


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

<b>ID/No:</b>	WD 23-23
<b>Date:</b>	October 23, 2023
<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, Child Care & Early Learning Division

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

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**PURPOSE:**

The purpose of this 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 to include using Supplemental Categories for CCQ Reporting in the Cash Draw and Expenditure Reporting (CDER) system.

**RESCISSIONS:**

WD Letter 25-22, Change 1

**BACKGROUND:**

Texas Government Code §2308.317(c) 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.

Additionally, TWC uses data collected in the Boards’ Quarterly CCQ Reports and the CDER system to complete the annual Quality Progress and Expenditure Report (QPR), due by December 31 of each year, as required by CFR §98.50(b)(1) and Program Instruction: CCDF-ACF-PI-2022-07. 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 Program web page](#).

### **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 in each allowable category, as well as any Child Care Certified Local Match (CCM) funds that the Board will dedicate to support quality.

**NLF**: Additionally, Boards must submit their plans by October 30 of each year to [BCM@twc.texas.gov](mailto:BCM@twc.texas.gov). Boards must submit the BCY’24 plan by December 1, 2023.

**NLF**: Boards must submit their budget plans for CCQ and the amounts of any applicable CCM funds for each of the allowable categories via CDER’s supplemental category fields by December 1, 2023, and by October 30 in subsequent years.

**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 for and filled in order to meet Texas Rising Star requirements.

**NLF**: Additionally, Boards must be aware that although 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.

**LF**: Boards may use the [Child Care Quality Strategic Planning & Expenditures Guide](#) as an aid in planning quality initiative activities in their communities and as a reference when reporting the activities in the Board Child Care Quality Expenditure & Activity Report Template.

### **Reporting Requirements**

**NLF**: Boards must submit a quarterly report that updates the Texas Rising Star Staff, the Quarterly Data, and the Quarterly Narrative tabs in 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 completed template 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 (not including infant- and toddler-specific training), professional development, and/or postsecondary education opportunities provided to child care provider staff.

2. Texas Rising Star, which includes any costs associated with Texas Rising Star recognition, maintenance, and mentor staff.
3. Infant and Toddler Activities, 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. 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. Evaluation, which includes any costs associated with purchasing assessment tools that measure effective practices for child development, training staff to implement the tools, and/or conducting formal evaluation studies of quality efforts, which requires the submission of an evaluation report to TWC.
6. National Accreditation Support, which includes any costs associated with helping early learning programs obtain or maintain national accreditation (for example, fees and materials).
7. Other Allowable Activities, which are 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 should 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 the Child Care Services program); and
    - 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 divided across categories.

**NLF:** Boards must report expenditures in the applicable supplemental CCQ cost categories in CDER. Categories will include the following:

- Training and Professional Development
- Texas Rising Star (excluding mentor staffing costs, for which reporting remains the same)
- Infant and Toddler Activities
- Health and Safety
- Evaluation
- National Accreditation Support
- Other Allowable Activities

**INQUIRIES:**

Send inquiries regarding this WD Letter to [childcare.programassistance@twc.texas.gov](mailto: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, September 2023

**REFERENCES:**

Child Care and Development Fund, 45 CFR §98.50(b)(1), §98.53(a), and §98.53(f)  
[Child Care Quality Strategic Planning & Expenditures Guide](#)