

TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 22-09, Change 2
Date:	April 26, 2011
Keyword:	Child Care; Recovery Act
Effective:	Immediately

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



From: Laurence M. Jones, Director, Workforce Development Division

Subject: **American Recovery and Reinvestment Act of 2009: Child Care Quality Improvement Activities—*Update***

PURPOSE:

To provide Local Workforce Development Boards (Boards) with information and guidance on the use of Child Care and Development Fund (CCDF) funds from the American Recovery and Reinvestment Act (ARRA) of 2009 for quality improvement activities, including:

- allowable use of quality improvement funds;
- reporting planned quality improvement activities;
- quarterly status report of activities;
- expenditure monitoring;
- Texas Department of Family and Protective Services (DFPS) infant/toddler quality initiatives;
- reporting the use of CCDF ARRA funds for quality improvement activities;
- deobligating and reallocating ARRA direct care child care funds; and
- repurposing CCDF ARRA funds to support child care quality improvements.

This WD Letter provides Boards with updated information and guidance on CCDF ARRA funds available for quality child care improvement activities.

Attachments 1, 2, and 3 remain unchanged.

CHANGES TO WD LETTER 22-09, Change 1:

New information in this WD Letter is indicated by:

- A ~~strikethrough~~ of the original language, which indicates that language has been deleted; and
- **Bold** typeface, which indicates new or clarifying language.

BACKGROUND:

On June 9, 2009, the Texas Workforce Commission (Commission) approved the allocation of \$32.3 million in CCDF ARRA funds to Boards to be expended on child care quality improvement activities:

- \$6.3 million for infant/toddler care quality activities;
- \$17.8 million for other quality expansion activities; and
- \$8.3 million for the required 4 percent set-aside for quality activities.

WD Letter 20-09, issued June 11, 2009, and entitled “American Recovery and Reinvestment Act of 2009: Child Care Allocations” sets out each Board’s allocation of the quality child care funds.

The Commission subsequently took several deobligation and reallocation actions that modified:

- **the amount available for child care quality improvement activities to \$50,892,227; and**
- **the local workforce development area allocations, which are to be expended as follows:**
 - **\$6.3 million for infant/toddler care quality activities;**
 - **\$17.8 million for other quality expansion activities; and**
 - **\$26.7 million for the required minimum 4 percent set-aside for quality activities.**

The modified allocations are available at

http://www.twc.state.tx.us/business/fmgc/arra_ccalloc_update.pdf.

PROCEDURES:

Boards must be aware that the Commission will issue a separate contract for CCDF ARRA child care quality activities. Funds will be available through ~~December 31, 2010~~ **June 30, 2011**.

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Allowable Use of Quality Improvement Funds

Boards must ensure that CCDF ARRA quality improvement funds are:

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- spent under the provisions of Commission Child Care Services rule §809.53 (Child Care for Children Served by Special Projects), which means that the funds are not subject to the three quality activities limitation set forth in §809.16; and
- used for:
 - targeted, one-time, quality activities that enhance long-term quality improvements and build upon minimum required standards; and
 - allowable quality child care activities as described in 45 CFR §98.51.

Boards must be aware that CCDF ARRA quality improvement funds cannot be used for construction infrastructure investments, as CCDF regulations at 45 CFR §98.54(b) prohibit the use of CCDF funds for the purchase or improvement of

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land or for the purchase, construction, or permanent improvement of any building or facility. Additionally, the ARRA statute prohibits the use of ARRA funds for swimming pools.

However, Boards may use CCDF ARRA quality improvement funds for:

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- minor remodeling, such as:
 - upgrading child care facilities to accommodate infant/toddler expansion; and
 - equipping classrooms in order to care for children with disabilities; and
- other quality expansion activities.

Boards also may use CCDF ARRA quality improvement funds for activities that include, but are not limited to:

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- one-time cash incentives for child care providers to receive or maintain Texas Rising Star (TRS) Provider certification or national accreditation;
- teacher and director training, including mentoring, training, and technical assistance in areas appropriate to the provision of child care services, such as:
 - activities that enhance teacher capacity to serve children with disabilities and care for children with special needs;
 - health and safety, nutrition, first aid, and the recognition of communicable diseases; and
 - child abuse detection and prevention;
- one-time cash incentives for providers to increase their infant/toddler licensing capacity or become licensed to care for infants and toddlers;
- classroom or other materials for providers to improve the quality of child care; and
- other quality expansion activities consistent with CCDF regulations at 45 CFR §98.51 (<http://www.acf.hhs.gov/programs/ccb/law/finalrul/fr072498.pdf>).

Attachment 1 provides additional examples of allowable quality improvement activities.

The U.S. Department of Health and Human Services Administration for Children and Families (ACF) also provides guidance regarding allowable quality expansion and infant/toddler quality activities:

- ACF Guidance on Quality Expansion:
<http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9905/example.htm>
- ACF Guidance on Infant-Toddler Quality Expansion:
<http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9905/activity.htm>

Use of Repurposed CCDF ARRA Funds for Quality Improvement Activities

Boards must ensure that CCDF ARRA funds repurposed for quality improvement activities are spent on the following:

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- Expansion of inclusive child care for children with disabilities (with a requirement that any Board that has not previously dedicated a portion of its

ARRA quality improvement funds in this manner, must use a portion of these reallocated funds for inclusive child care);

- Professional development related to early learning and child development;
- Expansion of infant and toddler care, including necessary training and equipment; and
- Expansion or improvement of TRS, Texas Early Education Model, or other nationally accredited quality models (e.g., activities leading to provider accreditation).

Submitting Planned Quality Improvement Activities

Before initiating a quality improvement activity or a contract for an activity, Boards must submit a report of planned quality activities to the Board's senior contract manager. Plans for the repurposed funds are requested by June 25, 2010. Boards must use:

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- Attachment 2 for quality expansion activities; and
- Attachment 3 for infant/toddler quality activities.

Boards must ensure that, at a minimum, the report of planned activities includes:

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- a description of each activity; and
- the expected results of each activity, including specific outputs or outcomes applicable to that activity, for example:
 - number of individuals trained;
 - number of providers becoming TRS certified;
 - number of TRS providers certified at a higher tier;
 - number of additional providers serving infants and toddlers; or
 - other results applicable to the activity.

Boards may include the name of the service provider, if known, on the report of planned activities.

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Boards must indicate if the activity is to be funded using the repurposed CCDF ARRA quality improvement funds.

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Boards must be aware that they will be notified in writing by their senior contract manager upon approval of the planned quality improvement activities.

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Quarterly Status Report of Activities

Boards must submit a report on the status of contract deliverables no later than the 30th day following the end of each calendar quarter. The Commission will issue a contract amendment providing the specific form to use for reporting on the status of contracted deliverables.

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Expenditure Monitoring

Boards must be aware that ongoing deobligation and reallocation reviews to monitor CCDF ARRA fund expenditures will be conducted. Boards unable to

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demonstrate expeditious and efficient use of funds will be subject to deobligation throughout the contract period.

Texas Department of Family and Protective Services Infant/Toddler Quality Initiatives

Boards must be aware that the 81st Texas Legislature, Regular Session (2009), appropriated \$4 million of the CCDF ARRA infant/toddler targeted funds to DFPS and directed DFPS to submit a plan for the use of the funds to the governor and the Legislative Budget Board by September 30, 2009.

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In planning infant/toddler quality activities, it is recommended that Boards design activities that supplement the activities of DFPS.

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ATTACHMENTS:

Attachment 1: Examples of Quality Improvement Activities

Attachment 2: Quality Expansion and 4 Percent Quality Set-Aside Planned Activities

Attachment 3: Infant/Toddler Quality Planned Activities

INQUIRIES:

Direct inquiries regarding this WD Letter to wfpolicyclarifications@twc.state.tx.us.

RESCISSIONS:

WD Letter 22-09, Change 1

REFERENCE:

U.S. Department of Health and Human Services, Child Care and Development Fund, 45 CFR §98.51, Activities to Improve the Quality of Child Care

U.S. Department of Health and Human Services, Administration for Children and Families Program Instruction: CCDF-ACF-PI-2009-03, "Notification of supplemental CCDF Discretionary grant award funding for FY 2009," April 9, 2009

U.S. Department of Health and Human Services, Administration for Children and Families Information Memorandum: CCDF-ACF-IM-09-01, "Flexibility in the Child Care and Development Fund (CCDF) Program," June 2, 2009

U.S. Department of Health and Human Services, Administration for Children and Families Guidance on Quality Expansion:

<http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9905/example.htm>

U.S. Department of Health and Human Services, Administration for Children and Families Guidance on Infant-Toddler Quality Expansion:

<http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9905/activity.htm>

Texas Workforce Commission Child Care Services Rules: 40 TAC §809.16 and §809.53

WD Letter 20-09, issued June 11, 2009, and entitled "American Recovery and Reinvestment Act of 2009: Child Care Allocations"

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. 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.”