



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

Issue Date: July 31, 2025

Effective Date: July 31, 2025

End Date: June 30, 2026

Subject: 2025-26 Keystone STARS Continuous Quality Improvement Awards

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

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

PURPOSE

To announce the 2025-26 Keystone STARS Continuous Quality Improvement (CQI) Awards, paid to eligible child care programs with a Department of Human Services (DHS) regular Certificate of Compliance (CoC) and designated as a Keystone STAR 2, 3, or 4. This Award is paid through ELRCs, on behalf of the OCDEL, directly to eligible child care programs.

This announcement replaces in its entirety *ELRC Policy Announcement 24 #02 Keystone STARS Continuous Quality Improvement (CQI) Awards*.

BACKGROUND

Keystone STARS is an initiative of OCDEL to improve, support, and recognize the quality of Pennsylvania's early learning and school-age programs. Providing financial awards, including tiered reimbursement, to Keystone STAR 2, 3, and 4 providers is one strategy implemented by OCDEL to improve child outcomes. To further support all Keystone STAR 2, 3, and 4 programs within the field, DHS issued Keystone STARS CQI Awards for the first time in the 2023-2024 fiscal year using federal Child Care Development Fund (CCDF) funds. The CQI Awards were offered again in the 2024-2025 fiscal year.

DISCUSSION

A child care provider application for this award **is not required**. Rather, child care providers who are eligible for a Keystone STARS CQI Award will receive an ***Eligibility and Acceptance Letter*** from their ELRC. The ***Eligibility and Acceptance Letter*** will include the maximum award amount a child care provider is eligible to receive and contact information for their ELRC.

After spending the award on eligible expenses, the child care provider will be responsible for submitting a Final Expense Report (FER) electronically [i.e., email, fax, or through Provider Self Service (PSS)] or through United States Postal Service (USPS) to their ELRC. The FER will be available in either an Excel or PDF version. Both options for the one-page FER will be sent to eligible child care providers by the ELRC. The FER will allow the child care provider to detail how the award funds were spent.

General Provider Eligibility Requirements

To be eligible for a 2025-26 Keystone STARS CQI Award, a provider must meet all the following requirements as of August 1, 2025, and at the time of the Award payment issued by the ELRC:

- 1) The provider must possess a current, regular Pennsylvania Department of Human Services (DHS) Certificate of Compliance. Providers with provisional certificates, those in a "refuse to renew" status, or those whose certificates have been revoked are ineligible.
- 2) The provider is designated as a Keystone STAR 2, 3, or 4 program and is not in a Keystone STARS Suspension status.
**See Policy Eligibility Exception for STAR 1 Programs and Special Consideration for STAR 2 and STAR 3 Programs.*
- 3) If applicable, the provider must:
 - A) Have completed the reporting requirements for the 2024-25 CQI Awards; and/or
 - B) Not have an open referral or ongoing repayment plan with the Office of Attorney General (OAG).
- 4) The provider does not owe liens/liabilities to the Pennsylvania Department of Revenue.

Providers who meet the above eligibility criteria as of August 1, 2025, but fail to meet the criteria at time of payment by the ELRC will be considered ineligible.

Eligibility Exception for STAR 1 Programs

OCDEL is providing a policy exception for STAR 1 programs who successfully move up to a STAR 2, 3, or 4. To be eligible for this policy exception, a STAR 1 program must:

- Have an open move up designation case in the PD Registry Designation System as of August 1, 2025, **and**
- Be successful in moving up to a STAR 2, 3, or 4 as evidenced by a completed designation case in the PD Registry System and a confirmed designation in PELICAN Keys to Quality on or before October 31, 2025, **and**
- Meet all other eligibility criteria at time of payment by the ELRC.

Special Consideration for STAR 2 and 3 Programs

OCDEL is also providing a special consideration for STAR 2 and STAR 3 programs that meet all eligibility criteria on August 1, 2025, and move to a higher STAR designation.

To receive a higher CQI Award amount, a STAR 2 and 3 program must:

- Have an open move up designation case in the PD Registry Designation System as of August 1, 2025; **and**
- Be successful in moving up to a higher STAR level as evidenced by a completed designation case in the PD Registry System and a confirmed designation in PELICAN Keys to Quality on or before October 31, 2025; **and**
- Meet all other eligibility criteria at time of payment by the ELRC.

STAR 2 and STAR 3 programs who have an open move up designation case in the PD Registry system as of August 1, 2025, and intend to complete their move up designation on or before October 31, 2025, should contact their Quality Coach as soon as possible. The ELRC can delay sending their Eligibility & Acceptance Letter until their designation move up is completed.

Keystone STAR CQI Award Amounts

The table below displays the Keystone STARS CQI Award amount based on provider type and Keystone STAR designation.

Provider Type	Maximum Award Amounts		
	STAR 2	STAR 3	STAR 4
Family Child Care Home	\$500	\$1,000	\$1,500
Group Child Care Home	\$1,000	\$1,500	\$2,000
School Age Child Care (SACC) Only Provider	\$1,000	\$1,500	\$2,000
Category 1 Child Care Center (Licensed Capacity of 6-26)	\$1,500	\$2,000	\$2,500
Category 2 Child Care Center (Licensed Capacity of 27-38)	\$2,000	\$2,500	\$3,000
Category 3 Child Care Center (Licensed Capacity of 39-49)	\$2,500	\$3,000	\$3,500
Category 4 Child Care Center (Licensed Capacity of 50-62)	\$3,000	\$3,500	\$4,000
Category 5 Child Care Center (Licensed Capacity of 63-77)	\$3,500	\$4,000	\$4,500
Category 6 Child Care Center (Licensed Capacity of 78-93)	\$4,000	\$4,500	\$5,000
Category 7 Child Care Center (Licensed capacity of 94-113)	\$4,500	\$5,000	\$5,500
Category 8 Child Care Center (Licensed Capacity of 114-138)	\$5,000	\$5,500	\$6,000
Category 9 Child Care Center (Licensed Capacity of 139-180)	\$5,500	\$6,000	\$6,500
Category 10 Child Care Center (Licensed Capacity of 181+)	\$6,000	\$6,500	\$7,000

Allowable Expense Categories

Eligible programs can use the Keystone STARS CQI Award funds for eligible expenses in the following categories:

- Staff Qualifications and Professional Development
- Early Childhood Education Program
- Partnerships with Families and Communities
- Leadership and Management
- Accreditation Costs (toward an OCDEL- approved Alternate Pathway)

These categories align with the Keystone STARS Performance Standards and represent the most closely associated areas with quality activity expenses for child care programs. Award funds can be applied to eligible expenses incurred from **July 1, 2025, to March 13, 2026**. Providers should refer to the [Keystone STARS CQI Award FAQ and Additional Information](#) for clarification on allowable expenses.

Ineligible Expenses

The Award cannot be used for any of the following expenses. Although the list is not exhaustive, the following is provided for general guidance.

- Purchase of land, construction, and/or major renovations.
- Purchase of gift cards, money orders, gift certificates, travel checks, or another legal tender.
- Purchase of alcohol.
- Purchase of vehicles.
- Payment toward staff entertainment, including amusement, diversion, and/or social activities or any associated costs (tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) that are not professional development related.
- Costs of membership in a civic, community, or social organization (Kiwanis, Lions Club, etc.).

- Purchase of any second-hand (used) items, including but not limited to those from individuals, yard sales, and auctions.
- Coursework and/or professional development activities that can be funded through the Professional Development Organizations (PDO), Rising STARS Tuition Assistance Award, T.E.A.C.H, and/or the CDA Voucher programs.
- 1099 payments to salaried and/or wage employees of the child care program.
- Federally approved and/or corporate indirect cost rates assessed to affiliated programs.
- Salary increases and bonuses for staff who work solely in state early learning programs such as PA Pre-k Counts, Head Start State Supplemental Program, and Infant-Toddler Contracted Slots Program.

Award Process and Timeline

The following timeline reflects important dates for eligible programs to consider.

- **Beginning on September 2, 2025**, eligible programs will receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** from their ELRC electronically or through USPS. The **Keystone STARS CQI Award Eligibility and Acceptance Letter** will include the following:
 - The maximum dollar amount of the CQI Award the provider is eligible to receive.
 - The eligible spending categories.
 - The legal requirement to use the funds and submit a FER.
 - General timeline requirements.
 - An attestation statement.
- **Beginning on September 2, 2025, but no later than December 1, 2025**, eligible providers must:
 1. Review the **Keystone STARS CQI Award Eligibility and Acceptance Letter** that they receive from their ELRC.
 2. Enter the dollar amount they wish to receive (up to the maximum allowable amount).
 3. Sign and date the **Keystone STARS CQI Award Eligibility and Acceptance Letter** acknowledging that they understand and agree to the attestation information.
 4. Return the **Keystone STARS CQI Award Eligibility and Acceptance Letter** to the ELRC electronically (through email or fax) or USPS on or before **December 1, 2025**.

NEXT STEPS

Eligible programs should:

- Refer to the following documents for additional information and clarifications:
 - [Keystone STARS CQI Award FAQ and Additional Information](#)
 - [Best Practices in Keystone STARS Financial Award Spending](#)
- Beginning on **September 2, 2025**, eligible programs will receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** from their ELRC. Providers who believe they are eligible for an Award but have not received a **Keystone STARS CQI Award Eligibility and Acceptance Letter** by December 1, 2025, should immediately contact their ELRC.
- Follow the steps detailed on the **Award Process and Timeline** section.
- Providers should contact their regional ELRC with any questions. ELRC contact information can be found on the [Keystone STARS CQI Award ELRC Submission Information](#) document.