


TEXAS WORKFORCE COMMISSION LETTER

ID/No: WD 36-06

Date: June 6, 2006

Keyword: Child Care

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

From:  Luis M. Macias, Director, Workforce Development Division

Subject: **Child Care Services: Quality Improvement Activities and Graduated Reimbursement Rates**

PURPOSE:

To provide Local Workforce Development Boards (Boards) with guidance on implementing new Texas Workforce Commission (Commission) rules regarding quality improvement activities and graduated reimbursement rates.

REFERENCE:

United States Department of Health and Human Services, Child Care and Development Fund, 45 C.F.R., Part 98
Texas Workforce Commission Child Care and Development Rules: 40 TAC §809.15 and §809.231
WD Letter 23-06, issued March 20, 2006, and entitled "Tracking Child Care Providers Participating in the Texas Early Education Model"

FLEXIBILITY RATINGS:

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. Federal and state laws, rules, policies, and required procedures with a "No Local Flexibility" rating are indicated by the acronym, **NLF**, in the margin to the right of the applicable paragraph. Additionally, all information with a "No Local Flexibility" rating is indicated by "must" or "shall."

Failure to comply with the federal and state laws, rules, policies, and required procedures with a "No Local Flexibility" rating may result in corrective action, up to and including sanction and penalty.

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 guidance or recommended practices with a "Local Flexibility" rating are indicated by the acronym, **LF**, located in the margin to the right of the applicable paragraph. Additionally,

guidance or recommended practices with a “Local Flexibility” rating are indicated by “may” or “recommend.”

Boards are not subject to corrective action for failure to comply with guidance or recommended practices with a “Local Flexibility” rating.

BACKGROUND:

On April 11, 2006, the Commission adopted amendments to Commission rules §809.15 and §809.231, which became effective May 1, 2006.

The Child Care and Development rules may be accessed at:
<http://www.twc.state.tx.us/twcinfo/rules/ch809.doc>

PROCEDURES:

Quality Improvement

In accordance with Commission rule §809.15, to the extent that funds are available for nondirect care quality improvement activities, Boards must use funds only for:

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- school readiness, early learning, and literacy;
- collaborative reading initiatives; and
- local-level support to promote child care consumer education by 2-1-1 Texas.

In funding quality activities, Boards may give priority to child care facilities:

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- participating in the Texas Early Education Model (TEEM);
- implementing components of school readiness curricula approved by the State Center for Early Childhood Development (State Center); or
- participating in or voluntarily pursuing Texas Rising Star (TRS) provider certification.

Boards may fund professional development and training for child care providers, and the purchase of curriculum and curriculum-related resources, in support of collaborative reading initiatives, school readiness, early learning, and literacy. Activities may include, but are not limited to:

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- professional development relating to early learning workshops;
- Center for Improving the Readiness of Children for Learning and Education (CIRCLE) Train the Trainer training;
- literacy kits for child care providers;
- school readiness, early learning, and literacy awareness campaigns;
- scholarships for college courses relating to early learning, literacy, and school readiness; and
- training using research-based curriculum approved by the State Board of Education or the Texas Education Agency (TEA), or recognized by the State Center.

Boards must support only the purchase of curriculum-related resources that accompany training related to the implementation of a specific curriculum. The training may be funded through other agencies or community partners.

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Additionally, Boards must not use quality dollars to purchase classroom consumable materials such as pencils, crayons, or art supplies. NLF

Boards may fund school readiness, early learning, early literacy, and collaborative reading activities that meet the specific needs of infants, toddlers, and preschool and school-age children, including children with disabilities. LF

Boards may refer to Attachment 1 for further information on school readiness, early learning, early literacy, and collaborative reading initiatives. LF

The Child Care Monthly Data Report located on the Commission's Intranet site has been updated with the quality improvement activities provided in Commission rule §809.15. Effective with the report due on June 10, Boards must complete the revised Child Care Monthly Data Report. NLF

It is recommended that Boards work with the State Center's local TEEM projects on programs relating to school readiness. A list of local TEEM contacts is available in Attachment 2 of WD Letter 23-06. For additional information on the State Center, visit <http://www.uth.tmc.edu/circle>. LF

Boards may refer to TEA's adopted list of research-based curricula with strong literacy components approved by the State Center. The list is available on the TEA Web site at <http://www.tea.state.tx.us/textbooks/materials/index.html>. LF

Graduated Reimbursement Rates

In accordance with Commission rule §809.231, Boards must establish graduated reimbursement rates for TEEM and TRS providers. The maximum reimbursement rates for TEEM and TRS providers must be at least five percent greater than the maximum rate established for providers not participating in TEEM or the TRS program for the same category of care up to, but not to exceed, the provider's published rate. NLF

Boards may establish separate graduated reimbursement rates for child care providers participating in TEEM and for TRS providers. LF

However, if separate rates are established, Boards must develop criteria to determine which rate will be applied if a TRS child care provider also participates in TEEM. NLF

No later than **August 31, 2006**, Boards must provide to the Commission their policy on graduated reimbursement rates for TEEM providers in accordance with §809.12(b). NLF

The local Child Care Service Delivery application has been modified to include a TEEM rate designator, which is located on the *Maximum Reimbursement Rate* NLF

tab under *Contract Set-up*. Boards must use *Rate Designator 24 – TEEM Provider* to denote that a child care provider is participating in TEEM.

For child care providers participating in TEEM, Boards must apply the graduated reimbursement rates to each subsidized child within the facility, not only to subsidized children within a TEEM classroom.

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ACTIONS REQUIRED:

Boards must ensure that appropriate staff is apprised of and complies with the requirements in this WD Letter.

INQUIRIES:

Direct inquiries regarding this WD Letter to the assigned contract manager for your local workforce development area.

ATTACHMENT:

Attachment 1: School Readiness, Early Learning, Early Literacy, and Collaborative Reading Initiatives

Rescissions: None	Expiration: Continuing
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