

1 **CHILD CARE INDUSTRY PARTNERSHIP PROGRAM**
2 **DISCUSSION PAPER**
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4

5 **Background**

6 Many private employers and corporate foundations are interested in investing in the early
7 childhood system to help foster and promote early education efforts and to build a strong
8 foundation of support for the future workforce. The Texas Workforce Commission (TWC) can
9 leverage these private investments with Child Care and Development (CCDF) funding to build
10 and enhance Local Workforce Development Board (Board) partnerships with entities who want
11 to support early childhood efforts.
12

13 **Issue**

14 The Child Care Industry Partnership (CCIP) program would be similar to the Texas Industry
15 Partnership (TIP) program, which provides a 100 percent match for local cash contributions from
16 industry partners (private employers and corporate foundations). CCIP will leverage CCDF
17 funds for activities which improve the quality of child care (excluding direct child care services).
18 While TIP allows local cash match contributions to be retained by the industry partner, CCIP
19 will require that local cash match be donated to the Board and accepted by TWC’s three-member
20 Commission as CCDF match. Partner match funds will be added to the CCIP grant, along with
21 the CCDF matching funds. These partner cash match donations are separate and apart from the
22 Board’s annual local match target funds and are an opportunity for Boards to leverage additional
23 donations to expand early childhood efforts.
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25 Boards partnering with a corporation/foundation may submit an application to TWC detailing
26 how they would like to invest these funds in local efforts to expand and improve the quality of
27 child care. TWC will provide CCIP matching funds to support the following quality
28 improvement activities. TWC is available for consultation and technical assistance to help
29 Boards develop these strategies.
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- 31 • **Apprenticeship** - Develop an Early Childhood Apprenticeship Program or Pre-
32 Apprenticeship Program; funds could be used to assist with program development, to pay
33 for the classroom training, or to support stipends for apprentices.
- 34 • **Family Child Care** - Invest in home-based child care providers -- this could include
35 professional development, access to grants/materials, business infrastructure for
36 administrative functions, building or supporting a Family Child Care Network, or
37 investing to improve the quality of care provided in Family Child Care settings.
- 38 • **Prekindergarten Partnerships** - Develop pre-k partnerships – this could include
39 funding temporary staff or contracting with an entity to assist in the development of
40 partnerships, the provision of targeted coaching to help programs become “partnership
41 ready”, outreach to school districts, and more.
- 42 • **Business Support** – consider strategies that support business needs of child care
43 providers, which could include the support or expansion of a Shared Services Alliance,
44 assistance with tax preparation, or business mentoring. The U.S. Chamber of Commerce

1 Foundation has published [case study examples](#) of Shared Services Alliances as part of its
2 [Leading the Way: A Guide for Business Engagement in Early Education](#).

- 3 • **Wage Supplementation or Stipends** – Consider projects that incentivize retention,
4 training or education. For example, the [Jeanette Watson WAGES program](#) in Capital
5 Area provides a wage supplement to directors and teachers who have furthered their
6 education in early childhood education and who work with children from low-income
7 families. Boards may also wish to consider programs that provide a salary supplement to
8 promote staff retention and reduce turnover, such as the [WAGES program](#) implemented
9 in North Carolina.
- 10 • **COVID-19 Response/Recovery** – comprehensive response to COVID-19, which may
11 include social emotional supports to child care staff or children, or grants to programs
12 who have increased expenses and reduced income due to COVID-19, and other quality
13 activities that were outlined in [TA Bulletin 298](#) which provided considerations for Child
14 Care Quality Expenditures During the COVID Pandemic; Boards may also want to
15 consider how activities could support home-based providers, which may be a preferable
16 choice for families during a pandemic.
- 17 • **Program Capacity Expansion** – funding materials and resources to open new child care
18 facilities or classrooms, as long as funds do not revert to the donor’s facility or use. For
19 example, funds could be used to support the use of an existing classroom in an ISD, a
20 church space currently only used for Sunday school, expanding facilities or classrooms to
21 support nontraditional/evening hour child care, or a current provider space that is
22 repurposed for infant/toddler.
- 23 • **Local Child Care Studies** – funding locally targeted studies, which may include local
24 needs assessments, supply/demand analysis, or cost of quality studies.

25 Boards may submit grant applications for other quality improvement efforts, subject to review
26 and approval by TWC. TWC is interested in supporting applications that invest in activities to
27 further improve the quality of child care, support provider’s Texas Rising Star progression,
28 promote early learning, support the professional development and educational qualifications of
29 early learning educators, expand partnerships, and support the child care industry so it may
30 continue to provide services that are necessary to a vibrant Texas economy.

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32 TWC is not interested in supporting quality investments that do not support the strategic
33 development and expansion of quality improvement efforts. For example, stand-alone purchases
34 of health and safety items such as defibrillators, video equipment, shade structures and
35 playground equipment that are not part of comprehensive project, will not be funded. Boards
36 may continue to use their local 2 percent quality funds for these types of investments.

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38 It is TWC’s expectation that CCIP funds requested will be expeditiously invested, and services
39 developed and implemented timely.

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41 These private donations will be subject to the federal CCDF regulations at [45 CFR §98.55](#) which
42 set the parameters under which the state may use publicly donated funds as federal match,
43 including:

- any donated private funds must be donated without any restriction that would require their use for a specific organization, individual, facility or institution;
- the donated funds do not revert to the donor's facility or use;
- the donated funds must be administered in accordance with all standard and required procurement, contracting, and other administrative requirements.

Program Benefits

Boards will leverage local industry cash donations with CCDF state funds, building public private partnerships to support early childhood programs and systems and expand and support activities that improve early learning and child care. Additionally, the Texas Workforce Commission (TWC) will use these as excess federal match (e.g. over and above the amount required for Texas to draw down the Texas portion of federal matching funds) which may allow TWC to secure unmatched federal funds made available by other states who are unable to meet their state's match target.

Decision Points

Staff seeks direction on the following:

- Launching a Child Care Industry Partnership Program (CCIP), in January 2021, with \$5 million in CCDF statewide funds to be made available until funds are depleted;
- Funding matching grants based on partner cash match provided by corporations and foundations;
 - Awarding funds to Boards for use on the aforementioned quality improvement activities, or other quality improvement activities subject to review and approval by TWC;
 - Using an application process on a first-come, first-served basis, for the first six months.
 - For the first six months of availability, matching up to \$250,000 in state CCDF funds, for a total grant award of \$500,000; and
 - Following the first six months of grant availability, allowing Boards who identify additional partner cash donations above \$250,000 to receive additional awards on a first-come, first-served basis, up to a total partner match contribution of \$750,000, and a total grant award of \$1.5 million.
- Requiring that donated funds must be transferred to TWC and accepted by the Commission as a private match donation in an open, posted Commission Meeting. Following their acceptance, TWC will issue a CCIP grant to the Board with the donated partner's match funds and the CCIP state matching funds;
- Using the privately donated funds as excess state match; and,
- Ensuring donors understand the CCDF regulations at [45 CFR §98.55](#) which set the parameters for privately donated funds which are used as match, including prohibitions on funds reverting to the donor.