

Child Care & Development Block Grant (CCDBG) COVID-19 Federal Funding 6th Tranche of New Initiatives - Modification Discussion Paper

1 **Background**

2 On March 8, 2022 the Texas Workforce Commission's (TWC) three-member Commission (Commission)
3 approved the [Sixth Tranche](#) of child care stimulus funded initiatives, which including funding for the
4 Provider Cost of Quality Calculator (PCQC)'s online, web-based, interactive tool. The PCQC website's
5 cost was estimated at \$800,000 (with ongoing annual updates to the data, to be approved through TWC's
6 Annual Operating Budget, estimated at \$125,000/year).

7 The PCQC will support a narrow cost analysis that examines the cost of child care at varying levels of
8 quality across the state. CCDBG requires states to conduct a narrow cost analysis and to consider the data
9 in rate-setting. In addition to serving as a tool for a narrow cost analysis, a PCQC can also be beneficial
10 to child care providers and other stakeholders to help identify gaps between the cost of providing quality
11 services and the revenue available. This information can help inform the design of local quality
12 improvement efforts, and it can help providers better understand the factors that influence costs.

13 **Issue**

14 To efficiently deliver the PCQC, TWC leveraged a Department of Information Resources statewide
15 contract. Through the process of defining the project scope and obtaining the vendor quote, however, staff
16 have additional funding is needed, due to higher than anticipated information technology costs. An
17 additional \$400,000 will support the development and deployment of the tool, bringing the initiative total
18 to \$1.2 million. As a public-facing tool for child care providers, the PCQC will be placed on the new
19 provider portal being developed under the Child Care Case Management system.

20 **Decision Point**

21 Staff recommends dedicating approximately \$400,000 in additional child care stimulus funding to the
22 PCQC initiative to fund the work under a statewide cooperative contract as described above.