

TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 47-07
Date:	August 15, 2007
Keyword:	Child Care
Effective:	October 1, 2007

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



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

Subject: **Increasing Reimbursement Rates for Texas Rising Star Providers and Child Care Providers Participating in Texas Early Education Model School Readiness Projects**

PURPOSE:

This WD Letter provides Local Workforce Development Boards (Boards) with information regarding required child care reimbursement rate increases in Fiscal Year 2008 (FY'08) for Texas Rising Star (TRS) Providers and child care providers that participate in Texas Early Education Model (TEEM) projects, as required by §19.111, Article IX, of the General Appropriations Act, 80th Texas Legislature, Regular Session (2007).

BACKGROUND:

Article IX, §19.111 appropriates \$9 million in Child Care and Development Fund (CCDF) funds to the Texas Workforce Commission (Commission) for FY'08 and \$9 million in CCDF funds for FY'09. The funds are to be used to increase reimbursement rates to child care providers serving children under the age of six, that:

- participate in a TEEM school readiness integration project; or
- are TRS Providers.

Section 19.111 also:

- provides eligibility for the increased reimbursement rates to providers who obtain certification under the Texas School Readiness Certification System (TSRCS); and
- encourages providers who receive the increased reimbursement rate to use the funds to obtain certification under TSRCS.

Note: TSRCS currently is being developed by the State Center for Early Childhood Development (State Center) and is being piloted using TEEM

classrooms. Separate guidance will be issued to Boards when the State Center notifies the Commission that non-TEEM child care providers may apply for certification under TSRCS.

Commission Child Care Services rule §809.20(b) requires Boards to establish graduated reimbursement rates for TRS Providers and child care providers participating in a TEEM school readiness integration project. Commission rule §809.20(c) requires that the minimum reimbursement rate for these providers be at least five percent greater than the maximum rate established for non-TEEM and non-TRS providers.

WD Letter 35-07, Change 1, issued July 12, 2007, and entitled “Fiscal Year 2008/Program Year 2007 Allocations and Planning Estimates – Update,” contains the FY’08 Board child care allocations and planning estimates, including the additional \$9 million of CCDF funds appropriated in §19.111.

During the August 3, 2007, conference call, Boards were provided with the preliminary FY’08 Board child care performance targets for the Average Number of Children Served Per Day performance measure. The preliminary child care performance targets were developed after setting aside a total of \$9 million to address reimbursement rate increases required by §19.111.

PROCEDURES:

Boards must increase infant, toddler, and preschool reimbursement rates for TRS Providers and child care providers participating in a TEEM school readiness integration project developed by the State Center. Boards must increase the rates between October 1, 2007, and December 1, 2007, and the increased rates must be effective no later than January 1, 2008. [As required by Commission rule §801.51(f) and as detailed in WD Letter 10-07, Board members must take such actions in an open meeting.]

NLF

Boards must be aware that any reimbursement rate increases in effect prior to October 1, 2007, will not be considered as meeting the requirements of this WD Letter.

NLF

Boards also may increase school-age reimbursement rates for TRS Providers and child care providers participating in a TEEM school readiness integration project developed by the State Center.

LF

Boards may increase reimbursement rates for all providers, including TRS Providers and child care providers participating in a TEEM project.

LF

In determining increases in reimbursement rates, Boards must consider their final funding allocation and final performance target for the Average Number of Children Served Per Day performance measure.

NLF

In planning for the increases in reimbursement rates, Boards may use the allocation estimates in WD Letter 35-07, Change 1, and the preliminary performance targets presented at the August 3, 2007, conference call.

INQUIRIES:

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

RESCISSIONS:

None

REFERENCE:

Texas Workforce Commission Child Care Services Rules: 40 TAC §809
WD Letter 42-07, issued July 2, 2007, and entitled “Lifting the Five Percent Cap on Increases to Maximum Reimbursement Rates for Regulated Child Care Providers”
WD Letter 35-07, Change 1, issued July 12, 2007, and entitled “Fiscal Year 2008/Program Year 2007 Allocations and Planning Estimates – Update”

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.”