

**Board Contract Year 2022 Supplemental Child Care Distribution
Discussion Paper**

Background

The Texas Workforce Commission’s (TWC) three-member Commission (Commission) has been investing federal child care stimulus funding that Texas received. One of the Commission’s goals in the consideration of these investments is increasing the number of low-income children receiving child care subsidies (12-month scholarships).

The Commission has previously approved the following increases to the Local Workforce Development Board (Board) child care funding:

	<u>4th Tranche Discussion Paper</u> <i>Approved November 2, 2021</i>	<u>7th Tranche Discussion Paper</u> <i>Approved March 22, 2022</i>
Board Contract Year 2022 (BCY’22)	\$41.4 million <i>Added to Board’s BCY’22 Contracts in December 2021</i>	\$46.25 million <i>To be distribution in this Discussion Paper</i>
Board Contract Year 2023 (BCY’23)	\$121.5 million <i>Included in the BCY’23 Planning Estimate</i>	\$138.75 million <i>Included in the BCY’23 Planning Estimate</i>
Board Contract Year 2024 (BCY’24)	\$130.4 million <i>Included in the BCY’24 Planning Estimate</i>	\$129.75 million <i>Included in the BCY’24 Planning Estimate</i>

These increases bring the total annual Board allocation for BCY’22, and the Board Planning Estimates for BCY’23 and BCY’24 to:

Year	Total Annual Amount
BCY’22	\$1.07 billion Approved Allocation
BCY’23	\$1.26 billion Planning Estimate
BCY’24	\$1.26 billion Planning Estimate

This Discussion Paper provides recommendations regarding the distribution of the BCY’22 Supplemental Distribution of \$46.25 million to the Boards.

Issue: BCY’22 Supplemental Child Care distribution - \$46.25 million

Providing a Supplemental Distribution at the end of BCY’22 will provide Boards with funding to increase the number of children served from May through September, and better position the Boards to be prepared to serve more children in BCY’23.

Staff recommends that the Commission consider two criteria in the distribution of funds; Boards meeting both criteria will not be eligible for BCY’22 supplemental funding:

- Criteria 1: Boards that have expended less than 20% of their CCF allocated funds as of January 2022 reporting.
- Criteria 2: Boards who YTD performance target is below 90%, as of January 2022 reporting.

1 Based on these criteria, 24 Boards will be eligible for a Supplemental Distribution of BCY'22
2 funding. Boards not receiving the Supplemental Distribution have sufficient available funding to
3 allow them to continue to increase the number of children served during the remainder of
4 BCY'22, preparing them for the higher allocation and performance targets in BCY'23.

5 The 24 Boards receiving a BCY'22 Supplemental Distribution will have their CCF contracts
6 amended and will receive an increased performance target to serve more children from May
7 2022 through September 2022.

8 See Attachment 1 for the Board Supplemental Distribution amounts and performance target
9 adjustments.

10 Given the timeframe for approving the BCY'22 Supplemental Distribution, some Boards may
11 face challenges in fully expending their CCF contracted funds. Any unspent funds at the
12 conclusion of BCY'22 will be returned to TWC. Boards will be asked to carefully consider their
13 operational capacity to administer the BCY'22 increase, as well as the required operational
14 capacity to implement the \$1.2 billion as noted in the BCY'23 Planning Estimate.

15 **Decision Point 1**

16 Staff seeks the Commission's direction on approving the supplemental distribution of the
17 BCY'22 child care funding to the Boards, as outlined above, and as noted in Attachment

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2 BCY'22 Supplemental Distribution of \$46.25 million

		Supplemental Distribution, 03/08/22	Total BCY22 Allocation, including all modification	Supplemental BCY22 Performance Target, May-Sept 2022	Total BCY22 Performance Target	Avg # of Children Enrolled in Jan 2022
1	Panhandle	\$843,816	\$16,365,357	304	2,048	1,932
2	South Plains	\$855,748	\$16,756,623	334	2,294	1,979
3	North Texas	\$388,071	\$7,754,595	150	1,134	1,213
4	North Central	-	\$70,539,769	0	7,329	5,535
5	Tarrant County	\$3,511,273	\$81,807,949	1,025	7,969	6,260
6	Dallas County	\$6,334,371	\$126,416,954	2,091	14,158	13,856
7	North East	\$584,909	\$10,550,792	273	1,608	1,341
8	East Texas	-	\$30,757,049	0	4,575	3,790
9	West Central	\$566,548	\$10,702,254	225	1,559	1,486
10	Borderplex	-	\$44,608,802	0	7,010	5,492
11	Permian Basin	\$777,176	\$18,279,470	277	2,287	2,097
12	Concho Valley	\$225,256	\$5,003,480	107	845	831
13	Heart of Texas	\$781,113	\$15,393,516	322	2,262	2,030
14	Capital Area	\$1,677,956	\$34,974,620	417	2,759	2,648
15	Rural Capital	\$1,060,935	\$24,176,743	334	2,402	2,043
16	Brazos Valley	\$604,305	\$11,461,963	202	1,256	1,220
17	Deep East	\$816,601	\$14,778,302	331	2,099	1,768
18	Southeast	\$742,705	\$14,211,426	317	1,969	1,835
19	Golden Crescent	\$359,915	\$7,064,758	169	1,064	911
20	Alamo	\$4,803,249	\$89,642,398	1,558	10,017	9,846
21	South Texas	\$1,082,803	\$19,418,992	483	2,873	3,126
22	Coastal Bend	\$1,256,693	\$22,919,505	459	2,811	2,505
23	Lower Rio	\$3,577,362	\$60,639,406	1,468	8,912	9,397
24	Cameron	\$1,524,135	\$26,428,610	592	3,773	3,627
25	Texoma	\$349,289	\$6,491,854	155	959	939
26	Central Texas	-	\$19,533,750	0	2,974	2,625
27	Middle Rio	\$511,376	\$8,889,664	225	1,465	1,513
28	Gulf Coast	\$13,014,395	\$254,186,349	3,976	28,182	29,270
		\$46,250,000	\$1,069,754,950	15,794	128,593	121,116

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4 Supplemental Distributions are based on FY 2022 factor data, and funded with Coronavirus Response and Relief
5 Supplemental Appropriations (CRRSA) Act and American Rescue Plan Act (ARPA) funding related to COVID-19.
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