



Early Ed
CANARY



TEFA Pre-K Provider Jump Start

Child Care Associates
July 1st, 2026



TEXAS EDUCATION
FREEDOM ACCOUNTS



AGENDA

Program Readiness

- TEFA program expectations
- High-quality Pre-K requirements
- Certified vs Qualified teachers

Financial Readiness

- Enrolling TEFA Students
- Managing and receiving funding
- Audit readiness and billing requirements



TEXAS EDUCATION FREEDOM ACCOUNTS

Freedom to learn your way.

An "education savings account" (ESA) program.

Funds can be used for private school tuition, including pre-k at an eligible child care program, homeschool expenses, tutoring, and other approved educational costs.

Funds will be awarded to use for the 2026-27 school year.

Potential Funding Amount



Private School & Pre-K Students

\$10,474



Students with Disabilities*

Up to \$30,000



Homeschooled Students

Up to \$2,000



*For private school students with a qualifying Individualized education program (IEP) on file with their school district.

How does TEFA impact families seeking affordable child care?

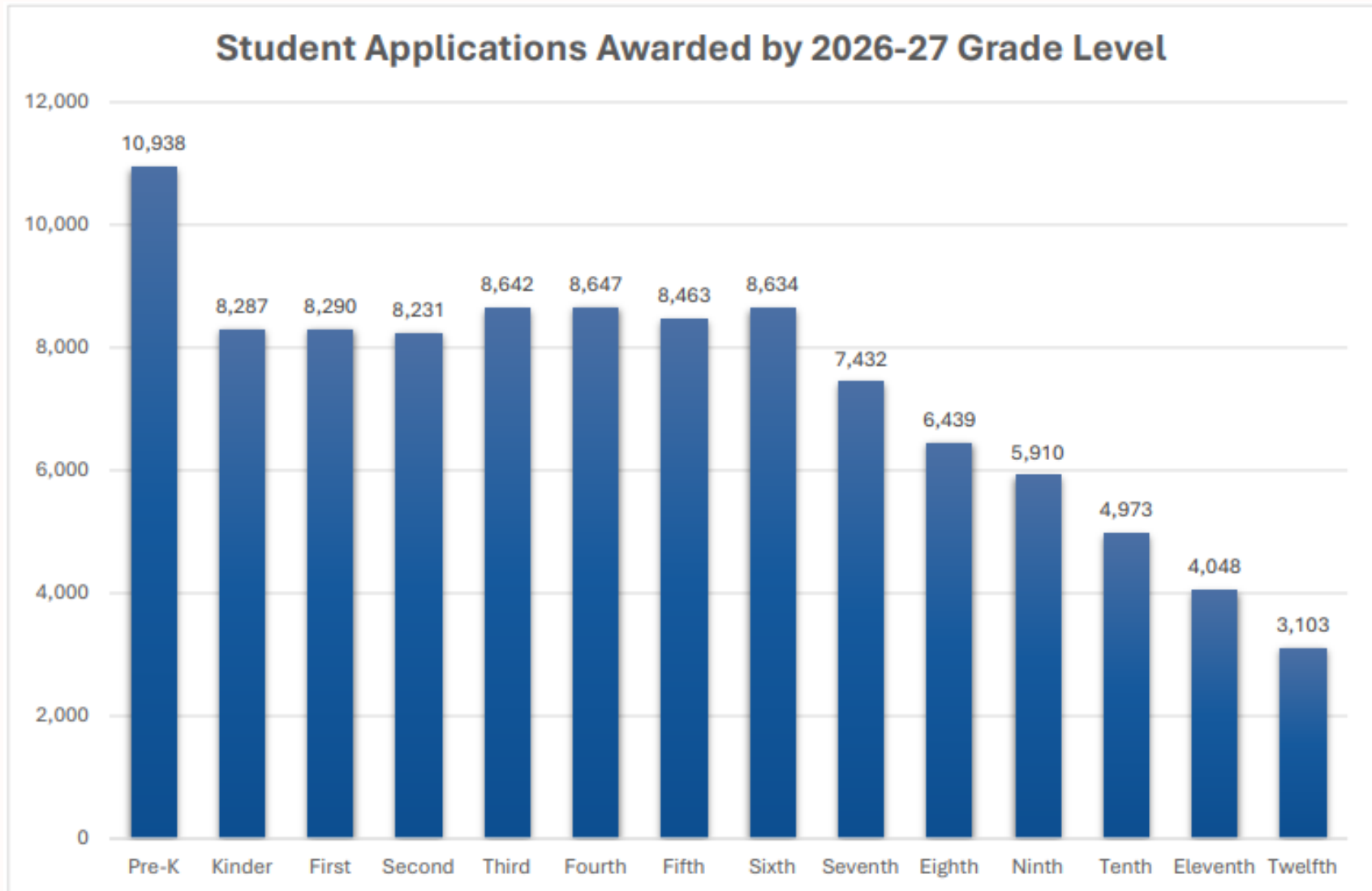


All Awards Have Been Sent

102,000 Active Awards for PK-12

- **All of Tier 1** applicants & their siblings have been awarded.
- **A portion of Tier 2** applicants were awarded via lottery.
- All other students (**Tier 2-4**) are currently on a waitlist.
- Parents can choose to opt out of the program or change to homeschool before the July 15th deadline. Slots have freed up as parents select homeschool or opt out of the program.

High Demand For Pre-k



Estimated TEFA Students In DFW



County	Tier 1 Special Education & Siblings	Tier 2 Below 200% Poverty Line
Tarrant	4,117	3,759
Dallas	4,097	5,139
Denton	936	1,317
Parker	354	483
Wise	119	165
Johnson	332	444
Collin	1,445	1,918
Rockwall	264	346
Kaufman	358	477
Ellis	454	589

Total PK-12	Estimated Pre-k
7,876	520
9,236	610
2,253	149
837	55
284	19
776	51
3,363	222
610	40
835	55
1,043	69

**Approximate counts. Some students were excluded to protect privacy.*

Meeting High-Quality Pre-K Requirements

Pre-K Approved Private Providers

Must be in good standing with DFPS with no action taken against their license in the past 24 months AND must be one of the following:

-  Accredited by a nationally recognized accreditation system approved by the Commissioner of Education (e.g., NAEYC, NAC, NECPA),
-  a Texas Rising Star Provider with a 3- or 4-star certification,
-  a Texas School Ready! participant,
-  Has an existing partnership with a school district to provide a prekindergarten program, **OR**
-  Accredited by an organization recognized by the Texas Private School Accreditation Commission (e.g., Cognia)

Attestation Requirements for Pre-K Providers



I affirm my school meets the criteria as outlined in Section 29.171, Education Code, and will continue to meet the following criteria:

1. Employ a qualified or certified teacher for each class, as described in Section § 29.167(b), Education Code,
2. Implement a high-quality curriculum, as described in Section § 29.167(a), Education Code,
3. Administer program evaluation, as described in Section § 29.169, Education Code,
4. Provide 75,600 operational minutes per year for full-day pre-K for four year olds and 32,400 instructional minutes per year for half-day pre-K for three year olds, Texas Education Agency Student Attendance Accounting Handbook Section § 3.8.

The TEFA Provider is responsible for complying with the following.

1. Employ a **certified** or **qualified** teacher
2. Implement a **high-quality curriculum**
3. Administer program evaluation by measuring student progress
4. Student to teacher ratios
5. Family Engagement plan

Providers who are audited and found not in compliance with this attestation will be removed from the program

TEACHER REQUIREMENTS



Employee a qualified or certified teacher for each class, as described in section TEC §29.167 (b)

Certified Vs Qualified Teachers

Certified Pre-K Teacher

Bachelor's Degree + Teacher Certification (EC-3 or EC-6), and one of the following:

1. AA or BA Degree in Early Childhood or related field
2. CDA or another TEA-approved early childhood credential
3. Certification from Association Montessori Internationale or Montessori Accreditation Council for Teacher Education
4. 8+ years of experience in a TRS or nationally-accredited program, **OR**
5. An equivalent qualification.

Qualified Pre-K Teacher

Supervised by a Certified Pre-K Teacher and one of the following:

- AA or BA Degree in Early Childhood Education, Special Education-ECE or a non-ECE degree with 15 units of ECE-specific coursework
- 8+ years of experience in a TRS or nationally-accredited program, **OR**
- 2+ years of experience teaching in a TRS or nationally accredited program **and one of the following:**
 1. CDA or another TEA-approved early childhood credential
 2. Certification from Association Montessori Internationale or Montessori Accreditation Council for Teacher Education

Supervising Teacher Requirements

A supervising pre-k teacher can oversee multiple pre-k classrooms to help programs stay in compliance with TEFA.

Primary duty: Help ensure TEFA compliance with:

- High Quality Pre-k
- Completion of high quality checklist

They can also support:

- Classroom instruction
- Meeting developmental needs of students
- Continuous quality improvement, including professional development



Supervising Teacher Models



1. In-house | Staff meet Option 1 and 2

If the **program director is pre-k certified (meets Option 1)**, they can be the supervising teacher for a **qualified preschool classroom teacher (meets Option 2)**.

2. Outside Contractor | Staff meet Option 2 only

If only the **preschool classroom teacher is qualified (meets Option 2)**, the program can contract with **an outside pre-k certified teacher to supervise** the preschool classroom periodically.

- Create shared service models with other programs.
- Ask current mentors if they are pre-k certified.
- Retired teachers in the community may be interested!

3. Non-compliant | The program has no qualified staff

The program must achieve compliance before accepting TEFA funding.

Certificate Lookup

[Certificate Lookup | Texas Education Agency](#)

STATE BOARD FOR EDUCATOR CERTIFICATION Official Record of Educator Certificates Educator Search Criteria

The information presented on this secure web site is the official record of the educator's certification status and satisfies Section 21.053(a) of the Texas Education Code, which requires individuals to present their certificate prior to employment by a school district. SBEC does not provide individually prepared letters of professional standing or verification of a Texas educator's certification status.

Instructions-Enter the last name and first name of the person for whom you are searching. You may enter a hyphen into compound last names (e.g. Gomez-Martin).

Last Name:

First Name:

Middle Name:

Search

Clear

Certificate Example

[View Certificate History](#)

Texas Educator Certificate

This certifies that

Amity Brook Halstead

*has fulfilled requirements of state law and regulations of the
State Board for Educator Certification
and is hereby authorized to perform duties as designated below:*

STANDARD			
Description	Effective Date	Expiration Date	Status
Classroom Teacher			
Generalist Grades (EC-4)	05/01/2026	04/30/2032	Valid
English as a Second Language Supplemental Grades (EC-4)	05/01/2026	04/30/2032	Valid

Official Record of Certification
Friday, June 12, 2026

Certificate Example

[View Certificate History](#)

Texas Educator Certificate

This certifies that

Chad M Kingsbury

*has fulfilled requirements of state law and regulations of the
State Board for Educator Certification
and is hereby authorized to perform duties as designated below:*

STANDARD			
Description	Effective Date	Expiration Date	Status
Classroom Teacher Secondary Mathematics Grades (6-12)	03/01/2026	02/28/2032	Valid
Official Record of Certification Friday, June 12, 2026			

New Search

Certificate Example

Texas Educator Certificate

This certifies that

Amy Renee Johnson

*has fulfilled requirements of state law and regulations of the
State Board for Educator Certification
and is hereby authorized to perform duties as designated below:*

STANDARD

Description	Effective Date	Expiration Date	Status
Classroom Teacher			
Core Subjects Grades (EC-6)	06/19/2017	04/30/2023	<u>Inactive</u>
English as a Second Language Supplemental	07/05/2018	04/30/2023	<u>Inactive</u>

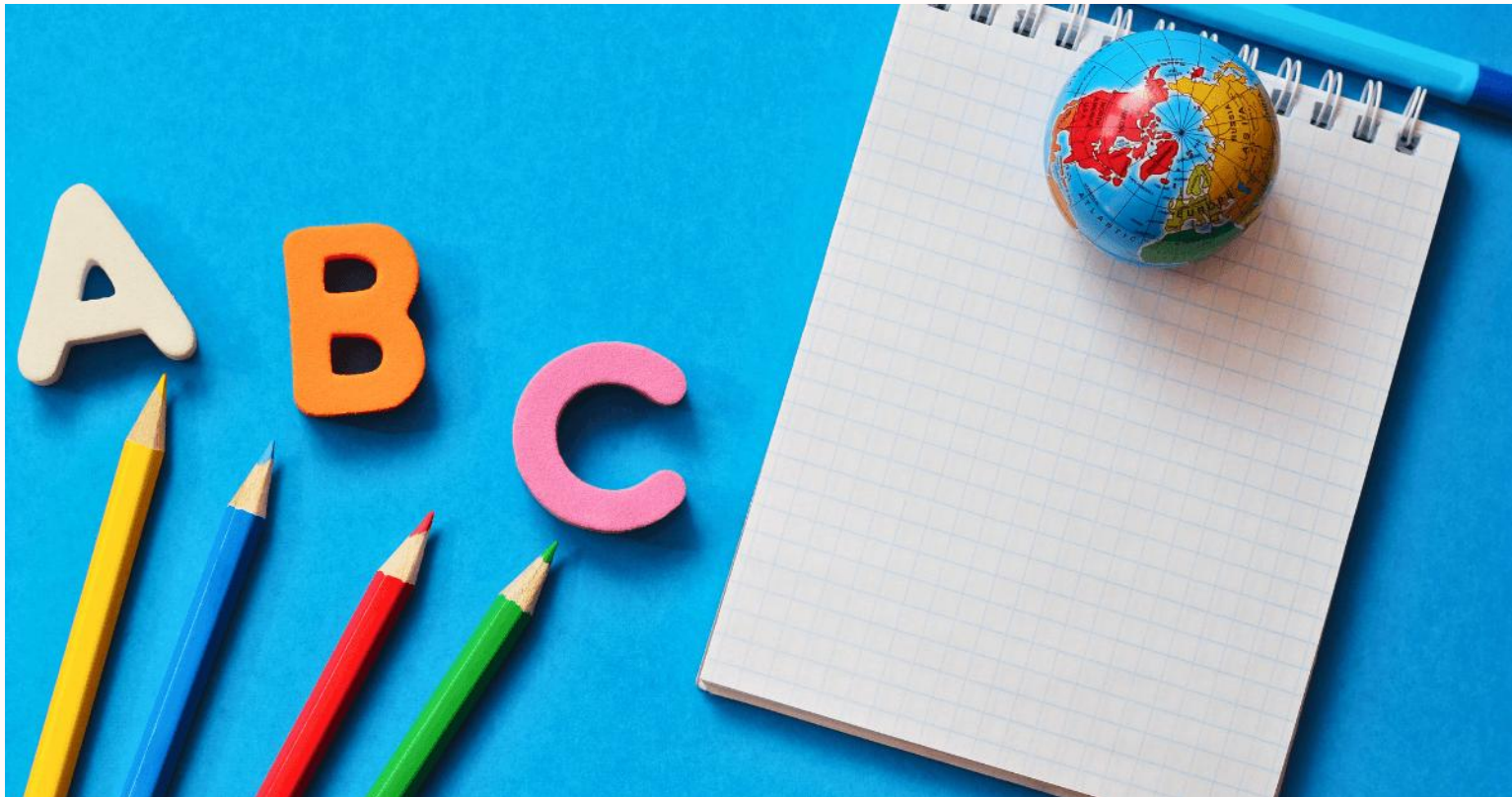
ONE-YEAR

Description	Effective Date	Expiration Date	Status
Core Subjects Grades (EC-6)	07/30/2016	07/30/2017	<u>Expired</u>

Official Record of Certification
Friday, June 12, 2026

Curriculum

The curriculum used in the prekindergarten program serving eligible four-year-old students aligns with the Texas Prekindergarten Guidelines



Current adopted instructional materials
that have been reviewed for alignment with the TPG



Proclamation 2021

- Ready to advance early learning program-Texas
- CIRCLE pre-k curriculum
- Blueprint for early learning
- EDUSPARK pre-k system
- Frog street pre-k 2020
- HighScope curriculum
- Connect4Learning: the pre-k curriculum
- Get set for school complete pre-k program
- Quaver pre-k curriculum
- InvesiGator club
- Three cheers for pre-k essential package-Texas edition
- PreK on my way
- Creative curriculum for Texas
- STEAM Themes: a clear concise STEAM program for pre-k teaching
- Live and learn: a pre-k program

STUDENT PROGRESS MONITORING

All four-year-old eligible students are assessed at BOY, MOY, and EOY using a progress monitoring tool on the Commissioner's List of

Five developmental domains:

- Mathematics
- Health & Wellness
- Emergent Literacy – Reading
- Emergent Literacy – Writing
- Emergent Literacy – Language & Communication



Commissioner's List

The following progress monitoring instruments are on the new Commissioner's List of Approved Prekindergarten Progress Monitoring Instruments to be used in the 2024–25 through 2026–27 school years:

- Circle Progress Monitoring System by Children's Learning Institute (CLI)
- COR Advantage by HighScope Educational Research Foundation
- CPALLS+STEM by Circle Progress Monitoring administered through TANGO Software (*formerly on the list as CIRCLE Assessment by Liberty Source*)
- Frog Street Assessment – Criterion Referenced Assessment by Frog Street
- GOLD® by Teaching Strategies, LLC
- LION for Prekindergarten by Liberty Source

Program Evaluation

Component	Requirement	Met	In Progress	Not Met
Program Evaluation 	The child care program selects and implements a method of evaluating its prekindergarten program annually.			
	Data from a student progress monitoring instrument from the commissioner's list of approved pre-k instruments is reviewed as part of the program evaluation.			
	The child care program has created a data driven program improvement plan based on the program evaluation to ensure all HQPK indicators are met.			
	Results of the program evaluation are reported to parents annually.			
	The child care program maintains the appropriate records to document compliance with this high-quality component.			

CLASSROOM RATIOS

May not enroll more than 22 students in prekindergarten. *The school system is required to attempt to maintain an average 11:1 ratio*



FAMILY ENGAGEMENT

The school system has developed a written Family Engagement Plan that is used to achieve and maintain high levels of family involvement and includes a primary point of contact and contact information



Family Engagement Components

The written Family Engagement Plan contains activities, events and/or school practices that are linked to each of the six required components:

1. Facilitate family-to-family support
2. Establish a network of community resources
3. Increase family participation in decision-making
4. Equip families with tools to enhance and extend learning
5. Develop staff skills in evidence-based practices that support families in meeting their children's learning benchmarks
6. Evaluate family engagement efforts and use evaluations for continuous improvement

High-Quality Prekindergarten (HQPK) Components – Checklist

This checklist is designed to be used as a guide to assist child care programs in developing systems to meet all HQPK components for TEFA.

Component	Requirement	Met	In Progress	Not Met
Curriculum 	The curriculum used in the prekindergarten program serving eligible four-year-old students aligns with the Texas Prekindergarten Guidelines (TPG) (see the current adopted instructional materials list for materials that have been reviewed for alignment with the TPG).			
	The school system maintains the appropriate records to document compliance with this high-quality component.			
Student Progress Monitoring 	All four-year-old eligible students are assessed at beginning-of-year (BOY), middle-of-year (MOY), and end-of-year (EOY) using a progress monitoring tool on the Commissioner's List of Approved Prekindergarten Progress Monitoring Instruments. The list can be found on TEA's Data Tool Selection Guidance webpage .			
	Eligible four-year-old students are assessed at BOY, MOY, and EOY in all five developmental domains: Emergent Literacy – Reading, Emergent Literacy – Writing, Emergent Literacy – Language & Communication, Health & Wellness, and Mathematics.			
	The program maintains the appropriate records to document compliance with this high-quality component.			

Questions?



Business Best Practices

Willie Rankin

Navigating Student Enrollment

Articles in this section

Webinar Demo - Verifying Enrollment and Setting Tuitions and Fees

Tuition and Fee Guidelines for Participating TEFA Private Schools

Understanding Filters and Statuses in the Odyssey School Portal

Confirming Enrollments and Setting Tuition & Fees

Private School Meals in the TEFA Program

Next Steps for Texas Schools After the Parent Application

How to Claim Your TEFA School Account and Complete Your Registration

How Can Schools Become Eligible for the Texas Education Freedom Accounts (TEFA) Program?

Can Public Schools be Vendors?

Who is Considered Eligible to be a Pre-K or Kindergarten Provider?

Webinar Demo - Verifying Enrollment and Setting Tuitions and Fees



Melba

20 days ago · Updated

Follow

This article contains the video demonstration provided to participating TEFA schools on step-by-step instructions for how to enroll students and set the tuition and fees.



[Odyssey FAQ](#)

Child Care
associates

Enrolling Students

Enrollment must be conducted in the Odyssey web portal.

1. Parent selects your school **and** 'opts in' to TEFA by July 15th.
2. Program verifies the student's enrollment by July 31st.
3. Program sets the student's annual tuition and fees.
4. Parent approves the tuition and fees.
5. Student is enrolled.



Students who miss the July 15th enrollment deadline will lose their TEFA account!

Help Parents Understand Student Status

Status	Meaning
Eligible	Your student qualifies for the program based on program guidelines. This does not mean they are approved or funded yet. Students in this status are currently on the waitlist.
Approved - Awaiting Opt-In	Your student has been approved, but you must complete the opt-in process before funds can be received.
Approved	Your student has completed the opt-in process and will receive funds.
Approved - On Hold	Your student is approved, but account activity is temporarily paused while Odyssey reviews the account.
Opted Out	You chose to leave the program for the rest of the program year. Any unused funds are returned to the state.
Under Review	Odyssey is reviewing the application to determine eligibility.
Ineligible	Your student does not qualify for the program based on current guidelines.
Closed	The application was closed so a new application can be submitted or corrections can be made. This usually happens when there was an issue with the original application.

TEFA Funds Can Be Used For:

Schools:

Tuition & Fees

Breakfast or lunch
provided by the school

Activity Fees

Transportation
to and from an
approved provider

Technology
for students (10% cap)

Textbooks
and instructional
materials

Assessment
and testing fees

Uniforms

**Educational
therapies**

**Tutoring or
Coursework**

Vendor Services:

Private tutor
or teaching services

**Educational
therapies**
or services

**Uniforms and
Supplies**

Assessment
and testing fees

TEFA Funds CANNOT Be Used For:

- X Fees that cover before- or after-school care or other non-education supervision
- X Fees or charges that support capital campaigns or other fundraising
- X Parent organization membership fees
- X Late payment fees
- X Late pickup fees

EQUAL TREATMENT

A TEFA student cannot be charged a different tuition amount simply because they receive TEFA.

- TEFA families must receive any general discounts – including for siblings or employees.
- Programs can decide if they wish to apply income-based tuition discounts to TEFA students.
 - For example, if you reduce tuition for low-income families, you do not have to reduce tuition for a low-income family receiving TEFA. They have a greater ability to pay than a non-TEFA family.
- Your program must have a **written policy** regarding tuition and discounts. Include how TEFA applies to each situation.

EXAMPLE OF GOOD TUITION AND FEE POLICIES

Program receives TEFA tuition funds. They put this money in a business bank account that is only used for program expenses, such as staff wages, office expenses, and cleaning expenses.

Meals are included in tuition for all other students, therefore, the program cannot charge TEFA students extra for meals.

Fields trips are not included in the cost of tuition, therefore the program can charge a TEFA student separately for this activity.

Drawing Down Funds

- Student accounts will be funded 3 times per school year. Not all of the \$10,474 will be provided at once.
 - **July/August:** 25% of awarded funds.
 - **October:** 25% of awarded funds
 - **February:** 50% of awarded funds
- Programs can determine the rate at which they will charge tuition (weekly, monthly, quarterly, yearly).
- Reimbursements and refunds must be paid to the original source of payment. They may NOT be sent to the parent directly.

Financial Best Practices

Willie Rankin

PAYMENT, BILLING & BLENDING FUNDS

What can TEFA pay for?

- Funds can be used for educational expenses included in the tuition fee, including preschool teacher pay, transportation, and meals.
- TEFA funds can only be charged for **the hours when HQPK standards** are being met. This means:
 - Hours of instruction by a certified or qualified teacher
 - Hours of instruction supported by a high-quality curriculum
- TEFA funds can be charged to "before and after care", ONLY if:
 - Curriculum or lesson plans cover that time and a certified or qualified teacher is present;
 - OR, you are providing supplemental education supports / therapies as an approved vendor.
- **Paper trails matter.**

PAYMENT, BILLING & BLENDING FUNDS

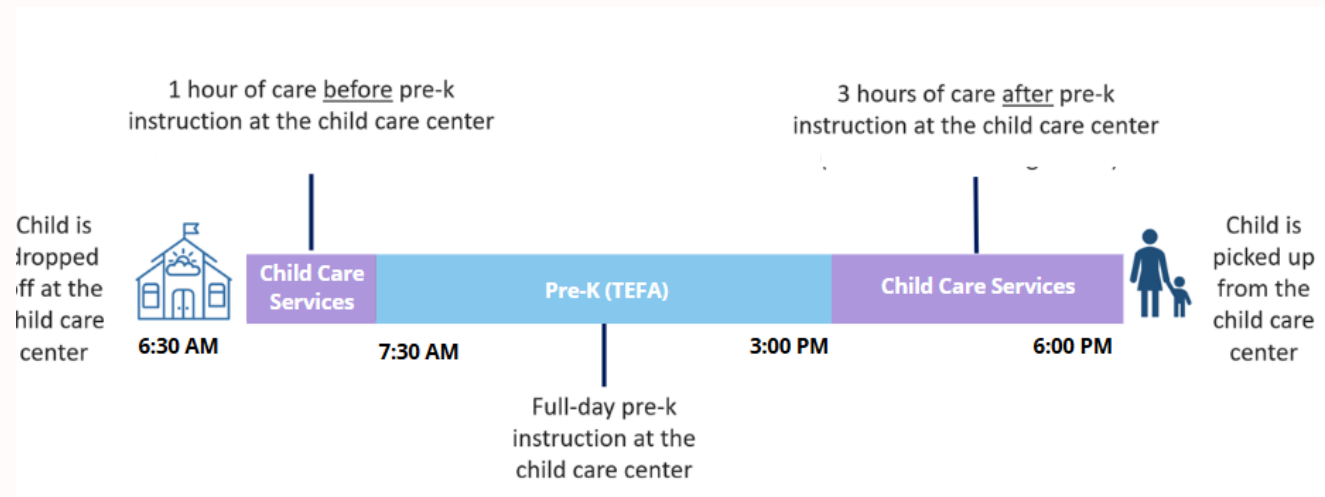
How should providers bill a TEFA child?

- Providers must charge TEFA families their **posted tuition rate**.
- If "before and after" care do not meet the **required educational criteria**, providers may only bill the family for the **"Pre-K Portion"** of the day.
 - This will require two posted rates: "Pre-K" rate and "Before-and-After Care Rate".

EXAMPLE:

Posted Weekly Rate: \$200

- Pre-K Rate: \$130
- Extended Care Rate: \$70



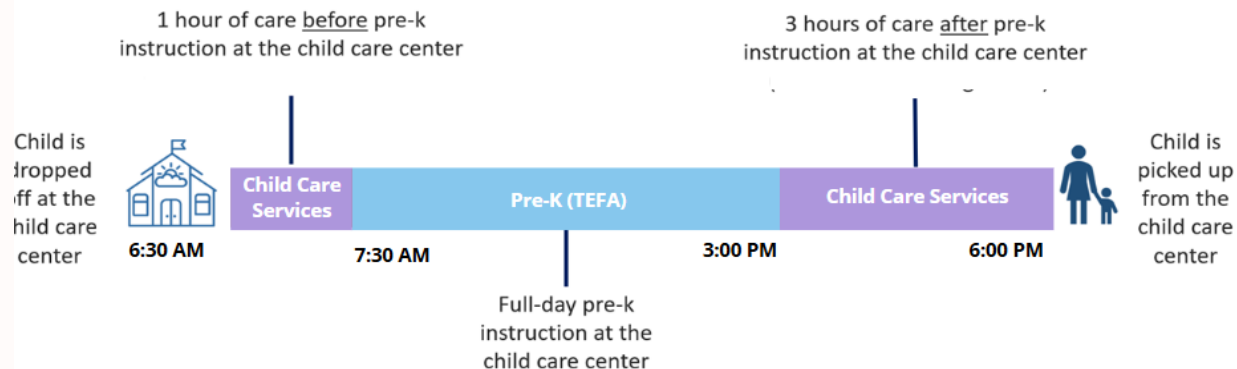
PAYMENT, BILLING & BLENDING FUNDS

What if a family with CCS receives a TEFA account?

- The **program** and the **family** should notify the workforce board immediately!

How do I bill families receiving CCS & TEFA?

- The family will get dropped to the **blended day CCS** rate during the school year.
- Providers can continue to charge **TEFA their posted rate** according to when they are meeting the HQPK standards.



TWC GUIDANCE

Child Care Services Payment Rates, Including School-Year Blended Rates

The Texas Workforce Commission's (TWC) CCS rule [§809.93](#) defines full-day and part-day child care as follows:

- Full-day = 6 to 12 hours of care within a 24-hour period
- Part-day = fewer than 6 hours within a 24-hour period
- Blended-day = a blended rate for children enrolled in a school program, such as pre-K, in which child care is part-day, with care occasionally provided on a full-day basis during school holidays.

BEST PRACTICES: RECORDING & TRACKING PAYMENTS

- Have a designated business bank account
- Define clear payment and billing policies
- Use detailed spreadsheets or software to track dates, amounts, and funding sources
- Track services and clearly itemize:
 - Pre-K (TEFA-funded)
 - Before/after-care (parent-paid*)
 - Other funding sources or extra fees, e.g., transportation, meals, etc. (TEFA-funded*)
- Monitor and reconcile regularly

TX Child Care Tools Resource:

Resources: <https://www.twc.texas.gov/programs/child-care/free-child-care-business-resources>

CAN YOU PROVE THAT EVERY DOLLAR RECEIVED WAS TIED TO AN ELIGIBLE CHILD, ELIGIBLE SERVICE, ELIGIBLE TIME-PERIOD, AND ALLOWABLE COST?

Have all documentation available for an audit

- Enrollment
- Attendance
- Eligibility
- Financial reconciliation
- Teacher Credentials
- Director Credentials

MANAGE AUDIT RISK

★ THE TEXAS TRIBUNE



DONATE

New World Screwworm

Data Centers

Commercial Drivers Licenses

Corpus Christi

Schools Explorer

STATE GOVERNMENT

After Minnesota scandal, Texas reviewed its child care spending. It found little fraud.

An investigation ordered by Gov. Greg Abbott found that less than half a percent of federal money spent on child care scholarships in Texas was considered "improper."

BY JESS HUFF

REPUBLICSH ■ SHARE

MARCH 27, 2026, 5:00 A.M. CENTRAL



MANAGE AUDIT RISK

Can you prove you are meeting funding requirements?

- Did the provider bill CCS and Pre-K for educational period?

Have the correct documentation:

- Attendance Records
- Child Schedules
- Funding source records
- Tuition invoices
- Payment Records

MANAGE AUDIT RISK

Show me every document proving child #103 was enrolled September through December:

Have the correct documentation:

- Enrollment Agreement
- Parent handbooks
- Registration forms
- Birth certificates
- Eligibility documentation
- Withdrawal forms

MANAGE AUDIT RISK

Show me that child #142 attended class during the Pre-K portion on October 17, 2026.

Have the correct documentation:

- Daily Attendance logs
- Electronic sign-in/sign-out records
- Classroom attendance sheets
- Teacher roster
- Teacher qualifications
- Teacher certification
- Staff Timesheet

MANAGE AUDIT RISK

How did you determine the tuition charged to TEFA?

Have the correct documentation:

- Tuition Agreements
- Approved Tuition Schedules
- Family invoices
- Proof of payments
- Student records
- Educational Service documentation

MANAGE AUDIT RISK

Show me who taught this classroom and how they were qualified.

Have the correct documentation:

- Payroll reports
- Timecards
- Job Description
- Certifications
- Background checks
- Training records

MANAGE AUDIT RISK

Who approves tuition adjustments?

Have the correct documentation:

- Financial policies
- Procurement policies
- Segregation of duties
- Approval processes

MANAGE AUDIT RISK

Create a digital "Audit Readiness Binder"

Section 1: Organization

- License
- Insurance
- Organizational Chart
- Policies
- Accreditations

MANAGE AUDIT RISK

Create a digital "Audit Readiness Binder"

Section 2: Enrollment

- Enrollment forms
- Eligibility records
- Funding source records

Section 3: Attendance

- Sign-in sheets
- Classroom rosters
- Attendance reports

MANAGE AUDIT RISK

Create a digital "Audit Readiness Binder"

Section 4: Financial

- Budget
- General ledger
- Bank reconciliations
- Revenue reports

Section 5: Personnel

- Personnel files
- Certifications
- Payroll records

MANAGE AUDIT RISK

Create a digital "Audit Readiness Binder"

Section 6: Funding Sources

- CCS records
- Public Pre-K records
- Tefa records
- Parent tuition records

What To Expect With An Audit

Child care programs may be scrutinized more than K-12 schools.

- Providers must cooperate if there is an audit. Be prepared IF records are requested.
- Auditors will not reach out directly to providers, but you may be required to submit documentation from program administrators.
- While detailed tracking of how funds were spent is not required, providers should maintain appropriate records showing that funds received were for pre-K-related expenses.

FUNDING COMPLIANCE TRACKER

Child	Pre-K Hours	CCS Hours	TEFA Tuition	Parent Tuition	Documentation Complete
Child A	6	3	No	Yes	Yes
Child B	0	4	Yes	Yes	Yes
Child C	6	3	No	Yes	Missing Attendance

CONSIDER CHILD LEVEL REVENUE TRACKING

Child ID	Age	Funding Type	TEFA	Pre-K	CCS	Parent Pay	Discounts	Monthly Revenue
1001	4	Pre-K + CCS	\$0	\$800	\$350	\$100	0%	\$1250
1002	4	TEFA + CCS	\$650	\$0	\$450	\$150	10%	\$1125
1003	4	Private Pay	\$0	\$0	\$0	\$1250	40%	\$750
1004	3	Pre-K + CCS	\$0	\$500	\$700	\$50	0%	\$1250
1005	3	TEFA + Private Pay	\$800	\$0	\$0	\$450	10%	\$1250

CASH POSITION

Month	Starting Cash	Revenue	Expenses	Ending Cash
August	\$100,000	\$125,000	\$96,000	\$129,000
September	\$129,000	\$133,500	\$96,000	\$166,500
October	\$166,500	\$133,500	\$96,000	\$204,000

REVIEW CLASSROOM REVENUE MODEL

EXAMPLE: 4 YEAR OLD CLASSROOM

Funding Type	# of Children	Revenue per Child	Monthly Revenue
Pre-K + CCS	6	\$1250	\$7500
TEFA + CCS	4	\$1250	\$5000
Private Pay	6	\$1250	\$7500
CCS only	2	\$1250	\$2500
TEFA + Private Pay	2	\$1250	\$2500
Total			\$25,000

HOURLY TUITION CONVERSION

- Set a Base Tuition Rate:
 - Calculate your full-time monthly tuition based on cost per child.
 - This is your standard rate for all children.
- Convert to Hourly Rate:
 - Hourly Rate = Monthly Tuition $\div$ (Weekly Hours $\times$ 4.3).
 - Use this rate for all program types.
- Apply to TEFA and Non-TEFA:
 - Full-time (non-TEFA): pay full tuition.
 - TEFA: Split into funded hours and wraparound hours.
 - TEFA + wraparound must equal full value of care.

HOURLY TUITION CONVERSION

- Set Wraparound Pricing:
 - Multiply hourly rate by non-funded hours.
 - This is the parent portion.
- Use Discounts Carefully:
 - Apply after calculating tuition.
 - Track gross vs net revenue.
 - Ensure total revenue still covers costs.
- Documentation Requirements:
 - Rate sheet showing hourly or tiered rates.
 - Written TEFA alignment policy.
 - Discount policy with clear rules.

Key Rule: All students should generate equivalent revenue for the same level of care.

HOURLY TUITION CONVERSION

Input / Calculation	Value	Notes
Monthly Full-Time Tuition	\$800	Enter full monthly rate (e.g., 900)
Weekly Hours (Full-Time)	50	e.g., 50
Weeks per Month	4.3	Standard
Monthly Hours	215	
Hourly Rate	\$4	
TEFA Hours per Week	40	e.g., 35
Monthly TEFA Hours	172	
TEFA Portion Value	\$640	
Wraparound Hours per Week	10	e.g., 15
Monthly Wraparound Hours	43	
Wraparound Tuition	\$160	
Discount (%)	0.05	e.g., 0.10
Discount Amount	\$8	
Final Parent Payment	\$152	
Total Value of Care	\$800	Should match full tuition equivalent

TRACK REVENUE AND EXPENSES

Funding Source	Revenue
Private Pay	\$45,000
CCS	\$32,000
Pre-K	\$28,000
TEFA	\$18,000
Food Program CACFP	\$6,500
Grants	\$4,000
Other Revenue	\$3,000
Total Revenue	\$136,500

Expense	Amount
Personnel	\$74,000
Occupancy	\$12,500
Program	\$7,200
Administration	\$2,300
Total Expenses	\$96,000

CONVERSATIONS WITH YOUR CPA

Many CPAs understand accounting but not child care funding. Providers should ask:

Revenue Tracking

- How should we separate TEFA, CCS, Public Pre-K, grants, and tuition revenue in our chart of accounts?
- Can our accounting system track revenue by child and funding source?
- What reports should we review monthly?

Compliance

- What documentation supports each revenue stream?
- What records should we keep for audits?
- How long should records be retained?
- What are the biggest audit risks you see?

CONVERSATIONS WITH YOUR CPA

Many CPAs understand accounting but not child care funding. Providers should ask:

Cash Flow

- How much operating reserve should we maintain?
- How do we forecast delayed reimbursements?
- How should we monitor accounts receivable?

Cost Accounting

- What is our true cost per child?
- What is our cost per classroom?
- What is our labor percentage?
- Are we allocating overhead correctly?

CONVERSATIONS WITH YOUR CPA

Many CPAs understand accounting but not child care funding. Providers should ask:

Internal Controls

- What financial controls are missing?
- Who should approve expenditures?
- How should we document tuition adjustments and scholarships?

Strategic Questions

- Which funding source is most profitable?
- Which funding source carries the most compliance risk?
- How does adding TEFA students affect our margins?
- What enrollment mix creates the healthiest financial model?
- What key performance indicators should leadership review monthly?

Questions?





TEFA Toolkit

Use these resources to raise awareness about Texas Education Freedom Accounts™ (TEFA). Open doors, expand opportunities, and give each Texas child the chance to learn in the environment that fits them best.



TEFA Early Learning Website

Powered by  **EARLY ED
CANARY**

Upcoming Events & Technical Assistance

For Families

- In-person family information events across the state.
- Webinars in English and Spanish.
- One-on-one application support in Tarrant County.

For Early Learning Programs

- In-person preparedness trainings.
- 1×1 Business coaching.
- Fliers and marketing support.



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