

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 20-20
Date:	September 15, 2020
Keyword:	Child Care; Natural Disaster
Effective:	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 Additional Enhanced Reimbursement Rate Funding Distributions**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on the extension of enhanced reimbursement rates (ERR) for child care providers.

RESCISSIONS:

WD 11-20, Change 1

BACKGROUND:

On May 19, 2020, the Texas Workforce Commission's (TWC) three-member Commission (Commission) authorized the use of \$100 million in Child Care and Development Block Grant (CCDBG) Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to support a temporary increase in child care provider reimbursement rates, currently set at 25 percent. A portion of these funds (\$48,479,540) were distributed to Boards based on their estimated need. The Commission directed staff to make additional funds available to Boards as needed, and TWC staff approved an additional \$25,011,169 to Boards to support the ERR through July 2020. On July 28, 2020 the Commission made an additional distribution of \$25,183,826, from the \$100 million budgeted, to support the estimated costs of the ERR through August 2020.

On August 20, 2020, the Commission authorized the use of an additional \$53.8 million of CCDBG CARES Act funds to continue the ERR through December 2020, bringing the total budgeted for ERR to \$153.8 million. The funds will be distributed as follows:

- Approximately 50 percent of the funds (\$29,293,379) will be available to support estimated ERR costs for September and October, as outlined in Attachment 1.
- The remaining funds will be distributed based on updated data and actual demonstrated need to support the cost reimbursement of ERR in November and December.

Staff will continue to evaluate and analyze data to inform any potential future adjustments.

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: Except for relative child care providers, as defined in TWC Chapter 809 Child Care Services rule §809.2(21), Boards must continue to adjust reimbursement payments to provide an additional 25 percent ERR to providers that were open and provided subsidized care at any time during the service month.

NLF: Boards must ensure that ERR payments are clearly delineated as **separate** from regular reimbursement payments. Boards must also ensure that they communicate that ERR payments are related to COVID-19 and are temporary in nature.

NLF: Boards must retain records of original reimbursement payment amounts and must track the additional 25 percent payment. These payments will not be tracked in The Workforce Information System of Texas (TWIST).

NLF: Boards must be aware that TWC will monitor the COVID-19 crisis and the use of funds monthly and will direct Boards when to discontinue supplemental payments.

NLF: Boards must be aware that TWC will add the BCY’20 funds to Boards’ existing BCY’20 Child Care Formula (CCF) child care grant awards by unilateral amendment.

NLF: Boards must report obligations and expenditures in the Cash Draw and Expenditure Reporting (CDER) system under the following cost categories:

- “CARES—Direct Care At-Risk-869” for TWC COVID-19 essential worker care
- “CARES—Enhanced Reimbursements Direct Care ONLY-869” for the 25 percent enhanced reimbursement payments

The CARES categories will be regular (not supplemental) cost categories for the Fiscal Year 2020 CCF child care grant awards.

ATTACHMENTS:

Attachment 1: Additional Funds for Cost Reimbursement of Enhanced Reimbursement Rate
CCDBG CARES Act Funding

INQUIRIES:

Send inquiries regarding this WD Letter to childcare.programassistance@twc.state.tx.us.

REFERENCES:

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