the EARLY LEARNING RESOURCE CENTER no later than March 27, 2026. The EARLY LEARNING RESOURCE CENTER will enforce the [Keystone STARS Status Review, Reduction, Suspension, & Removal Process](#) to recoup outstanding funds owed by the AWARDEE for any Keystone STARS Program. This can include reporting the provider to the Office of State Attorney General (OAG).
 - F. Obtain and keep records of how the AWARDEE spent the award funds. If the AWARDEE is selected for onsite and/or virtual award monitoring by the EARLY LEARNING RESOURCE CENTER or DEPARTMENT, the AWARDEE must provide original, unaltered receipts and documents for review. Purchase amounts on all receipts must be clear. The AWARDEE must keep these records for auditing/monitoring purposes at a location accessible to representatives of the EARLY LEARNING RESOURCE CENTER, the DEPARTMENT, other authorized state representatives or authorized federal agency representatives for a minimum of seven years after the expiration or termination of this AWARD ACCEPTANCE LETTER.
 - G. Return all award funds determined by the EARLY LEARNING RESOURCE CENTER or the DEPARTMENT to be improperly spent. If a financial review by the EARLY LEARNING RESOURCE CENTER or any state or federal agency determines award funds were not properly spent, the AWARDEE must return to the EARLY LEARNING RESOURCE CENTER all funds spent on any purchases or services that do not meet the requirements of the award. If the AWARDEE does not return the funds, the EARLY LEARNING RESOURCE CENTER may suspend the Keystone STARS designation of the AWARDEE and refer the AWARDEE to the OAG.
 - H. Allow the EARLY LEARNING RESOURCE CENTER, DEPARTMENT, or other authorized state or federal agency representatives access to the site where the AWARDEE's financial records are kept and allow representatives of these agencies to examine all records concerning the award payment.
 - I. Cooperate and participate in monitoring activities by representatives of the EARLY LEARNING RESOURCE CENTER, the DEPARTMENT, other authorized state representatives, and authorized federal representatives.
 - J. Notify the EARLY LEARNING RESOURCE CENTER of intention to close the AWARDEE program. The AWARDEE in turn will work with the EARLY LEARNING RESOURCE CENTER to facilitate items purchased with CQI Award funds to be distributed to other STARS programs in the event the AWARDEE closes the facility, or the business goes into foreclosure or bankruptcy. Items purchased using CQI Award funds may not be resold or used as collateral to satisfy debts, liens, or other obligations.
 - K. Follow requirements for use of Federal Child Care and Development Funds (CCDF). Federal CCDF regulations prohibit use of CCDF-funded awards for construction, including the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility. Minor renovations at the AWARDEE location are permitted; however, requirements and limitations are detailed in [Announcement ELRC #25-03](#).
 - L. Adhere to and maintain all local, state, and federal requirements applicable to the operations of the AWARDEE.
- V. If the EARLY LEARNING RESOURCE CENTER or the DEPARTMENT suspects or is made aware of potential fraud, the DEPARTMENT may refer the AWARDEE to the Office of State Inspector General (OSIG) for criminal or civil investigation.

2025-26 KEYSTONE STARS CONTINUOUS QUALITY IMPROVEMENT AWARD SUPPLEMENTARY INFORMATION

Monitoring

Monitoring activities by the ELRC and OCDEL will occur in Summer/Fall 2026. A provider chosen for monitoring will be given advanced notice. Providers must submit original, unaltered receipts and documents for review. Providers must keep these records at a location accessible to representatives of the ELRC, DHS/OCDEL, authorized state representatives and authorized federal agency representatives for a minimum of seven years after the expiration of the Award. Monitoring by other state or federal agencies may not give advanced notice.

Failure to Submit a Final Expense Report (FER) or Return Unspent Funds

Providers issued an Award must submit a FER and return unspent Award funds to their ELRC by the deadline (March 27, 2026). Providers who fail to meet the requirements will be subject to the Dunning Cycle as detailed in [Commonwealth Management Directive 310.10](#). OCDEL's Dunning Cycle will consist of three letters informing providers of the spending and reporting requirements they agreed to in the Award Eligibility and Acceptance Letter. Failure to respond to the Dunning Cycle will result in an additional letter informing providers of referral to OAG and their Keystone STARS suspension*. OAG is statutorily authorized to collect delinquent debt for state agencies pursuant to 71 P.S. § 204(c).

Returning Funds - Repayment Plans

If a provider is required to return award funds, repayment plans may be available. To initiate this process, the provider must submit a written request to their ELRC. Once received, the ELRC will forward the request to the Office of the Attorney General (OAG), who will establish the terms of repayment and monitor compliance throughout the duration of the plan.

Allowable Expenses

The following chart provides examples of allowable expenses for the Award and the corresponding Keystone STARS Standards Category. Providers should contact their ELRC with questions about eligible expenses.

Keystone STARS Standards Category	CQI Award Allowable Expense Categories
Early Childhood Education Program	Health & Safety Equipment
Early Childhood Education Program	Curriculum & Developmental Assessments/Screenings for Children
Early Childhood Education Program	Training & Supports for Child Suspension/ Expulsion Best Practices and Policies
Early Childhood Education Program	Program Materials, Supplies, & Equipment
Early Childhood Education Program	Ongoing Program Operating Expenses & Minor Renovations
Leadership and Management	Health Care Professional or Health Care Consultant Services
Leadership and Management	Business Practice Training & Technical Assistance including Program Administration Scale (PAS) or Business Administration Scale (BAS) Activities/Training
Leadership and Management	Staff Benefits, Wage Increases, Retention Bonuses and Associated Employer Payroll Taxes
Leadership and Management	Child Care Shared Services
Leadership and Management	Individual Paid Memberships for Staff in Professional Early Learning Organizations
OCDEL Approved Alternate Pathways	Accreditation Costs
Partnerships with Families and Communities	Parent & Family Supports including Workshops and Connections to Community Resources
Partnerships with Families and Communities	Family Engagement Training & Technical Assistance including Strengthening Families Framework Activities/Training or Similar Evidence Based Tool
Partnerships with Families and Communities	Translation and Interpreter Services
Staff Qualifications and Professional Development	Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage

Approved Alternate Pathways/Accreditations

The following are OCDEL-approved Alternate Pathways and their corresponding STAR designation. Providers issued an Award are permitted to use funds for associated costs of accreditation.

Accrediting Agency	STAR Designation
Association of Christian Schools International Accreditation (ACSI)	STAR 3
Head Start/Early Head Start	STAR 4
Montessori Recognition or Accreditation (AMS/AMI)	STAR 4
National Association for Family Child Care Accreditation (NAFCC)	STAR 4
National Early Childhood Program Accreditation (NECPA)	STAR 4
School Age Child Care Accreditation through Council of Accreditation (COA)	STAR 4
Compliant 21 st Century Community Learning Centers	STAR 4
National Association for the Education of Young Children Accreditation (NAEYC)**	STAR 4

* Suspension of Keystone STARS tiered reimbursement for Child Care Works (CCW) enrollments and ineligibility for future grants/awards.

** NAEYC 'Accreditation +' tier only.