

Child Care Development Block Grant (CCDBG) COVID-19 Federal Funding Eighth Tranche of New Initiatives Discussion Paper

Background

The Texas Workforce Commission (TWC) has received increased Child Care and Development Block Grant (CCDBG) funding through several COVID-19 related pieces of federal legislation:

CARES – TWC previously received \$371,663,374 of [Coronavirus Aid, Relief, and Economic Security](#) (CARES) Act funding. The majority of these funds were budgeted to support a temporary enhanced reimbursement rate for subsidy child care providers, and to fund a temporary essential worker child care program.

CRRSA – TWC is receiving \$1,135,748,591 in Child Care Development Block Grant (CCDBG) funds from the [Coronavirus Response and Relief Supplemental Appropriations Act, 2021](#) (CRRSA). On February 23, 2021, the Commission approved the [Planned Use of CRRSA Funds Report outlining possible uses for these funds](#).

ARPA – TWC will also receive \$4,424,303,632 CCDBG funding through the [American Rescue Plan Act](#) (ARPA) as follows:

CCDF Discretionary Funds	\$1,703,369,713
CCDF Stabilization Grant Funds	\$2,724,368,837

TWC’s three-member Commission (Commission) will consider additional investments of these funds. See Attachment 1 for an overview of funding.

Issue 1: TEA Support for Prekindergarten Partnership Development- **\$2.4 million**

On November 2, 2021 the Commission took action on the [Fourth Tranche](#), approving funding for TWC to support the development of new Prekindergarten (Pre-K) Partnerships, and noting that the Texas Education Agency (TEA) would be considering a complimentary strategy to also support Pre-K Partnership expansion.

The Commission should consider dedicating \$2.4 million for TEA to design a Pre-K Partnership Expansion program, to be conducted in partnership with the Texas A&M University System, and pilot Hub Funding Intermediary model. Through this new model, the Intermediary will help prospective partnerships identify all possible funding sources including Foundation School Program (FSP) funding, early education allotment, and federal and state grants received by Local Education Agencies (LEAs); parent tuition and childcare subsidies received by child care centers. The Intermediary would then facilitate the pass through of a majority of LEA funding – first to the Intermediary, and then on to the child care program. The intent is to provide supplemental financial support to establish partnerships and reduce the administrative burden on LEAs, with the Intermediary handling child care program recruitment, contract development, and reporting.

The long-term role of the Hub Funding Intermediary is to provide continued assistance with financial and reporting logistics for Pre-K Partnership classrooms and LEAs. It is expected that the Intermediary will retain a portion of the FSP funding to cover operational costs, while providing the majority of those funds to child care centers for use in supporting high-quality Pre-K instruction.

Decision Point

Staff recommends that the Commission approve \$2.4 million for TEA to pilot the Hub Funding Intermediary model in support the development of new Pre-K Partnership classrooms.

Project	Date Approved	Funding Level
Essential Worker Child Care	March 24, 2020	\$52,400,000
Enhanced Reimbursement Rate	May 19, 2020 July 28, 2020 August 20, 2020 January 12, 2021	\$207,200,000
FY20 Low-Income Child Care	August 20, 2020	\$17,500,000
FY21 Low-Income Child Care	August 20, 2020	\$33,300,000
<u>First Tranche</u>		
2021 Child Care Relief Funds (up to \$775 million)	May 4, 2021	\$58,000,000
TA/Business Coaches	May 4, 2021	\$15,000,000
<u>Second Tranche</u>		
Service Industry Recovery Child Care (up to \$500 million)	June 29, 2021	\$300,000,000
Texas Rising Star Support	June 29, 2021	\$30,000,000
Texas Rising Star Contracted Slots Pilot	June 29, 2021	\$1,200,000
Training: Early Childhood Apprenticeship Program Development	June 29, 2021	\$3,450,000
TWC Program Administration	June 29, 2021	\$5,678,743
<u>Third Tranche, Third Tranche Modification</u>		
2022 Child Care Relief Funds (<i>increased in the 5th Tranche</i>)	October 19, 2021	\$2,451,931,953
TRS Program Administration	October 19, 2021	\$42,500,000
CCRF Program Monitoring	January 11, 2022	\$20,000,000
<u>Fourth Tranche</u>		
FY22-24 Low Income Child Care	November 2, 2021	\$293,200,000
Matching Grants to Improve Quality	November 2, 2021	\$25,000,000
TWC PreK Partnership Expansion	November 2, 2021	\$26,000,000
Training: Professional Development Scholarship Expansion	November 2, 2021	\$7,000,000
Shared Services Alliances	November 2, 2021	\$25,000,000
Studies/Evaluations	November 2, 2021	\$1,602,000
FY22 CCS Provider Enrollment/Growth Support	November 2, 2021	287,000,000
<u>Fifth Tranche</u>		
Outreach/Education Campaigns	February 1, 2022	\$10,000,000
Training: Texas A&M Agri-Life	February 1, 2022	\$8,000,000
Training: HHSC/ECI	February 1, 2022	\$4,545,000
Training: Skills for Small Business/Child Care	February 1, 2022	\$1,000,000
2022 CCRF Increase (<i>bringing total to \$3.45 billion</i>)	February 1, 2022	\$1,000,000,000
Child Care Industry Expansion	February 1, 2022	\$75,000,000
<u>Sixth Tranche</u>		
Child Care Regulation IT Enhancements	March 8, 2022	\$10,700,000
Child Care Business Coaching, extension	March 8, 2022	\$15,000,000
Cost of Quality Calculator Online Tool	March 8, 2022	\$500,000

<u>Seventh Tranche</u>		
FY22-24 Low Income Child Care	March 22, 2022	\$314,750,000
<u>Eighth Tranche (this Discussion Paper)</u>		
TEA Prek Partnerships	TBD: April/May	\$2,400,000

	Total Approved	\$5,867,857,696
	Remaining Balance	\$67,292,819