

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

| | |
|-------------------|------------------|
| ID/No: | WD 25-22 |
| Date: | November 7, 2022 |
| Keyword: | Child Care |
| Effective: | 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**

PURPOSE:

The purpose of this Workforce Development (WD) Letter is to provide Local Workforce Development Boards (Boards) with guidance on planning and reporting requirements for activities funded with local Child Care Quality (CCQ) funds.

RESCISSIONS:

WD Letter 21-19, Change 4

BACKGROUND:

Texas Government Code §2308.317 requires that at least 2 percent of a Board's annual Child Care and Development Fund (CCDF) allocation be dedicated to activities that support quality improvement. On August 9, 2022, the Texas Workforce Commission's (TWC) three-member Commission approved increasing funds available for quality improvement to 4 percent of each Board's annual allocation, beginning with Board Contract Year 2023 (BCY'23).

State and local stakeholders have an interest in understanding the plans, expenditures, and results of local quality improvement activities funded with CCDF. To improve data transparency, support program coordination, and reduce duplication of effort, TWC will publish Boards' Annual CCQ Plans and Quarterly Reports, starting with the BCY'23 Plan in January 2023.

Additionally, TWC uses data collected in the Boards' Quarterly CCQ Reports to complete the annual quality progress and expenditure report (QPR), due by December 31 each year, as required by CFR §98.50(b)(1). The purpose of the annual QPR is to show Texas' progress on improving the quality of child care programs and services for children.

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.”

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.”

Publication of Board CCQ Plans and Reports

NLF: Boards must be aware that the Board’s Annual CCQ Expenditure Plan will be published each January and updated as the quarterly CCQ reports are received. Reports will be posted on the [TWC Child Care & Early Learning Services website](#).

Annual Planning Requirements

NLF: Boards must complete the table in the Annual Expenditure Plan tab in the updated 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.

NLF: Except for BCY’23, Boards must submit their plans by October 30 of each year to bcm@twc.texas.gov. Boards must submit the BCY’23 plan by December 15, 2022.

NLF: Boards must also complete the table in the Texas Rising Star Staffing tab in the CCQ Quarterly Report, which describes the positions that the Board has budgeted and filled to carry out Texas Rising Star requirements.

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 in the Board Child Care Quality Expenditure & Activity Report Template (Attachment 1). Reports must be sent to 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-specific professional development, early intervention partnerships, and 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 helping early learning programs obtain or maintain national accreditation (for example, fees and materials).
7. Other Activities, which is limited to costs for the following:
 - Shared services
 - Prekindergarten partnerships
 - Child care and early learning mental health supports (such as Infant and Early Childhood Mental Health Consultation or child care staff wellness resources).

Note: Training activities that focus on mental health must be reported under activity 1, Training and Professional Development.
 - Supply building activities, such as:
 - capacity expansion grants, stipends, or resources for existing providers to increase capacity (total or for a targeted population such as infants, children with disabilities, or children enrolled in Child Care Services)
 - wage supports for child care staff, such as recruitment and retention bonuses or wage supplements

Note: Bonuses or stipends that are tied to new educational attainment must be reported under activity 1, Training and Professional Development.

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

NLF: Boards must review and update quarterly the table in the Texas Rising Star Staffing tab in the CCQ Quarterly Report in conjunction with the tables in the Quarterly Data and Quarterly Narrative tabs.

INQUIRIES:

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

ATTACHMENTS:

Attachment 1: Board Child Care Quality Expenditure & Activity Report Template

Attachment 2: Child Care Quality Expenditure & Activity Report Desk Aid

REFERENCES:

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