

WORKFORCE DEVELOPMENT DIVISION
Workforce Policy and Service Delivery Branch
Technical Assistance Bulletin 270

Keyword: Child Care; Financial Reporting

Subject: Child Care Quality Expenditure Cost Categories

Date: October 1, 2014

The purpose of this Technical Assistance (TA) Bulletin is to provide Local Workforce Development Boards (Boards) with assistance in proper reporting of child care quality expenditure cost categories.

Board Child Care Quality (CCQ) contracts with the Texas Workforce Commission (TWC) contain quality fund amounts for the required activities set forth in:

- Texas Government Code §§2308.3155, 2308.317, and 2301.320;
- Workforce Development (WD) Letter 12-13, Change 1, issued September 20, 2013, and entitled “Implementation of Amended Chapter 809, Child Care Services Rules, Regarding Quality Improvement Activities—*Update*,” and
- WD Letter 13-14, issued May 13, 2014, and entitled “Texas Rising Star Mentor and Assessor Qualifications and Distribution of Staff Funding.”

CCQ contract quality fund amounts include 2 percent of Board child care allocations, plus an additional distribution amount independent of the allocation that is dedicated to Texas Rising Star (TRS) assessing and mentoring staff costs, as set forth in WD Letter 13-14.

The inclusion of the TRS assessor and mentoring staff funds has raised questions about which cost categories staff support and indirect costs associated with TRS assessing and mentoring should be reported under in the Cash Draw and Expenditure Reporting (CDER) system. Attachment 1 to this TA Bulletin is provided to clarify the relationship between quality terminology, cost categories, the CDER system, and descriptions used in WD Letter 28-14, issued October 1, 2014, and entitled “Revised Cash Draw and Expenditure Reporting System Instructions.”

Board Questions and TWC Answers

Question 1: Must we use CCQ funding in the amount calculated for TRS staff funding as stated in WD Letter 13-14 for staff, or may we fund and report all of the TRS staffing costs with one grant (e.g., CCF)?

Answer 1: TRS staffing costs for staff identified in WD Letter 13-14 are funded under the CCQ contract until all funds are expended. Any remaining costs can be charged to the Child Care Funds (CCF) contract or the Child Care Match (CCM) contract.

See Attachment 1 for expenditure reporting priorities.

Question 2: If the staff costs are higher than the separate distribution for TRS assessors and mentors provided in WD Letter 13-14, do we charge them to the *378 – TRS Personnel Costs* line item?

Answer 2: Yes, the cost of TRS assessor and mentor salaries in excess of the separate allocation for *378 – TRS Personnel Costs – Mentor/Assessor Funding* should be charged to *378 – TRS Personnel Costs* under *CCQ 2%*, then *CCF* or *CCM*.

Question 3: Where is training, travel, or other related costs for TRS staff to be reported?

Answer 3: These are quality program support costs and are charged to *378 – TRS Promotion and Supports – Mentor/Assessor Funding*, then to *378 – TRS Promotion and Supports* under *CCQ 2%*, then *CCF* or *CCM*.

Question 4: By the descriptions in *378 – Quality Improvement (Non-direct)*, *378 – TRS Personnel Costs*, and *378 – TRS Promotion and Supports* can we charge the same staff person as well as all the other activities we do under two of the three categories?

Answer 4: Yes.

Question 5: Where do you charge the support equipment for the staff person, i.e., computer, phone, office furniture, travel expenses to visit/mentor or assess providers?

Answer 5: These are quality program support costs and are charged first to *378 – TRS Promotion and Supports – Mentor/Assessor Funding*, then to *378 – TRS Promotion and Supports* under *CCQ 2%*, then *CCF* or *CCM*.

Question 6: Are the indirect costs (rent, equipment, utilities, office supplies, travel expenses, etc.) associated with salaries and benefits for staff involved in TRS mentoring and assessments also allowable under cost category *378 – TRS Personnel Costs – Staff Support Funding*?

Answer 6: Indirect costs associated with TRS assessors and mentors are charged to *378 – TRS Promotion and Supports – Mentor/Assessor Funding*, then to *378 – TRS Promotion and Supports* under *CCQ 2%*, then *CCF* or *CCM*.