

CHAPTER 809. CHILD CARE SERVICES

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CHAPTER 809. CHILD CARE SERVICES

SUBCHAPTER A. GENERAL PROVISIONS

§809.1. Short Title and Purpose.

- (a) The rules contained in this chapter may be cited as the Child Care Rules.
- (b) The purpose of these rules is to interpret and implement the requirements of state and federal statutes and regulations governing child care and quality improvement activities funded through the Texas Workforce Commission (Commission), to include:
 - (1) the Child Care and Development Fund (CCDF), which includes:
 - (A) funds allocated to local workforce development areas (workforce areas) as provided in §800.58 of this title;
 - (B) private donated funds described in §809.17(b)(1);
 - (C) public transferred funds described in §809.17(b)(2);
 - (D) public certified expenditures described in §809.17(b)(3); and
 - (E) funds used for children receiving protective services described in §809.49.
 - (2) other funds that are used for child care services allocated to workforce areas under Chapter 800 of this title.
- (c) The rules contained in this chapter shall apply to the Commission, Local Workforce Development Boards (Boards), their child care contractors, child care providers, and parents applying for or eligible to receive child care services.

§809.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Attending a job training or educational program--An individual is attending a job training or educational program if the individual:
 - (A) is considered by the program to be officially enrolled;
 - (B) meets all attendance requirements established by the program; and

- (C) is making progress toward successful completion of the program as determined by the Board upon eligibility redetermination as described in §809.42(b).
- (2) Child--An individual who meets the general eligibility requirements contained in this chapter for receiving child care services.
- (3) 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, as well as contractors involved in the funding of quality improvement activities as described in §809.16.
- (4) Child care services--Child care subsidies and quality improvement activities funded by the Commission.
- (5) Child care subsidies--Commission-funded child care reimbursements to an eligible child care provider for the direct care of an eligible child.
- (6) Child experiencing homelessness--A child who is homeless as defined in the McKinney-Vento Act (42 U.S.C. 11434(a)), Subtitle VII-B, §725.
- (7) 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 an 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.
- (8) Educational program--A program that leads to:
 - (A) a high school diploma;
 - (B) a General Educational Development (GED) credential; or
 - (C) a postsecondary degree from an institution of higher education.
- (9) 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:
 - (A) Two individuals, married--including by common-law, and household dependents; or
 - (B) A parent and household dependents.

- (10) Household dependent--An individual living in the household who is one of the following:
- (A) An adult considered as a dependent of the parent for income tax purposes;
 - (B) A child of a teen parent; or
 - (C) A child or other minor living in the household who is the responsibility of the parent.
- (11) Improper payments--Any payment of 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 and includes payments:
- (A) to an ineligible recipient;
 - (B) for an ineligible service;
 - (C) for any duplicate payment; and
 - (D) for services not received.
- (12) Job training program--A program that provides training or instruction leading to:
- (A) basic literacy;
 - (B) English proficiency;
 - (C) an occupational or professional certification or license; or
 - (D) the acquisition of technical skills, knowledge, and abilities specific to an occupation.
- (13) Listed family home--A family home, other than the eligible child's own residence, that is listed, but not licensed or registered with, the Texas Department of Family and Protective Services (DFPS) pursuant to Texas Human Resources Code §42.052(c).
- (14) 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 the dual military parents. This includes deployed parents in the regular military, military reserves, or National Guard.

- (15) 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 Commission policies and procedures). Unless otherwise indicated, the term applies to a single parent or both parents.
- (16) Protective services--Services provided when:
- (A) 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 (CPS) intervention;
 - (B) a child is in the managing conservatorship of DFPS and residing with a relative or a foster parent; or
 - (C) a child has been provided with protective services by DFPS within the prior six months and requires services to ensure the stability of the family.
- (17) Provider--A provider is defined as:
- (A) a regulated child care provider as defined in §809.2(18);
 - (B) a relative child care provider as defined in §809.2(19); or
 - (C) a listed family home as defined in §809.2(13), subject to the requirements in §809.91(b).
- (18) Regulated child care provider--A provider caring for an eligible child in a location other than the eligible child's own residence that is:
- (A) licensed by DFPS;
 - (B) registered with DFPS; or
 - (C) operated and monitored by the United States military services.
- (19) 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:
- (A) The child's grandparent;
 - (B) The child's great-grandparent;
 - (C) The child's aunt;

- (D) The child's uncle; or
 - (E) The child's sibling (if the sibling does not reside in the same household as the eligible child).
- (20) Residing with--Unless otherwise stipulated in this chapter, 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.
- (21) Teen parent--A teen parent (teen) is an individual 18 years of age or younger, or 19 years of age and attending high school or the equivalent, who has a child.
- (22) Texas Rising Star program--A voluntary, quality-based rating system of child care providers participating in Commission-subsidized child care.
- (23) Texas Rising Star Provider--A provider certified as meeting the TRS program standards. TRS providers are certified as one of the following:
- (A) 2-Star Program Provider;
 - (B) 3-Star Program Provider; or
 - (C) 4-Star Program Provider.
- (24) Working--Working is defined as:
- (A) activities for which one receives monetary compensation such as a salary, wages, tips, and commissions; or
 - (B) participation in Choices or Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) activities.

§809.3. Waiver Request.

- (a) The Commission may waive child care rules upon request from a person directly affected by the rules, if it determines that the waiver benefits a parent, child care contractor, or provider, and the Commission determines that the waiver does not harm child care or violate state or federal statutes or regulations.
- (b) Prior to submitting a waiver request to the Commission, the child must have been determined by the Board's child care contractor to meet the minimum qualifications set forth in §809.41(a).

SUBCHAPTER B. GENERAL MANAGEMENT

§809.11. Board Responsibilities.

- (a) A Board shall be responsible for the administration of child care in a manner consistent with Texas Government Code, Chapter 2308, as amended, and related provisions under Chapter 801 of this title (relating to Local Workforce Development Boards).
- (b) A Board shall ensure that access to child care services shall be available through all Texas Workforce Centers within a workforce area.
- (c) Child care services are support services for workforce employment, job training, and services under Texas Government Code, Chapter 2308 and Chapter 801 of this title.
- (d) Upon request, a Board shall provide the Commission with access to child care administration records and submit related information for review and monitoring, pursuant to Commission rules and policies.

§809.12. Board Plan for Child Care Services.

- (a) A Board shall, as part of its Texas Workforce Development Board Plan (Board plan), develop, amend, and modify the Board plan to incorporate and coordinate the design and management of the delivery of child care services with the delivery of other workforce employment, job training, and educational services identified in Texas Government Code §2308.251 et seq., as well as other workforce training and services included in the One-Stop Service Delivery Network.
- (b) The goal of the Board plan is to coordinate workforce training and services, to leverage private and public funds at the local level, and to fully integrate child care services for low-income families with the network of workforce training and services under the administration of the Boards.
- (c) Boards shall 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 who are at risk of becoming dependent on, public assistance while parents are either working or attending a job training or educational program.

§809.13. Board Policies for Child Care Services.

- (a) A Board shall develop, adopt, and modify its policies for the design and management of the delivery of child care services in a public process in accordance with Chapter 802 of this title.

- (b) A Board shall maintain written copies of the policies that are required by federal and state law, or as requested by the Commission, and make such policies available to the Commission and the public upon request.
- (c) At a minimum, a Board shall develop policies related to:
 - (1) how the Board determines that the parent is making progress toward successful completion of a job training or educational program as described in §809.2(1);
 - (2) maintenance of a waiting list as described in §809.18(b);
 - (3) assessment of a parent share of cost as described in §809.19, including the reimbursement of providers when a parent fails to pay the parent share of cost;
 - (4) maximum reimbursement rates as provided in §809.20, including policies related to reimbursement of providers that offer transportation;
 - (5) family income limits as described in Subchapter C of this chapter (relating to Eligibility for Child Care Services);
 - (6) provision of child care services to a child with disabilities under the age of 19 as described in §809.41(a)(1)(B);
 - (7) minimum activity requirements for parents as described in §809.48 and §809.50;
 - (8) time limits for the provision of child care while the parent is attending an educational program as described in §809.41(b);
 - (9) Board priority groups as described in §809.43(a);
 - (10) transfer of a child from one provider to another as described in §809.71(3);
 - (11) providers charging the difference between their published rate and the Board's reimbursement rate as provided in §809.92(d);
 - (12) procedures for fraud fact-finding as provided in §809.111; and
 - (13) 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 §809.115(d) - (e).

§809.14. Coordination of Child Care Services.

- (a) A Board shall coordinate with federal, state, and local child care and early development programs and representatives of local governments in developing its Board plan and policies for the design and management of the delivery of child care services, and shall maintain written documentation of its coordination efforts.
- (b) Pursuant to Texas Education Code §29.158, and in a manner consistent with federal law and regulations, a Board shall 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 who are working or attending a job training or educational program.

§809.15. Promoting Consumer Education.

- (a) A Board shall promote informed child care choices by providing consumer education information to:
 - (1) parents who are eligible for child care services;
 - (2) parents who are placed on a Board's waiting list;
 - (3) parents who are no longer eligible for child care services; and
 - (4) applicants who are not eligible for child care services.
- (b) The consumer education information, including consumer education information provided through a Board's website, shall contain, at a minimum:
 - (1) information about the Texas Information and Referral Network/2-1-1 Texas (2-1-1 Texas) information and referral system;
 - (2) the website and telephone number of DFPS, so parents may obtain health and safety requirements including information on:
 - (A) the prevention and control of infectious diseases (including immunizations);
 - (B) building and physical premises safety;
 - (C) minimum health and safety training appropriate to the provider setting; and
 - (D) the regulatory compliance history of child care providers;

- (3) a description of the full range of eligible child care providers set forth in §809.91; and
 - (4) a description of programs available in the workforce area relating to school readiness and quality rating systems, including:
 - (A) Texas Rising Star (TRS) Provider criteria, pursuant to Texas Government Code §2308.315; and
 - (B) integrated school readiness models, pursuant to Texas Education Code §29.160;
 - (5) a list of child care providers that meet quality indicators, pursuant to Texas Government Code §2308.3171;
 - (6) information on existing resources and services available in the workforce area for conducting developmental screenings and providing referrals to services when appropriate for children eligible for child care services, including the use of:
 - (A) the Early and Periodic Screening, Diagnosis, and Treatment program under 42 U.S.C. 1396 et seq.; and
 - (B) developmental screening services available under Part B and Part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and
 - (7) a link to the Agency's designated child care consumer education website.
- (c) A Board shall cooperate with the Texas Health and Human Services Commission (HHSC) to provide 2-1-1 Texas with information, as determined by HHSC, for inclusion in the statewide information and referral network.

§809.16. Quality Improvement Activities.

- (a) Child care funds allocated by the Commission pursuant to its allocation rules (generally, Chapter 800, General Administration, Subchapter B, Allocation and Funding, and specifically §800.58, Child Care), including local public transferred funds and local private donated funds, as provided in §809.17, to the extent they are used for nondirect care quality improvement activities, may be expended on any quality improvement activity described in 45 CFR Part 98.
- (b) Boards must ensure compliance with 45 CFR Part 98 regarding construction expenditures, as follows:
 - (1) State and local agencies and nonsectarian agencies or organizations.

- (A) Funds shall not be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.
 - (B) 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.
- (2) Sectarian agencies or organizations.
- (A) The prohibitions in paragraph (1) of this subsection apply.
 - (B) 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.
- (c) Expenditures certified by a public entity, as provided in §809.17(b)(3), may include expenditures for any quality improvement activity described in 45 CFR Part 98.

§809.17. Leveraging Local Resources.

- (a) Leveraging Local Funds.
- (1) The Commission 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 community.
 - (2) 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.
 - (3) A Board's performance in securing and leveraging local funds for match may make the Board eligible for incentive awards.
- (b) The Commission accepts the following as local match:
- (1) Funds from a private entity that:
 - (A) are donated without restrictions that require their use for:
 - (i) a specific individual, organization, facility, or institution; or
 - (ii) an activity not included in the CCDF State Plan or allowed under this chapter;

- (B) do not revert back to the donor's facility or use;
 - (C) are not used to match other federal funds; and
 - (D) are certified by both the donor and the Commission as meeting the requirements of subparagraphs (A) - (C) of this paragraph.
- (2) Funds from a public entity that:
- (A) are transferred without restrictions that would require their use for an activity not included in the CCDF State Plan or allowed under this chapter;
 - (B) are not used to match other federal funds; and
 - (C) are not federal funds, unless authorized by federal law to be used to match other federal funds.
- (3) Expenditures by a public entity certifying that the expenditures:
- (A) are for an activity included in the CCDF State Plan or allowed under this chapter;
 - (B) are not used to match other federal funds; and
 - (C) are not federal funds, unless authorized by federal law to be used to match other federal funds.
- (c) A Board shall ensure that a public entity certifying expenditures for direct child care as described in §809.17(b)(3), determines and verifies that the expenditures are for child care provided to an eligible child. At a minimum, the public entity shall verify that the child:
- (1) is under 13 years of age, or at the option of the Board, is a child with disabilities under 19 years of age; and
 - (2) resides with:
 - (A) a family whose income does not exceed 85 percent of the state median income for a family of the same size; and
 - (B) a parent who requires child care in order to work or attend a job training or educational program.

- (d) A Board shall submit private donations, public transfers, and public certifications to the Commission for acceptance, with sufficient information to determine that the funds meet the requirements of subsection (b) of this section.
- (e) Completing Private Donations, Public Transfers, and Public Certifications.
 - (1) A Board shall ensure that:
 - (A) private donations of cash and public transfers of funds are paid to the Commission; and
 - (B) public certifications are submitted to the Commission.
 - (2) Private donations and public transfers are considered complete when the funds have been received by the Commission.
 - (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.
- (f) A Board shall monitor the funds secured for match and the expenditure of any resulting funds to ensure that expenditures of federal matching funds available through the Commission 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.

§809.18. Maintenance of a Waiting List.

- (a) A Board shall ensure that a list of parents waiting for child care services, because of the lack of funding or lack of providers, is maintained and available to the Commission upon request.
- (b) A Board shall establish a policy for the maintenance of a waiting list that includes, at a minimum:
 - (1) the process for determining that the parent is potentially eligible for child care services before placing the parent on the waiting list; and
 - (2) the frequency in which the parent information is updated and maintained on the waiting list.

§809.19. Assessing the Parent Share of Cost.

- (a) For child care funds allocated by the Commission pursuant to its allocation rules (generally, Chapter 800, General Administration, Subchapter B, Allocation and

Funding, and specifically, §800.58, Child Care), including local public transferred funds and local private donated funds, as provided in §809.17, the following shall apply.

- (1) A Board shall set a parent share of cost policy that assesses the parent share of cost in a manner that results in the parent share of cost:
 - (A) being assessed to all parents, except in instances when an exemption under paragraph (2) of this subsection applies;
 - (B) being an amount determined by a sliding fee scale based on the family's size and gross monthly income, and also may consider the number of children in care.
 - (C) being assessed only at the following times:
 - (i) initial eligibility determination;
 - (ii) 12-month eligibility redetermination;
 - (iii) upon the addition of a child in care;
 - (iv) 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; and
 - (v) upon resumption of work, job training, or education activities following temporary changes described in §809.51(a)(2) and upon resumption of work, job training, or education activities during the three-month continuation of care period described in §809.51(c); and
 - (D) not increasing above the amount assessed at initial eligibility determination or at the 12-month eligibility redetermination based on the factor in subparagraph (B) of this paragraph, except upon the addition of a child in care as described in subsection (a)(1)(C)(iii) of this section.
- (2) Parents who are one or more of the following are exempt from paying the parent share of cost:
 - (A) Parents who are participating in Choices or who are in Choices child care described in §809.45;
 - (B) Parents who are participating in SNAP E&T services or who are in SNAP E&T child care described in §809.47;

- (C) Parents of a child receiving Child Care for Children Experiencing Homelessness as described in §809.52; or
 - (D) Parents who have children who are receiving protective services child care pursuant to §809.49 and §809.54(c), unless DFPS assesses the parent share of cost.
- (3) Teen parents who are not covered under exemptions listed in paragraph (2) of this subsection shall be assessed a parent share of cost. The teen parent's share of cost is based solely on the teen parent's income and size of the teen's family as defined in §809.2.
- (b) For child care services funded from sources other than those specified in subsection (a) of this section, a Board shall set a parent share of cost policy based on a sliding fee scale. The sliding fee scale may be the same as or different from the provisions contained in subsection (a) of this section.
 - (c) A Board shall establish a policy regarding reimbursement of providers when parents fail to pay the parent share of cost.
 - (d) The Board or its child care contractor may review the assessed parent share of cost for a possible temporary reduction if there are extenuating circumstances that jeopardize a family's self-sufficiency. The Board or its child care contractor may temporarily reduce the assessed parent share of cost if warranted by these circumstances. Following the temporary reduction, the parent share of cost amount immediately prior to the reduction shall be reinstated.
 - (e) If the parent is not covered by an exemption as specified in subsection (a)(2) of this section, then the Board or its child care contractor shall not waive the assessed parent share of cost under any circumstances.
 - (f) 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 shall not charge the parent a minimum share of cost amount.
 - (g) A Board may establish a policy to reduce the parent share of cost amount assessed pursuant to subsection (a)(1)(B) of this section upon the parent's selection of a TRS-certified provider. Such Board policy shall ensure:
 - (1) that the parent continue to receive the reduction if:
 - (A) the TRS provider loses TRS certification; or
 - (B) the parent moves or changes employment within the workforce area and no TRS-certified providers are available to meet the needs of the parent's changed circumstances; and

- (2) that the parent no longer receives the reduction if the parent voluntarily transfers the child from a TRS-certified provider to a non-TRS-certified provider.

§809.20. Maximum Provider Reimbursement Rates.

- (a) Based on local factors, including a market rate survey provided by the Commission, a Board shall establish maximum reimbursement rates for child care subsidies 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. At a minimum, Boards shall establish reimbursement rates for full-day and part-day units of service, as described in §809.93(f), for the following:
 - (1) Provider types:
 - (A) Licensed child care centers, including before- or after-school programs and school-age programs, as defined by DFPS;
 - (B) Licensed child care homes as defined by DFPS;
 - (C) Registered child care homes as defined by DFPS; and
 - (D) Relative child care providers as defined in §809.2.
 - (2) Age groups in each provider type:
 - (A) Infants age 0 to 17 months;
 - (B) Toddlers age 18 to 35 months;
 - (C) Preschool age children from 36 to 71 months; and
 - (D) School age children 72 months and over.
- (b) A Board shall establish enhanced reimbursement rates:
 - (1) for all age groups at TRS provider facilities; and
 - (2) only for preschool-age children at child care providers that participate in integrated school readiness models pursuant to Texas Education Code §29.160.
- (c) The minimum enhanced reimbursement rates established under subsection (b) of this section shall be greater than the maximum rate established for providers not meeting the requirements of subsection (b) of this section for the same category of care up to, but not to exceed, the provider's published rate. The maximum rate must be at least:

- (1) 5 percent greater for a:
 - (A) 2-Star Program Provider; or
 - (B) child care provider meeting the requirements of subsection (b)(2) of this section;
 - (2) 7 percent greater for a 3-Star Program Provider; and
 - (3) 9 percent greater for a 4-Star Program Provider.
- (d) Boards may establish a higher enhanced reimbursement rate than those specified in subsection (c) of this section for TRS providers, as long as there is a minimum 2 percentage point difference between each star level.
- (e) A Board or its child care contractor shall 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 of that same age. The higher rate shall take into consideration the estimated cost of the additional staff or equipment needed by a child with disabilities. The Board shall ensure that a professional, who is familiar with assessing the needs of children with disabilities, certifies the need for the higher reimbursement rate described in this subsection.
- (f) The Board shall determine whether to reimburse providers that offer transportation as long as the combined total of the provider's published rate, plus the transportation rate, is subject to the maximum reimbursement rate established in subsection (a) of this section.

§809.21. Determining the Amount of the Provider Reimbursement.

- (a) The actual reimbursement that the Board or the Board's child care contractor pays to the provider shall be the Board's maximum daily rate or the provider's published daily rate, whichever is lower, less the following amounts:
- (1) The parent share of cost assessed and adjusted when the parent share of cost is reduced; and
 - (2) Any child care funds received by the parent from other public or private entities.
- (b) A Board or its child care contractor shall ensure that the provider's published daily rates are calculated according to Commission guidance and include the provider's enrollment fees, supply fees, and activity fees.

SUBCHAPTER C. ELIGIBILITY FOR CHILD CARE SERVICES

§809.41. A Child's General Eligibility for Child Care Services.

- (a) Except for a child receiving or needing protective services as described in §809.49, for a child to be eligible to receive child care services, at the time of eligibility determination or redetermination, a Board shall ensure that the child:
 - (1) meets one of the following age requirements:
 - (A) be under 13 years of age; or
 - (B) at the option of the Board, be a child with disabilities under 19 years of age;
 - (2) is a U.S. citizen or legal immigrant as determined under applicable federal laws, regulations, and guidelines; and
 - (3) resides with:
 - (A) a family within the Board's workforce area:
 - (i) whose income does not exceed the income limit established by the Board, which income limit must not exceed 85 percent of the state median income (SMI) for a family of the same size; and
 - (ii) whose assets do not exceed \$1,000,000 as certified by a family member; or
 - (iii) that meets the definition of experiencing homelessness as defined in §809.2.
 - (B) parents who require child care in order to work or attend a job training or educational program; or
 - (C) a person standing in loco parentis for the child while the child's parent is on military deployment and the deployed military parent's income does not exceed the limits set forth in subparagraph (A) of this paragraph.
- (b) Notwithstanding the requirements set forth in subsection (c) of this section, a Board shall establish policies, including time limits, for the provision of child care services while the parent is attending an educational program.
- (c) Time limits pursuant to subsection (b) of this section shall ensure the provision of child care services for four years, if the eligible child's parent is enrolled in an

associate's degree program that will prepare the parent for a job in a high-growth, high-demand occupation as determined by the Board.

- (d) A Board may establish a policy to allow parents attending a program that leads to a postsecondary degree from an institution of higher education to be exempt from residing with the child as defined in §809.2.
- (e) Boards that establish initial family income eligibility at a level less than 85 percent of SMI must ensure that the family remains income-eligible for care after passing the Board's initial income eligibility limit.
- (f) Unless otherwise specified, this subchapter applies only to child care services using funds allocated pursuant to §800.58 of this title, including local public transferred funds and local private donated funds described in §809.17.

§809.42. Eligibility Verification, Determination, and Redetermination.

- (a) A Board shall ensure that its child care contractor verifies all eligibility requirements for child care services prior to authorizing child care.
- (b) A Board shall ensure that eligibility for child care services shall be redetermined no sooner than 12 months following the initial determination or most recent redetermination.

§809.43. Priority for Child Care Services.

- (a) A Board shall ensure that child care services are prioritized among the following three priority groups:
 - (1) The first priority group is assured child care services and includes children of parents eligible for the following:
 - (A) Choices child care as referenced in §809.45;
 - (B) Temporary Assistance for Needy Families (TANF) Applicant child care as referenced in §809.46;
 - (C) SNAP E&T child care as referenced in §809.47; and
 - (D) Transitional child care as referenced in §809.48.
 - (2) The second priority group is served subject to the availability of funds and includes, in the order of priority:
 - (A) children who need to receive protective services child care as referenced in §809.49;

- (B) children of a qualified veteran or qualified spouse as defined in §801.23 of this title;
 - (C) children of a foster youth as defined in §801.23 of this title;
 - (D) children experiencing homelessness as defined in §809.2 and described in §809.52;
 - (E) children of parents on military deployment as defined in §809.2 whose parents are unable to enroll in military-funded child care assistance programs;
 - (F) children of teen parents as defined in §809.2; and
 - (G) children with disabilities as defined in §809.2.
- (3) The third priority group includes any other priority adopted by the Board.
- (b) A Board shall not establish a priority group under subsection (a)(3) of this section based on the parent's choice of an individual provider or provider type.

§809.44. Calculating Family Income.

- (a) For the purposes of determining family income and assessing the parent share of cost, Boards shall ensure that family income is calculated in accordance with Commission guidelines that:
 - (1) take into account irregular fluctuations in earnings; and
 - (2) ensure that temporary increases in income, including temporary increases that result in monthly income exceeding 85 percent of SMI do not affect eligibility or parent share of cost.
- (b) In accordance with Commission income calculation guidelines, Boards shall ensure that the following income sources are excluded from the family income:
 - (1) Medicare, Medicaid, SNAP benefits, school meals, and housing assistance;
 - (2) Monthly monetary allowances provided to or for children of Vietnam veterans born with certain birth defects;
 - (3) 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, Federal Work Study Program, PLUS, Stafford loans, and Perkins loans;

- (4) Individual Development Account (IDA) withdrawals for the purchase of a home, medical expenses, or educational expenses;
- (5) Onetime cash payments, including tax refunds, Earned Income Tax Credit (EITC) and Advanced EITC, onetime insurance payments, gifts, and lump sum inheritances;
- (6) VISTA and AmeriCorps living allowances and stipends;
- (7) Noncash or in-kind benefits such as employer-paid fringe benefits, food, or housing received in lieu of wages;
- (8) Foster care payments and adoption assistance;
- (9) 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;
- (10) Income from a child in the household between 14 and 19 years of age who is attending school;
- (11) Early withdrawals from qualified retirement accounts specified as hardship withdrawals as classified by the Internal Revenue Service (IRS);
- (12) Unemployment compensation;
- (13) Child support payments;
- (14) Cash assistance payments, including Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Refugee Cash Assistance, general assistance, emergency assistance, and general relief;
- (15) Onetime income received in lieu of TANF cash assistance;
- (16) 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;
- (17) Regular payments from Social Security, such as Old-Age, and Survivors Insurance Trust Fund;
- (18) Lump sum payments received as assets in the sale of a house, in which the assets are to be reinvested in the purchases of a new home (consistent with IRS guidance);

- (19) Payments received as the result of an automobile accident insurance settlement that are being applied to the repair or replacement of an automobile; and
 - (20) Any income sources specifically excluded by federal law or regulation.
- (c) Income that is not listed in subsection (b) of this section as excluded from income is included as income.

§809.45. Choices Child Care.

- (a) A parent is eligible for Choices child care if the parent is participating in the Choices program as stipulated in Chapter 811 of this title.
- (b) For a parent receiving Choices child care who ceases participation in the Choices program during the 12-month eligibility period, Boards must ensure that Choices child care continues:
 - (1) for the three-month period pursuant to §809.51(b); and
 - (2) for the remainder of the eligibility period, if the parent resumes participation in Choices or begins participation in work or attendance in a job training or education program during the three-month period described in §809.51(c).

§809.46. Temporary Assistance for Needy Families Applicant Child Care.

- (a) A parent is eligible for TANF Applicant child care if the parent:
 - (1) receives a referral from the Health and Human Services Commission (HHSC) to attend a Workforce Orientation for Applicants (WOA);
 - (2) locates employment or has increased earnings prior to TANF certification; and
 - (3) needs child care to accept or retain employment.
- (b) To receive TANF Applicant child care, the parent shall be working 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.

§809.47. Supplemental Nutrition Assistance Program Employment and Training Child Care.

- (a) A parent is eligible to receive SNAP E&T child care services if the parent is participating in SNAP E&T services, in accordance with the provisions of 7 CFR Part 273.

- (b) For a parent receiving SNAP E&T child care services who ceases participation in the E&T program during the 12-month eligibility period, Boards must ensure that SNAP E&T child care continues:
 - (1) for the three-month period pursuant to §809.51(b); and
 - (2) for the remainder of the eligibility period, if the parent resumes participation in the SNAP E&T program or begins participation in work or attendance in a job training or education program during the three-month period described in §809.51(c).

§809.48. Transitional Child Care.

- (a) A parent is eligible for Transitional child care services if the parent:
 - (1) has been denied TANF and was employed at the time of TANF denial; or
 - (2) has been denied TANF within 30 days because of expiration of TANF time limits; and
 - (3) requires child care 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, or a higher number of hours per week as established by a Board.
- (b) Boards may establish an income eligibility limit for Transitional child care that is higher than the eligibility limit for At-Risk child care, pursuant to §809.50, provided that the higher income limit does not exceed 85 percent of the state median income for a family of the same size.
- (c) For former TANF recipients who are employed when TANF is denied, Transitional child care shall be available for:
 - (1) a period of up to 12 months from the effective date of the TANF denial; or
 - (2) a period of up to 18 months from the effective date of the TANF denial in the case of a former TANF recipient who was eligible for child caretaker exemptions pursuant to Texas Human Resources Code §31.012(c) and voluntarily participates in the Choices program.
- (d) A Board may allow a reduction to the requirement in subsection (a)(3) of this section 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 work, education, or job training activities for the required hours per week.

- (e) For purposes of meeting the education requirements stipulated in subsection (a)(3) of this section, the following shall apply:
 - (1) each credit hour of postsecondary education counts as three hours of education activity per week; and
 - (2) each credit hour of a condensed postsecondary education course counts as six education activity hours per week.

§809.49. Child Care for Children Receiving or Needing Protective Services.

- (a) A Board shall ensure that determinations of eligibility for children needing protective services are performed by DFPS.
 - (1) Child care will continue as long as authorized and funded by DFPS.
 - (2) DFPS may authorize child care for a child under court supervision under the age of 19.
 - (3) Child care discontinued by DFPS prior to the end of the 12-month eligibility period shall be subject to the Continuity of Care provisions in §809.54.
- (b) A Board shall ensure that requests made by DFPS for specific eligible providers are enforced for children in protective services, including children of foster parents when the foster parent is the owner, director, assistant director or other individual with an ownership interest in the provider.

§809.50. At-Risk Child Care.

- (a) A parent is eligible for child care services under this section if at initial eligibility determination and at eligibility redetermination as described in §809.42:
 - (1) the family income does not exceed the income limit established by the Board pursuant to §809.41(a)(3)(A); and
 - (2) child care is required for the 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, or a higher number of hours per week as established by the Board.
- (b) A Board may allow a reduction to the work, education, or job training activity requirements in subsection (a)(2) of this section 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 these activities for the required hours per week.

- (c) For purposes of meeting the education requirements stipulated in subsection (a)(2) of this section, the following shall apply:
 - (1) each credit hour of postsecondary education counts as three hours of education activity per week;
 - (2) each credit hour of a condensed postsecondary education course counts as six education activity hours per week; and
 - (3) teen parents attending high school or the equivalent shall be considered as meeting the education requirements in subsection (a)(2) of this section.
- (d) When calculating income eligibility for a child with disabilities, a Board shall deduct the cost of the child's ongoing medical expenses from the family income.
- (e) Boards may establish a higher income eligibility limit for teen parents than the eligibility limit established pursuant to §809.41(a)(3)(A) provided that the higher income limit does not exceed 85 percent of the state median income for a family of the same size.
- (f) A teen parent's family income is based solely on the teen parent's income and size of the teen's family as defined in §809.2(9).
- (g) Boards may establish a higher income eligibility limit for families with a child who is enrolled in Head Start, Early Head Start, or public pre-K provided that the higher income limit does not exceed 85 percent of the state median income for a family of the same size.

§809.51. Child Care during Interruptions in Work, Education, or Job Training.

- (a) Except for a child experiencing homelessness, as described in §809.52, if the child met all of the applicable eligibility requirements for child care services in this subchapter on the date of the most recent eligibility determination or redetermination, the child shall be considered to be eligible and will receive services during the 12-month eligibility period described in §809.42, regardless of any:
 - (1) change in family income, if that family income does not exceed 85 percent of SMI for a family of the same size; or
 - (2) temporary change in the ongoing status of the child's parent as working or attending a job training or education program. A temporary change shall include, at a minimum, any:

- (A) time-limited absence from work for an employed parent for periods of family leave (including parental leave) or sick leave;
 - (B) interruption in work for a seasonal worker who is not working between regular industry work seasons;
 - (C) student holiday or breaks within a semester, between the fall and spring semesters, or between the spring and fall semesters, for a parent participating in training or education;
 - (D) reduction in work, training, or education hours, as long as the parent is still working or attending a training or education program;
 - (E) other cessation of work or attendance in a training or education program that does not exceed three months;
 - (F) change in age, including turning 13 years old or a child with disabilities turning 19 years old during the eligibility period; and
 - (G) change in residency within the state.
- (b) During the period of time between eligibility redeterminations, a Board shall discontinue child care services due to a parent's loss of work or cessation of attendance at a job training or educational program that does not constitute a temporary change in accordance with subsection (a)(2) of this section. However, Boards must ensure that care continues at the same level for a period of not less than three months after such loss of work or cessation of attendance at a job training or educational program.
- (c) If a parent resumes work or attendance at a job training or education program at any level and at any time during the period described in subsection (b) of this section, then the Board shall ensure that:
- (1) care will continue to the end of the 12-month eligibility period at the same or greater level, depending upon any increase in the activity hours of the parent;
 - (2) the parent share of cost will not be increased during the remainder of the 12-month eligibility period, including for parents who are exempt from the parent share of cost pursuant to §809.19; and
 - (3) the Board's child care contractor verifies only:
 - (A) that the family income does not exceed 85 percent of SMI; and
 - (B) the resumption of work or attendance at a job training or education program.

- (d) The Board may suspend child care services during interruptions in the parent's work, job training, or education status only at the concurrence of the parent.

§809.52. Child Care for Children Experiencing Homelessness.

- (a) For a child experiencing homelessness, as defined in §809.2, a Board shall ensure that the child is initially enrolled for a period of three months.
- (b) If, during the three-month initial enrollment period, the parent of a child experiencing homelessness:
 - (1) is unable to provide documentation verifying that the child is eligible under §809.41(a)(1)-(2) (regarding age and citizenship status), then care shall be discontinued following the three-month enrollment period; or
 - (2) provides documentation verifying eligibility under §809.41(a), then care shall continue through the end of the 12-month initial eligibility period (inclusive of the three-month initial enrollment period).

§809.53. Child Care for Children Served by Special Projects.

- (a) Special projects developed in federal and state statutes or regulations and funded using non-CCDF sources may add groups of children eligible to receive child care.
- (b) The eligibility criteria as stated in the statutes, regulations, or funding sources shall control for the special project, unless otherwise indicated by the Commission.
- (c) The time limit for receiving child care for children served by special projects may be:
 - (1) specifically prescribed by federal or state statutes or regulations according to the particular project;
 - (2) otherwise set by the Commission depending on the purpose and goals of the special project; and
 - (3) limited to the availability of funds.

§809.54. Continuity of Care.

- (a) Enrolled children, including children whose eligibility for Transitional child care has expired, shall receive child care through the end of the applicable eligibility periods described in §809.42.

- (b) Except as provided by §809.75 relating to child care during appeal, nothing in this chapter shall be interpreted in a manner as to result in a child being removed from care.
- (c) In closed DFPS CPS cases (DFPS cases) where child care is no longer funded by DFPS, child care shall continue through the end of the applicable eligibility periods described in §809.42 using funds allocated to the Board by the Commission.
- (d) A Board shall ensure that no enrolled children of military parents in military deployment have a disruption of child care services or eligibility during military deployment, including parents in military deployment at the end of the 12-month eligibility redetermination period.
- (e) A Board shall 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.

SUBCHAPTER D. PARENT RIGHTS AND RESPONSIBILITIES

§809.71. Parent Rights.

A Board shall ensure that the Board's child care contractor informs the parent in writing that the parent has the right to:

- (1) choose 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 §809.15;
- (2) visit available child care providers before making their choice of a child care option;
- (3) receive assistance in choosing initial or additional child care referrals including information about the Board's policies regarding transferring children from one provider to another;
- (4) be informed of the Commission rules and Board policies related to providers charging parents the difference between the Board's reimbursement and the provider's published rate as described in §809.92(c) - (d);
- (5) be represented when applying for child care services;
- (6) be notified of their eligibility to receive child care services 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;

- (7) receive child care services regardless of race, color, national origin, age, sex, disability, political beliefs, or religion;
- (8) have the Board and the Board's child care contractor treat information used to determine eligibility for child care services as confidential;
- (9) receive written notification at least 15 calendar days before termination of child care services;
- (10) reject an offer of child care services or voluntarily withdraw their child from child care, unless the child is in protective services;
- (11) be informed of the possible consequences of rejecting or ending the child care that is offered;
- (12) be informed of the eligibility documentation and reporting requirements described in §809.72 and §809.73;
- (13) be informed of the parent appeal rights described in §809.74; and
- (14) be informed of required background and criminal history checks for relative child care providers through the listing process with DFPS, as described in §809.91(e), before the parent or guardian selects the relative child care provider.

§809.72. Parent Eligibility Documentation Requirements.

- (a) Except for a child experiencing homelessness pursuant to §809.52 at initial eligibility, before a child can be initially determined or redetermined eligible for child care services and care authorized, parents shall provide the Board's child care contractor with all information necessary to determine eligibility according to the Board's administrative policies and procedures.
- (b) A parent's failure to submit eligibility documentation shall result in initial denial of child care services or termination of services at the 12-month eligibility redetermination period.

§809.73. Parent Reporting Requirements.

- (a) Boards shall ensure that during the 12-month eligibility period, parents are only required to report items that impact a family's eligibility or that enable the Board or Board contractor to contact the family or pay the provider.
- (b) Pursuant to subsection (a) of this section, parents shall report to the child care contractor, within 14 calendar days of the occurrence, the following:

- (1) 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;
 - (2) Changes in work or attendance at a job training or educational program not considered to be temporary changes, as described in §809.51; and
 - (3) Any change in family residence, primary phone number, or e-mail (if available).
- (c) Failure to report changes described in subsection (a) of this section may result in fact-finding for suspected fraud as described in Subchapter F of this chapter.
- (d) A Board shall allow parents to report and the child care contractor shall take appropriate action regarding changes in:
- (1) income and family size, which may result in a reduction in the parent share of cost pursuant to §809.19; and
 - (2) work, job training, or education program participation that may result in an increase in the level of child care services.

§809.74. Parent Appeal Rights.

- (a) Unless otherwise stated in this section, a parent may request a hearing pursuant to Chapter 823 of this title:
- (1) 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; or
 - (2) regarding the amount of recoupment determined pursuant to Subchapter F of this chapter.
- (b) A parent may have an individual represent him or her during this process.
- (c) A parent of a child in protective services may not appeal pursuant to Chapter 823 of this title, but shall follow the procedures established by DFPS.

§809.75. Child Care during Appeal.

- (a) For a child currently enrolled in child care, a Board shall ensure that child care services continue during the appeal process until a decision is reached, if the parent requests a hearing.

- (b) 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.

§809.78. Attendance Standards and Reporting Requirements.

- (a) A Board shall ensure that parents are notified of the following:
 - (1) Parents shall ensure that the eligible child attends on a regular basis consistent with the child's authorization for enrollment. Failure to meet monthly attendance standards described in paragraph (2) of this subsection may:
 - (A) result in suspension of care, at the concurrence of the parent; or
 - (B) be grounds for determining that a change in the parent's participation in work, job training, or an education program has occurred and care may be terminated pursuant to the requirements in §809.51(b).
 - (2) Meeting attendance standards for child care services consists of fewer than:
 - (A) five consecutive absences during the month;
 - (B) ten total absences during the month.
 - (3) If a child exceeds 65 total absences during the most recent eligibility period, then the child is not eligible for care at the next eligibility determination and shall not be eligible for care for 12 months from the end of the most recent eligibility period.
 - (4) Notwithstanding paragraph (3) of this subsection, child care providers may end a child's enrollment with the provider if the child does not meet the provider's established policy regarding attendance.
 - (5) Parents shall use the attendance card to report daily attendance and absences.
 - (6) Parents shall not designate anyone under age 16 as a secondary cardholder, unless the individual is a child's parent.
 - (7) Parents shall not designate the owner, assistant director, or director of the child care facility as a secondary cardholder.
 - (8) Parents shall:
 - (A) ensure the attendance card is not misused by secondary cardholders;

- (B) inform secondary cardholders of the responsibilities for using the attendance card;
 - (C) ensure that secondary cardholders comply with these responsibilities; and
 - (D) ensure the protection of attendance cards issued to them or secondary cardholders.
- (9) The parent or secondary cardholders giving the attendance card or the personal identification number (PIN) to another person, including the child care provider, is grounds for a potential fraud determination pursuant to Subchapter F of this chapter.
- (10) Parents shall report to the child care contractor instances in which a parent's attempt to record attendance in the child care automated attendance system is denied or rejected and cannot be corrected at the provider site. Failure to report such instances may result in an absence counted toward the attendance standards described in paragraphs (2) and (3) of this subsection.
- (b) Boards shall ensure that parents sign a written acknowledgment indicating their understanding of the attendance standards and reporting requirements at each of the following stages:
- (1) initial eligibility determination; and
 - (2) each eligibility redetermination, as required in §809.42(b).
- (c) Boards shall ensure that absences due to a child's documented chronic illness or disability or court-ordered visitation are not counted in the number of absences in subsection (a)(2) and (3) of this section.
- (d) Where a child's enrollment has been ended by a provider in subsection (a)(4) of this section, Boards shall work with the parent to place the otherwise eligible child with another eligible provider.

SUBCHAPTER E. REQUIREMENTS TO PROVIDE CHILD CARE

§809.91. Minimum Requirements for Providers.

- (a) A Board shall ensure that child care subsidies are paid only to:
- (1) regulated child care providers as described in §809.2;
 - (2) relative child care providers as described in §809.2, subject to the requirements in subsection (e) of this section; or

- (3) at the Board's option, child care providers licensed in a neighboring state, subject to the following requirements:
 - (A) Boards shall 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 licensing standards of the state;
 - (B) Boards shall ensure that the out-of-state provider meets the requirements of the neighboring state to serve CCDF-subsidized children; and
 - (C) The provider shall agree to comply with the requirements of this chapter and all Board policies and Board child care contractor procedures.
- (b) A Board shall not prohibit a relative child care provider who is listed with DFPS and who meets the minimum requirements of this section from being an eligible relative child care provider.
- (c) Except as provided by the criteria for TRS Provider certification, a Board or the Board's child care contractor shall not place requirements on regulated providers that:
 - (1) exceed the state licensing requirements stipulated in Texas Human Resources Code, Chapter 42; or
 - (2) have the effect of monitoring the provider for compliance with state licensing requirements stipulated in Texas Human Resources Code, Chapter 42.
- (d) 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 shall report the information to the appropriate regulatory agency.
- (e) For relative child care providers to be eligible for reimbursement for Commission-funded child care services, the following applies:
 - (1) Relative child care providers shall list with DFPS; however, pursuant to 45 CFR §98.41(e), relative child care providers listed with DFPS shall be exempt from the health and safety requirements of 45 CFR §98.41(a).
 - (2) A Board shall allow relative child care providers to care for a child in the child's home (in-home child care) only for the following:
 - (A) A child with disabilities as defined in §809.2, and his or her siblings;
 - (B) A child under 18 months of age, and his or her siblings;

- (C) A child of a teen parent; and
 - (D) 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.
- (3) 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.
- (f) Boards shall ensure that subsidies are not paid for a child at the following child care providers:
- (1) Except for foster parents authorized by DFPS pursuant to §809.49, 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; or
 - (2) Licensed, registered, or listed child care homes where the parent also works during the hours his or her child is in care.

§809.92. Provider Responsibilities and Reporting Requirements.

- (a) A Board shall ensure that providers are given written notice of and agree to their responsibilities, reporting requirements, and requirements for reimbursement under this subchapter prior to enrolling a child.
- (b) Providers shall:
 - (1) be responsible for collecting the parent share of cost as assessed under §809.19 before child care services are delivered;
 - (2) be responsible for collecting other child care funds received by the parent as described in §809.21(a)(2);
 - (3) report to the Board or the Board's child care contractor instances in which the parent fails to pay the parent share of cost; and
 - (4) follow attendance reporting and tracking procedures required by the Commission under §809.95, the Board, or, if applicable, the Board's child care contractor.

- (c) Providers shall not charge the difference between the provider's published rate and the amount of the Board's reimbursement rate as determined under §809.21 to parents:
 - (1) who are exempt from the parent share of cost assessment under §809.19(a)(2); or
 - (2) whose parent share of cost is calculated to be zero pursuant to §809.19(f).
- (d) A Board may develop a policy that prohibits providers from charging the difference between the provider's published rate and the amount of the Board's reimbursement rate (including the assessed parent share of cost) to all parents eligible for child care services.
- (e) Providers shall not deny a child care referral based on the parent's income status, receipt of public assistance, or the child's protective service status.
- (f) Providers shall not charge fees to a parent receiving child care subsidies that are not charged to a parent who is not receiving subsidies.

§809.93. Provider Reimbursement.

- (a) A Board shall ensure that reimbursement for child care is paid only to the provider.
- (b) A Board or its child care contractor shall reimburse a regulated provider based on a child's monthly enrollment authorization, excluding periods of suspension at the concurrence of the parent as described in §809.51(d) and §809.78(a).
- (c) A Board shall ensure that a relative child care provider is not reimbursed for days on which the child is absent.
- (d) A relative child care provider shall not be reimbursed for more children than permitted by the DFPS 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.
- (e) A Board shall not reimburse providers that are debarred from other state or federal programs unless and until the debarment is removed.
- (f) Unless otherwise determined by the Board and approved by the Commission for automated reporting purposes, the monthly enrollment authorization described in subsection (b) of this section is based on the unit of service authorized, as follows:
 - (1) A full-day unit of service is 6 to 12 hours of care provided within a 24-hour period; and

- (2) A part-day unit of service is fewer than 6 hours of care provided within a 24-hour period.
- (g) A Board or its child care contractor shall ensure that providers are not paid for holding spaces open.
- (h) A Board or the Board's child care contractor shall not pay providers:
 - (1) less, when a child enrolled full time occasionally attends for a part day; or
 - (2) more, when a child enrolled part time occasionally attends for a full day.
- (i) The Board or its child care contractor shall not reimburse a provider retroactively for new Board maximum reimbursement rates or new provider published rates.
- (j) A Board or its child care contractor shall ensure that the parent's 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 or part-day care under subsection (f) of this section.

§809.94. Providers Placed on Corrective or Adverse Action by the Texas Department of Family and Protective Services.

- (a) For a provider placed on evaluation corrective action (evaluation status) by DFPS, Boards shall ensure that:
 - (1) parents with children enrolled in Commission-funded child care are notified in writing of the provider's evaluation status no later than five business days after receiving notification from the Agency of DFPS' decision to place the provider on evaluation status; and
 - (2) parents choosing to enroll children in Commission-funded child care with the provider are notified in writing of the provider's evaluation status prior to enrolling the children with the provider.
- (b) For a provider placed on probation corrective action (probationary status) by DFPS, Boards shall ensure that:
 - (1) parents with children in Commission-funded child care are notified in writing of the provider's probationary status no later than five business days after receiving notification from the Agency of DFPS' decision to place the provider on probationary status; and
 - (2) no new referrals are made to the provider while on probationary status.

- (c) A parent receiving notification of a provider's evaluation or probationary status with DFPS pursuant to subsections (a) and (b) of this section may transfer the child to another eligible provider without being subject to the Board transfer policies described in §809.71(3) if the parent requests the transfer within 14 calendar days of receiving such notification.
- (d) For a provider placed on evaluation or probationary status by DFPS, Boards shall ensure that the provider is not reimbursed at the Boards' enhanced reimbursement rates described in §809.20 while on evaluation or probationary status.
- (e) For a provider against whom DFPS is taking adverse action, Boards shall ensure that:
 - (1) parents with children enrolled in Commission-funded child care are notified no later than two business days after receiving notification from the Agency that DFPS intends to take adverse action against the provider;
 - (2) children enrolled in Commission-funded child care with the provider are transferred to another eligible provider no later than five business days after receiving notification from the Agency that DFPS intends to take adverse action against the provider; and
 - (3) no new referrals for Commission-funded child care are made to the provider while DFPS is taking adverse action.
- (f) For adverse actions in which DFPS has determined that the provider poses an immediate risk to the health or safety of children and cannot operate pending appeal of the adverse action, but for which there is a valid court order that overturns DFPS' determination and allows the provider to operate pending administrative review or appeal, Boards shall take action consistent with subsection (e) of this section.

§809.95. Provider Automated Attendance Agreement.

Boards shall notify providers of the following:

- (1) Employees of child care providers shall not:
 - (A) possess, have on the premises, or otherwise have access to the attendance card of a parent or secondary cardholder;
 - (B) accept or use the attendance card or PIN of a parent or secondary cardholder; or
 - (C) perform the attendance or absence reporting function on behalf of the parent;

- (2) The owner, director, or assistant director of a child care provider shall not be designated as the secondary cardholder by a parent with a child enrolled with the provider;
- (3) Providers shall report misuse of attendance cards and PINs to the Board or the Board's child care contractor; and
- (4) Providers shall report to the child care contractor authorized days that do not match the referral in the Agency's automated attendance system within five days of receiving the authorization. Failure to report the discrepancy may result in withholding payment to the provider.
- (5) Misuse of attendance reporting and violation of the requirements in this section are grounds for a potential fraud determination pursuant to Subchapter F of this chapter.

SUBCHAPTER F. FRAUD FACT-FINDING AND IMPROPER PAYMENTS

§809.111. General Fraud Fact-Finding Procedures.

- (a) This subchapter establishes authority for a Board to develop procedures for the prevention of fraud by a parent, provider, or any other person in a position to commit fraud consistent with fraud prevention provisions in the Agency-Board Agreement.
- (b) In this subchapter, a person commits fraud if, to obtain or increase a benefit or other payment, either for the person or another person, the person:
 - (1) makes a false statement or representation, knowing it to be false; or
 - (2) knowingly fails to disclose a material fact.
- (c) A Board shall 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 the workforce area.
- (d) These procedures shall include provisions that suspected fraud is reported to the Commission in accordance with Commission policies and procedures.
- (e) Upon review of suspected fraud reports, the Commission may either accept the 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, the following:
 - (1) further fact-finding; or
 - (2) other corrective action as provided in this chapter or as may be appropriate.

- (f) The Board shall ensure that a final fact-finding report is submitted to the Commission 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.

§809.112. Suspected Fraud.

- (a) A parent, provider, or any other person in a position to commit fraud may be suspected of fraud if the person presents or causes to be presented to the Board or its child care contractor one or more of the following items:
 - (1) A request for reimbursement in excess of the amount charged by the provider for the child care; or
 - (2) A claim for child care services if evidence indicates that the person may have:
 - (A) known, or should have known, that child care services were not provided as claimed;
 - (B) known, or should have known, that information provided is false or fraudulent;
 - (C) received child care services during a period in which the parent or child was not eligible for services;
 - (D) known, or should have known, that child care subsidies were provided to a person not eligible to be a provider; or
 - (E) otherwise indicated that the person knew or should have known that the actions were in violation of this chapter or state or federal statute or regulations relating to child care services.
- (b) The following parental actions may be grounds for suspected fraud and cause for Boards to conduct fraud fact-finding or the Commission to initiate a fraud investigation:
 - (1) Not reporting or falsely reporting at initial eligibility or at eligibility redetermination:
 - (A) household composition, or income sources or amounts that would have resulted in ineligibility or a higher parent share of cost; or
 - (B) work, training, or education hours that would have resulted in ineligibility; or
 - (2) Not reporting during the 12-month eligibility period:

- (A) changes in income or household composition that would cause the family income to exceed 85 percent of SMI (taking into consideration fluctuations of income); or
- (B) a permanent loss of job or cessation of training or education that exceeds three months; or
- (C) improper or inaccurate reporting of attendance.

§809.113. Action to Prevent or Correct Suspected Fraud.

- (a) The Commission or Board may take the following actions pursuant to Commission policy if the Commission or Board finds that a provider has committed fraud:
 - (1) Temporary withholding of payments to the provider for child care services delivered;
 - (2) Nonpayment of child care services delivered;
 - (3) Recoupment of funds from the provider;
 - (4) Stop authorizing care at the provider's facility or location;
 - (5) Prohibiting future eligibility to provide Commission-funded child care services; or
 - (6) Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.
- (b) The Commission or Board may take the following actions pursuant to Commission policy if the Commission or Board finds that a parent has committed fraud:
 - (1) recouping funds from the parent;
 - (2) prohibiting future child care eligibility, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care;
 - (3) limiting the enrollment of the parent's child to a regulated child care provider;
 - (4) terminating care during the 12-month eligibility period if eligibility was determined using fraudulent information provided by the parent; or

- (5) any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.

§809.114. Failure to Comply with Commission Rules and Board Policies.

- (a) The Board shall ensure that parents and providers comply with Commission rules.
- (b) The Commission, Board or Board's child care contractor may consider failure by a provider or parent to comply with this chapter as an act that may warrant corrective and adverse action as detailed in §809.115 (relating to Corrective Adverse Actions).
- (c) Failure by a provider or parent to comply with this chapter shall also be considered a breach of contract, which may also result in corrective action as detailed in this subchapter.

§809.115. Corrective Adverse Actions.

- (a) When determining appropriate corrective actions, the Board or Board's child care contractor shall consider:
 - (1) the scope of the violation;
 - (2) the severity of the violation; and
 - (3) the compliance history of the person or entity.
- (b) Corrective actions for providers may include, but are not limited to, the following:
 - (1) Closing intake;
 - (2) Moving children to another provider selected by the parent;
 - (3) Withholding provider payments or reimbursement of costs incurred; and
 - (4) Recoupment of funds.
- (c) When a provider violates a provision of Subchapter E of this chapter, a written Service Improvement Agreement may be negotiated between the provider and the Board or the Board's child care contractor. At the least, the Service Improvement Agreement shall include the following:
 - (1) The basis for the Service Improvement Agreement;
 - (2) The steps required to reach compliance including, if applicable, technical assistance;

- (3) The time limits for implementing the improvements; and
 - (4) The consequences of noncompliance with the Service Improvement Agreement.
- (d) The Board shall develop policies and procedures to ensure that the Board or the Board's child care contractor take corrective action consistent with subsections (a) - (c) of this section against a provider when a provider:
- (1) possesses, or has on the premises, attendance cards without the parent being present at the provider site;
 - (2) accepts or uses an attendance card or PIN of a parent or secondary cardholder;
or
 - (3) performs the attendance reporting function on behalf of a parent.
- (e) The Board shall develop policies and procedures to require the Board's child care contractor to take corrective action consistent with subsections (a) - (c) of this section against a parent when a parent or parent's secondary cardholder gives his or her:
- (1) card to a provider; or
 - (2) PIN to a provider.

§809.117. Recovery of Improper Payments to a Provider or Parent.

- (a) A Board shall attempt recovery of all improper payments as defined in §809.2.
- (b) Recovery of improper payments shall be managed in accordance with Commission policies and procedures.
- (c) The provider shall repay improper payments for child care services received in the following circumstances:
 - (1) Instances involving fraud;
 - (2) Instances in which the provider did not meet the provider eligibility requirements in this chapter;
 - (3) Instances in which the provider was paid for the child care services from another source;
 - (4) Instances in which the provider did not deliver the child care services;

- (5) Instances in which referred children have been moved from one facility to another without authorization from the child care contractor; and
 - (6) Other instances when repayment is deemed an appropriate action.
- (d) A parent shall repay improper payments for child care only in the following circumstances:
- (1) Instances involving fraud as defined in this subchapter;
 - (2) Instances in which the parent has received child care services while awaiting an appeal and the determination is affirmed by the hearing officer; or
 - (3) Instances in which the parent fails to pay the parent share of cost and the Board's policy is to pay the provider for the parent's failure to pay the parent share of cost.
- (e) A Board shall ensure that a parent subject to the repayment provisions in subsection (d) of this section shall prohibit future child care eligibility until the repayment amount is recovered, provided that the prohibition does not result in a Choices or SNAP E&T participant becoming ineligible for child care.

SUBCHAPTER G. TEXAS RISING STAR PROGRAM

§809.130. Short Title and Purpose.

- (a) The rules contained in this subchapter may be cited as the TRS Program rules.
- (b) The purpose of the TRS Program rules is to interpret and implement Texas Government Code §2308.3155(b) requiring the Commission to establish rules to administer the TRS program, including guidelines for rating a child care provider for TRS certification.
- (c) The TRS Program rules identify the organizational structure and categories of, and the scoring factors that shall be included in, the TRS guidelines.
- (d) The TRS guidelines for rating a child care provider shall:
 - (1) describe measures for the TRS program that contain, at a minimum, measures for child care providers regarding:
 - (A) director and staff qualifications and training;
 - (B) caregiver-child interactions;

- (C) curriculum;
 - (D) nutrition and indoor and outdoor activities; and
 - (E) parent involvement and education;
- (2) specify measures that:
- (A) must be met in order for a provider to be certified at each star level; and
 - (B) are observed and have points awarded through on-site assessments; and
- (3) specify the scoring methodology and scoring thresholds for each star level.
- (e) The TRS guidelines:
- (1) shall be reviewed and updated by the Commission at a minimum of every four years in conjunction with the rule review of Chapter 809, conducted pursuant to Texas Government Code §2001.039, and the TRS guidelines review shall:
 - (A) consider input from stakeholders; and
 - (B) include at least one public hearing held prior to submitting the stakeholder input to the Commission;
 - (2) shall be adopted by the Commission subject to the requirements of the Texas Open Meetings Act; and
 - (3) also may be reviewed and amended as determined necessary by the Commission in accordance with the requirements of the Texas Open Meetings Act.

§809.131. Eligibility for the TRS Program.

- (a) A child care provider is eligible to apply for the TRS program if the provider has a current agreement to serve Commission-subsidized children and:
 - (1) has a permanent (nonexpiring) license or registration from DFPS;
 - (2) has at least 12 months of licensing history with DFPS, and is not on:
 - (A) corrective action with a Board pursuant to Subchapter F of this chapter;
 - (B) a "Notice of Freeze" with the Commission pursuant to Chapter 213 of the Texas Labor Code (Enforcement of the Texas Unemployment

Compensation Act) or Chapter 61 of the Texas Labor Code(Payment of Wages); or

(C) corrective or adverse action with DFPS; or

(3) is regulated by and in good standing with the US Military.

(b) A child care facility is not eligible to apply for the TRS program if, during the most recent 12-month DFPS licensing history, the provider had:

(1) any of the critical licensing deficiencies listed in the TRS guidelines;

(2) five or more of the high or medium-high licensing deficiencies listed in the TRS guidelines; or

(3) 10 or more total licensing deficiencies of any type.

§809.132. Impact of Certain Deficiencies on TRS Certification.

(a) A TRS provider shall lose TRS certification if the provider:

(1) is placed on corrective action with a Board pursuant to Subchapter F of this chapter;

(2) is under a "Notice of Freeze" with the Commission pursuant to Chapter 213 of the Texas Labor Code (Enforcement of the Texas Unemployment Compensation Act) or Chapter 61 of the Texas Labor Code(Payment of Wages);

(3) is placed on corrective or adverse action by DFPS; or

(4) had 15 or more total licensing deficiencies of any type during the most recent 12-month licensing history.

(b) TRS providers with any of the critical licensing deficiencies listed in the TRS guidelines during the most recent 12-month DFPS licensing history shall have the following consequences:

(1) reduction of a 4-Star Program Provider or 3-Star Program Provider to a 2-Star Program Provider; or

(2) a 2-Star Program Provider shall lose certification.

- (c) TRS providers with five or more of the high or medium-high deficiencies listed in the TRS guidelines during the most recent 12-month DFPS licensing history shall lose a star level with a 2-Star Program Provider losing certification.
- (d) TRS providers with 10 to 14 total licensing deficiencies of any type during the most recent 12-month DFPS licensing history shall be placed on a six-month TRS program probationary period. Further:
 - (1) TRS providers on a six-month probationary period that are re-cited by DFPS within the probationary period for any of the same deficiencies shall lose a star level with a 2-Star Program Provider losing certification;
 - (2) if any new deficiencies--not to exceed 14 total deficiencies--are cited by DFPS during the first probationary period, a second six-month probationary period shall be established effective upon the date of final DFPS determination of the deficiencies; and
 - (3) if any new deficiencies--not to exceed 14 total deficiencies--are cited by DFPS during the second six-month probationary period, a provider shall lose TRS certification.
- (e) Providers losing a star level due to licensing deficiencies shall be reinstated at the former star level if the deficiency is not re-cited by DFPS within the next six months.
- (f) Providers losing TRS certification shall not be eligible to reapply for certification sooner than 12 months following the loss of the certification.

§809.133. Application and Assessments for the TRS Program.

- (a) TRS program applicants must complete:
 - (1) an orientation on the TRS guidelines, including an overview of the:
 - (A) TRS program application process;
 - (B) TRS program measures; and
 - (C) TRS program assessment process; and
 - (2) a TRS program self-assessment tool.
- (b) Boards shall ensure that:
 - (1) written acknowledgment of receipt of the application and self-assessment is sent to the provider;

- (2) within 20 days of receipt of the application, the provider is sent an estimated time frame for scheduling the initial assessment;
 - (3) an assessment is conducted for any provider that meets the eligibility requirements in §809.131 and requests to participate in the TRS program; and
 - (4) TRS certification is granted for any provider that is assessed and verified as meeting the TRS provider certification criteria set forth in the TRS guidelines.
- (c) Boards shall ensure that TRS assessments are conducted as follows:
- (1) On-site assessment of 100 percent of the provider classrooms at the initial assessment for TRS certification and at each scheduled recertification; and
 - (2) Recertification of all TRS providers every three years.
- (d) Boards shall ensure that certified TRS providers are monitored on an annual basis and the monitoring includes:
- (1) at least one unannounced on-site visit; and
 - (2) a review of the provider's licensing compliance as described in new §809.132.
- (e) Boards shall ensure compliance with the process and procedures in the TRS guidelines for conducting assessments of nationally accredited child care facilities and child care facilities regulated by the US Military.
- (f) Boards shall ensure compliance with the process and procedures in the TRS guidelines for conducting assessments of certified TRS providers that have a change of ownership, move, or expand locations.

§809.134. Minimum Qualifications for TRS Assessors and Mentors.

- (a) Boards shall ensure that TRS assessors and mentors meet the minimum education requirements as follows:
- (1) 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;
 - (2) 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; or

- (3) Associate's degree in early childhood education, child development, special education, child psychology, educational psychology, elementary education, or family consumer science with two years of experience as a director in an early childhood program, with preference given to experience with a provider that is accredited or TRS certified.
- (b) The Commission may grant a waiver of no more than two years of the minimum education requirements in subsection (a) if a Board can demonstrate that no applicants in its local workforce development area meet the minimum education requirements.
- (c) Boards shall ensure that TRS assessors and mentors meet 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.
- (d) Boards shall ensure that if an individual performs the duties of both an assessor and a mentor, the individual providing TRS mentoring services to a provider does not act as the assessor of that same provider when determining TRS certification.
- (e) Boards shall ensure that TRS assessors and mentors are required to complete annual professional development and continuing education consistent with child care licensing minimum training requirements for a center director.
- (f) Boards shall ensure that TRS assessors and mentors meet the background check requirement consistent with 40 TAC, Chapter 745.
- (g) Boards shall ensure that TRS assessors and mentors demonstrate:
 - (1) knowledge of best practices in early childhood education; and
 - (2) understanding of early childhood evaluations, observations, and assessment tools for both teachers and children.

§809.135. TRS Process for Reconsideration.

Boards shall ensure a process for reconsideration of facility assessment at the Board level for the TRS program. The TRS program is not subject to Chapter 823 of this title, the Integrated Complaints, Hearings, and Appeals rules.