

COVID-19 Emergency Child Care Discussion Paper

1 **Background**

2 On March 11, 2020, the World Health Organization declared coronavirus disease 2019 (COVID-
3 19) a global pandemic. Many child care programs are closing or reducing capacity due to illness
4 and public health risk mitigation measures. However, many essential workers continue to require
5 child care to support vital community infrastructure and response efforts during the outbreak.
6 Communities will also require a stable supply of child care to support economic recovery after
7 the pandemic.

8 On March 13, 2020, the Administration for Children and Families (ACF) Office of Child Care
9 (OCC) issued [CCDF Frequently Asked Questions in Response to COVID-19](#). This guidance
10 addresses states' ability to adopt subsidy policies that promote continuity of child care services to
11 impacted children and families, and that maintain support for child care businesses during
12 closures or other disruptions.

13 On March 18, 2020, OCC hosted a webinar to provide additional guidance on potential waivers
14 and state plan amendments that may be approved to help states address the immediate child care
15 needs associated with COVID-19. The following issues address policies the Texas Workforce
16 Commission (TWC) may pursue in response to the COVID-19 emergency.

17 **Issue 1: Protective Services Child Care for COVID Essential Workers**

18 Essential workers are needed to provide essential services, most critically in health care and
19 emergency services, but also across other industry sectors. Many of these essential workers have
20 children, and supporting child care will help ensure this is not a barrier for emergency and
21 support services.

22 Federal rule 45 CFR §98.20 allows states to include specific populations of vulnerable children
23 in the state's definition of protective care. Additionally, the rule allows states to waive income
24 and work requirements for children requiring protective care.

25 OCC provided guidance regarding states' flexibility to define protective services to include
26 emergency eligibility for affected families. States have the option of deeming impacted children
27 to be in need of protective services.

28 Currently, TWC rule §809.2(18) defines "protective services" as children who are referred by the
29 Department of Family and Protective Services (DFPS) and are receiving DFPS general
30 protective care, relative/kinship care, or foster care. These families are exempt from income and
31 work eligibility requirements. Expanding the state's definition of "protective services" would
32 allow TWC to respond to the emergency child care needs of essential workers during the COVID
33 emergency.

34 **Decision Point**

35 Staff seeks direction on:

- 1 • defining COVID Essential Workers as follows:
 - 2 ○ pharmacy and healthcare;
 - 3 ○ first responders;
 - 4 ○ critical local and state government staff;
 - 5 ○ mail/delivery services;
 - 6 ○ nursing homes, child care, home healthcare, and other direct care providers;
 - 7 ○ grocery stores;
 - 8 ○ gas stations;
 - 9 ○ banks;
 - 10 ○ restaurants (with drive-through and delivery);
 - 11 ○ military personnel; and
 - 12 ○ any other worker deemed essential by TWC or local workforce development boards;
- 13 • modifying the CCDF State Plan to create a new category of protective care – COVID
 14 Essential Workers – and to designate children of essential workers who require child care
 15 services as needing “protective services”.

16 **Issue 2: Income Eligibility for COVID Essential Workers**

17 Streamlining eligibility processes for COVID Essential Workers will enable the state to rapidly
 18 respond to critical infrastructure needs during the disaster. To ensure efficient enrollment of
 19 affected families, TWC may seek federal approval to waive income requirements for all COVID
 20 Essential Workers as defined in the CCDF State Plan.

21 TWC may establish a state income threshold for COVID Essential Workers and require parents
 22 to self-attest that they are below the threshold and that they require care in order to work. TWC
 23 could consider establishing a family income threshold of approximately 150% of the state’s
 24 median income (SMI), as follows:

Family Size	150% SMI	TWC Threshold of Approx. 150%
1	61,132	61,000
2	79,942	80,000
3	98,752	99,000
4	117,562	118,000
5	136,372	136,000
6	155,182	155,000

25 **Decision Point**

26 Staff seeks direction on:

- 1 • requesting a federal waiver from OCC to waive income eligibility requirements for
2 COVID Essential Workers and amending the CCDF State Plan accordingly;
- 3 • establishing a state income eligibility threshold for COVID Essential Workers; and
- 4 • authorizing Boards to use a modified eligibility application based on self-attestation of
5 income for COVID Essential Workers.

6 **Issue 3: Work Requirements for COVID Essential Workers**

7 To simplify the eligibility process, TWC may waive the requirement for COVID Essential
8 Workers to document their work hours and instead provide a self-attestation that they are
9 actively employed as an essential COVID worker. A state plan amendment is also needed noting
10 these parameters.

11 **Decision Point**

12 Staff seeks direction on authorizing Boards to use a modified eligibility application based on
13 self-attestation of work status and modifying the CCDF State Plan accordingly.

14 **Issue 4: Federal Waiver of 12 Month Eligibility for COVID Essential Workers**

15 Federal law requires all CCDF-funded child care to be authorized for a minimum of twelve
16 months. Providing care for COVID Essential Workers will incur significant costs and may not be
17 needed for a full twelve months. In order to better manage those costs, TWC may seek a federal
18 waiver of the 12-month-eligibility requirement for children of COVID Essential Workers. A
19 federal waiver would offer flexibility to authorize care during the time of the COVID crisis,
20 rather than in 12-month increments.

21 **Decision Point:**

22 Staff seeks direction on:

- 23 • requesting a federal waiver from OCC to limit the duration of eligibility for COVID
24 Essential Workers to the duration of the crisis, as determined by TWC; and
- 25 • modifying the CCDF State Plan accordingly.

26 **Issue 5: State and Federal Waivers for TWC Supplemental Payments for Parent Share of** 27 **Cost**

28 Given the broad impact of COVID-19, many parents enrolled in the child care subsidy program
29 may face financial hardship. Families may be unable to pay the Parent Share of Cost (PSOC) due
30 to loss of income, inability to leave home due to self-isolation or quarantine, child care program
31 closure, or other COVID-related reasons. Boards have reported that PSOC payments are already
32 being missed across the state. Offsetting the PSOC losses to all affected child care programs
33 could help mitigate the financial impacts to programs.

34 On March 17, 2020, TWC's three-member Commission authorized Boards to make
35 supplemental payments to child care programs to cover lost PSOC payments. OCC has informed

1 states that a federal waiver is required to implement a state policy to temporarily cover PSOC for
2 all subsidy families.

3 **Decision Point**

4 Staff seeks direction on requesting a federal waiver from OCC to allow supplemental payments
5 to programs to cover PSOC for subsidized families during the period of the COVID emergency
6 and amending the CCDF State Plan accordingly.

7 **Issue 6: Supplemental Allocation to Local Workforce Development Areas**

8 Boards will be faced with increased costs for making supplemental payments to child care
9 programs following the cessation of parent’s share of costs payments (pending a federal OCC
10 waiver approval). TWC estimates that an additional \$10 million per month will be required to
11 implement these supplemental payments.

12 Additional resources will also be needed to provide child care to the new COVID Essential
13 Workers.

14 **Decision Point**

15 Staff seeks direction on a CCDF BCY’20 Supplemental Allocation to support additional child
16 care needs related to COVID-19 (see Attachment A).

17 **Issue 7: Extension of Three-Month Job Search Period**

18 COVID-19 is causing an unprecedented increase in unemployment claims across Texas. Many
19 parents will experience a COVID-related layoff or reduction in hours. Many of these parents will
20 also face significant barriers in resuming work at levels sufficient to meet ongoing eligibility for
21 child care services.

22 TWC rule §809.51 requires Boards to end care for non-temporary changes in a parent’s ongoing
23 status in work that exceed three months. Given economic conditions caused by COVID-19, three
24 months may not be adequate for allowing parents to return to work.

25 To support low-income working parents during this time, TWC may consider extending the job
26 search period beyond three months, ensuring stable child care for families during an extremely
27 challenging labor market.

28 **Decision Point**

29 Staff seeks direction on extending the three-month job search period based on ongoing
30 evaluation of labor market conditions and status of the COVID-19 emergency and amending the
31 CCDF State Plan accordingly.

FY 2020 COVID-19 Supplemental Child Care Distribution

LWDA #	LWDA Name	FY 2020 Parent Share of Cost Supplemental Child Care Distribution ¹	FY 2020 Essential Care Supplemental Child Care Distribution ²	FY 2020 COVID-19 Total Supplemental Distribution ^{3,4}
1	Panhandle	\$ 361,972	\$ 320,351	\$ 682,323
2	South Plains	\$ 343,860	\$ 309,205	\$ 653,065
3	North Texas	\$158,262	\$ 142,256	\$ 300,518
4	North Central	\$ 1,407,456	\$ 1,254,289	\$ 2,661,745
5	Tarrant County	\$1,222,062	\$ 1,314,704	\$ 2,536,766
6	Dallas	\$ 2,790,540	\$ 2,330,564	\$ 5,121,104
7	North East	\$ 207,846	\$ 221,071	\$ 428,917
8	East Texas	\$ 626,886	\$ 596,903	\$ 1,223,789
9	West Central	\$ 237,650	\$ 208,555	\$ 446,205
10	Upper Rio Grande	\$ 832,716	\$ 803,543	\$ 1,636,259
11	Permian Basin	\$ 240,368	\$ 275,192	\$ 515,560
12	Concho Valley	\$ 140,726	\$ 87,201	\$ 227,927
13	Heart of Texas	\$ 277,038	\$ 279,480	\$ 556,518
14	Capital Area	\$ 515,636	\$ 674,831	\$ 1,190,467
15	Rural Capital	\$ 447,408	\$ 445,932	\$ 893,340
16	Brazos Valley	\$ 150,788	\$ 218,738	\$ 369,526
17	Deep East Texas	\$ 276,006	\$ 293,921	\$ 569,927
18	Southeast Texas	\$ 160,034	\$ 278,547	\$ 438,581
19	Golden Crescent	\$ 133,092	\$ 131,934	\$ 265,026
20	Alamo	\$ 1,165,284	\$ 1,703,141	\$ 2,868,425
21	South Texas	\$ 483,606	\$ 417,954	\$ 901,560
22	Coastal Bend	\$ 509,836	\$ 439,214	\$ 949,050
23	Lower Rio Grande	\$ 1,804,508	\$ 1,340,429	\$ 3,144,937
24	Cameron County	\$ 675,520	\$ 556,657	\$ 1,232,177
25	Texoma	\$ 122,932	\$ 129,800	\$ 252,732
26	Central Texas	\$ 413,808	\$ 341,670	\$ 755,478
27	Middle Rio Grande	\$ 280,680	\$ 180,051	\$ 460,731
28	Gulf Coast	\$ 4,528,452	\$ 4,703,867	\$ 9,232,319
LWDA Totals		\$ 20,514,972	\$ 20,000,000	\$ 40,514,972

1. Based on the average monthly parent share of cost by Board area over the previous six months, and the average number of children served in January 2020.
2. Based on the Discretionary Child Care methodology found in TWC 800.58, using FY 2020 factor data.
3. 2% quality provisions are not applicable to the COVID supplemental distribution.
4. Adopted by the Texas Workforce Commission March 24, 2020.