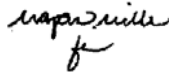


TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 67-07
Date:	November 13, 2007
Keyword:	Child Care
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: **Local Match Agreements with Independent School Districts Using Public Expenditures for Before- and After-School Programs**

PURPOSE:

As set forth in 45 C.F.R. §98.53(e)(1) and in Texas Workforce Commission's (Commission) Child Care Services rule §809.17(b)(3), public entities certifying public expenditures as local match for federal Child Care and Development Fund (CCDF) funds must ensure that the certified expenditures are for CCDF-allowable activities—i.e., direct child care or quality improvement activities.

Specifically, Commission rule §809.17(b)(3) states that the Commission accepts expenditures certified for local match by a public entity, if the expenditures:

- are for an activity included in the CCDF State Plan (i.e., a CCDF-allowable activity) or allowed under Chapter 809;
- are not used to match other federal funds; and
- are not federal funds, unless authorized by federal law to be used to match other federal funds.

This WD Letter provides Local Workforce Development Boards (Boards) with information and guidance on the use of:

- certified public expenditures as local match for CCDF funds by independent school districts (ISDs) for license-exempt before- and after-school child care programs;
- transferred funds from public entities as local match for CCDF funds; and
- federal matching funds received as a result of local match agreements with ISDs.

BACKGROUND:

The CCDF preamble (*Federal Register*, Vol. 63, No. 142, Friday, July 24, 1998, p. 39964) gives states the flexibility to certify expenditures for child care services

as matching funds as long as those services meet the goals of the Child Care and Development Block Grant Act (Act). The preamble specifies that public funds to “enhance the quality or comprehensiveness of full-day/full-year child care would also be eligible for Federal Matching funds since these activities meet the goals of the Act.”

Furthermore, the CCDF State Plan for Texas reflects this understanding by stating:

Boards coordinate with ISDs to certify allowable before- and after-school child care expenditures in order to draw down federal funds that can be used for before- and after-school child care for eligible children. Boards also work closely with ISDs to expand before- and after-school child care services to school-age children, as well as child care services during holidays and summer vacations.

Chapter 42 of the Texas Human Resources Code exempts before- and after-school programs from licensing. This chapter also states that those who are otherwise exempt can become licensed if licensing is required to receive federal or state funds. Commission rules do not include these license-exempt facilities as eligible providers of subsidized child care. However, because public expenses for before- and after-school child care programs are allowable for certification under CCDF rules, expenditures at license-exempt before- and after-school child care programs can be certified for local match.

PROCEDURES:

Public Expenditures for License-Exempt Before- and After-School Child Care Programs

Boards must be aware that public expenditures by an ISD for license-exempt before- and after-school child care programs may be certified as local match for CCDF funding.

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In accordance with Commission rule §809.42(c), Boards must ensure that certified expenditures for direct care at before- and after-school programs are for care provided to a child meeting the minimum federal CCDF-eligibility requirements. Specifically, the child must:

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- be under 13 years of age, or at the option of the Board, be a child with disabilities under 19 years of age; and
- reside with:
 - a family whose income does not exceed 85 percent of the state median income for a family of the same size; and
 - a parent who requires child care in order to work or attend a job training or educational program.

In accordance with Commission rule §809.16(e), Boards must be aware that expenditures certified for local match by a public entity may include expenditures

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for any quality improvement activity described in 45 C.F.R. §98.51 and in the CCDF State Plan, including:

- consumer education;
- grants or loans to providers to assist in meeting state and local standards;
- information and referral services;
- professional development activities;
- improving salaries or other compensation for providers of CCDF-funded child care;
- activities to support early language, literacy, and numeracy development;
- activities to support inclusive child care;
- Healthy Child Care America and other health activities including those designed to promote the social and emotional development of children; and
- collaborative reading initiatives.

Transferred Funds from Public Entities

Boards must be aware that funds transferred from an ISD to the Commission for local match must be expended in accordance with Commission rules.

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Specifically, the transferred funds must be spent:

- on direct child care:
 - for parents who meet Board-eligibility criteria regarding family income and activity hours and comply with Chapter 809, Subchapter D (Parent Rights and Responsibilities); and
 - at an eligible child care provider, as set forth in Chapter 809, Subchapter E (Requirements to Provide Child Care); or
- for allowable quality improvement activities, as stated in §809.16(a)–(d).

Federal Matching Funds

Boards must ensure that federal matching funds resulting from local match agreements—including agreements that include certified expenditures at license-exempt before- and after-school child care programs—are spent:

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- on direct child care:
 - for parents who meet Board-eligibility criteria regarding family income and activity hours and comply with Chapter 809, Subchapter D (Parent Rights and Responsibilities); and
 - at an eligible child care provider, as set forth in Chapter 809, Subchapter E (Requirements to Provide Child Care); or
- for allowable quality improvement activities, as stated in §809.16(a)–(d).

INQUIRIES:

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

RESCISSIONS:

None

REFERENCE:

United States Department of Health and Human Services, Child Care and Development Fund,
45 C.F.R. Part 98
Texas Human Resources Code, Chapter 42
Texas Workforce Commission General Administration Rules: 40 TAC Chapter 800
Texas Workforce Commission Child Care Services Rules: 40 TAC Chapter 809
WD Letter 45-06, Change 1, issued October 30, 2006, and entitled “Child Care Local Match
Process—*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.”