



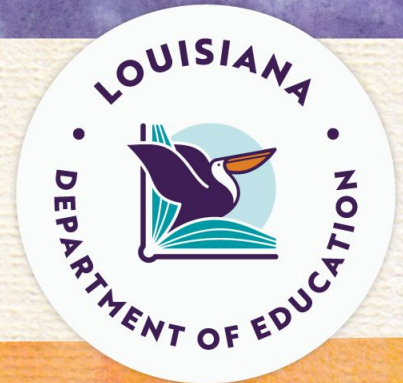
EARLY CHILDHOOD

CONFERENCE 2024

SHAPING LOUISIANA'S FUTURE



**Introduction to the Career Development
System and School Readiness Tax
Credits**



Objectives

Participants will gain an understanding of:

- The five different types of School Readiness Tax Credits
- CLASS[®] Observations - Star Ratings and how they align
- School Readiness Tax Credit resources available on Louisiana Believes
- VITA resources and tax assistance

Presenter Information

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Agenda

- Background on Early Childhood Education in Louisiana
- Introduction to School Readiness Tax Credits (SRTC's)
- CLASS® Observations and Star Ratings
- How Can School Readiness Tax Credits Help You: Types of Tax Credits
- SRTC- For Your Information

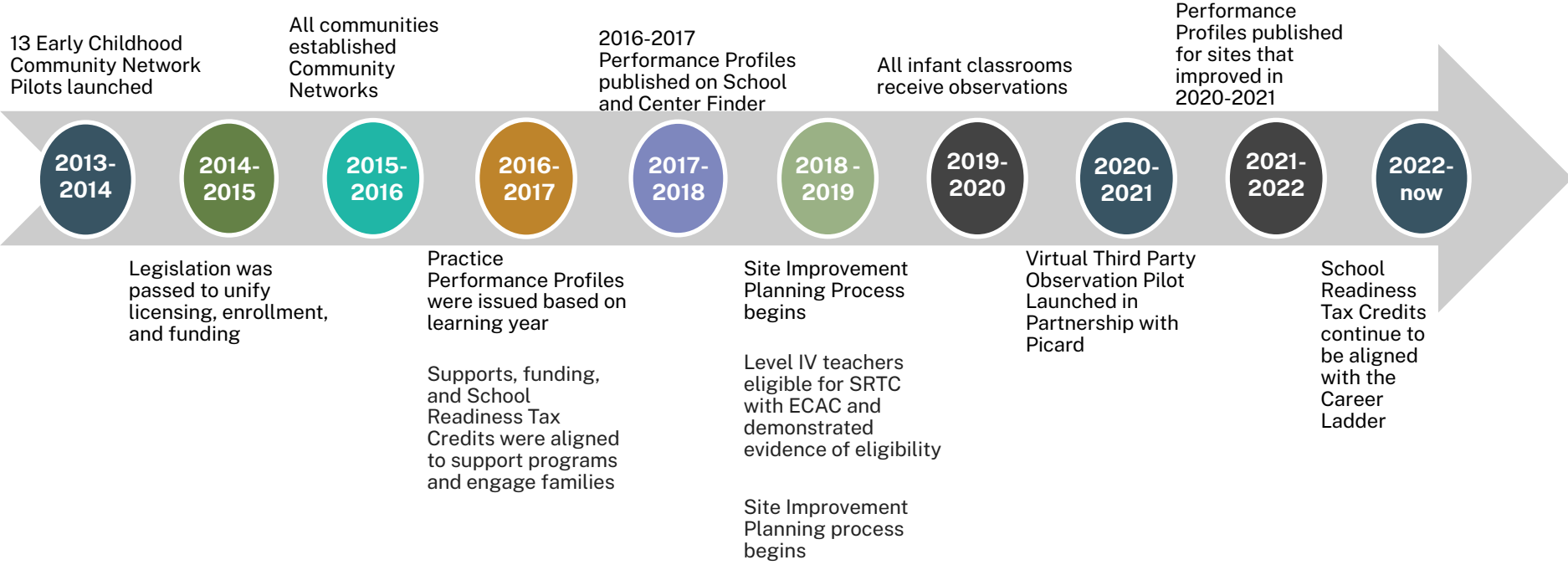
**Who in the audience has heard of
School Readiness Tax Credits?**

Louisiana's Educational Priorities

- ✓ **Early childhood** leading to kindergarten readiness
- ✓ **Literacy** instruction aligned to the Science of Reading
- ✓ **Foundational math** instruction advancing to conceptual understanding
- ✓ Opportunities ensuring a **meaningful high school experience**
- ✓ An effective **teacher for every student**
- ✓ Expand **educational choice** for students and families

Background on Early Childhood Education in Louisiana

Timeline for Tax Credits Aligning to CLASS® Observations



Background on Early Childhood Education in Louisiana Sites and Star Ratings throughout the State

2024 Star Rating	Center Performance Score		
5 Star	6.00-7.00	Excellent	105
4 Star	5.25-5.99	High Proficient	512
3 Star	4.50-5.24	Proficient	380
2 Star	3.75-4.49	Approaching Proficient	82
1 Star	3.00-3.74		10
0 Star	< 3.00	Unsatisfactory	1
0 Star	Not Rated		
Total			1,090



Introduction to School Readiness Tax Credits

SRTC Benefits

CHILD & FAMILY



BUSINESS



PROVIDERS



TEACHERS



SCHOOL READINESS TAX CREDITS

Introduction to School Readiness Tax Credits

- Louisiana School Readiness Tax Credits (SRTC) are tax incentives for licensed Type III child care providers.
- The SRTCs represent a \$16 million state investment in child care that helps Louisiana secure more than \$80 million in federal funding through the Child Care Development Fund (CCDF).
- These tax credits reduce the state taxes paid by individuals and businesses, dollar-for-dollar. Unlike a tax deduction, a tax credit is the whole value of the credit regardless of the tax bracket in which the taxpayer falls.
- The SRTCs are refundable, meaning they are available to taxpayers, and/or corporations, etc. even if they do not owe any taxes.



CLASS[®] Observations and Star Ratings

Tax Year and Star Rating Effective Dates

Performance Profile ratings are based on CLASS[®] observations conducted in the previous academic year.

Tax Year	CLASS [®] Observation Academic Years	Performance Profile Release Month	Star Rating Effective Date
2025	2023-2024	November 2024	January - December 2025
2024	2022-2023	November 2023	January - December 2024
2023	2021-2022	November 2022	January - December 2023
2022	2020-2021	November 2021	January - December 2022

Overall Performance Profile Score

Star Ratings for Providers

Overall Performance Score	Site Performance Rating	Star Rating of Site	Star Ratings to Dollar Amounts for Providers
6.00 - 7.00	Excellent	5 Stars	\$1500 per child = Provider
5.25 - 5.99	High Proficient	4 Stars	\$1250 per child = Provider
4.50 - 5.24	Proficient	3 Stars	\$1000 per child = Provider
3.75 - 4.49	Approaching Proficient	2 Stars	\$750 per child = Provider

Overall Performance Profile Score

Star Ratings for Businesses

Overall Performance Score	Site Performance Rating	Star Rating of Site	Star Ratings to Dollar Amounts for Businesses
6.00 - 7.00	Excellent	5 Stars	Up to \$20,000 = Business
5.25 - 5.99	High Proficient	4 Stars	Up to \$15,000 = Business
4.50 - 5.24	Proficient	3 Stars	Up to \$10,000 = Business
3.75 - 4.49	Approaching Proficient	2 Stars	Up to \$5,000 = Business

Overall Performance Profile Score

Star Ratings for Families

Overall Performance Score	Site Performance Rating	Star Rating of Site	Star Ratings to Dollar Amounts for Families
6.00 - 7.00	Excellent	5 Stars	\$1050.00= Family
5.25 - 5.99	High Proficient	4 Stars	\$787.50 = Family
4.50 - 5.24	Proficient	3 Stars	\$525.00 = Family
3.75 - 4.49	Approaching Proficient	2 Stars	\$262.50 = Family

How Can I Increase My Star Rating?

The Department has several ways to increase your site's star rating.

- Teachers and administrators can obtain a scholarship to obtain the Louisiana Early Childhood Ancillary Certificate (ECAC).
- The Child Care Curriculum Initiative supports child care providers to obtain high-quality, Tier 1 curriculum.
- The Tulane University Mental Health Consultation Program (or TIKES), which provides Infant and Early Childhood Mental Health Consultation, has continued to work with Type III Centers, offering intensive intervention and provider-based coaching to support child care teachers and administrators. TIKES focuses on a child and their individual needs promoting positive behaviors and working toward successful transitions to kindergarten.

How Can I Increase My Star Rating?

The Department has several ways to increase your site's star rating.

- Early Childhood Community Networks throughout the state can support collaboration across school systems, local non-profits, and Child Care Resource and Referral agencies (CCR&Rs) to improve teacher-child interactions.
- CCR&Rs can provide additional interventions for low-performing early childhood sites. This process includes working with LDOE staff to complete a needs assessment and improvement plan, with monthly progress checks from LDOE staff. CCR&Rs and early childhood CNLAs are closely involved in this process.

Turn and Talk



Turn and talk to your neighbor about strategies you have used to talk to your staff about Star Ratings.

How Can School Readiness Tax Credits Help You?

Types of School Readiness Tax Credits

Types of School Readiness Tax Credits

There are five tax credits, which were codified in 2007, that serve as an important quality incentive:

1. [Teacher and Director Tax Credit](#) - Recognizes teachers and directors for their professional education and commitment to the field.
2. [Provider Tax Credit](#) - Rewards sites based on their quality rating and the number of Child Care Assistance Program (CCAP) or foster care children that are served. Sites become eligible if they participate in the statewide unified quality rating system, and their benefits increase with the proportion of at-risk children they serve.
3. [Family Tax Credit](#) - Supports families based on child care expenses, income, federal child care tax credit, state child care tax credit, and the quality rating of the site.

Types of School Readiness Tax Credits

4. [Business Tax Credit](#) - Provides a credit for businesses that have donated funds to child care centers to support eligible child care expenses, based on the quality rating of the center.
5. [Child Care Resource and Referral Tax Credit](#) - Provides a credit for businesses matched to the amount donated to Resource and Referral agencies up to \$5,000.

These tax credits reduce the taxes paid by individuals and businesses, dollar-for-dollar. Unlike a tax deduction, a tax credit is the whole value of the credit regardless of the tax bracket in which the taxpayer falls. The SRTC are refundable, meaning that they are available to a taxpayer even if they do not owe any taxes. If the SRTC exceed an individual's tax burden, then the taxpayer will receive a check for the difference after filing their taxes.

For additional information, please view the Department's [School Readiness Tax Credit Guidance](#).



School Readiness Tax Credits for Teachers and Directors

Teacher and Director Tax Credits

The Teacher and Director Tax Credit recognizes employees for their professional education and commitment to the field.

The Teacher & Director Tax Credit is available to employees at Type III centers who meet the following criteria:

- Employed at the same Type III center for at least 6 months of the calendar year
- Worked at least an average of 30 hours per work week
- Enrolled in Louisiana Pathways

Teacher and Director Tax Credits

The Teacher & Director tax credit level is based on training and education, work experience, and professional activities differentiated by the Louisiana Pathways Career Development System:

- [Administrator Career Ladder \(Track\)](#)
- [Teacher Career Ladder \(Track\)](#)

How Can I Enroll In Louisiana Pathways?

To enroll in Louisiana Pathways, email a signed [enrollment form](#), [employment verification form](#), and documentation of your education to thomasie@nsula.edu. You may also mail these documents directly to:

Louisiana Pathways
Attention: Career Development
1800 Warrington Place
Shreveport, LA 71101-4425

To update any information at Louisiana Pathways, complete a [Request to Update Contact Information](#)

Director Tax Credit Amounts

Director Tax Credit Levels	Tax Credit Amount	Eligibility Criteria	Other Requirements
Director Level IV	\$4,090.00	Master's in Early Childhood Education	Must be a member of a professional organization and provide service to the profession (such as acting as a CLASS® observer)
Director Level III	\$3,410.00	Bachelor's in Early Childhood Education	

Director Tax Credit Amounts

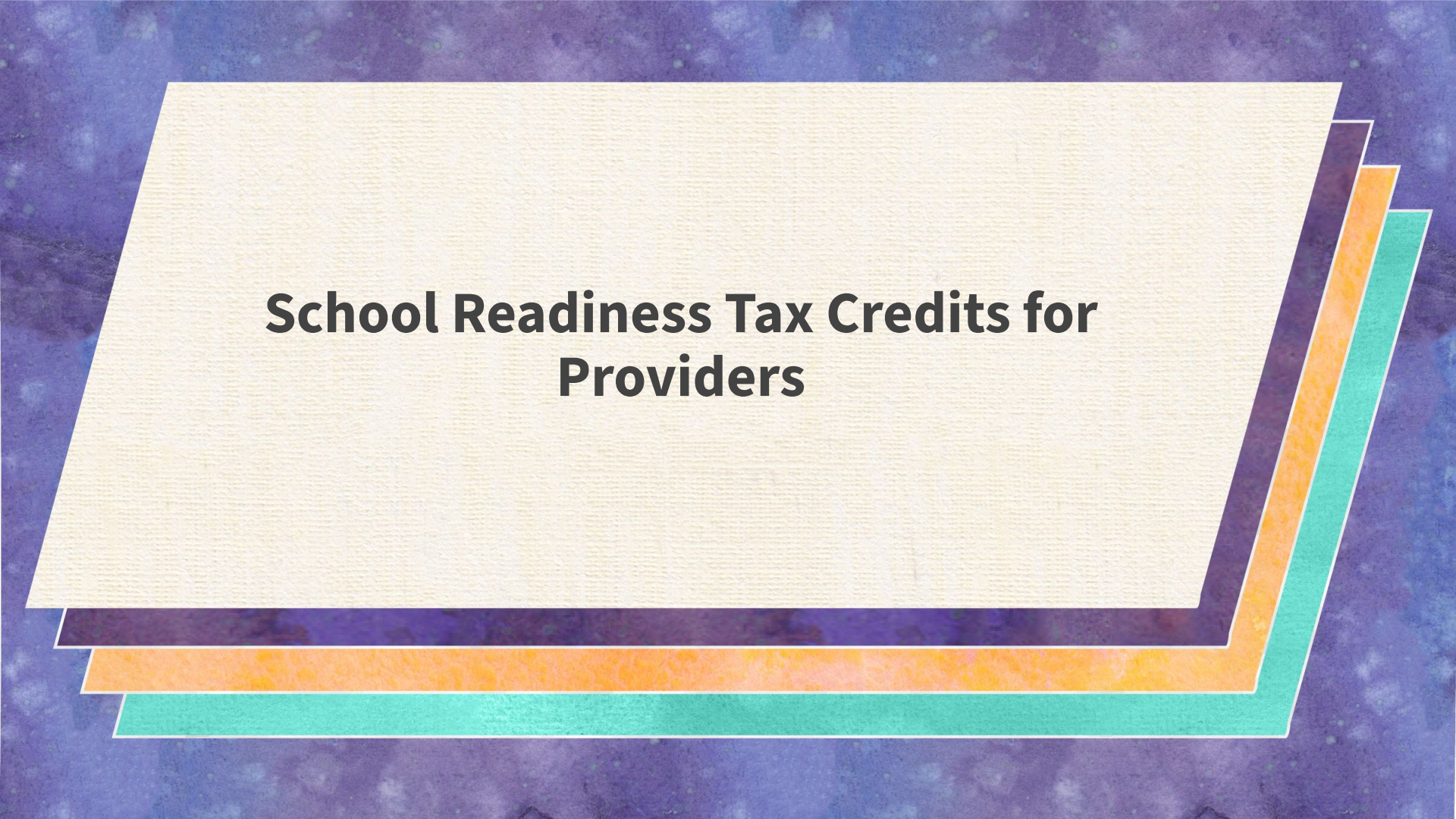
Director Tax Credit Levels	Tax Credit Amount	Eligibility Criteria	Other Requirements
Director Level II	\$2,727.00	Associates in Early Childhood Education	Must be a member of a professional organization and provide service to the profession (such as a CLASS® observer)
Director Level I	\$2,046.00	ECAC	Must be a member of a professional organization

Teacher Tax Credit Amounts

Teacher Tax Credit Levels	Tax Credit Amount	Eligibility Criteria	Other Requirements
Teacher Level IV	\$4,090.00	ECAC and 2 prior years of SRTC eligibility	Teachers must have worked for at least 6 months for an average of 30 hours a week at the same center
Teacher Level III	\$3,410.00	ECAC and 1 prior year of SRTC eligibility	

Teacher Tax Credit Amounts

Teacher Tax Credit Levels	Tax Credit Amount	Eligibility Criteria	Other Requirements
Teacher Level II	\$2,727.00	ECAC	Teachers must have worked for at least 6 months for an average of 30 hours a week at the same center
Teacher Level I	\$2,046.00	CDA	



School Readiness Tax Credits for Providers

Provider Tax Credits

The Provider Tax Credit rewards centers based on their quality rating and the average number of Child Care Assistance Program (CCAP) or foster care children that are served.

This credit involves two tax incentives:

- Annual payments (distributed in March) to the owner of the Type III center, which is based on the average number of CCAP children served for the year
- Quarterly CCAP bonus payments based on the amount received by the provider in a quarter

Provider Quarterly Bonus Payments

These bonus payments are based on the payments received by the provider for Child Care Assistance Program and foster care children, and the star rating for that center.

The percentages for each year, January through December, are shown below:

Star Rating	Quarterly Unified Bonus Received for each Eligible Child in 2021 and beyond
5 Stars	23%
4 Stars	16.5%
3 Stars	11%

Provider Quarterly Bonus Payments

Quarter	Payment Month
January, February, March	May
April, May, June	August
July, August, September	November
October, November, December	February



School Readiness Tax Credits for Families

Family Tax Credits

The [Family Tax Credit](#) supports families who enroll their children in star rated Type III and Family Child Care (FCC) centers and the amount a parent is paying for their child's care.



Family Tax Credits

This credit is claimed for children who are under the age of six and are enrolled at a Type III or Family Child Care (FCC) center rated with at least 2 stars in the quality rated system.

Percent Increase to Louisiana Child Care Tax Credit	Star Rating of the Center
200%	5 stars
150%	4 stars
100%	3 stars
50%	2 stars

How Do Parents File?

The Louisiana Department of Education will mail R-10614 tax forms to eligible Type III Child Care Providers. Expect mailings in January each year.

The director should complete top portion of the form and provide the form to parents.

How Do Parents File?

R-10614 (1/24)



Louisiana School Readiness Tax Credit
Child Care Expense Credit

2023

CHILD CARE PROVIDER'S PORTION – To be completed by the child care facility

Please complete this section of the form before submitting it to the child's parents or guardians. This form must be provided to the child's parents or guardians before January 31, 2024. If your child care center has closed, please ensure that this form is distributed to the parents. Use separate forms for each child **under the age of six (6)** who attended your child care center.

Child Care Facility's Name			Facility License Number	
LA Revenue Account Number	2023 Star Rating	Date Rating Awarded (mm/dd/yyyy)	Date of Star Expiration (mm/dd/yyyy)	
Location Address			Site Code	
Location City			State	ZIP
Mailing Address (if different from location address)				
Mailing City			State	ZIP
Child's First Name	Initial	Last Name	Suffix	Date of Birth (mm/dd/yyyy)
Sign and Date				
Child Care Facility's Authorized Representative			Date (mm/dd/yyyy)	

How Do Parents File?

PARENTS OR GUARDIAN'S PORTION – To be completed by parents or guardians of qualifying child

Please complete this section of the form and attach it to your 2023 Louisiana individual income tax return when filing your return. If using a tax preparer, present the completed document to the preparer in order to claim the credit. **Note: The child must have been under the age of six (6) at some time during the year to be eligible for this credit.** You should receive a form from each child care facility rated between 2 and 5 stars that the child attended during the calendar year.

Your First Name	Initial	Last Name	Suffix	Social Security Number
Spouse's First Name	Initial	Last Name	Suffix	Social Security Number
Address				
City			State	ZIP

QUALIFYING CHILD

Child's First Name	Initial	Last Name	Suffix	Social Security Number
Child's Date of Birth (mm/dd/yyyy)	Age	Child's Address (if different from parent/guardian)		

Submit this document with your 2023 Louisiana individual income tax return when filing a paper return. If filing electronically, keep this document with your return.

To be valid, this must be an original form and must have a signature of the authorized representative of the Louisiana Department of Education.	
Authorized Representative of the Louisiana Department of Education	Date (mm/dd/yyyy)

Quick Chat

Who should providers contact if they are in need of additional R-10614 tax forms?





School Readiness Tax Credits for Businesses

Business Tax Credits

Businesses can receive a refundable tax credit through two different avenues:

1. Businesses can receive a tax credit based on the percentage of eligible expenses they donate in support of a child care center.
 - a. The percentage is tied to the star rating of the center. The cap on the tax credit is \$20,000.
2. Businesses can receive a dollar for dollar tax credit for donations to [Child Care Resource & Referral Agencies](#) up to \$5,000.

Business Tax Credit: Maximum Expenses

The [Business Tax Credit](#) provides a credit for businesses that have donated funds to child care centers to support eligible child care expenses.

The maximum expenses vary based on the type of donation.

Business Tax Credit: Maximum Expenses

Class of Expenses	Max Amount	% of maximum amount eligible as tax credit
Construction, renovation, expansion, or major repair of an eligible child care facility or equipment purpose	\$50,000	20% - 5 star 15% - 4 star 10% - 3 star 5% - 2 star 0% - 1 star 0% - 0 star
Payments made to an eligible child care facility for child care services to support employees	\$5,000 per child	
Purchase of child care slots at eligible child care facilities for children of the business employees	\$50,000	

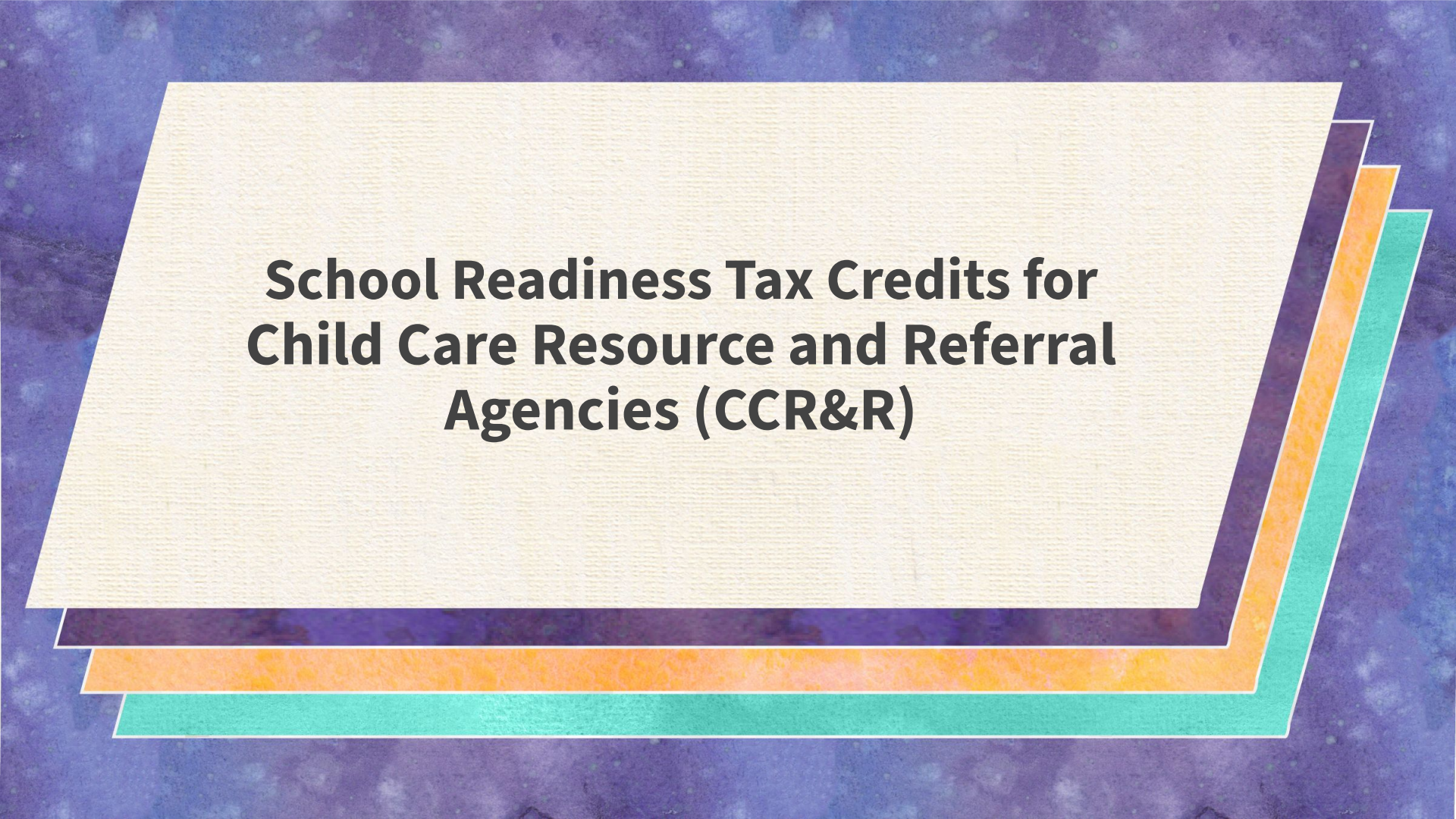
Examples of Each Type of Business SRTC

Example 1: (Construction, renovation or repair to a facility or equipment purpose)

A construction company decides to donate \$10,000 to help a neighborhood type III child care center with 3 stars renovate a play area. The company owner would earn a \$1,000 refundable state tax credit (10% of \$10,000).

Example 2: (Payments made to an eligible child care service to support employees)

A local bank donates \$5,000 to a neighborhood type III child care center with 4 stars to help with payments for child care services to support employees. The local bank would earn a \$750 refundable state tax credit (15% of \$5,000).

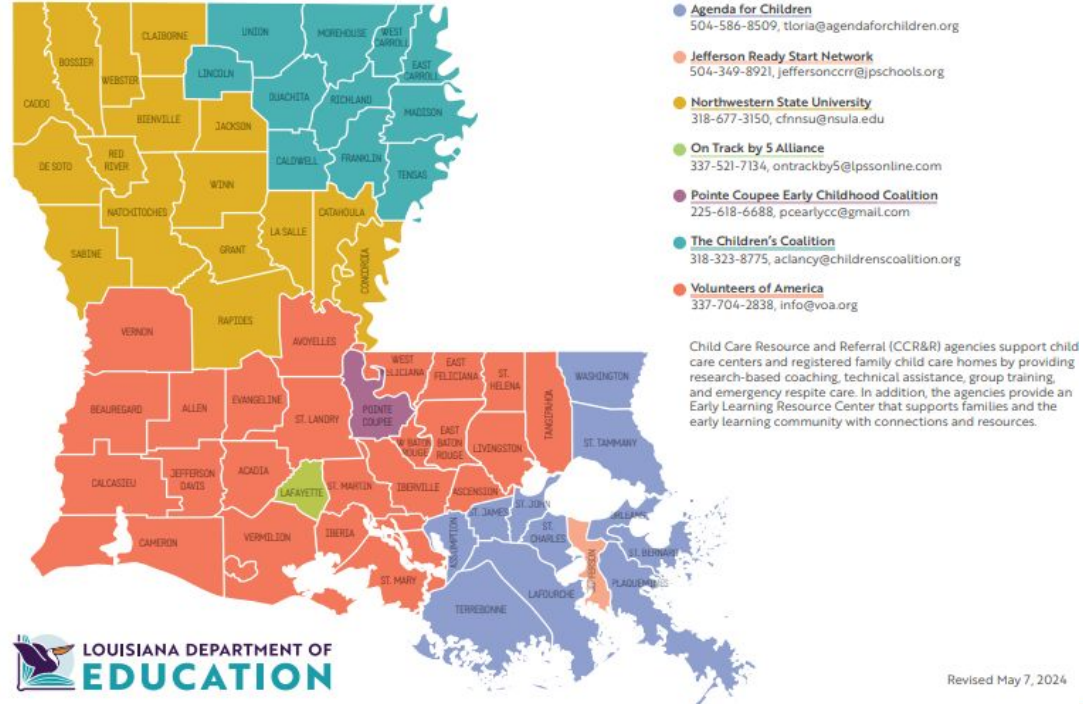


**School Readiness Tax Credits for
Child Care Resource and Referral
Agencies (CCR&R)**

Child Care Resource and Referral (CCR&R) Tax Credits

Provides a credit for businesses matched to the amount donated up to \$5,000.

- To find your local CCR&R, please refer to this [map](#) for more information.
- Contact your Child Care Resource and Referral Agency and let them know you'd like to make a donation for their SRTC program.



Revised May 7, 2024



**School Readiness Tax Credits-
For Your Information (F.Y.I.)**

SRTC Action Steps for Providers

Timeframe	Action Steps
October 1-May 15	<ul style="list-style-type: none">- Coordinate with your Lead Agency to schedule CLASS® Observations- Collaborate with your CCR&R to provide coaching & support
Fall	<ul style="list-style-type: none">- Performance Profile and Star Rating release
January -December	<ul style="list-style-type: none">- Star Rating Effective dates (1 year)
January -April	<ul style="list-style-type: none">- Families (parents), Provider, and Business can file taxes based on 2024 star rating

SRTC Forms- When To Expect?

Date	Explanation of what is mailed
December	<p>Family Tax Credit:</p> <ul style="list-style-type: none">- Letter showing current star rating, that should be used for the upcoming tax year- Tax Form (R-10614) mailed to Type III centers and FCCs in Academic Approval that are rated 2-5 stars. Head starts are excluded.
January	<p>Director and Staff Tax Credit:</p> <ul style="list-style-type: none">- Tax Form (R-10615) for Director and Staff Members

SRTC Forms- When To Expect?

Month	Explanation of what is mailed
March	Provider Tax Credit: <ul style="list-style-type: none">- Provider SRTC showing average number of CCAP children and amount
Quarterly Bonus Payments	<ul style="list-style-type: none">- Payment months are May, August, November and February. This payment will be disbursed the first week in the payment month.

SRTC and VITA

The Volunteer Income Tax Assistance program is assisting individual tax return preparers to file taxes.

The Department and Pathways send all tax forms for family, teacher, and director School Readiness Tax Credits. These were mailed for delivery by January.

- In order to claim [family](#), teacher or director School Readiness Tax Credits, you must file a tax return.
- The VITA program offers free tax help to lower-income individuals who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.
- Please contact 2-1-1 for more information or to make an appointment to file your tax return.

What Is The SRTC Calculator?

The [School Readiness Tax Credit \(SRTC\) calculator](#) is a tool that maybe used to estimate the total amount of the provider tax credit, bonus payments, and staff tax credits that your site may be eligible for.

How To Use The SRTC Calculator

School Readiness Tax Credits - Calculator			
<p><i>This tool may be used to estimate the total amount of provider tax credit, bonus payments, and staff tax credits that your site would be eligible for. This reflects the amount providers can expect to earn in tax credits. Please note that these are estimates only based on self-reported information, and should not be taken as any guarantee of payment or funds.</i></p>			
<p><i>Instructions:</i> Please enter your best estimate for the light blue boxes below. The calculator will use this self-reported information to estimate the maximum annual payout for the Provider Tax Credits, Bonus Payments, and Staff Tax Credits.</p>			
Self Reported Information	Example	Enter Information Here	Additional Information
Score from last academic year's Performance Profiles	4.85		Based on Performance Profile found at www.louisianabelieves.com
Average Number of CCAP/Foster Care Children Under Age 5*	20		
Number of Directors at Level 1**	1		see Director Credit Levels Adjust level if needed based on score (see to the right)
Number of Directors at Level 2**	1		
Number of Directors at Level 3**	0		
Number of Directors at Level 4**	0		
Number of Staff at Level 1	4		See Staff Credit Levels
Number of Staff at Level 2	3		
Number of Staff at Level 3	0		
Number of Staff at Level 4	0		
<p><i>*Model uses a weighted average daily rate based on the current age composition of CCAP authorizations (\$21.70)</i></p>			

How To Use The SRTC Calculator

Calculated Estimated Results		
Your Star Rating for the tax <i>(based on prior year's Performance Profile score)</i>	3	1 star = 3.00-3.74 2 star = 3.75-4.49 3 star = 4.50-5.24 4 star = 5.25-5.99 5 star = 6-7
Your Estimated Per Child Provider Tax Credit	\$1,000	1 star = \$0 per child 2 star = \$750 per child 3 star = \$1000 per child 4 star = \$1,250 per child 5 star = \$1,500 per child
Your Estimated Maximum Annual Payout for Provider Credit	\$20,000	
Your Estimated Quarterly Bonus Payment %	11%	1 star = 0% CCAP payment 2 star = 4% CCAP payment 3 star = 11% CCAP payment 4 star = 16.5% CCAP payment 5 star = 23% CCAP payment
Your Estimated Maximum Annual Payout for CCAP Bonus Payments	\$12,412	
Your Estimated Maximum Annual Payout for Director Credit	\$3,871.87	Level 1 = \$1,756.00 Level 2 = \$2,341.00 Level 3 = \$2,926.00 Level 4 = \$3,511.00
Your Estimated Maximum Annual Payout for Staff Credits	\$17,147.14	Numbers reflect latest Tax Year amounts, amounts vary slightly each year.

Resources

[SRTC Guidance](#)

[How to Claim Business SRTC](#)

[FAQs for Teachers and Directors](#)

[FAQs for Providers](#)

[FAQs for Parents and Families](#)

[FAQs for Businesses](#)

[Family Tax Credit One Pager](#)

[SRTC Calculator](#)

[Child Care Resource and Referral Map](#)

[Louisiana Pathways](#)



Thank You!