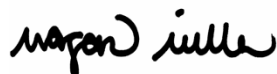


**TEXAS WORKFORCE COMMISSION**  
**Workforce Development Letter**

<b>ID/No:</b>	WD 21-19, Change 2
<b>Date:</b>	June 30, 2021
<b>Keyword:</b>	Child Care
<b>Effective:</b>	Immediately

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



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

**Subject:** **Child Care Quality Funds Report and Implementation and Expenditure Plan—Update**

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**PURPOSE:**

The purpose of this WD Letter is to provide the updated Board Child Care Quality Expenditure & Activity Report Template (Attachment 1) and guidance on planning and reporting requirements for non-direct care Child Care Quality (CCQ) funds to Local Workforce Development Boards (Boards).

**RESCISSIONS:**

WD 21-19, Change 1

**BACKGROUND:**

Code of Federal Regulations (CFR) §98.50(b)(1) of the Child Care and Development Fund (CCDF) requires states to spend at least 9 percent of their total CCDF expenditures in Fiscal Year 2020 (FY'20) and each succeeding fiscal year for activities designed to improve the quality of child care services. Additionally, CCDF requires states to spend at least 3 percent of their total funds to improve the quality of care for infants and toddlers.

Section 98.53(a) requires that states use these funds to improve the quality of child care services for all children in the following reportable categories:

1. Support the training, professional development, and postsecondary education of the child care workforce (as described in Section 6 of the CCDF Plan).
2. Improve the development or implementation of early learning and development guidelines (as described in Section 6 of the CCDF Plan).
3. Develop, implement, or enhance a quality rating and improvement system for child care providers.
4. Improve the supply and quality of child care for infants and toddlers.
5. Establish or expand a statewide system of child care resource and referral services.

6. Support compliance with state or territory requirements for licensing, inspection, monitoring, training, and health and safety.
7. Evaluate the quality of child care programs in the state or territory, including how programs positively impact children.
8. Support providers in the voluntary pursuit of accreditation.
9. Support the development or adoption of high-quality program standards related to health, mental health, nutrition, physical activity, and physical development.
10. Carry out other activities to improve the quality of child care services supported by outcome measures that improve provider preparedness, child safety, child well-being, or kindergarten entry.

Additionally, CFR §98.53(f) requires states to annually prepare and submit a quality progress and expenditure report (QPR). The purpose of the annual QPR is to show Texas' progress on improving the quality of child care programs and services for children. The QPR is organized according to 10 allowable activities for the use of quality funds.

The Texas Workforce Commission (TWC) is required to submit the QPR (ACF-218) by December 31 of each year. The report must include estimates of both state and local quality-related expenditures.

#### **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.”

#### **Planning Requirements**

**NLF:** Boards must complete the Annual Expenditure Plan tab within the Board Child Care Quality Expenditure & Activity Report Template (Attachment 1), also known as the CCQ Quarterly Report, which describes how the Board intends to expend the current fiscal year's CCQ funds, as well as any Child Care Certified Local Match (CCM) funds that the Board will dedicate to support quality. For each fiscal year's plan, Boards must submit the plan within 30 days of the grant award to [bcm@twc.texas.gov](mailto:bcm@twc.texas.gov).

**LF:** Boards may migrate plan information for FY'21 plans that were already submitted in the prior format into the new report template or ask TWC Child Care & Early Learning to do so. Boards that would like TWC to populate their plan information in the new report should email [childcare.programassistance@twc.texas.gov](mailto:childcare.programassistance@twc.texas.gov).

**NLF:** Boards must be aware that while they may dedicate CCM funds to support quality improvement activities, TWC assigns performance targets to 100 percent of CCM funds, and Boards are responsible for meeting those targets.

- NLF:** Boards must not include funds that are used for:
- reimbursement for direct child care services;
  - increased reimbursement rates; or
  - tiered reimbursement rates for Texas Rising Star programs.

### **Reporting Requirements**

**NLF:** Boards must submit a report quarterly that updates the Quarterly Data and the Quarterly Narrative tabs within the Board Child Care Quality Expenditure & Activity Report Template. Reports must be sent to [bcm@twc.texas.gov](mailto:bcm@twc.texas.gov). Boards must submit the report in the revised format (Attachment 1) **within 30 days** of the end of the reporting quarter.

**NLF:** Boards must be aware that TWC has reduced the list of reportable categories for Board quality expenditures based on quality activities that occur at the local level. Boards must designate all estimated expenditures using the following seven categories:

1. Training and Professional Development, which includes costs associated with any training, professional development, and/or postsecondary education opportunities provided to child care provider staff that do not include infant- and toddler-specific training.
2. Tiered Quality Rating and Improvement System (QRIS), which includes any costs associated with Texas Rising Star recognition, maintenance, and mentor and assessor staff.
3. Infant and Toddler Quality Improvements, which includes any costs associated with specifically addressing infant and toddler program establishment or expansion, infant and toddler training, early intervention partnerships, or infant and toddler materials.
4. Supporting Health and Safety, which includes any costs associated with assisting early learning programs in maintaining child care licensing compliance or providing high-quality health and safety provisions that do not include activities specific to infants and toddlers.
5. Evaluating Quality, which includes any costs associated with purchasing assessment tools that measure effective practices for child development; training staff to implement these tools; and/or conducting formal evaluation studies of quality efforts, which requires the submission of an evaluation report to TWC.
6. Supporting National Accreditation, which includes any costs associated with assisting early learning programs in obtaining or maintaining national accreditation (for example, fees and materials).
7. Other Activities, which includes costs limited to shared services.

**NLF:** Boards must not double-report across categories any expenditure that covers multiple categories; however, such expenditures may be split across categories.

### **INQUIRIES:**

Send inquiries regarding this WD Letter to [childcare.programassistance@twc.state.tx.us](mailto:childcare.programassistance@twc.state.tx.us).

### **ATTACHMENTS:**

- Attachment 1: Board Child Care Quality Expenditure & Activity Report Template
- Attachment 2: Revisions to WD Letter 21-19, Change 1, Shown in Track Changes

**REFERENCES:**

Child Care and Development Fund, 45 CFR §98.50(b)(1) and §§98.53(a) and (f)