

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 07-22, Change 1
Date:	June 21, 2022
Keyword:	Child Care
Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Commission Executive Offices
Integrated Service Area Managers



From: Reagan Miller, Director, Child Care & Early Learning Division

Subject: Matching Investment for Child Care Quality Improvement—*Update*

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with updated guidance on the Matching Investment for Child Care Quality Improvement (MICCQI) program.

RESCISSIONS:

WD Letter 07-22

BACKGROUND:

On November 2, 2021, the Texas Workforce Commission's (TWC) three-member Commission approved the MICCQI program and dedicated \$25 million to expand early childhood education efforts. The MICCQI program, similar to the Child Care Industry Partnership (CCIP) program, will provide donors the opportunity to invest in the early childhood education system to help foster and promote early childhood education programs and build a strong foundation of support for the future workforce. However, the MICCQI program is open to any local partner donor and is not limited to industry partner donors as the CCIP program is.

Like CCIP, TWC will leverage private donations with Coronavirus Response and Relief Supplemental Appropriations (CRRSA)/American Rescue Plan Act (ARPA) funds to build and enhance Board partnerships to expand early childhood education efforts.

Successful MICCQI applicants propose projects that support early childhood education in one or more of the following approved focus areas:

- Child care apprenticeships
- Home-based child care
- Public-private prekindergarten partnerships
- Business support for child care programs
- Child care worker wage supplementation or stipends

- Emergency response and recovery
- Program capacity expansion
- Research studies that support child care quality improvement
- Other quality-improvement activities (as approved by TWC)

PROCEDURES:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”

NLF: Boards must be aware that the MICCQI program is application-based and that grants will be awarded until the approved funding is exhausted or the TWC period of availability for obligation of funds expires.

NLF: Boards that are interested in pursuing an MICCQI grant must work with their partners to develop the project idea and jointly complete the [MICCQI application](#), [budget workbook](#), and [donation agreement](#).

NLF: Boards must be aware that TWC will conduct a conflict-of-interest review on the partner donor before an application is submitted, and Boards must submit the name of the potential partner to CCIP@twc.texas.gov before any application will be reviewed and accepted.

NLF: Boards must be aware that, for approved MICCQI projects, the partners will donate the proposed funds and TWC will grant the donated amount to the designated local workforce development area as a 100 percent match to an equal amount of CRRSA/ARPA matching funds.

NLF: Boards must be aware that MICCQI partner donations are subject to the federal Child Care and Development Fund (CCDF) regulations at [45 CFR §98.55](#), as follows:

- Any donated private funds must be donated without any restriction that would require their use for a specific organization, individual, facility, or institution.
- The donated funds do not revert to the donor’s facility or use.
- The donated funds must be administered in accordance with all standard and required procurement, contracting, and administrative requirements.

Additionally, Boards must be aware that the MICCQI program as a whole must comply with the MICCQI application and with CCDF program and grant requirements, including TWC’s Child Care Services Guide and the Office of Management and Budget Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and its implementation regulations.

NLF: Boards must be aware that a 5 percent administration limit applies to MICCQI funds granted to the Board.

NLF: Boards must be aware that MICCQI expenditures must be reported in TWC’s Cash Draw and Expenditure Reporting (CDER) system under the allowable Child Care Quality cost categories.

NLF: Boards must ensure that MICCQI activities and estimated expenditures are reported in the Board Child Care Quality Expenditure & Activity Report, pursuant to [WD Letter 21-19, Change 4](#), issued February 8, 2022, and titled “Child Care Quality Funds Report and Implementation and Expenditure Plan—*Update*.”

NLF: Boards must be aware that a partner may make a donation of funds through another organization and still qualify for the MICCQI program. For example, a partner may donate funds to the Board or to a nonprofit organization with the express purpose of using the funds for a MICCQI program. The Board must provide TWC with documentation of the partner’s intent to use the passed-through donation for the projects outlined in the MICCQI application.

INQUIRIES:

Send inquiries regarding this WD Letter to childcare.programassistance@twc.texas.gov.

ATTACHMENTS:

Attachment 1: Revisions to WD 07-22 Shown in Track Changes

REFERENCES:

CCDF Regulations at [45 CFR §98.55](#)

WD Letter 21-19, Change 4, issued February 8, 2022, and titled “Child Care Quality Funds Report and Implementation and Expenditure Plan—*Update*”