

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

<b>ID/No:</b>	WD 15-21, Change 1
<b>Date:</b>	September 15, 2021
<b>Keyword:</b>	Child Care; TWIST
<b>Effective:</b>	Immediately

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



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

**Subject:** Service Industry Recovery Child Care

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**PURPOSE:**

The purpose of the WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on Service Industry Recovery (SIR) child care. Attachment 1, Funds Distribution for Service Industry Recovery, has been updated.

**RESCISSIONS:**

WD Letter 15-21

**BACKGROUND:**

In order to address the impacts of COVID-19 and to support Texas' continued economic recovery, on June 29, 2021, the Texas Workforce Commission's (TWC) three-member Commission (Commission) approved \$500 million to support a new COVID-19 SIR child care program to help low-wage workers in TWC-specified service industries.

While TWC is targeting aspects of the service sector with SIR child care, all families continue to have access to TWC's regular low-income child care subsidy program.

TWC will consider SIR workers under the definition of "protective services child care" in the Child Care Development Fund (CCDF) State Plan.

**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 state’s definition of “protective services” includes a new category: Children of Service Industry Workers. To qualify for SIR child care, at least one parent must be currently employed or entering employment in one of the following TWC-specified service industries:

- [Arts, Entertainment, and Recreation: NAICS 71](#)
- [Accommodation and Food Services: NAICS 72](#)
- [Retail Trade: NAICS 44-45](#)

Note: Individual occupations are listed on the US Bureau of Labor Statistics links above.

**NLF:** Boards must ensure that SIR applicants meet the Commission’s approved modified state income eligibility threshold being at or below 75 percent of the state’s median income (SMI) either monthly or annually, as shown in the following table.

Family Size	TWC Threshold of 75%	TWC Threshold of 75%
	SMI (Monthly)	SMI (Annually)
2	\$3,629	\$43,549
3	\$4,483	\$53,796
4	\$5,337	\$64,043
5	\$6,191	\$74,290
6	\$7,045	\$84,537
7	\$7,205	\$86,458
8	\$7,365	\$88,380
9	\$7,525	\$90,301
10	\$7,685	\$92,222

Note: Parents may use the monthly or annual amount to determine whether they are eligible. The table above is based on new income limits that will be effective for At-Risk child care October 1, 2021. Now and going forward, TWC will use Board Contract Year 2022 (BCY’22) income limits to determine eligibility for the SIR program because it will overlap Board contract years.

**NLF:** Boards must be aware that initial job search is not allowed for SIR child care. Boards must also be aware that a child is eligible for SIR child care if the parent is currently employed or entering employment as a SIR worker as defined above and:

- the parent requires child care services in order to work;
- the family income is at or below 75 percent of SMI; and
- the child:
  - is under age 13 (or, at Board option, under age 19 if disabled);
  - has legal citizenship or immigration status; and
  - resides with a family (including with an individual standing in loco parentis) within the Board’s local workforce development area.

**NLF:** Boards must be aware of the following for eligibility documentation:

- Documentation is required for:

- employment in a SIR-covered industry; and
- child’s legal citizenship status or immigration status.
- Parents may self-attest to the following:
  - Parent requires child care in order to work.
  - Parents are working the required number of hours (25 hour for single-parent households and 50 hours for two-parent households).
  - Family income is at or below 75 percent of SMI.
  - Child resides with the family in the Board’s local workforce development area.

**NLF:** Boards must implement an expedited process to determine eligibility and enroll children of SIR workers, using TWC’s SIR Worker Child Care Enrollment Form or a locally adapted application (including simplified online applications). TWC provided each Board with a SIR Worker Child Care Enrollment Form in English and Spanish.

**NLF:** Boards must be aware that attendance standards—listed in [TWC Child Care Services rule §809.78](#)—apply to children enrolled in SIR child care.

**NLF:** Boards must be aware that, in accordance with provisions for children who need protective services as defined in §809.19(a)(2)(D), TWC SIR workers are exempt from parent share of cost requirements.

**NLF:** Boards must be aware that a SIR worker in a two-parent household in which the other parent is not a SIR worker is eligible for this type of child care as long as the family attests that child care is needed and family income is at or below 75 percent SMI.

**NLF:** Boards must be aware that continued eligibility following the initial 12 months will be conditional on families applying for and meeting the regular child care eligibility requirements for low-income child care (for example, income not exceeding 85 percent SMI, participation hours, and parent copays).

**NLF:** Boards must be aware that TWC SIR workers are not subject to the Continuity of Care requirements described in §809.54. The following are exemptions for SIR child care:

- At the end of 12 months of TWC SIR worker child care, authorization for subsidized care shall be terminated.
- Before terminating care, Boards must ensure that parents receive a 15-day notice of termination and appeal rights.

**LF:** Boards may choose to send redetermination packets before the end of the family’s 12-month eligibility period, if funding is available to continue child care, or may choose to outreach families with the opportunity to complete a waitlist application. TWC encourages communicating with parents at least 45 days before the end of the 12-month eligibility period.

### **TWIST Changes**

**NLF:** Boards must be aware that The Workforce Information System of Texas (TWIST) has been updated to include a new Special Projects code value for SIR (13-Service Industry).

Boards must ensure that staff uses the new Special Projects code when setting up child care services for SIR workers.

**NLF**: Boards must be aware that a new Funding Contract type (SIR) has been added to TWIST and associated with the new Special Projects code (13-Service Industry), enabling Boards to track provider payments for SIR workers.

### **Financial Reporting**

**NLF**: Boards must be aware that TWC will distribute 10 percent of the SIR child care funds, or \$50,000,000, through the BCY'21 Child Care Formula grants. The remaining \$450,000,000 will be distributed through a stand-alone grant beginning October 1, 2021.

**NLF**: Boards must report obligations and expenditures in the Cash Draw and Expenditure Reporting (CDER) system under cost categories with the "SIR" prefix. The SIR categories are regular (not supplemental) cost categories for the grant awards.

**NLF**: Boards must be aware that SIR funding may be expended on administrative and operational costs associated with implementing SIR child care, but administrative costs must not exceed 5 percent.

### **INQUIRIES:**

Send inquiries regarding this WD Letter to [childcare.programassistance@twc.texas.gov](mailto:childcare.programassistance@twc.texas.gov).

### **ATTACHMENTS:**

Attachment 1: Funds Distribution for Service Industry Recovery

Attachment 2: Revisions to WD Letter 15-21 Shown in Track Changes

### **REFERENCES:**

United States Bureau of Labor Statistics, North American Industry Classification System  
TWC Chapter 809 Child Care Services Rules