



Texas's Response to COVID-19: Child Care Actions

Fact Sheet | January 2021

On March 27, 2020, the CARES Act was signed into law, including \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant to prevent, prepare for, and respond to the coronavirus. This funding represents a 60% increase in total discretionary appropriations for fiscal year 2020, which amounts to \$9.326 billion. States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to help address needs of working families and providers through COVID-19. However, as the funds ran out during the ongoing crisis, many states began pulling from other sources to continue supporting parents and providers alike. This fact sheet explains the actions Texas took to support the child care industry and working parents through 2020.

Texas received \$371.6 million in supplemental CCDBG funds through the CARES Act.

The state dedicated \$200 million to subsidize three months of child care for essential workers and to support the high costs for providers operating with reduced class sizes. The state developed a new online portal to help frontline workers, including child care workers, locate child care and apply for subsidies. Income eligibility was also expanded to 150% of the state median income, or about \$99,000 annually for a three-person household. Parents who qualified for the frontline subsidy were not required to pay a copayment or fees.

Licensed providers that remained open were required to complete an Emergency Notification Survey that collected information such as ages served, hours of operations, capacity, and ratio requirements. The 28 local Workforce Development Boards across the state each set reimbursement rates based on the type of program (center, home, etc.), age of children, and quality rating. These boards were responsible for developing planning and oversight responsibilities for workforce programs and services in their area, including the child care subsidy program.

For providers who were not licensed, Texas created a Temporary Emergency Child Care Operation (TECCO) permit valid for 60 days that was renewable through the extent of the pandemic. Each TECCO was only permitted to provide child care to essential workers or for children receiving protective services. These programs were required to comply with health and safety standards.

In May, the state offered Stabilization Grants to support the reopening of providers that temporarily closed. As of June 1, the state no longer covered parent copayments. However, providers received a 25% enhanced reimbursement rate when enrolled children were absent from child care.

On August 20, the Texas Workforce Commission (TWC) dedicated an additional \$53.8 million of the supplemental CCDBG funds to extend enhanced subsidy payments through December. An additional \$19.3 million was distributed to Local Workforce Development Boards to defray the higher costs of providing child care. However, the TWC announced on August 24 that Stabilization Grants for closed child care providers would be discontinued effective September 30, as the purpose of this funding program was to offer temporary assistance for providers as they reopened.

When schools first closed at the beginning of the pandemic, Texas identified the need for affordable school-age care and covered full-time child care for students who originally received part-time afterschool care. The TWC announced on August 20 that it authorized an additional \$33 million in supplemental CCDBG dollars for school-age care assistance and that providers could receive subsidies for school-age care provided during online school hours in FY2021.

At the time of publication, the state had yet to announce further plans to support child care and school-age care providers into the 2021 calendar year.