

1 **Child Care Collaborative Grants**
2 **Discussion Paper**

3 **Background**

4 The Bipartisan Budget Act of 2018 (Act) was enacted on February 9, 2018. The Act included a
5 historic funding increase in the Child Care and Development Fund (CCDF) through the Child
6 Care and Development Block Grant (CCDBG). The increased funding will support greater
7 investments in quality initiatives as well as direct care for eligible families. Because of the Act,
8 Texas received an additional \$229.9 million in CCDF funds for child care services.
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10 CCDF regulations require states to:

- 11 • spend at least 8 percent of total Fiscal Year 2018 (FY'18) and FY'19 CCDF expenditures on
12 activities designed to improve the quality of child care services;
- 13 • spend 9 percent of total FY'20 and each succeeding FY's CCDF expenditures on activities
14 designed to improve the quality of child care services; and
- 15 • dedicate 3 percent of CCDF expenditures for activities to improve the quality of child care
16 for infants and toddlers.

17
18 On June 14, 2018, the Texas Workforce Commission's (TWC) three-member Commission
19 directed that \$8 million of the additional funds be made available for collaborative matching
20 grants, with \$2 million of the overall funding specifically dedicated to improving quality for
21 infant and toddler care.
22

23 **Issue**

24 Based on input from stakeholders and further research surrounding potential infant toddler
25 models, additional funding is needed to improve the quality and availability of infant and toddler
26 care. The commission could direct \$3 million (\$1 million in additional funding from the funds
27 approved on June 14, 2018) to develop a statewide Infant and Toddler Specialist Network
28 (ITSN).
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30 **Decision Points**

31 Staff seeks direction on repurposing \$1 million out of the \$8 million in CCDF funding
32 previously approved on June 14, 2018 for collaborative matching grants to further support the \$2
33 million already approved for improving the quality and availability of infant and toddler care. In
34 total, \$3 million in CCDF funds would be used for the development and implementation of a
35 statewide system of ITSNs. TWC anticipates making one award with a match requirement of 20
36 percent.
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38 Staff further seeks direction on the use of the remaining \$5 million in previously approved
39 CCDF funding for collaborative matching grants to support at least one project for each of the
40 strategies listed below. Each project would include a 20 percent match requirement:

- 41 1. Child Care Staff Retention Strategies
- 42 2. Addressing Challenging Behaviors and Reducing Suspensions and Expulsions
- 43 3. Family Child Care Networks