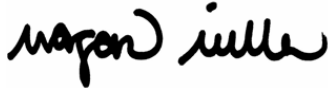


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 14-22, Change 3
Date:	September 19, 2024
Keyword:	Child Care
Effective:	December 1, 2024

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



From: Reagan Miller, Director, Child Care & Early Learning Division

Subject: **Child Care Provider Data and Board Agreements—Update**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with updated guidance on policy and automation changes related to child care providers that participate in the Child Care Services (CCS) program.

This updated letter includes information related to the implementation of the new child care case management system, the Texas Child Care Connection (TX3C), and updates to the CCS provider agreement template.

RESCISSIONS:

WD Letter 14-22, Change 2

BACKGROUND:

On September 13, 2022, the Texas Workforce Commission's (TWC) three-member Commission (Commission) approved amendments to TWC's Chapter 809 Child Care Services rules at 40 Texas Administrative Code (TAC), Chapter 809. These amendments include changes necessary to implement House Bill 2607, 87th Texas Legislature, Regular Session (2021), which requires all CCS providers to participate in the Texas Rising Star program. The legislation creates a new entry level for CCS providers and requires all CCS providers to attain at least a Two-Star certification in the Texas Rising Star program. The approved rule amendments also standardize several policies at the state level to ensure greater consistency from CCS providers.

Additionally, in July 2022, TWC selected a vendor to implement a new system, TX3C, to replace the child care program functions in The Workforce Information System of Texas (TWIST) and include a modernized process for capturing child care automated attendance. The automated attendance functionality of TX3C was deployed on May 17, 2023, and full case management functionality is scheduled to begin December 9, 2024.

TWC has developed resources and guidance to support changes in the following provider-related areas:

- CCS provider data cleanup in TWIST
- Ongoing provider data entry requirements in TWIST and the Children's Learning Institute (CLI) Engage system

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.”

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.”

TWIST Provider Data Cleanup

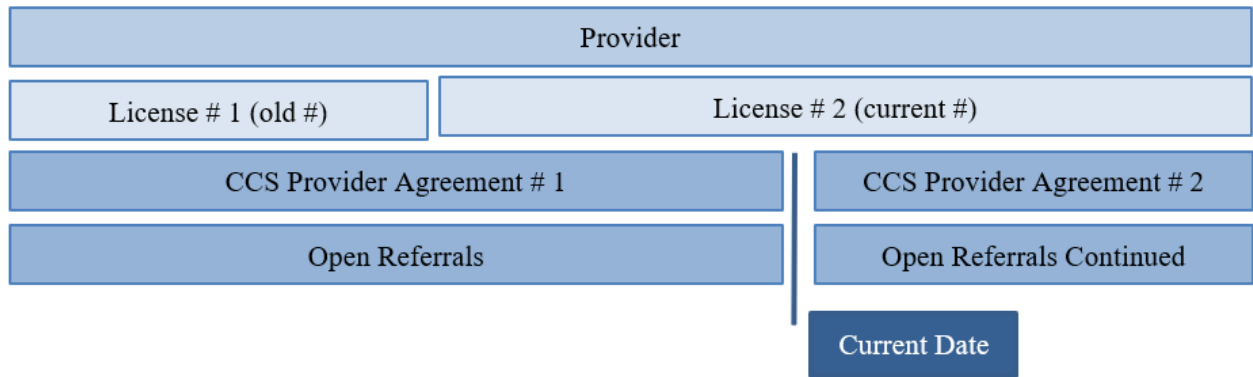
NLF: Boards must ensure the accuracy of the following information for all providers with active agreements:

- Child Care Regulation (CCR) license number
Note: A program associated with an active Board agreement must also be active with CCR.
- CCS provider agreement dates
- Ineligibility dates
- Texas Rising Star level (including providers with an Entry Level designation) and accreditation status
- Provider published rates
- Holiday schedules
- Status as a prekindergarten partnership site
- Terminated CCS provider agreements (if a provider no longer accepts CCS-enrolled children or is closed)

NLF: For an active CCS provider with a license number change identified during the review, Boards must:

- end the current agreement and open child care referrals in TWIST with the current date (do not backdate);
- set up an agreement under the new license number in TWIST, with the start date as the day after the current date (do not backdate or overlap agreement dates under the old license number); and
- set up the open child care referrals under the new license number beginning with the day after the current date.

Graphic Illustrating Overlapping Time Periods Described Above



Ongoing Provider Data Entry Requirements

TWIST (or TX3C, once implemented)

NLF: To ensure proper payment processing of direct care payments, each Board must, at a minimum, require that the following data is entered within three business days of receipt and is in alignment with the Board’s payment schedule:

- New license/operation number issued by CCR
- CCS provider agreement dates
- Ineligibility dates
- Texas Rising Star level, including Entry Level designation, and accreditation status changes
- Provider published rates
- Holiday schedules
- Status as a prekindergarten partnership site
- Terminated CCS provider agreements
- Counselor notes related to the data above

Note: If CCR data is not yet available in TWIST, Boards must enter required data as soon as practicable and document any delay in Provider Comments in TWIST.

LF: Boards may require staff members to enter other Board-specific provider-related data into TWIST (or TX3C, once implemented) based on local policy and/or procedure.

NLF: Boards must ensure that staff members update provider agreement data in TWIST (or TX3C, once implemented) within three business days of the execution of a new or updated provider agreement.

CLI Engage

NLF: Boards must ensure that all Texas Rising Star staff members have access to CLI Engage and are provided access to the [CLI Engage User Guide](#), which is available to Boards on TWC’s intranet.

NLF: Boards must ensure that new Texas Rising Star staff members are onboarded into Engage and that they obtain access to the Texas Rising Star Assessment Training and Certification Program (ATCP) within 10 business days of their start date. Onboarding includes the following steps:

- The new staff member creates an Engage user account.

- The Board’s Community District User (CDU) notifies CLI of the new staff member via the Engage Help Ticketing System, including the new staff member’s name, role, email address, and Board.

NLF: Boards must also ensure that the Board’s CDU assigns new staff members in Engage to child care programs that the staff members will work with as described in the Engage User Guide. Assignments in Engage must be completed prior to staff members working with their assigned programs.

NLF: Boards must ensure that the following Texas Rising Star–related events are documented in the Engage Event Log within five business days of the event and include adequate detail for future reference:

- Entry Level–designation status and required screenings related to Entry Level designation
- Details of child care program facility changes
- Documentation of mentoring visits
- Other relevant information related to a child care program’s ongoing status in Texas Rising Star as required by the Texas Rising Star Staff Handbook

NLF: Boards must ensure that after receiving a Texas Rising Star Interest Form notification from a child care program, the Board’s CDU assigns a Texas Rising Star mentor to the child care program in Engage within 10 business days.

NLF: Boards must also ensure that mentors work with child care programs to develop a Continuous Quality Improvement Plan (CQIP) and enter the resulting plan in the Engage CQIP tool within five business days of developing the plan goals and action steps. Additionally, Boards must ensure that once action steps have been completed, the CQIP is updated within five business days.

Board CCS Provider Agreements and Addendums

NLF: Boards must use the following TWC-developed templates to support greater consistency across the state, improve providers’ experiences with CCS, and allow Boards to implement required changes to provider agreements more quickly:

- Child Care Services Provider Agreement Template (Attachment 1)
- Child Care Services Provider Rate Addendum Template (Attachment 2)
- Child Care Services Provider Texas Rising Star Mentoring Agreement (Attachment 3)

The Child Care Services Provider Agreement Template and Child Care Services Provider Rate Addendum Template include elements related to the Chapter 809 rule amendments, such as the new requirements regarding Entry Level designation and a provider’s agreement to engage with a Texas Rising Star mentor and attain at least a Two-Star Texas Rising Star certification. These requirements must also be outlined in a provider’s CQIP with its managing Board.

LF: Boards may customize the TWC-developed templates to include additional locally defined elements.

NLF: At a minimum, Boards must review their agreements (and addendums, if applicable) annually to ensure that the following information is still current for each provider:

- The provider’s details (all elements in the table at the beginning of the Child Care Services Provider Agreement Template)

- Board policies and/or procedures added to the Board’s agreement or addendum
- Provider rates

NLF: Boards must ensure that a provider agreement end date is no more than two years from the effective date of the agreement for Entry Level–designated child care programs and no more than three years from the effective date of the agreement for Texas Rising Star–certified programs.

NLF: Boards must ensure that an agreement and addendum are re-signed by both the provider and Board or contractor staff if any of the following information changes:

- CCR licensing number
- Employer identification number (EIN)/Social Security number (SSN)
- Type of facility
- Address of facility
- Facility ownership
- Board or contractor policies
- Provider rates

NLF: Boards must implement a quality assurance process that requires the review of provider agreements and addendums and ensures accurate and timely data entry in TWIST (or TX3C, once implemented).

Charging the Difference

NLF: Boards must be aware that 45 Code of Federal Regulations (CFR) 98.71(a)(11) requires states to report “any amount charged by the provider to the family more than the required copayment in instances where the provider’s price exceeds the subsidy payment.”

NLF: In accordance with the federal requirements and with §809.92, Boards must ensure that a provider agreement details whether Board policy allows for charging parents the difference between the provider’s published rate and the assessed Parent Share of Cost (PSoC).

NLF: A Board that allows providers to charge parents the difference between a provider’s published rate and the assessed PSoC must ensure that those providers report the following information to the Board monthly:

- The specific families that were charged an additional amount above the PSoC
- The frequency with which each family was charged
- The amount of each additional charge

NLF: Boards must be aware that 45 CFR 98.45(b)(5) requires a rationale for such policies, including “an analysis of the interaction between any such additional amounts with the required family copayments, and of the ability of subsidy payment rates to provide access to care without additional fees.”

NLF: In accordance with these federal requirements and §809.13, each Board that allows providers to charge the difference must, upon request, provide TWC with data related to the providers that charge the difference. This data must include the Board’s analysis of the interaction between the additional amounts charged to families and the ability of scholarship payment rates to provide access to care without additional fees.

Blended Rates for School-Age Children

NLF: Boards must be aware that the formula TWIST uses to calculate blended child care rates is
 Blended Rate = ((part-time rate x 175) + (full-time rate x 30)) / 205 days.

INQUIRIES:

Send inquiries regarding this WD Letter to childcare.programassistance@twc.texas.gov.

ATTACHMENTS:

Attachment 1: Child Care Services Provider Agreement Template

Attachment 2: Child Care Services Provider Rate Addendum Template

Attachment 3: Child Care Services Provider Texas Rising Star Mentoring Agreement

Attachment 4: Revisions to WD Letter 14-22, Change 2, Shown in Track Changes

REFERENCES:

40 Texas Administrative Code, Part 20, Chapter 809, Child Care Services Rules

[CLI Engage User Guide](#)