


## TEXAS WORKFORCE COMMISSION LETTER

**ID/No:** WD 41-06

**Date:** June 26, 2006

**Keywords:** Child Care;  
Hurricanes Katrina/Rita

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


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

**Subject:** **Charges Related to Child Care Provided to Individuals Affected by Hurricanes Katrina and Rita**

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### **PURPOSE:**

To provide Local Workforce Development Boards (Boards) with information regarding the following changes related to the expenditure of child care to hurricane-affected individuals:

- Using additional Child Care and Development Funds (CCDF) subject to the federal waiver of state match for hurricane-affected individuals
- Reversing expenditures related to child care provided to hurricane-affected individuals

### **REFERENCE:**

Texas Workforce Commission Child Care and Development Rules: 40 TAC Chapter 809

United States Department of Health and Human Services Child Care and Development Fund (45 C.F.R. Parts 98 and 99)

WD Letter 76-05, issued October 31, 2005, and entitled "Fiscal Year 2006 Cash Draw and Expenditure Reporting System Changes and Instructions"

### **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:**

The Department of Defense Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act of 2006 (P.L. 109-148) grants the Secretary of Health and Human Services (Secretary) the authority to waive certain provisions of the Child Care and Development Block Grant Act of 1990 (CCDBG) for any state affected by Hurricanes Katrina and Rita and any state serving significant numbers of individuals adversely affected by either of these hurricanes. P.L. 109-148 specifically names Texas as an “affected State.”

The U.S. Department of Health and Human Services’ Administration for Children and Families (ACF) has allotted an additional \$30,730,811 in CCDF federal matching funds to Texas. In accordance with P.L. 109-148, on March 24, 2006, the Texas Workforce Commission (Commission) requested that the Secretary waive the CCDBG’s state match requirements for the additional \$30,730,811 and any additional federal matching funds that may be redistributed to Texas.

On May 10, 2006, the Secretary approved the Commission’s request to waive the federal matching requirements for the additional \$30,730,811 and up to \$4,469,189 in redistributed CCDF funds that may become available to Texas. The Secretary approved Texas’ waiver to help the state meet the child care needs of hurricane-affected families. Additionally, the Secretary stipulated that all provisions of the CCDBG and CCDF regulations not waived shall remain in effect, including the obligation and liquidation period for the use of funds.

On June 5, 2006, the Commission approved the use of the additional funds and specified that the funds not requiring state matching funds be used for direct child care services for hurricane-affected families. The funds must be obligated by September 30, 2006, and the funds must be fully expended by September 30, 2007.

The Commission stipulated that a portion of the additional funds be used to offset child care expenditures incurred for hurricane-affected families since October 2005. It is the Commission’s intent that all funds previously expended on direct child care services through the National Emergency Grant (NEG), Workforce Investment Act (WIA), or CCDF funds for hurricane-affected families be transferred to these additional CCDF funds.

The Commission also stipulated that a portion of the funds be allocated to the local workforce development areas (workforce areas) in order to continue

providing direct child care services to hurricane-affected families. Additionally, any remaining funds are to be used to supplement the CCDF allocation in the 22 counties declared disaster areas as a result of Hurricane Rita. These funds will augment the affected workforce areas' original CCDF allocations and are intended to increase the CCDF funds available to provide direct child care services to hurricane-affected families.

The Commission will enter into a Child Care and Development Fund/Child Care Waiver (CCDF/CCW) contract with Boards receiving the additional funds. The Commission has established Budget Code 21 for the additional CCDF funds expended through the CCDF/CCW contract.

**PROCEDURES:**

Boards must ensure that appropriate staff establishes Budget Code 21, Fund Code 027 for CCDF/CCW-Hurricanes Katrina and Rita, in the Budget and Payment Application (BAPA) and the Child Care Services Delivery (CCSD) application using the revised Fiscal Year 2006 Crosswalk of Accounting Codes provided in Attachment 1 to this WD Letter.

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In September 2005, the local CCSD application was modified to indicate which families were hurricane-affected. Boards were instructed to flag those individuals in the CCSD application. Boards must ensure that all existing individuals who are flagged in the CCSD application as hurricane-affected are transferred to the CCDF/CCW-Hurricanes Katrina and Rita budget effective *July 1, 2006*.

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Boards must ensure that no later than *July 27, 2006*, all direct child care expenditures previously funded by NEG, WIA, or CCDF since October 1, 2005—including local match funds—are reversed and charged against Budget Code 21 for CCDF/CCW-Hurricanes Katrina and Rita.

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To ensure adequate audit controls are established and verified for each family for which charges are reversed, Boards must ensure that appropriate staff follows the process detailed in Attachment 2 to this WD Letter for reversing expenditures.

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To ensure sufficient time to deobligate funds from the NEG contracts, Boards must ensure that no later than *July 27, 2006*, adjustments are made to the online Cash Draw and Expenditure Reporting System. The adjustments must reflect the transfer of expenditures funded by NEG, WIA, or CCDF since October 1, 2005, to the CCDF/CCW contract.

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Boards must be aware that costs associated with reversing the claims will be absorbed by the Boards' CCDF operational line item.

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Boards must be aware that children served with these additional CCDF funds will be included in the Boards' performance measure for the average number of children served per day.

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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.

**ATTACHMENTS:**

Attachment 1: FY 2006 Crosswalk of Accounting Codes (Direct Child Care)

Attachment 2: Steps for Transferring Direct Child Care Expenditures to CCDF/CCW – Hurricanes Katrina and Rita Budget

Rescissions: None	Expiration: Continuing
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