



Pennsylvania
Office of Child Development
and Early Learning

Keystone STARS
2026 – 2027
Continuous Quality
Improvement Awards
Provider Resource Manual

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Using Your CQI Award: Where to Start

Before spending your Continuous Quality Improvement (CQI) Award, take time to consider what will make the greatest impact on your program. These funds are intended to support meaningful, data-informed improvements—not just one-time purchases.

A strong starting point is to review the information you already have. Your program is consistently generating data and feedback, *what is it telling you?*

Look at What Your Program Is Telling You

You likely already have valuable information that can help guide your decisions. Consider the following:

- **Child assessment data**
What are you seeing in children's learning and development? What additional supports, materials, or instructional changes would support additional learning?
- **Staff feedback or surveys**
What are your staff saying they need? Are there common challenges or ideas being shared?
- **Feedback from Keystone STARS designation visits**
What recommendations or areas for growth were identified during your most recent designation?
- **Staff professional development plans**
Are there training needs or goals that could be strengthened with these funds?
- **Financial reviews**
Where could a strategic investment improve program stability or quality?
- **Safety and risk assessments**
Are there updates or improvements needed to support a safe environment?
- **Illness and injury tracking**
Do patterns suggest a need for new supplies or changes in practice?
- **Technical assistance or health consultation plans**
What guidance has been provided by your Quality Coach, Program Quality Assessor, or other consultants?
- **Your strategic or business plan**
What long-term goals is your program working toward?
- **Feedback from families**
What do families identify as the most meaningful area for improvement?

Once you've identified your program's priorities, the next step is deciding how to use CQI Award funds to support those goals.

Connecting Your CQI Award to Your CQI Plan

As you decide how to use your CQI Award, be sure to connect those decisions to your program's CQI Plan.

Your CQI Plan is where you organize your goals and track your progress. The improvements you choose to make with your CQI Award should be reflected in your plan to ensure everything is working together.

Updating Your CQI Plan

After reviewing your data and identifying priorities, take time to update your CQI Plan:

- Add new goals based on what your program needs most right now
- Update action steps to show how you will use your CQI Award funds
- Make sure your goals are clear, realistic, and focused on improvement

Reflecting on Previous CQI Awards

If you received a CQI Award last year, look back at how you used those funds:

- **Completed goals**
If you met a goal, note your progress and think about what comes next. Is there a way to build on that success?
- **Ongoing goals**
If a goal is still in progress, you can continue working on it. Some improvements take time, and that's okay.
- **Changing priorities**
If your program's needs have changed, update your goals to better reflect where you are now.

Showing the Connection

Your CQI Plan should clearly show:

- What information (data, feedback, observations) you used to make decisions
- What you are working to improve
- How the 2026-2027 CQI Award will help you reach those goals

CQI Plans are required to be reviewed and updated annually as part of your Keystone STARS designation and annual renewal process. Your Quality Coach will work with you to review your plan, reflect on progress, and make updates to ensure it aligns with your program's current needs and priorities.

Taking the time to align your CQI Award with your CQI Plan helps ensure your efforts are focused, intentional, and meaningful for your program.

Allowable Expenses

Programs may use Keystone STARS CQI Award funds for eligible expenses that align with one of the following **Keystone STARS Standards 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 Keystone STARS Standards Categories align with the Keystone STARS Performance Standards and represent the primary areas in which CQI Award funds may be used to support quality improvement activities. Within each Standards Category are specific allowable expense categories, which are described in more detail below.

Award funds may be used for eligible goods and services purchased, received, and paid in full between July 1, 2026, and April 2, 2027.

Staff Qualifications and Professional Development

Use CQI funds to strengthen your team's skills, knowledge, and stability.

Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage

Examples include:

- Early childhood professional development, including:
 - Coursework in an Early Childhood Education or Child Development degree program
 - Child Development Associate (CDA)
 - School-Age Child Care Credential (SACC)
 - PA Director's Credential at a regionally accredited institute of higher education*
 - Pennsylvania Quality Assurance System (PQAS) approved courses
 - Conference attendance
- Training & supports for improving inclusive practices
- Pediatric First Aid and CPR Training from an [approved provider/curriculum](#)
- Paid staff time for:
 - Lesson planning
 - Child assessments
 - Family conferences
 - Classroom observations
- Substitute teacher coverage to support participation by staff in activities listed above

**Early Learning coursework and/or professional development that is eligible for funding through the Professional Development Organizations (PDO), Rising STARS Tuition Assistance Award, Teacher Education and Compensation Helps (TEACH), and/or the Child Development Associate (CDA) Voucher programs will not be an allowable expense for the CQI Award unless the program can show proof that these funding sources are unavailable.*

Early Childhood Education Program

Use CQI Award funds to directly enhance children's learning experiences.

Health & Safety Equipment

Examples include:

- Health and safety equipment
- Equipment that improves the safety of children and staff

Curriculum & Developmental Assessments/Screenings for Children

Examples include:

- Purchasing curriculum*
- Purchasing developmental assessment tools*
- Purchasing developmental screening tools

** Programs are encouraged to purchase a curriculum and/or developmental assessment tool from the OCDEL approved listings in order to ensure the tools are aligned to Pennsylvania's Early Learning Standards. The current listings of OCDEL approved curricula and assessment tools can be found [here](#). Only OCDEL-approved curricula and developmental assessment tools can be used by programs to meet STARS quality indicators EC 3.4.1 and EC 3.4.2.*

Training & Supports for Child Suspension/Expulsion Best Practices and Policies

Examples include:

- Professional development on preventing suspension and expulsion
- Training on implementing positive behavior supports
- Technical assistance to strengthen policies and practices that support children's social-emotional development

Program Materials, Supplies, & Equipment

Examples include:

- Classroom learning materials
- Books and literacy resources
- Manipulatives and educational supplies
- Creative arts materials
- Materials to enhance outdoor play and learning environments
- Equipment and materials that support children with disabilities or diverse learning needs

Ongoing Program Operating Expenses & Minor Renovations

Examples include:

- Ongoing operating expenses
- Minor renovations, such as fencing, flooring, or security systems
 - More guidance on minor renovations can be found [here](#).

Partnerships with Families and Communities

Use CQI Award funds to strengthen relationships with families and better support diverse communities.

Parent & Family Supports including Workshops, Parent Cafes, and Connections to Community Resources

Examples include:

- Family engagement events
- Parent and family workshops
- Connections to community resources
- Partnerships with community organizations, such as libraries, health providers, and schools

Family Engagement Training & Technical Assistance including Strengthening Families Framework Activities/Training or Similar Evidence-Based Tool

Examples include:

- Strengthening Families Framework training
- Family engagement coaching or technical assistance
- Training using other evidence-based family engagement tools or models

Translation and Interpreter Services

Examples include:

- Translation of program materials into families' home languages
- Interpreter services for meetings or conferences
- Communication supports that improve access for families with limited English proficiency

Leadership and Management

Use CQI Award funds to support the systems that keep your program running effectively.

Staff Benefits, Wage Increases, Retention Bonuses and Associated Employer Payroll Taxes

Examples include:

- Salary or wage increases
- Retention bonuses
- Staff bonuses
- Employer payroll taxes associated with these payments
-

Requirements:

- All compensation paid with CQI Award funds must be processed through the program's regular payroll system and include all applicable employer payroll taxes.
- Compensation payments must be included in overtime calculations, as required by the U.S. Department of Labor.
- Employees who are already on the program's payroll (hourly or salaried) may not receive CQI Award funds through a Form 1099.
- Staff who work exclusively in classrooms funded by Pennsylvania Pre-K Counts (PA PKC), Head Start Supplemental Assistance Program (HSSAP), Head Start, and/or Infant Toddler Contracted Slots (ITCS) are not eligible to receive salary increases or bonuses funded through the Keystone STARS CQI Award.

Health Care Professional or Health Care Consultant Services

Examples include:

- Services provided by licensed health care professionals
- Health care consultant services that support program quality, health, and safety

Business Practice Training & Technical Assistance including Program Administration Scale (PAS) or Business Administration Scale (BAS) Activities/Training

Examples include:

- Business practice training
- Business technical assistance
- Strategic or business planning
- Financial management and program improvement activities
- Program Administration Scale (PAS) activities or training
- Business Administration Scale (BAS) activities or training

Individual Paid Memberships for Staff in Professional Early Learning Organizations

Examples include:

- Membership dues for recognized early learning professional organizations
- Individual memberships that support staff professional growth and engagement

Child Care Shared Services

Examples include:

- Shared purchasing agreements
- Shared administrative or fiscal services
- Shared staffing or operational supports
- Collaborations with other child care programs that improve efficiency and quality

Accreditation Costs toward an OCDEL-Approved Alternate Pathway

If your program is working toward accreditation through an OCDEL-approved Alternate Pathway, CQI funds can help support that process.

Examples include:

- Accreditation application or renewal fees
- Required materials or program improvements
- Preparation activities and supports

OCDEL-approved Alternate Pathways and their corresponding STAR designation can be found [here](#).

A Final Reminder....

While there is not a single 'right' way to spend CQI Award funds, the goal is for programs to make thoughtful choices that:

- Reflect their program's unique needs
- Align with the goals identified in their CQI Plan
- Support meaningful improvements in quality for children, families, and staff

CQI Award Quick Match Guide

This quick guide is designed to help you connect your program's needs with eligible uses of Keystone STARS CQI Award funds. Start by identifying a need or goal for your program, then use the chart below to determine:

- the appropriate **Keystone STARS Standards Category**;
- the corresponding **Allowable Expense Category** to report the expenditure on the **Final Expense Report (FER)**; and
- examples of how CQI Award funds may be used to support your program's Continuous Quality Improvement (CQI) goals.

The examples provided are not exhaustive. Many eligible expenses may support more than one quality improvement goal or Standards Category. Use this guide to help identify the category that best reflects the primary purpose of the expenditure.

If your program needs...	Keystone STARS Standard Category	Final Expense Report (FER) Allowable Expense Category	Examples of How CQI Funds Can be Used
More time or staff coverage for planning, meetings, or CQI work	Staff Qualifications and Professional Development	Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage	Paid staff time for planning, data review, team meetings, classroom observations
Better trained or more qualified staff	Staff Qualifications and Professional Development	Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage	Trainings, coaching, coursework, conference attendance
Pediatric First Aid and CPR	Staff Qualifications and Professional Development	Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage	Pediatric First Aid and CPR Training with an approved provider/curriculum
Support for staff retention	Leadership and Management	Staff Benefits, Wage Increases, Retention Bonuses and Associated Employer Payroll Taxes	Bonuses and salary increases (where allowable)
Improved curriculum or teaching practices	Early Childhood Education Program	Curriculum & Developmental Assessments/Screenings for Children or Program Materials, Supplies, & Equipment	Curriculum and developmental assessment tools and materials
Better outcomes for children	Early Childhood Education Program	Program Materials, Supplies, and Equipment	Learning centers, hands-on materials, books, and equipment aligned with child assessment data
Stronger family engagement	Partnerships with Families and Communities	Parent & Family Supports including Workshops and Connections to Community Resources	Family events, workshops, and community partnerships

Support culturally and linguistically diverse families	Partnerships with Families and Communities	Translation and Interpreter Services or Parent & Family Supports including Workshops and Connections to Community Resources	Translation of materials, interpreter services, multilingual family resources
Stronger program systems or organization	Leadership and Management	Business Practice Training & Technical Assistance including PAS or BAS Activities/Training	Child care management software, computers, printers, internet upgrades, business supports
Help reaching long-term program goals	Leadership and Management	Business Practice Training & Technical Assistance including PAS or BAS Activities/Training or Child Care Shared Services	Strategic planning, financial systems, shared services
Support for children with disabilities or behavior needs	Early Childhood Education Program or Staff Qualifications and Professional Development	Program Materials, Supplies, & Equipment or Professional Development including Coursework, Conference Attendance, and Other Associated Costs including Substitute Teacher Coverage	Adaptive materials, equipment and materials that support children with disabilities or diverse learning needs, inclusion supports
Improved health and safety practices	Early Childhood Education Program or Leadership and Management	Health & Safety Equipment or Health Care Professional or Health Care Consultant Services	Safety equipment, health care consultations
Working toward accreditation	Accreditation	Accreditation Costs	Accreditation fees, required materials, preparation supports
Minor improvements to your physical space	Early Childhood Education Program	Ongoing Program Operating Expenses & Minor Renovations	Flooring, fencing, security systems, other allowable minor renovations
Creation of outdoor play spaces or enhanced outdoor experiences	Early Childhood Education Program	Program Materials, Supplies, & Equipment	Outdoor play equipment, dramatic play area, nature and science learning areas

Ineligible Expenses

CQI Award funds **may not be** used for the following expenses. This list is not exhaustive but is intended to provide general guidance.

- **Land, construction, or major renovations**

Includes the purchase of land or costs associated with building construction or large-scale facility improvements. Major renovations involve structural changes, system overhauls, or permanent property improvements and are not permitted.

 - Examples include:
 - Expanding the building or increasing square footage
 - Removing exterior or load-bearing walls
 - Installing a brand-new bathroom where one did not previously exist
 - Full roof replacement (partial repairs may be allowable)
 - Installing or replacing entire HVAC, plumbing, or electrical systems
 - Projects requiring new or expanded ductwork, sewer, or water lines
 - Excavating parking lots or installing storm drainage systems
 - Connecting to municipal water or sewer systems
 - Building decks or adding attached roof structures
 - Structural modifications (e.g., converting a window into a door)
 - Pouring new concrete foundations or slabs
 - Purchase of land
- **Cash equivalents or gift items**

Includes gift cards, gift certificates, money orders, traveler's checks, or any similar form of cash or legal tender.
- **Alcohol**
- **Vehicles**
- **Staff entertainment or social activities**

Includes costs related to amusement, recreation, or social events (e.g., tickets to shows or sporting events, meals, lodging, rentals, transportation, or gratuities) that are not part of a professional development activity.
- **Membership dues for civic or social organizations**

Examples include organizations such as Kiwanis, Lions Club, or Rotary.
- **Second-hand (used) items**

Includes purchases from individuals, yard sales, auctions, or other resale sources.
- **Professional development funded through other sources**

Coursework or training that is eligible for funding through Professional Development Organizations (PDO), Rising STARS Tuition Assistance, TEACH, or CDA Voucher programs unless these funding sources are exhausted.
- **Improper compensation practices**

Includes issuing 1099 payments to individuals who are classified as salaried or wage employees of the program.
- **Indirect costs**

Federally approved or corporate indirect cost rates charged to affiliated programs.
- **Staff salaries or bonuses for certain program types**

Salary increases or bonuses for staff who work exclusively in programs such as Pre-K Counts (PKC), Head Start Supplemental Assistance Program (HSSAP), or Infant Toddler Contracted Slots (ITCS) are not allowable.

Additional Information on Renovations

CQI Award funds may be used for minor renovations that improve the safety, quality, and functionality of your program environment.

Child Care Development Fund (CCDF) regulations do not allow the use of these funds for construction or major renovations*.

Minor Renovations

Minor renovations are small-scale improvements that maintain the existing structure and do not involve significant changes to building systems. These include repairs, replacements, or small upgrades that improve your current space without altering core building systems or structure.

Examples include:

- Repairing, installing, or replacing outdoor fencing for play areas
- Painting or refreshing interior spaces
- Installing a portable or non-permanently plumbed classroom sink
- Replacing flooring (e.g., carpet, tile, or vinyl)
- Installing security cameras or access control systems
- Repairing or replacing existing toilets and sinks (*within current plumbing systems*)
- Replacing drywall, ceiling tiles, lighting fixtures, or interior doors
- Minor repairs to HVAC systems (*e.g., servicing, part replacement—not full system replacement*)
- Repairing or replacing smoke detectors or similar safety equipment
- Installing a prefabricated shed without a permanent foundation
- Resurfacing outdoor play areas (e.g., sod, mulch, or similar materials)

When in doubt: Consult with your Quality Coach or ELRC before purchasing or beginning any renovation project to ensure allowability.

Important Safety Requirement: Lead-Safe Practices- If your building was constructed before 1978, additional federal safety rules apply. Renovation activities like sanding, cutting, or demolition can disturb lead-based paint, which can be harmful—especially to children.

Programs must ensure that:

- Contractors are EPA-certified
- Work is completed using lead-safe practices
- Training providers are EPA-accredited

These requirements apply to any renovation, repair, or painting work that may disturb lead-based paint.

Changes Occurring to A Program's STAR Level Between July 31, 2026 and Time of Payment by ELRC

Your CQI Award amount and eligibility are primarily based on your program's status as of **July 31, 2026**. However, some changes that occur between that date and the time the ELRC issues payment may affect your award. This section explains how changes to your program during that time are handled and provides examples to support understanding.

Changes That Do Not Impact Your Award:

- **Provider type or DHS licensed capacity**
Changes to your provider type or licensed capacity after July 31, 2026 will not change your CQI Award amount. Your award will be based on your provider type and capacity as of July 31, 2026.

Changes to Your Keystone STARS Designation occurring between July 31, 2026 and time of payment by ELRC that May Impact Your Award:

- **Moving Up in STAR Level**
 - STAR 1 Programs: If you had an open move-up designation case in the PD Registry on July 31, 2026; and successfully move to STAR 2, 3, or 4 by October 30, 2026 you may become eligible for a CQI Award based on your new STAR level, provided all other eligibility requirements are met.
 - STAR 2 or 3 Programs: If you were eligible on July 31, 2026, had an open move-up designation case in the PD Registry on July 31, 2026 and successfully move up to a higher STAR level by October 30, 2026; you may be eligible to receive a higher CQI Award amount based on your new STAR level, provided all other eligibility requirements are met.
- **Moving Down in STAR Level**
 - If your program moves down to STAR 2 or 3 after July 31, 2026, you will receive a CQI Award based on your higher STAR level as of July 31, 2026; provided all other eligibility criteria are met at the time of payment by the ELRC.
 - If your program moves down to STAR 1 after July 31, 2026, but before ELRC prepares to make payment; you are no longer eligible to receive a CQI Award.

Examples: STAR Level Changes

❖ Example 1: Move-Up Case Opened After July 31 (Not Eligible for Higher Award)

Apple Child Care Center was identified as an eligible program with a licensed capacity of 58 and designated as a STAR 2 on July 31, 2026. The program opened a move-up designation case in the PD Registry on September 23, 2026, and successfully moved to STAR 3 on November 24, 2026.

At the time of payment, the Early Learning Resource Center confirmed the program's eligibility for a CQI Award. The award will be based on the program's STAR 2 designation as of July 31, 2026.

The program is not eligible for a higher STAR 3 CQI Award because the program did not have an open move-up designation case in the Registry as of July 31, 2026.

❖ **Example 2: Move-Up Completed After Deadline (Not Eligible for Higher Award)**

Bright Start Learning Center was identified as an eligible program with a licensed capacity of 75 and designated as a STAR 2 on July 31, 2026. The program had an open move-up designation case in the PD Registry on July 31, 2026, but did not complete the move up to STAR 3 until November 15, 2026.

At the time of payment, the ELRC confirmed the program's eligibility for a CQI Award. The award will be based on the program's STAR 2 designation as of July 31, 2026.

The program is not eligible for a higher STAR 3 CQI Award because the move-up designation was not completed on or before October 30, 2026.

❖ **Example 3: Move-Up Meets All Requirements (Eligible for Higher Award)**

Little Steps Child Care was identified as an eligible program with a licensed capacity of 40 and designated as a STAR 2 on July 31, 2026. The program had an open move-up designation case in the PD Registry on July 31, 2026 and successfully moved to STAR 3 on October 15, 2026.

At the time of payment, the ELRC confirmed the program's eligibility for a CQI Award. The award will be based on the program's STAR 3 designation.

The program is eligible for the higher STAR 3 CQI Award because the move-up designation case was open as of July 31, 2026 and successfully completed by October 30, 2026.

❖ **Example 4: Move Down to STAR 2 or 3 (Still Eligible at Higher Level)**

Growing Minds Early Learning Center was identified as an eligible program with a licensed capacity of 100 and designated as a STAR 4 on July 31, 2026. The program was moved down to STAR 2 on November 10, 2026.

At the time of payment, the ELRC confirmed the program's eligibility for a CQI Award. The award will be based on the program's STAR 4 designation as of July 31, 2026, provided all other eligibility criteria are met at the time of payment.

In this case, the CQI Award is based on the program's STAR designation as of July 31, 2026; therefore, the program remains eligible for the higher award amount.

❖ **Example 5: Move Down to STAR 1 (Not Eligible)**

ABC Child Care Center was identified as an eligible program with a licensed capacity of 90 and designated as a STAR 3 on July 31, 2026. The program was moved down to a STAR 1 on November 5, 2026.

On November 10, the ELRC prepares to make payment and determines that the program no longer meets eligibility requirements.

The program is not eligible because it was designated as a STAR 1 at the time of payment.

Spending and Reporting Requirements

CQI Award funds come with specific requirements to ensure they are used appropriately and can be verified, if reviewed. The guidance below outlines your responsibilities for spending, documentation, and reporting.

Spending Requirements

- **Spending Deadline**
All CQI Award funds must be spent by **April 2, 2027**.
- **Site-Specific Use**
The CQI Award is site-specific. Funds must be used only for expenses incurred at the approved program location.
- **Appropriate Use of Materials and Equipment**
All equipment and materials purchased with CQI Award funds must be used solely for the operation of your child care program. These items may not be used for personal purposes or resale.
- **Program Closure**
If your program closes after purchasing items with CQI Award funds, you must contact the ELRC prior to closing. The ELRC will work with you to reallocate items that still have a useful life for other providers.
- **Misuse of Funds**
If the Department of Human Services (DHS), or an authorized agent, determines that CQI-funded items were used for illegal purposes, funds may be recouped.
- **Sale or Donation of Items**
Items purchased with CQI Award funds may not be sold or donated. Funds may be recouped if this occurs.
- **Non-Compliance**
Failure to follow the requirements outlined in your Award Eligibility and Acceptance Letter may result in repayment of CQI Award funds.

Receipt and Invoice Documentation

You are not required to submit receipts unless requested; however, you must maintain **original documentation** for all CQI Award expenditures.

- **Record Retention**
All documentation must be kept for seven (7) years and may be reviewed by the ELRC, Office of Child Development and Early Learning, or state/federal auditors.
- **Required Receipt Information**
Receipts must include:
 - Purchase date (between July 1, 2026 and April 2, 2027)
 - Vendor or supplier name
 - Description of items purchased
 - Cost of each item
 - Proof of payment (receipt must show \$0 balance or include supporting payment documentation)

- **Matching Award Amounts**
The total of your receipts must **equal or exceed** the CQI Award amount across allowable categories.
- **Payroll Documentation (if applicable)**
Must include payment date and details of compensation provided.
- **Overages**
If your expenses exceed your award amount, your program is responsible for covering the difference.
- **Staff Compensation Requirements**
Staff benefits, wage increases, and bonuses must be processed through payroll with appropriate taxes withheld. *

**Family Child Care Homes or programs without payroll should contact their ELRC for guidance.*

Unallowable Documentation

The following are **not acceptable** as a receipt or invoice:

- General ledger reports
- Check registers or lists of checks
- Accounting system screenshots
- Documents missing key details (payee, date, amount, description)
- Altered or questionable receipts
- Documents not issued by a valid vendor
- Purchase orders or monthly statements
- Staff payments made outside payroll without proper taxes (e.g., cash, Venmo, 1099 payments) *

**Family Child Care Homes should contact their ELRC for options.*

Final Expense Report (FER) and Unspent Funds

By **April 16, 2027** providers must:

- Submit a **Final Expense Report (FER)**
- Return any unspent funds

Providers who do not meet these requirements will enter the Commonwealth's Dunning Cycle, as outlined in [Commonwealth Management Directive 310.10](#).

The Dunning Cycle includes a series of three notices from the Office of Child Development and Early Learning reminding providers of the spending and reporting requirements agreed to in the Award Eligibility and Acceptance Letter.

If a provider does not respond to these notices, additional action will be taken, including:

- Referral to the Pennsylvania Office of Attorney General (OAG) for debt collection
- Suspension of the program's Keystone STARS designation

The OAG is authorized under state law (71 P.S. § 204(c)) to collect delinquent debt on behalf of state agencies.

Returning Funds and Repayment Plans

If you are required to return funds, repayment plans may be available. To inquire about repayment plans, you must submit a written request to your ELRC. Once received, the ELRC will forward the request to OAG who will establish the terms of repayment and monitor compliance throughout the duration of the plan.

CQI Award Timeline: What Providers Need to Know

This timeline highlights the key steps and deadlines for receiving, using, and reporting your CQI Award.

Step 1: Determine Eligibility

July – October 2026

- Your program's eligibility is based on your status as of July 31, 2026
- If you are working to move up in Keystone STARS:
 - You must have an open designation case in the Registry Designation Case as of July 31, 2026
 - You must complete your move-up by October 30, 2026

Step 2: Watch for Your Eligibility and Acceptance Letter

September – November 2026

- Your Early Learning Resource Center will send you an Eligibility/Acceptance Letter
- If you have a tax lien, you must follow the instructions provided to resolve it in order to become eligible for a CQI Award

Step 3: Accept Your Award

By November 30, 2026

- Sign and return the Eligibility/Acceptance Letter to your ELRC
- Awards cannot be processed until your signed letter is received

Providers who believe they are eligible for an Award but have not received a **Keystone STARS CQI Award Eligibility and Acceptance Letter** by **November 30, 2026**, should contact their ELRC promptly.

Step 4: Receive and Use Your Funds

October 2026 – April 2, 2027

- Payments are issued by your ELRC after your Eligibility/Acceptance Letter is processed. All payments will be dispersed on or before **December 23, 2026**.
 - Award funds may be used for eligible goods and services purchased, received, and paid in full between July 1, 2026, and April 2, 2027

Step 5: Submit Your Final Report

February 8 – April 16, 2027

- Submit your Final Expense Report (FER)
- Return any unspent funds to your ELRC

Important Reminder

- If you do not submit your FER or return unspent funds:
 - You may enter the Commonwealth's collection process (Dunning Cycle)
 - This may result in referral to the Office of Attorney General and suspension of your Keystone STARS designation

Key Dates

July 31, 2026 → Eligibility determined

October 30, 2026 → Deadline for STAR level changes

November 30, 2026 → Signed Eligibility/Acceptance letters due to ELRC

December 23, 2026 → Last day for ELRCs to issue payments to eligible providers

April 2, 2027 → Last day to spend funds

April 16, 2027 → FER and unspent funds due to ELRC

2026-27 Keystone STARS Continuous Quality Improvement Awards ELRC Submission Information

ELRC Region	Counties	Submission Methods (Email preferred)	
1	Crawford, Erie, Mercer, Venango	Email	Region1grants@nwirelrc.org
		Drop-off or Mail	3823 West 12th St., Erie, PA 16505
		Fax	814-314-2831
2	Cameron, Clarion, Clearfield, Elk, Forest, Jefferson, McKean, Potter, Warren	Email	Region2grants@nwirelrc.org
		Drop-off or Mail	5 Beaver Drive, Dubois, PA 15801
		Fax	814-503-0889
3	Armstrong, Beaver, Butler, Indiana, Lawrence	Email	ELRC3Grants@Earlylearningconnections.org
		Drop-off or Mail	139 Rieger Rd, Butler, PA 16001
		Fax	724-285-7320
4	Fayette, Greene, Washington, Westmoreland	Email	ELRCRegion4@pa.gov
		Drop-off or Mail	350 Main St, Latrobe, PA 15650
		Fax	724-836-5415
5	Allegheny	Email	Grants.elrc5@alleghenycounty.us
		Drop-off or Mail	304 Wood St #400, Pittsburgh, PA 15222
		Fax	N/A
6	Bedford, Blair, Cambria, Franklin, Fulton, Huntingdon, Somerset	Email	elrc6grants@ccaofpa.org
		Drop-off or Mail	Center for Community Action 195 Drive In Lane, Everett, PA 15537
		Fax	814-623-1444
7	Lycoming, Clinton, Tioga	Email	STARS7@stepcorp.org
		Drop-off or Mail	ELRC 7, STEP Inc. 2138 Lincoln Street, Williamsport PA 17701
		Fax	570-601-0318

8	Centre, Juniata, Mifflin, Northumberland, Snyder, Union	Email	Grants@cccforpa.org
		Drop-off or Mail	2565 Park Center Blvd, Suite 100 State College, PA 16801
		Fax	570-988-4454
9	Cumberland, Dauphin, Lebanon, Perry	Email	Grants@cccforpa.org
		Drop-off or Mail	701 Bosler Ave, Suite C, Lemoyne, PA 17043
		Fax	N/A
10	Adams, Lancaster, York	Email	Grants@cccforpa.org
		Drop-off or Mail	29 N. Duke St, York, PA 17401
		Fax	N/A
11	Bradford, Columbia, Luzerne, Montour, Sullivan, Wyoming	Email	elrc-ksgrants@cscinc.org
		Drop-off or Mail	41 S. Main St Unit C-100 Wilkes-Barre, PA 18701
		Fax	570-235-6949
12	Carbon, Monroe, Lackawanna, Pike, Susquehanna, Wayne	Email	elrc-ksgrants@cscinc.org
		Drop-off or Mail	820 S. Washington Ave Scranton, PA 18505
		Fax	570-866-2996
13	Berks, Schuylkill	Email	elrc-ksgrants@cscinc.org
		Drop-off or Mail	1138 Rockland St Reading, PA 19604
		Fax	610-743-4391
14	Lehigh, Northampton	Email	elrc-ksgrants@cscinc.org
		Drop-off or Mail	101 N. 6 th St Allentown, PA 18101
		Fax	610-432-0100

15	Delaware	Email	ELRC15grants@phmc.org
		Drop-off or Mail	2098 West Chester Pike Suite 102 Broomall Pa. 19008
		Fax	N/A
16	Bucks	Email	elrc-ksgrants@cscinc.org
		Drop-off or Mail	333 N. Oxford Valley Rd Fairless Hills, PA 19030
		Fax	267-202-6517
17	Montgomery	Email	ELRCRegion17@pa.gov
		Mail	PO Box 311 1430 Dekalb St. Norristown, PA 19404-0311
		Fax	(610) 278-5161
18	Philadelphia	Email	ELRC18Grant@phmc.org
		Drop-off or Mail	1500 Market St Philadelphia, PA 19102
		Fax	267 -592-4178
19	Chester	Email	ELRC19Grants@phmc.org
		Drop-off or Mail	455 Boot Rd, Downingtown, PA 19335
		Fax	610-343-1605

Frequently Asked Questions (FAQ)

1.0 PROVIDER ELIGIBILITY

1.1 Are relative Child Care Works (CCW) providers able to receive a 2026-27 Keystone STARS CQI Award?

No. Only certified Child Care Centers, Group Child Care Homes, and Family Child Care Homes are eligible for an Award.

1.2 What if my program is temporarily closed due to, for example, renovations or waterline repair? Is my program still eligible?

If the program is designated as 'open' by OCDEL-Certification on July 31, 2026, and the day the ELRC issues payment, they are eligible.

1.3 If I have not yet completed reporting requirements for previous OCDEL grants and awards, and want to do so now, what should I do?

Providers should reach out to their ELRC as soon as possible to discuss options prior to November 30, 2026.

1.4 How can I demonstrate that I have fulfilled any state tax liens/liabilities that I previously owed and may now meet the eligibility requirements for a 2026-27 CQI Award?

Tax Clearance Certificates are available through the Pennsylvania Department of Revenue or at the provider's local prothonotary office. A provider should deliver the Tax Clearance Certificate(s) to the ELRC on or before November 30, 2026.

1.5 My program has been issued a provisional Certificate of Compliance, but I am appealing the decision and am currently in an appeal process. Is my program eligible for this Award?

No, your program is not eligible as you currently do not hold a regular Certificate of Compliance from OCDEL Certification as of July 31, 2026.

1.8 What if my program is attempting to move up to a STAR 3 or 4 and there is a delay in scheduling our work with a Program Quality Assessor for the Internal Assessment Process (IAP) consultation meeting, a requirement at EC 3.4.5 for all STAR 3 and 4 programs?

Providers that have completed all other requirements to move up to a STAR 3 or 4 and are awaiting an IAP consultation meeting to complete EC 3.4.5 will be considered on a case-by-case basis by OCDEL to determine eligibility. Providers that are actively engaged in the IAP, awaiting an IAP consultation meeting and have concerns about completing their work by October 30, 2026, should notify their ELRC accordingly.

1.9 If my program is only open during the summer, are we still eligible to receive a 2026-27 CQI Award? We will not be serving children at the time we receive the CQI Award payment.

Yes. Provided your program meets all other eligibility criteria at time of acceptance and time of payout of the Award by the ELRC, you are eligible to receive a CQI Award.

1.10 Are programs that are certified child care providers meet all eligibility criteria but only serve PA Pre-K Counts (PKC), Head Start State Supplemental Program (HSSAP), and Infant Toddler Contracted Slots Program (ITCS) children eligible to receive a CQI Award?

Yes, these programs are eligible to receive a CQI Award. However, staff who work solely in other programs such as PKC, HSSAP, and ITCS may not receive salary and/or bonuses from CQI Award funds. In these cases, CQI Award funds should be used for the betterment of the entire program. Examples of expenses that these programs could use with the CQI Award funds include but are not limited to the following:

- Rent/Mortgage
- Utilities
- Minor renovations
- Replace old or broken appliances

1.11 My program recently moved to a new location, but we are still operating under the same legal entity. Most of our staff, leadership team, materials, and enrolled children remained the same. We now have a provisional certificate due to the location change. Is my program eligible?

Yes, your program may be eligible for a CQI Award. An exception is made for providers operating under a provisional certificate due solely to a change in location under the same legal entity, as long as there are no additional compliance concerns.

2.0 ELIGIBILITY AND ACCEPTANCE

2.1 When is the Keystone STARS CQI Award Eligibility and Acceptance Letter due from eligible providers to the ELRC?

Eligible providers must submit a signed **Keystone STARS CQI Award Eligibility and Acceptance Letters** to their ELRC between August 31, 2026 and November 30, 2026. **Eligibility and Acceptance Letters** received electronically or postmarked after November 30, 2026, will not be accepted and the program will not be eligible for an Award.

2.2 Where can providers find a copy of the Keystone STARS CQI Award Eligibility and Acceptance Letter?

Eligible providers will receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** specific to their program from their ELRC. Only the site-specific **Keystone STARS CQI Award Eligibility and Acceptance Letter** should be read, signed, and returned by programs to their ELRC. For reference, a copy of the **Keystone STARS CQI Award Eligibility and Acceptance Letter** is available on the [Pennsylvania Key website](#) as well as [here](#).

2.3 Are electronic signatures on the Keystone STARS CQI Award Eligibility and Acceptance Letter permitted?

Yes. Electronic signatures are acceptable when completing and signing the **Keystone STARS CQI Award Eligibility and Acceptance Letter**.

2.4 What if I think my program is eligible for a STARS CQI Award but I have not received my **Keystone STARS CQI Award Eligibility and Acceptance Letter**?

Providers who think they meet the eligibility criteria for the STARS CQI Award should receive a **Keystone STARS CQI Award Eligibility and Acceptance Letter** from their ELRC beginning August 31, 2026. Providers who think they are eligible for an Award but have not received a letter by November 30, 2026, should contact their ELRC immediately. ELRC contact information can be found on the [Pennsylvania Key website](#) as well as [here](#).

2.5 Are any of the Keystone STARS CQI Award documents available in Spanish?

Yes, the following documents will be available in Spanish:

- Keystone STARS CQI Award Eligibility and Acceptance Letter
- Keystone STARS CQI Award Final Expense Report (FER)

2.6 Will there be a form for child care providers to complete if they do not want to accept a STARS CQI Award even if they are eligible?

Yes. The **Keystone STARS CQI Award Eligibility and Acceptance Letter**, sent from ELRCs to eligible providers, will include an area in which providers can indicate their declination of the Award. Providers who are choosing to decline the CQI Award must sign and return the letter to their ELRC by November 30, 2026.

2.7 Can eligible providers later rescind their declination of a STARS CQI Award?

Yes. Providers may rescind a signed declination if they do so within the application period of August 31, 2026 and November 30, 2026. Providers who choose to rescind their declination should reach out to their ELRC as soon as possible upon making their decision.

2.8 Do eligible providers need to indicate why they are choosing to decline CQI awards?

No, eligible providers do not need to specify why they are declining Award funds.

2.9 I misplaced my Keystone STARS CQI Award Eligibility and Acceptance Letter. Who should I contact?

Eligible providers who misplace their CQI Award Eligibility and Acceptance Letter should reach out to their ELRC for a replacement letter. ELRC contact information can be found [here](#).

2.10 If a provider's Certificate of Compliance is placed in a 'revocation or refuse to renew' status by OCDEL Certification AFTER a **Keystone STARS CQI Award Eligibility and Acceptance Letter** has been submitted to the ELRC, do they remain eligible?

If the ELRC has not yet made payment when the 'revocation or refuse to renew' status has been issued by DHS Certification, the provider will be found ineligible and will not receive CQI Award funds.

2.11 Can a provider submit a change to the amount of the CQI Award they are receiving after they submit their **Keystone STARS CQI Award Eligibility and Acceptance Letter** to the ELRC?

Providers who wish to make a change to the amount of the CQI Award they want to accept after they submit their signed letter to the ELRC should contact their ELRC as soon as possible, but no later than December 23, 2026. If the ELRC has not yet made payment, the ELRC can send the program a new Eligibility and Acceptance Letter which the program can complete and return. If the ELRC has already made payment to the program, the program can return grant funds to the ELRC if they decide to accept a smaller amount or decline the award in full.

2.12 Can the term submission date be clarified? For example, is it the email received date, the postmark on a letter delivered by USPS, or the signature date?

The term 'submission date' is the date the ELRC receives the **Keystone STARS CQI Award Eligibility and Acceptance Letter** via email, fax, or via USPS as validated with a postmark. It is NOT the date that a provider signs the Eligibility and Acceptance Letter.

Example: ABC Child Care signs and dates their **CQI Award Eligibility and Acceptance Letter** on October 10, 2026. They email the Letter to the ELRC on October 15, 2026. The submission date for ABC Child Care will be considered to be October 15, 2026.

Example: 123 Child Care signs and dates their **CQI Award Eligibility and Acceptance Letter** on November 20, 2026. They place their Letter in the mail (USPS) on November 23, 2026. The letter is postmarked November 23, 2026, by the USPS. The Letter is received by the ELRC on November 30, 2026. The submission date for 123 Child Care will be considered to be November 30, 2026.

3.0 ELIGIBLE EXPENSES

3.1 What are examples of eligible “program ongoing operating expenses”?

This can include, but is not limited to:

- Building expenses such as leases, utilities, maintenance, pest control, trash pickup.
- Office supplies or contracted services.
- Rent and mortgage payments for the program location.

3.2 How can I easily determine if a professional development opportunity is available through some other resource such as the PDOs, Rising STARS Tuition Assistance, or TEACH?

For information on PDOs, click [here](#).

For information on Rising STARS Tuition Assistance, click [here](#).

For information on TEACH, click [here](#).

3.3 Other than substitute teacher pools, what are some other shared services that providers could access with CQI Award funds?

Programs might consider pooling resources and collaborating to accomplish objectives difficult for smaller programs to fund individually. Examples include, but are not limited to:

- Starting a substitute teacher pool.
- Bidding and sharing custodial/lawn/maintenance services.
- Bulk purchasing together to obtain better pricing and negotiating power.
- Sharing professional development events and expenses (less travel and enough participation to afford high quality experts).
- Purchase expensive items that can be shared between centers such as an LCD projector or video camera.
- Rent event facilities together for special events (e.g. Strengthening Families opportunities including family educational activities, professional development events, share a bus rental, etc.).

3.4 Are 1099 payments to program employees permitted?

No. Any one-time payments or bonuses paid to hourly or salaried staff must be processed through regular payroll operations.

3.5 What types of program staff are not eligible to receive a bonus, wage increase, etc.?

- Volunteers and contracted service staff providing cleaning, meal, or transportation services, etc. who receive an Internal Revenue Services (IRS) 1099 form, are not eligible to receive a bonus or wage increase using CQI Award funds.
- As stated in question [1.11](#), program staff who work solely in PKC, HSSAP, and ITCS classrooms are not eligible to receive a bonus or wage increase using CQI Award funds.

3.6 Can funds be used for food for staff meetings, trainings, and workshops for families?

Yes, providing for the cost of food associated with a training or workshop event being attended by the program staff or parents is an eligible expense.

3.7 Are indirect costs allowable with this grant?

Federally approved and/or corporate indirect cost rates assessed to affiliated programs are not permissible for the Award.

3.8 Can I use the 2026-27 CQI Award for eligible expenses I incurred in April 2026?

No. CQI Award funds may be used for eligible goods and services purchased, received, and paid in full between July 1, 2026, and April 2, 2027

3.9 Can I wait to spend my CQI Award funds in January 2026 to give my staff a bonus during a new federal tax year?

Yes, eligible providers have the discretion to spend funds within the specified timeframe, but no later than April 2, 2027.

3.10 I am a Family Child Care Owner; I do not pay myself through payroll and thus do not have payroll taxes deducted. Can I use the CQI Award funds for a payroll bonus?

Yes, Family Child Care Owners that file taxes with a Schedule C must also submit a 1040 Form to document the appropriate taxes being paid. Family Child Care owner/operators are encouraged to consult with their tax professional for additional guidance.

3.11 I am a Family Child Care Owner. Can I use the 2026-27 CQI Award funds to pay my Quarterly taxes (Federal, State, Keystone Collections)?

Yes, quarterly taxes are an eligible expense under ongoing operating expenses category.

3.12 Are executives, regional managers, administrative support professionals or other staff who do not work in the program on a regular, day-to-day basis eligible to receive funds from the CQI Award?

No, only staff who work directly in the program on a regular, day-to-day basis are eligible to receive funds from the CQI Award and only in accordance with eligible expense requirements.

2026-27 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 2026-27 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 #26-03](#).

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 **November 30, 2026, via the email address, postal address, or fax number provided in the box above. The ELRC will** issue payment no later than **December 23, 2026**, 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 may be used for eligible goods and services purchased, received, and paid in full between July 1, 2026, and April 2, 2027

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 agree 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: _____