

COVID Child Care State Waiver to Temporarily Allow Initial Job Search Discussion Paper

1 **Background**

2 Under the federal Child Care Development Block Grant (CCDBG) regulations, 45 CFR [§98.21\(a\)\(2\)\(iii\)](#),
3 states may initially qualify a family for assistance if they are seeking employment or engaged in job
4 search, and may end assistance after a minimum of three months if the parent has not found employment.

5 However, under the Texas Workforce Commission's (TWC) existing rules, 40 TAC [§809.41](#),
6 unemployed parents who are looking for work are not initially qualified to receive child care subsidies.
7 Only parents who are working or in education/training are initially qualified to receive child care
8 subsidies. Once determined eligible and receiving child care, if a parent has a permanent job loss, under
9 40 TAC [§809.51\(b\)](#) they are afforded a three month period to provide the parent with an opportunity to
10 become reemployed.

11 Additionally, CCDBG regulations set forth parameters for how states are required to establish the parent
12 copay. [45 CFR §98.45\(k\)](#) requires that copays are based on family income and family size. [45 CFR](#)
13 [§98.21\(a\)\(3\)](#) notes that "Lead Agencies cannot increase family co-payment amounts, established in
14 accordance with [§98.45\(k\)](#), within the minimum 12-month eligibility period...."

15 **Issue**

16 Unemployed parents could more easily secure employment if they had child care during job search. This
17 has been highlighted as result of COVID-19. Some families on Boards' waiting lists are unemployed at
18 the time they are outreached for enrollment. And, unemployment insurance claimants often report
19 challenges with searching for work due to their need for child care.

20 TWC's three-member Commission (Commission) should consider temporarily waiving TWC's rule, 40
21 TAC [§809.41\(a\)\(3\)\(B\)](#), to provide additional flexibility, allowable under federal CCDBG law and
22 regulations, to support families who are engaged in job search at initial eligibility.

23 TWC will provide guidance to the Local Development Workforce Boards on how to implement parent
24 copays for parents who are in initial job search. This guidance will instruct the Boards to initially
25 establish a parent copay, and then waive that copay during the job search period. When the parent
26 becomes employed, their parent copay will be reinstated based on the initially established copay or the
27 actual family income, whichever is lower.

28 **Decision Point**

29 Staff seeks the Commission's direction on waiving TWC's rules, effective July 1, 2021 through
30 September 30, 2022 to temporarily allow for job search as follows:

- 31 • Waive 40 TAC [§809.41\(a\)\(3\)\(B\)](#) regarding a child's general eligibility for child care services, which
32 currently limits child care to families whose parents require child care in order to work or attend job
33 training/education. The waiver will allow parents who do not meet the work/education/training
34 requirement to receive child care subsidies for a maximum of three months. If they are able to meet
35 these requirements within three months, their eligibility will continue for a total of twelve months,
36 inclusive of the three-month job search period. If they are unable to meet the work/education/training
37 requirement within the three-month period, their child care will be terminated.