

Bipartisan COVID Legislation – Overview of New Child Care Funding

[H.R. 133, the Consolidated Appropriations Act, 2021](#) contained coronavirus emergency response and relief provisions, including additional funding for the Child Care Development Block Grant (CCDBG) (page 733 of 2124). The law authorizes \$10 billion in additional CCDBG funds.

On February 3, 2021 the U.S. Department of Health and Human Services (HHS) issued state allotments; **Texas will receive \$1,135,748,591**. Funds must be obligated by September 30, 2022 and expended by September 30, 2023.

H.R. 133 directs states as follows:

1. **Nonsupplantation Requirement**

Funds shall be used to supplement, not supplant State, Territory, and Tribal general revenue funds.

2. **Requires States Use a Portion of Funds to Assist Providers Not Receiving CCDBG**

States shall use a portion of funds to provide assistance to CCDF eligible child care providers not previously receiving CCDBG assistance prior to COVID to assist with maintaining or resuming operations, including increased operating costs, fixed costs, cleaning, sanitation, etc.

3. **Directs States to Publicize and Provide Technical Assistance**

States shall publicize widely the availability of, and provide technical assistance to help providers apply for, funding available

4. **Requires States to Submit an Implementation Plan.**

States must submit a plan within 60 days of the date of enactment on how funds will be spent (estimated due date of February 26, 2021), in such a manner as the HHS requires.

Funds may be spent on any CCDBG allowable activity. In addition, the legislation highlights the following:

1. States are encouraged to place conditions on payments to ensure that a portion of funds received are used to continue to **pay the salaries and wages of staff**
2. States are authorized to use funds for **essential worker child care** (without regard to income eligibility)
3. States may provide **relief from copayments** and tuition payments for families, and may pay the portion of child care providers' costs ordinarily paid through family copayments to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to COVID-19
4. States are authorized to use funds to provide **technical assistance** to help providers implement COVID health and safety practices/policies
5. States may use funds to restore amounts, either directly or through reimbursements, for **obligations incurred, prior to the date of enactment of this Act**, to prevent, prepare for, and responds to COVID

TWC’s Initial Considerations for the Investment of Approx. \$1B in CCDBG Funds
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The Texas Workforce Commission (TWC) has not made any decisions on how the new CCDBG funds will be invested. Below is a DRAFT list of projects that TWC is considering.

<p>Support for all Child Care Providers</p> <ul style="list-style-type: none"> ● Grants to All Providers – one-time grants to all licensed child care centers, licensed child care homes and registered child care homes; include consideration of a provider’s Texas Rising Star certification status ● Technical Assistance/Business Coaches – to assist child care providers with accessing business supports, including TWC’s one-time grants
<p>Low-Income Child Care Subsidies FY22 & FY23 – increase funds allocated to Local Workforce Development Boards for Low-Income Child Care</p>
<p>Texas Rising Star – Increase Supports for Texas Rising Star Providers</p> <ul style="list-style-type: none"> ● Expansion of Contracted Slots in Texas Rising Star providers (3 and 4 Star Providers), by Local Workforce Development Boards electing to implement contracted slots ● Parent Education & Outreach – Campaign on Quality Child Care / Texas Rising Star ● New Provider Incentive – one-time incentive funding to assist new providers entering Texas Rising Star
<p>Child Care Supply Capacity Building</p> <ul style="list-style-type: none"> ● PreK Partnership Expansion ● Family Child Care Support ● Employer Site-Based Child Care – to assist in the development of employer site-based child care ● Articulation – support to develop/expand apprenticeship programs, including articulation agreements between Community Colleges and Universities ● Apprenticeship – expansion of early childhood registered apprenticeship programs, including articulation of credit between apprenticeship programs and community colleges ● Shared Services ● Rural Child Care Capacity Building
<p>Supports for Early Childhood Professionals</p> <ul style="list-style-type: none"> ● Professional Development Scholarships expansion ● Training on Social Emotional Child Development
<p>Studies/Evaluation/Planning</p> <ul style="list-style-type: none"> ● Update ECE Core Competencies ● Update I&T Early Learning Guidelines ● Workforce Strategic Plan on ECE Workforce ● Update ECE Needs Assessment ● Update ECE Strategic Plan