

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 10-18, Change 1
Date:	May 2, 2019
Keyword:	Child Care; Financial Reporting
Effective:	Immediately

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



From: Courtney Arbour, Director, Workforce Development Division

Subject: **Assigning Direct Care Performance Targets to Child Care and Development Fund Carry-Forward Funds—*Update***

PURPOSE:

The purpose of this updated WD Letter is to provide Local Workforce Development Boards (Boards) with information on the application of performance targets to Child Care funds carried forward from a prior fiscal year.

RESCISSIONS:

WD Letter 10-18

BACKGROUND:

The Texas Workforce Commission (TWC) allocates funds from the Child Care and Development Fund (CCDF) to Boards, pursuant to TWC Chapter 800 General Administration rules at §800.58. The allocated funds are subject to performance targets. The targets ensure that most funds are used to support direct care.

TWC requires Boards and other grantees to use the Cash Draw and Expenditure Reporting (CDER) system to report expenditures, draw cash, and submit financial closeout packages for grant agreements. The CCDF fiscal year ends on September 30, with final fiscal year expenditures reported in October. Once all expenditures are reported, grant money that is not spent and that will be carried forward into the subsequent fiscal year is documented in CDER.

Because TWC did not historically assign performance targets to carry-forward funds, Boards were not obligated to use the funds for direct care, which generally resulted in fewer children in low-income families being served. To ensure that the maximum number of eligible children is served, TWC will apply performance

targets to 95 percent of the Boards' Child Care Formula (CCF) and Child Care Match (CCM) carry-forward balances beginning in Fiscal Year 2020.

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” 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.”

NLF: Boards must be aware of the following:

- On November 21 of each fiscal year, TWC will determine the carry-forward balances in each Board's CCF and CCM contracts, based on the grant balance indicated in CDER as of September 30.
- CCF and CCM funds spent in the prior fiscal year must be documented in CDER before November 21. Funds not documented will be included in the Board's carry-forward balances for purposes of calculating revised performance targets.
- TWC's approved methodology for setting Child Care performance targets will be applied to 95 percent of the carry-forward balances identified on November 21.
- A Board's performance targets are set based on a methodology approved by TWC's three-member Commission and are officially listed in the Monthly Performance Report (MPR). Any increase in a Board's performance target due to carry-forward funds will be added to the performance target for the Board's current fiscal year. TWC will update the MPR and inform the Boards about the revised targets.
- Because all targets use the approved methodology, grant amendments will not be issued for targets revised due to carry-forward funds.

INQUIRIES:

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

ATTACHMENT:

Attachment 1: Revisions to WD Letter 10-18 Shown in Track Changes

REFERENCE:

Texas Workforce Commission General Administration Rules: 40 TAC, Chapter 800, Subchapter B, Allocations