

COVID-19: Child Care Enhanced Reimbursement Rate Discussion Paper

1 **Background**

2 On May 17, 2020 the Texas Workforce Commission's (TWC) three-member commission
3 (Commission) [authorized the distribution of \\$48,479,540](#) in Child Care and Development Block
4 Grant (CCDBG) Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to Local
5 Workforce Development Boards (Boards) to support enhanced reimbursement rates (ERR),
6 currently set at 25 percent. We noted that additional funds would be made available to Boards
7 based upon actual need.

8 A total of \$100 million in CCDBG CARES Act funds is currently available to support the ERR.
9 Based upon the initial distribution to all Boards (\$48,479,540), and the additional funds that have
10 been made available based upon demonstrated need to cover expenses through July
11 (\$25,011,169) we have obligations totaling \$73,490,709. This leaves a remaining balance of
12 \$26,509,291.

13 **Issue**

14 To continue to support the higher costs of child care during COVID through an Enhanced
15 Reimbursement Rate (ERR), TWC should consider an additional distribution from the remaining
16 available funds. TWC should also consider distributing funds based upon the proportion of ERR
17 funds that Boards have received for payments through July.

18 TWC should also consider retaining a small portion of the remaining funds at the state level; this
19 will allow TWC to distribute additional funds to Boards who have an additional demonstrated
20 need. TWC will closely monitor funds availability and may develop additional recommendations
21 to modify the funds distribution across the state to ensure equitable funds availability.

22 **Decision Point**

23 Staff seeks direction on:

- 24 • Distributing \$25,183,826 to Boards, which is 95 percent of the available balance of
25 \$26,509,291, to support the estimated need of ERR (Attachment 1 "Additional
26 Distribution"); and
- 27 • Retaining 5 percent of the available balance (\$1,325,465) at the state level and making
28 those funds available to Boards whose distribution is determined insufficient.

**Enhanced Reimbursement Rate Additional Distribution
CCDBG CARES Act Funding**

LWDA #	LWDA Name	Initial Distribution ¹	Approved Funding Requests ²	Additional Distribution	Total Distribution
1	Panhandle	\$702,305	\$483,462	\$406,339	\$1,592,106
2	South Plains	\$762,984	\$506,287	\$434,954	\$1,704,225
3	North Texas	\$338,803	\$232,953	\$195,930	\$767,686
4	North Central	\$2,989,128	\$1,004,639	\$1,368,586	\$5,362,353
5	Tarrant County	\$3,449,903	\$2,729,034	\$2,117,401	\$8,296,338
6	Dallas	\$5,917,221	\$1,260,000	\$2,459,493	\$9,636,714
7	North East	\$534,299	\$138,600	\$230,589	\$903,488
8	East Texas	\$1,435,965	\$713,553	\$736,598	\$2,886,116
9	West Central	\$556,345	\$225,750	\$268,009	\$1,050,104
10	Upper Rio Grande	\$1,839,103	\$840,000	\$918,076	\$3,597,179
11	Permian Basin	\$706,759	\$313,276	\$349,546	\$1,369,581
12	Concho Valley	\$167,172	\$69,691	\$81,168	\$318,031
13	Heart of Texas	\$417,062	\$243,233	\$226,270	\$886,565
14	Capital Area	\$1,074,656	\$1,024,800	\$719,442	\$2,818,898
15	Rural Capital	\$924,722	\$1,046,845	\$675,617	\$2,647,184
16	Brazos Valley	\$451,359	\$272,594	\$248,085	\$972,038
17	Deep East Texas	\$645,070		\$221,053	\$866,123
18	Southeast Texas	\$441,664	\$537,927	\$335,687	\$1,315,278
19	Golden Crescent	\$341,859		\$117,148	\$459,007
20	Alamo	\$4,427,486	\$3,600,910	\$2,751,174	\$10,779,570
21	South Texas	\$590,349	\$310,519	\$308,710	\$1,209,578
22	Coastal Bend	\$1,148,516	\$446,608	\$546,618	\$2,141,742
23	Lower Rio Grande	\$3,420,022	\$1,067,850	\$1,537,906	\$6,025,778
24	Cameron County	\$1,399,301		\$479,513	\$1,878,814
25	Texoma	\$359,225	\$171,142	\$181,746	\$712,113
26	Central Texas	\$770,299	\$421,496	\$408,405	\$1,600,200
27	Middle Rio Grande	\$462,480		\$158,483	\$620,963
28	Gulf Coast	\$12,205,483	\$7,350,000	\$6,701,280	\$26,256,763
	Statewide	\$48,479,540	\$25,011,169	\$25,183,826	\$98,674,535

Notes:

1. Approved by the Commission on May 19, 2020.
2. Contract Action Requests (CARs) approved by program staff through July 24, 2020.