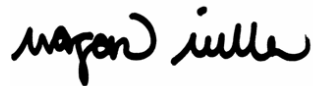


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 28-21, Change 2
Date:	July 27,2022
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: **Board Contract Year 2022 Child Care Supplemental Allocations—Update**

PURPOSE:

The purpose of this updated WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on the distribution of supplemental Board Contract Year 2022 (BCY'22) funds from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan Act (ARPA). Additionally, this WD Letter provides expenditure guidelines for these funds.

RESCISSIONS:

WD Letter 28-21,Change 1

BACKGROUND:

The Texas Workforce Commission (TWC) has received increased Child Care and Development Block Grant (CCDBG) funding through several COVID-19–related pieces of federal legislation.

On November 2, 2021, TWC's three-member Commission (Commission) approved \$293.2 million for low-income child care for BCY'22 through BCY'24. The Commission also approved the distribution of \$41.4 million of those funds to Boards for BCY'22.

On March 22, 2022, the Commission [approved](#) an additional \$314.75 million for low-income child care for BCY'22 through BCY'24, including \$46.25 million to be distributed in BCY'22. On April 12, 2022, the Commission [approved](#) the specific distribution of the \$46.25 million.

Additionally, because not all Boards require additional funding to serve families on their waiting lists, the Commission also [approved](#) the following eligibility criteria for the second supplemental distribution. To be eligible for the additional \$46.25 million approved in March:

- the Board must have expended at least 20 percent of its Child Care Formula (CCF) allocated funds as of the January 2022 Monthly Performance Report (MPR); and
- the Board’s year-to-date BCY’22 performance must be at least 90 percent as of the January 2022 MPR.

The following chart illustrates both supplemental distributions for each BCY.

BCY	4th Tranche, Approved November 2021	7th Tranche, Approved March 2022	Total Supplemental Funds Approved per BCY
FY’22	\$41.4 million (Added to Board’s BCY’22 contracts in December 2021)	\$46.25 million (To be added to BCY’22 contracts in April/May 2022, contingent upon the Board meeting eligibility criteria)	\$87.65 million
FY’23	\$121.5 million (Included in the BCY’23 Planning Estimate)	\$138.75 million (Included in the BCY’23 Planning Estimate)	\$260.25 million
FY’24	\$130.4 million (Included in the BCY’24 Planning Estimate)	\$129.75 million (Included in the BCY’24 Planning Estimate)	\$260.15 million

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 Commission approved \$41.4 million to be distributed to all Boards in November 2021, and TWC added those funds to Boards’ existing BCY’22 CCF grant awards by unilateral amendment in December 2021.

NLF: Boards must be aware that TWC will add the additional BCY’22 supplemental funds that were approved on March 22, 2022, to Boards’ existing BCY’22 CCF grant awards by unilateral amendment.

NLF: Boards must be aware that to be eligible for the additional supplemental funding approved on March 22, 2022, they must meet the following criteria set forth by the Commission:

- At least 20 percent of CCF allocated funds expended as of the January 2022 MPR
- At least 90 percent YTD performance as of the January 2022 MPR

NLF: Boards must be aware that child care performance targets have been updated to reflect the BCY'22 Additional Child Care Supplemental Allocation. (See Attachment 1.)

NLF: Boards must report obligations and expenditures in the Cash Draw and Expenditure Reporting (CDER) system under the cost categories with the prefix "CRRSA/ARPA." The CRRSA/ARPA categories will be regular (not supplemental) cost categories for the BCY'22 child care grant awards.

NLF: Boards must be aware of the following budget restrictions for this BCY'22 supplemental funding:

- The Draw Line description is "CC AY 22 CRRSA/ARPA Supplemental Distribution."
- No more than 5 percent of these funds may be used for administration.

NLF: Boards must use the BCY'22 additional child care supplemental allocation, before CCF allocated funds, and fully expend the BCY'22 supplemental funds by October 31, 2022.

INQUIRIES:

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

ATTACHMENTS:

Attachment 1: BCY'22 Additional Child Care Supplemental Allocation

Attachment 2: Revisions to WD Letter 28-21, Change 1, Shown in Track Changes

REFERENCES:

[Coronavirus Response and Relief Supplemental Appropriations Act, 2021](#)
[American Rescue Plan Act](#)