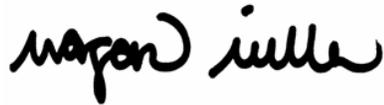


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 08-20, Change 2
Date:	April 29, 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 Child Care Parent Share of Cost—Update**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on the parent share of cost (PSOC) and issuing supplemental payments to child care programs during the ongoing global pandemic of coronavirus disease 2019 (COVID-19).

RESCISSIONS:

WD 08-20, Change 1

BACKGROUND:

Given the broad impact of COVID-19, many parents enrolled in the child care subsidy program are facing financial hardships. Families may be unable to pay the PSOC due to loss of income, inability to leave home due to self-isolation or quarantine, child care program closure, and other COVID-19–related reasons. Offsetting the PSOC losses to all affected child care programs could help mitigate the financial impacts to programs and support the state’s child care supply.

On March 17, 2020, the Texas Workforce Commission’s (TWC) three-member Commission (Commission) authorized Boards to make supplemental payments to child care programs to help offset lost PSOC payments, and on March 26, 2020, TWC issued WD Letter 07-20, “COVID-19 Child Care Services Guidance,” with initial guidance on implementing policies to ensure continuity of services for families and payments for providers.

Additionally, on March 24, 2020, the Commission approved a supplemental distribution to Boards to fund supplemental payments to child care programs to offset lost PSOC payments.

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 families affected by COVID-19 may be unable to pay the PSOC due to loss of income, unforeseen health care expenses, inability to leave home due to self-isolation or quarantine, child care program closure, or other COVID-related reasons. Boards must consider COVID-19 as an extenuating circumstance for families during which the PSOC is unaffordable.

NLF: For the month of April 2020, Boards must:

- waive the PSOC for all families;
- notify parents and child care programs of this policy;
- make supplemental payments to child care programs to offset lost PSOC payments based on the following factors or a locally developed methodology:
 - the six-month average PSOC calculated by TWC (Attachment 1); and
 - each provider’s number of Low-Income and TANF Applicant children in care (regardless of the assessed PSOC) as of the 25th of the previous month; and
- ensure that child care programs receive payment by the 5th of the month.

NLF: As of May 2020, Boards must be aware that all PSOC has been set to \$0 in TWIST. Boards must continue to waive PSOC for all families but must discontinue supplemental payments to offset PSOC. Providers will receive the full subsidy amount in their regular reimbursement payments beginning with the service month of May 2020.

NLF: Boards must be aware that TWC will continue to assess the need to set PSOC to \$0 in TWIST on a monthly basis and will advise Boards of any change in this policy.

NLF: Boards must be aware that TWC calculated each Board’s estimated costs for supplemental payments to programs, based on the average monthly PSOC by each Board’s local workforce development area over the previous six months and on the average number of children served in January 2020 (Attachment 2).

NLF: Boards must be aware that Commission-approved distribution of funds to Boards for direct care expenditures are associated with COVID-19. The distribution includes \$20,514,972 for supplemental payments to child care programs.

NLF: Boards must report April’s supplemental PSOC payments in the Cash Draw and Expenditure Reporting system (CDER) under the new COVID-19 supplemental cost category, “Parent Share.”

LF: Boards may transfer funds between the COVID-19 “Parent Share” and “Essential Care Workers” budget line items in CDER with approval from TWC.

NLF: Boards seeking to transfer funds between these line items must submit a contract action request (CAR) form to BAEL@twc.state.tx.us.

ATTACHMENTS:

Attachment 1: Average PSOC by Local Workforce Development Board

Attachment 2: Fiscal Year 2020 COVID-19 Supplemental Child Care Distribution

Attachment 3: Revisions to WD 08-20, Change 1, Shown in Track Changes

INQUIRIES:

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

REFERENCES:

TWC Chapter 809 Child Care Services Rules

TWC Child Care Services Guide

[WD Letter 07-20, issued March 26, 2020, and titled “COVID-19 Child Care Services Guidance”](#)