

1 **Discussion, Consideration and Possible Action Regarding Local Workforce**
2 **Development Board Child Care Target and Measure Status Methodologies**

3 **Introduction** – In the spring of 2018, Congress voted for and the President signed a federal
4 funding bill, which substantially increased the level of funding available for TWC’s subsidized
5 child care program. On June 14, 2018, the Commission approved staff recommendations to add
6 almost \$46.3M in additional funding to the Local Workforce Development Area Boards’ child care
7 allocations for Board Contract Year 2018 (BCY18), increasing total child care allocations from
8 roughly \$534.3M to nearly \$580.6M and to set BCY19 child care allocations at roughly \$719.3M.

9 Then on July 31, 2018, the Commission approved staff recommendations regarding the
10 methodologies to set BCY19 child care targets and determine measure status by month as the
11 Boards ramped up service levels to account for the increase in child care funding. At that time
12 we explained that since so much additional funding was added to BCY18 contracts late in the
13 year, we anticipated that most Boards would have more substantial “carry-forward” amounts
14 than normal and that we would be recommending that the agency set targets on these amounts
15 to help guide their use, and help ensure that families needing care are able to get it and that we
16 don’t become overenrolled.

17 TWC issued Workforce Development Letter 10-18 specifying that TWC would assign “carry-
18 forward” targets to 95% of BCY18 Child Care Formula fund (CCF) amounts unspent as of
19 November 21, 2018.

20 Staff are returning now to seek Commission approval for the methodology to set carry-forward
21 Targets and an updated methodology for determining measure status for Boards on the Average
22 Number of Children Served per Day performance measure.

23 **Carry-forward Child Care Target Setting Methodology** – Staff recommend that we utilize
24 the methodology previously approved for target setting for the BCY19 allocations be applied to
25 95% of the carry-forward CCF amounts. This means that we will divide 95% of the carry-
26 forward CCF amounts by the number of CC days in BCY19 (261), then divide by the assumed
27 cost per day for each Board, and round the result to the nearest whole number. The assumed
28 cost per day includes both:

- 29 1) The Projected Average Discretionary Direct Care Cost at the Maximum Rate for
30 Discretionary Care and
- 31 2) the presumed variable Admin/Ops costs per day.

32 **Enrollment Ramp-up** –Last summer, the Commission approved an interim methodology for
33 determining measure status that was intended to account for the fact that nearly all Boards had
34 to substantially ramp-up enrollment in order to meet their new, increased targets. This interim
35 methodology involved having Boards provide us with monthly ramp-up targets that would plot
36 the course towards meeting their higher service expectations. Then we would measure monthly
37 performance against those monthly ramp-up targets. As of January 2019, all but 7 Boards had
38 either fully ramped-up to their BCY19 targets (9) or were meeting their ramp-up targets (with 4
39 Boards within 2 percentage points of reaching their BCY19 targets). However, with the addition
40 of the carry-forward targets, all but 5 Boards will be back in ramp-up status for the next several
41 months (some through the remainder of BCY19).

42 Staff recommend that TWC base measure status on whether a Board is still in ramp-up status or
43 has completed ramp-up.

1 **PROPOSAL for BCY19 Monthly Performance Status:**

- 2 1) Boards that have not reached at least 100% of their Combined BCY19 & Carry-forward
3 Target (Combined Target) are considered to be in "ramp-up phase".
- 4 2) Boards in Ramp-Up Phase are considered to be:
- 5 a. Exhibiting negative performance (-P) if Average Kids per Day in the Month is Less
6 than 95% of their Ramp-Up Target for the Month;
 - 7 b. Exhibiting positive performance (+P) if Average Kids per Day in the Month is 105%
8 or greater than their Ramp-Up Target for the Month; or
 - 9 c. Meeting Performance (MP) if Average Kids per Day in the Month is not -P or +P.
- 10 3) Boards that have completed their ramp-up are considered to be:
- 11 a. Exhibiting negative performance (-P) if Average Kids per Day in the Month is:
 - 12 i. Less than 95% of their Combined Target OR
 - 13 ii. $\geq 105\%$ of their Combined Target AND the higher level of service does not
14 appear sustainable;
 - 15 b. Exhibiting positive performance (+P) if Average Kids per Day in the Month is 105%
16 or greater than their Combined Target AND the higher level of service appears
17 sustainable; or
 - 18 c. Meeting Performance (MP) if Average Kids per Day in the Month is not -P or +P.

19 **Commission Request** – Staff request the Commission approve the above-outlined staff
20 recommendations regarding the methodology for setting targets on carry-forward amounts and
21 the methodology for approving Monthly Performance Status on the Average Children Served Per
22 Day measure.