

Statewide Parent Share of Cost Methodology Discussion Paper

1 Background

2 On September 13, 2022, the Texas Workforce Commission's (TWC) three-member Commission (Commission)
3 amended Chapter 809 Child Care Services (CCS) rule §809.19 to create a standard statewide policy on Parent
4 Share of Cost (PSoC) assessments that would allow for greater consistency in ensuring that the PSoC amount is
5 affordable and would be aligned more closely with the percentage of the family income. New §809.19(b) states
6 that the PSoC amount is established by the Commission and determined on a sliding fee scale based on the
7 family size and gross monthly income and represented by a percentage of the state median income (SMI) up to
8 85 percent SMI.

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10 The Commission noted in the preamble to the final rules that the actual percentage of income to be used will be
11 established, reviewed, and, if necessary, modified by the Commission on an annual basis as the annual SMI
12 amounts are released.

13
14 The new statewide PSoC standard will require substantial changes to the child care automated system to be
15 included in the new Child Care Case Management (CCCM) system scheduled to be completed in 2023.
16 Therefore, the Commission adopted an **effective date of December 1, 2023**, for the new statewide PsoC
17 assessment policy.

18 Issue

19 Commission approval of the methodology for the PSoC assessment is needed to prepare Boards for full
20 implementation of the statewide PSoC assessment policy and to ensure accurate programming for the CCCM
21 system.

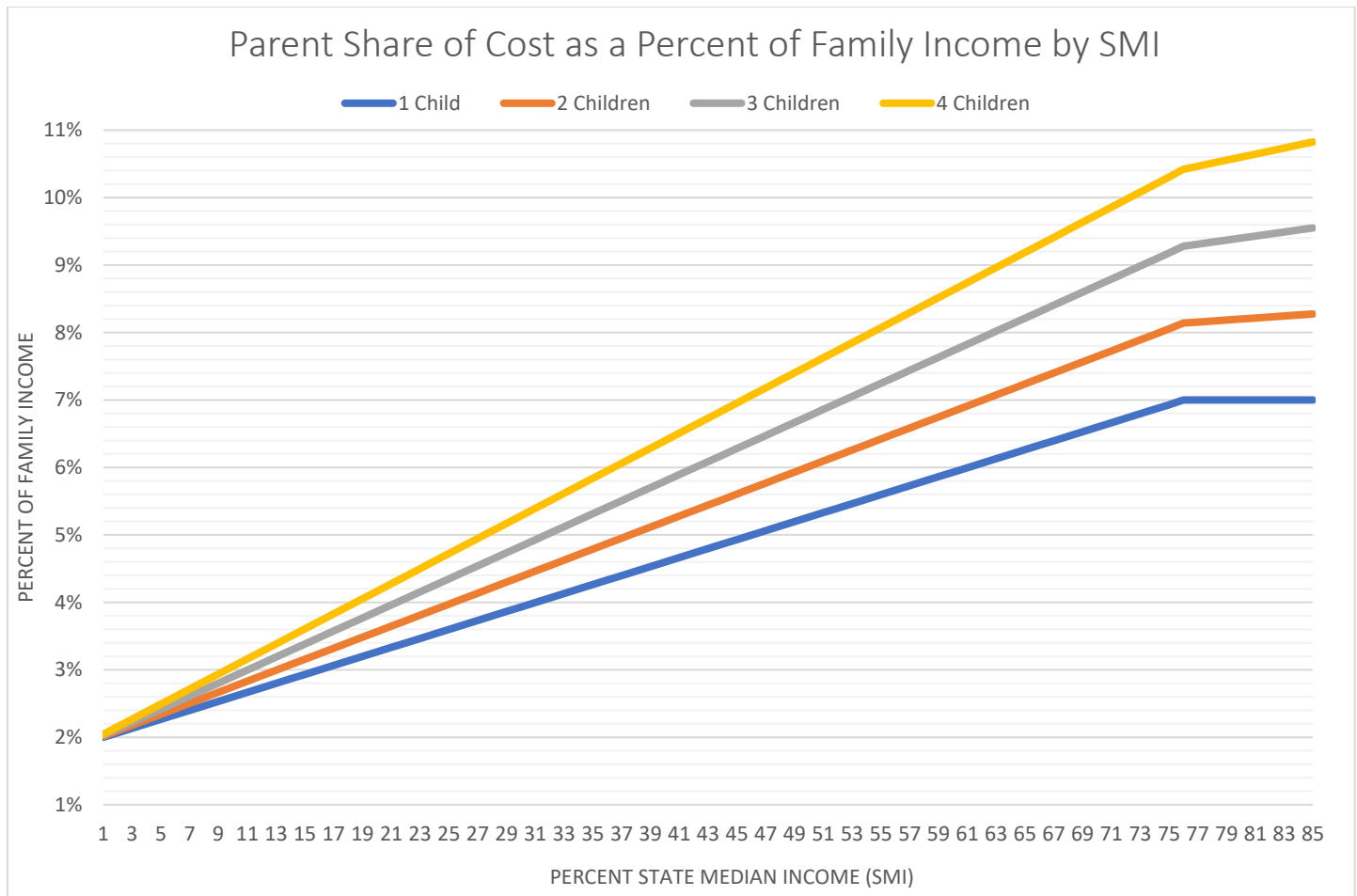
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23 Staff recommends that the Commission consider the following methodology for assessing a family's PSoC (see
24 Charts in Attachment 1-4):

- 25 • for **one child in care**
 - 26 ○ establishing a minimum PSoC amount of 2 percent of the family income for families beginning
 - 27 at the lowest income level (1 percent of the SMI)
 - 28 ○ gradually increasing the PSoC up to a maximum of 7 percent of the family income for a family
 - 29 from 76 to 85 percent of the SMI.
 - 30
- 31 • for **each additional child in care**, a gradual percent increase, with a limit of 13 percent of the family
32 income

33 The methodology would go into effect with implementation of the new CCCM system in the fall of 2023

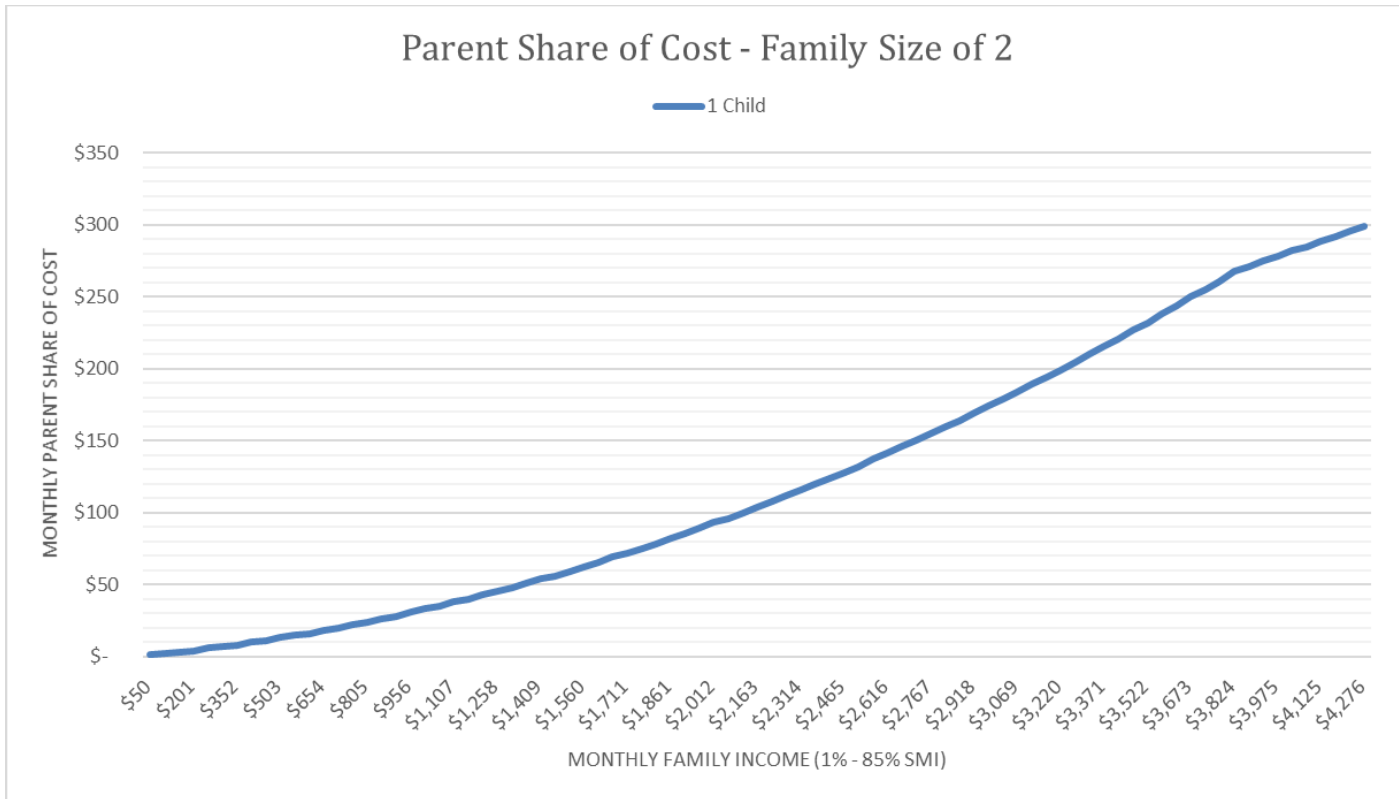
34 Decision Point

35 Staff recommends the approving the methodology for assessing a family's PSoC as outlined above and
36 authorizing staff to amend the Federal Fiscal Year 2022-2024 Child Care & Development Fund State Plan
37 accordingly.
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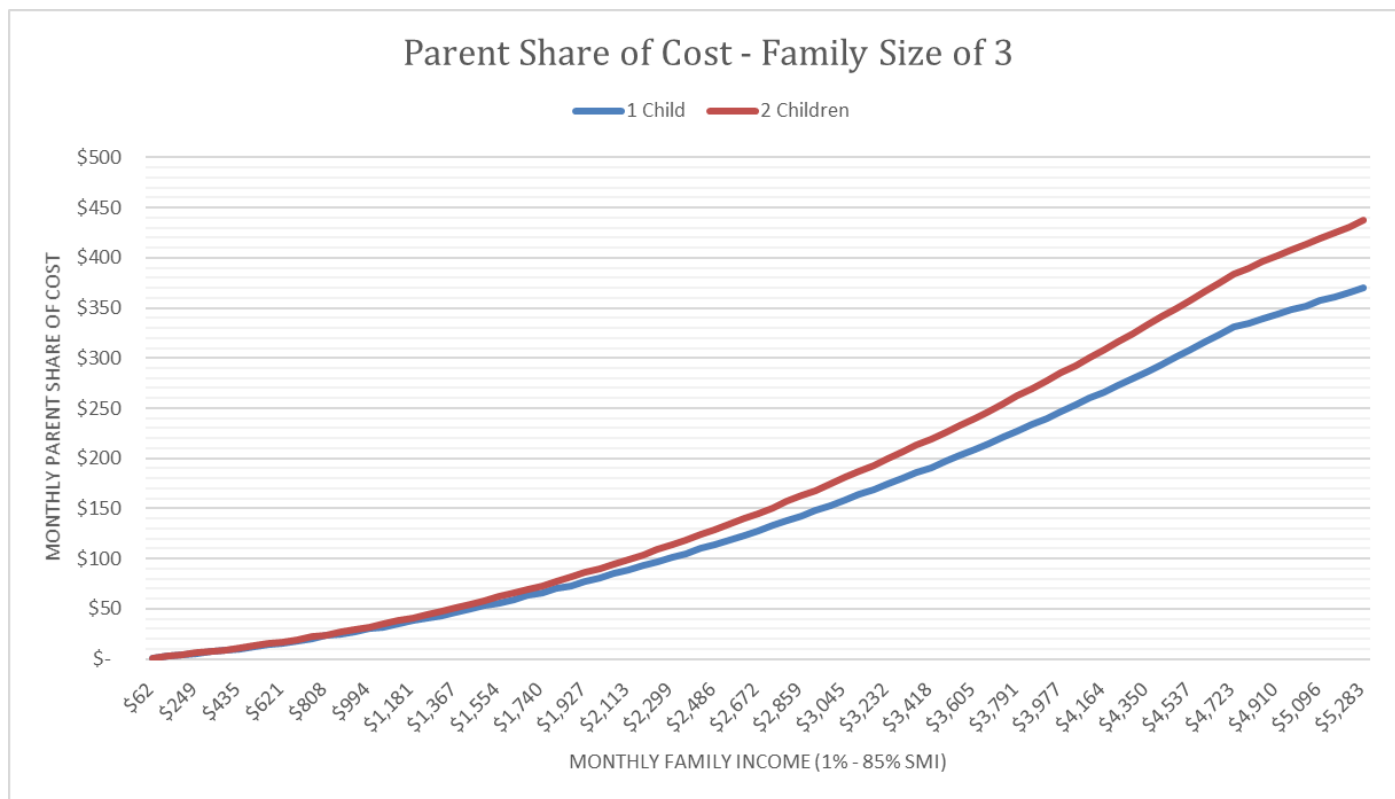


Percent SMI	Percent of Income for Parent Share of Cost			
	1 Child in Care	2 Children in Care	3 Children in Care	4 Children in Care
1% to 10%	2% to 2.60%	2.02% to 2.75%	2.03% to 2.90%	2.05% to 3.05%
>10% to 20%	2.61% to 3.27%	2.76% to 3.57%	2.91% to 3.87%	3.06% to 4.17%
>20% to 30%	3.28% to 3.93%	3.58% to 4.38%	3.88% to 4.83%	4.18% to 5.28%
>30% to 40%	3.94% to 4.60%	4.39% to 5.20%	4.84% to 5.80%	5.29% to 6.40%
>40% to 50%	4.61% to 5.26%	5.21% to 6.01%	5.81% to 6.76%	6.41% to 7.51%
>50% to 60%	5.27% to 5.93%	6.02% to 6.83%	6.77% to 7.73%	7.52% to 8.63%
>60% to 70%	5.94% to 6.60%	6.84% to 7.65%	7.74% to 8.70%	8.64% to 9.75%
>70% to 76%	6.61% to 7%	7.66% to 8.14%	8.71% to 9.28%	9.76% to 10.42%
>76% to 85%	7%	8.15% to 8.28%	9.29% to 9.55%	10.43% to 10.83%

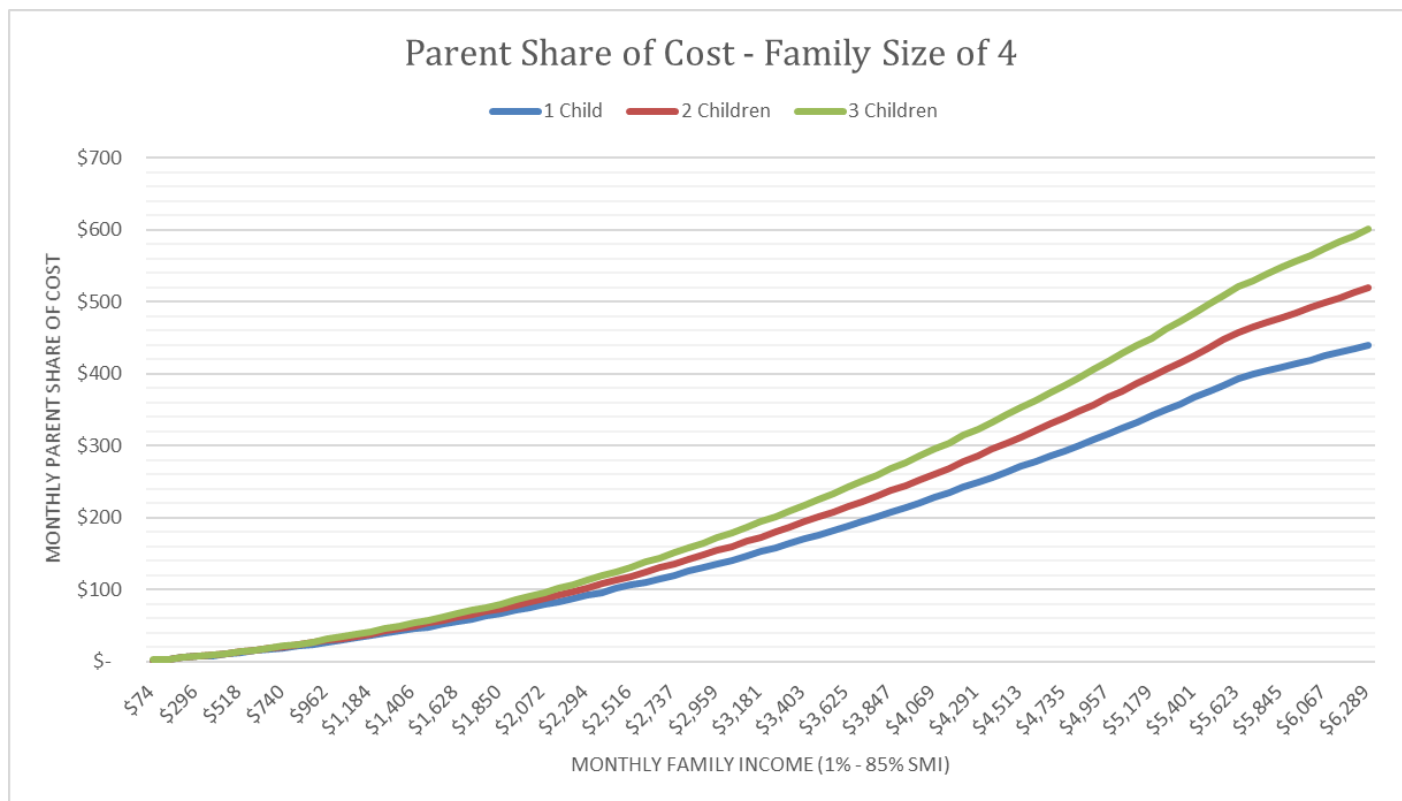
The charts below show the parent share of cost amounts from 1 percent to 85 percent SMI for a family size of 2, 3 and 4 respectively.



Percent SMI	Income for Family Size of 2	Parent Share of Cost (1 Child in Care)
1% to 10%	\$50 to \$503	\$1 to \$13
>10% to 20%	\$504 to \$1,006	\$14 to \$33
>20% to 30%	\$1,007 to \$1,509	\$34 to \$59
>30% to 40%	\$1,510 to \$2,012	\$60 to \$93
>40% to 50%	\$2,013 to \$2,516	\$94 to \$132
>50% to 60%	\$2,517 to \$3,019	\$133 to \$179
>60% to 70%	\$3,020 to \$3,522	\$180 to \$232
>70% to 76%	\$3,523 to \$3,824	\$233 to \$271
>76% to 85%	\$3,825 to \$4,276	\$272 to \$299



Percent SMI	Income for Family Size of 3	Parent Share of Cost (1 Child in Care)	Parent Share of Cost (2 Children in Care)
1% to 10%	\$62 to \$621	\$1 to \$16	\$1 to \$17
>10% to 20%	\$622 to \$1,243	\$17 to \$41	\$18 to \$44
>20% to 30%	\$1,244 to \$1,864	\$42 to \$73	\$45 to \$82
>30% to 40%	\$1,865 to \$2,486	\$74 to \$114	\$83 to \$129
>40% to 50%	\$2,487 to \$3,107	\$115 to \$164	\$130 to \$187
>50% to 60%	\$3,108 to \$3,729	\$165 to \$221	\$188 to \$255
>60% to 70%	\$3,730 to \$4,350	\$222 to \$287	\$256 to \$333
>70% to 76%	\$4,351 to \$4,723	\$288 to \$331	\$334 to \$384
>76% to 85%	\$4,724 to \$5,283	\$332 to \$370	\$385 to \$437



Percent SMI	Income for Family Size of 4	Parent Share of Cost (1 Child in Care)	Parent Share of Cost (2 Children in Care)	Parent Share of Cost (3 Children in Care)
1% to 10%	\$74 to \$740	\$1 to \$19	\$1 to \$20	\$2 to \$21
>10% to 20%	\$741 to \$1,480	\$20 to \$48	\$21 to \$53	\$22 to \$57
>20% to 30%	\$1,481 to \$2,220	\$49 to \$87	\$54 to \$97	\$58 to \$107
>30% to 40%	\$2,221 to \$2,959	\$88 to \$136	\$98 to \$154	\$108 to \$172
>40% to 50%	\$2,960 to \$3,699	\$137 to \$195	\$155 to \$222	\$173 to \$250
>50% to 60%	\$3,700 to \$4,439	\$196 to \$263	\$223 to \$303	\$251 to \$343
>60% to 70%	\$4,440 to \$5,179	\$264 to \$342	\$304 to \$396	\$344 to \$450
>70% to 76%	\$5,180 to \$5,623	\$343 to \$394	\$397 to \$458	\$450 to \$522
>76% to 85%	\$5,624 to \$6,289	\$395 to \$440	\$459 to \$520	\$553 to \$601