

TEXAS WORKFORCE COMMISSION
Workforce Development Letter

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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 Stimulus–Funded Child Care Provider Growth Support Payments**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on 20 percent growth support payments for child care providers effective for Board Contract Year 2022 (BCY'22).

RESCISSIONS:

None

BACKGROUND:

The Texas Workforce Commission (TWC) has received increased Child Care and Development Block Grant (CCDBG) funding through multiple pieces of COVID-19–related federal legislation, including the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) and the American Rescue Plan Act (ARPA).

On November 2, 2021, the Texas Workforce Commission’s three-member Commission authorized the use of an estimated \$287 million in CCDBG CRRSA/ARPA funding to support a temporary increase in child care provider reimbursement rates. A 20 percent enhanced payment is in effect for BCY'22. The funds will be distributed as follows:

- A portion of the funds (\$164,373,659) estimated to cover provider growth support payment costs for October 2021–June 2022 will be distributed as outlined in Attachment 1, Initial Board Distributions for Provider Growth Support Payments.
- The remaining funds will be distributed based on updated data and demonstrated need to support the reimbursement of provider growth support payment costs through September 2022.

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 adjust reimbursement payments based on the number of approved referrals for both TWC-referred children and DFPS-referred children to provide the 20 percent monthly growth support payments to providers that were open and provided subsidized care at any time during the service month. Relative child care providers, as defined in TWC Chapter 809 Child Care Services rule §809.2(21), are not eligible for this increased payment.
- NLF:** Boards must ensure that growth support payments are clearly delineated as separate from regular reimbursement payments. Boards must also communicate that growth support payments are related to COVID-19 economic recovery and are temporary in nature.
- NLF:** Boards must be aware that provider growth support payments are approved for BCY’22 and will be in effect for the service months of October 2021 through September 2022.
- NLF:** Boards must be aware that provider growth support payments for October and November 2021 services are retroactive to October 1, 2021. If the Board has already processed reimbursements for October or November, it must add the past growth support payments by January 31, 2022.
- NLF:** Boards must retain records of original reimbursement payment amounts and must track the appropriate additional monthly growth support payments. These payments will not be tracked in The Workforce Information System of Texas (TWIST).
- NLF:** Boards must be aware that TWC will add the additional BCY’22 funds for growth support payments to Boards’ existing BCY’22 Child Care Formula (CCF) child care grant awards by amendment.
- NLF:** Boards must be aware that the initial distribution of funds will be based on the Board’s estimated need for October 2021 through June 2022 payments.
- NLF:** Boards must report obligations and expenditures in the Cash Draw and Expenditure Reporting (CDER) system under “Provider Growth Support Direct Care ONLY-869” for the enhanced reimbursement payments and request funds from the draw line description “CC AY22 Provider Growth Support Supplemental Distribution.”
- NLF:** If a Board’s actual growth support payment costs exceed projected costs previously submitted to TWC, the Board must submit a Contract Action Request (CAR) for additional funds to bcm@twc.texas.gov with details about the shortfall. Approved funds will be added

to the Board's BCY'22 CCF grant and may be used for any overages not previously submitted, as approved in the Board's CAR.

ATTACHMENTS:

Attachment 1: Initial Board Distributions for Provider Growth Support Payments

INQUIRIES:

Send inquiries regarding this WD Letter to childcare.programassistance@twc.texas.gov.

REFERENCES:

Texas Workforce Commission Chapter 809 Child Care Services Rules