

**TEXAS WORKFORCE COMMISSION**  
**Workforce Development Letter**

<b>ID/No:</b>	WD 13-20, Ch. 1
<b>Date:</b>	August 28, 2020
<b>Keyword:</b>	Child Care; Natural Disaster
<b>Effective:</b>	Immediately

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



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

**Subject:** COVID-19 and Stabilization Grants for Closed Child Care Providers—*UPDATE*

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**PURPOSE:**

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on discontinuing Child Care Stabilization Grants (Stabilization Grants) to child care programs that were temporarily closed during the initial months of the coronavirus disease 2019 global pandemic (COVID-19).

**RESCISSIONS:**

WD 13-20

**BACKGROUND:**

On May 5, 2020, TWC's three-member Commission (Commission) authorized Boards to cease reimbursement payments to closed providers on June 1, 2020, and to implement Stabilization Grants. The Stabilization Grant is intended to help defray a child care provider's fixed facility costs during the period of closure, helping programs sustain their business and allowing them to reopen at a later time. Staff will review the grant structure monthly to determine utilization and whether any modifications are needed.

On August 24, 2020, the Commission took action to end the Stabilization Grant program, which was designed as a framework to support temporarily closed child care programs. Under the program's parameters, child care providers that received grants were required to attest that they plan to reopen when their zoned public school district reopens physical campuses. Additionally, the Commission noted its intent to continue to monitor the need for Stabilization Grants and evaluate the length of time that grant funds would remain available.

## **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 that the Stabilization Grants program will discontinue effective September 30, 2020, and no additional payments may be authorized for grant months beyond September 2020.

**NLF:** Boards must notify all Stabilization Grant recipients of the policy to discontinue the program effective September 30, 2020.

**NLF:** Boards must be aware that the Stabilization Grant must be paid to eligible providers by the last business day of the month.

**NLF:** Boards must be aware that providers will receive a grant amount from their managing Board, as determined by TWC, that is based upon their provider type, licensed capacity, the 75th percentile of the regional market rate, and Texas Rising Star status. Grant awards must not exceed \$10,000 (or \$10,500 for Texas Rising Star–certified providers).

**NLF:** Boards must retain records of Stabilization Grant payments. These payments will not be tracked in The Workforce Information System of Texas (TWIST).

**NLF:** Boards must be aware that Stabilization Grant payments must be charged to the Board’s regular Child Care Formula (CCF) contract and reported in the Cash Draw and Expenditure (CDER) system under the Closed Provider Stabilization Grants cost category.

**NLF:** Boards must submit a closeout report by October 30, 2020. Reports must be submitted to Board Contract Management at [bcm@twc.state.tx.us](mailto:bcm@twc.state.tx.us), using Attachment 3, “Child Care Stabilization Grant Provider Report Template.”

**NLF:** Boards must be aware that providers will be liable for any grant funds received for which the providers are ultimately determined ineligible. These improper grant award funds will be a debt to the state, which TWC is obligated to collect. TWC will use all resources at its disposal, including a Comptroller’s office warrant hold offset of state funds owed to the grantee, and, ultimately, referral to the Bankruptcy and Collections unit of the Office of the Attorney General for legal action.

**NLF:** Boards must be aware that any provider that receives a Stabilization Grant for a month in which the provider is open is not eligible for any enhanced reimbursement rates in effect for that month (25 percent effective April 2020). Boards must ensure that finance and billing staff members coordinate with program staff to ensure that providers only receive either a Stabilization Grant or the enhanced reimbursement rate for any given month.

**NLF:** Boards must establish a monitoring protocol to ensure that providers receiving the Stabilization Grant use funds only for allowable costs. A Child Care Stabilization Grant Provider Report template (Attachment 3) is provided for Boards to issue to recipients. Boards must require providers to submit reports by the 20th of the second month following the grant award.

Allowable costs include:

- rent or mortgage payments, including past due payments and fees;
- utilities for the facility, including past due payments and fees;
- general liability insurance and property insurance for the facility;
- security system monitoring service fees (if any) for the facility;
- lawn maintenance services for the facility;
- monthly pest management services for the facility that are necessary to prevent infestations or help assure compliance with health and safety standards;
- janitorial services limited to those appropriate for the facility while not in use by children; and
- computer and/or copier lease payments (if any) for the facility.

#### **INQUIRIES:**

Send inquiries regarding this WD Letter to [childcare.programassistance@twc.state.tx.us](mailto:childcare.programassistance@twc.state.tx.us).

#### **REFERENCES:**

Coronavirus Aid, Relief, and Economic Security Act  
Texas Workforce Commission Chapter 809 Child Care Services Rules

#### **ATTACHMENTS:**

Attachment 1: Sample Grant Calculator  
Attachment 2: Notice of Grant Award and Grant Award Agreement Template  
Attachment 3: Child Care Stabilization Grant Provider Report Template