

January 28, 2021

Dear Governor Abbott and state leaders,

We are grateful for the opportunity to provide suggestions to inform the state's continued response to the COVID-19 child care crisis. We appreciate the critical steps taken so far to ensure child care survives this unprecedented challenge to its ability to serve Texas families and the economy.

The Consolidated Appropriations Act of 2021 was signed into law on December 27, 2020. Included in this Act is \$10 billion in child care relief. It is estimated that Texas will receive \$1,079,072,951 through the Child Care and Development Block Grant (CCDBG). Funds can be used to provide child care assistance to families, funding for child care providers struggling to keep their doors open, and support to essential workers, including the child care workforce itself.

Under the law, Texas will have just 60 days from its enactment to submit a plan describing how we intend to use the emergency CCDBG funds. We believe funding should support child care educators, who have proven to be essential workers. Funding should support the ability of child care providers to build back stronger, with more effective business models moving forward. And funding should support families who need quality child care for their children to rejoin the Texas workforce.

We urge you to consider the following recommendations to ensure quality Texas child care endures through this crisis and beyond.

Proposal

Provide Weighted Grants to Support Financially Vulnerable Child Care Programs:

Using previous relief funding, the state helped temporarily stabilize providers who participate in the child care subsidy system. In addition to further supporting these critical programs, the new law requires emergency funding support child care programs outside the subsidy system. Regardless of this participation, the need for financial relief remains as great as ever, with enrollment down across the state and previous relief efforts phasing out.

We urge the state to use federal relief funding to provide grants to providers, both in and outside the subsidy system, that weights funding based on a number of important factors, including:

- Participation in the state's quality rating and improvement system, Texas Rising Star, with allocations increasing based on the star level;
- Operation in a child care desert;
- Number of children enrolled;

- Percentage of children enrolled who receive financial assistance through the child care subsidy program;
- Number of workers on payroll;
- Whether or not they serve special populations, including infants and toddlers and medically fragile children; and
- Operation in nontraditional hours that support all types of working parents

Requirements for the funding should include:

- Be in good standing with Child Care Regulation (CCR), cannot be on probation;
- Attestation saying providers would make a good faith effort to stay open with the funding;
- Participate in the Workforce Registry; and
- Confirmation that providers have reviewed requirements and benefits of participating in subsidy and Texas Rising Star.

Allow funding to support the following expenses:

- Payroll and employee retention;
- Rent or mortgage payments;
- Utilities;
- Technology and software;
- Sanitation/cleaning services or supplies;
- Business personal property;
- Property taxes; and
- Licensing fees or related expenses.

We are eager to join more specific conversations to make sure allocation formulas are applied in a thoughtful and equitable manner to ensure programs are available where they are needed most.

Provide Business Supports (beyond Weighted Grants) to Stabilize Child Care Businesses:

While CCDBG-funded grants are a fundamental need for child care businesses, we recognize a much larger pool of funds is also available for small businesses through the Small Business Administration and Treasury. Texas needs to support child care businesses that frequently are inexperienced and ill-equipped to apply for this funding and require some personalized business coaching to secure eligible PPP and other funding opportunities.

TWC should spend approximately 1.5% of total one-time funding for business supports to provide short and long-term business sustainability. Workforce boards and/or experienced nonprofits can contract or hire small business coaches for two years of near-term support and ongoing coaching as the business models of child care adjust to shifting Texas family needs and demands. A centralized virtual information center can provide immediate access to accurate information for business coaches and updated webinars and tools for child care businesses. Additionally, TWC can provide immediate access to an existing, state-specific business platform with thousands of business resources (TX Child Care Tools).

It is time to offer statewide access to a password-protected platform for child care providers and to support Workforce Boards and coaches. The platform also has a track record of more quickly supporting child care programs to achieve Texas Rising Star quality status.

Launch a Statewide Texas Rising Star Outreach Campaign to Texas Families:

One of the keys to ensuring quality child care providers can thrive through the pandemic and into the future is to ensure families understand the importance of Texas Rising Star. To spur increased parent education, enrollment, and demand, TWC should oversee a three-year statewide campaign to inform families about the benefits of high-quality child care, early brain development, and the role Texas Rising Star plays in giving children a strong start in life. Funding should support contracting with an accredited marketing firm that can help facilitate a parent focus group and implement traditional and social media strategies.

Support Strategic Expansion of CLASS for Childcare Centers Statewide:

Across Texas, more collaboration is needed in order to eliminate inequities in teacher qualifications, program quality and child outcomes. We ask that TWC strategically expand the use of the Classroom Assessment Scoring System (CLASS) for assessing and improving quality in childcare centers. CLASS focuses on the daily interactions among teachers and children that support their social, cognitive and academic development. It is based on research which shows that teacher-child interactions drive learning. Due to early childhood centers closing across Texas during the COVID-19 pandemic, childcare professionals missed out on critical professional development opportunities and in many cases dropped out of the workforce completely. As we support new early childhood educators entering the workforce as well as the reopening and sustaining of early childhood centers, CLASS training is more critical than ever.

The Texas Education Agency (TEA) and Texas Workforce Commission (TWC) are supporting the use of CLASS through their Regional Early Childhood Support Specialist (RECESS) grants focused on Teacher-Student Interactions. Every recipient of the grant is using CLASS as the tool for increasing the quality of teacher-student interactions. Following the conclusion of this grant in December 2021, more support is needed to expand the implementation of CLASS statewide. Our recommendation is that TWC funds should support both training and correlated materials for assessing and improving quality in all publicly funded early childhood centers. Funds should support contracting with local agencies across Texas to provide the training, coordinate accreditation, and acquire needed materials.

Boost Quality Child Care Access for Low-Income Working Parents:

CCDF funding can be distributed via vouchers to families for 360-degree choice to a child care provider that meets a working family's needs. CCDF funding can also be distributed via child care contracts with quality Texas Rising Star programs to more efficiently ensure low-income families have easy and equitable access to quality child care. CCDBG one-time funding should be used to pilot the use of child care contracts enabled legislatively through HB 680 last session. These

contracts can more quickly stabilize quality child care businesses and ensure they are strong and stable during COVID and post-vaccine changes in child care business models. Support can ensure a pilot is strong with evaluation to help guide TWC and the Governor's Office in considering a wider use of child care contracts in Texas.

Wage Supplementation or Stipends:

Early childhood educators are key to the provision of quality child care and play a critical role in shaping the developmental outcomes of children. However, due to historic inequities compounded by challenges exacerbated by the pandemic, salaries for child care educators do not reflect the job's complexity or long-term value. Texas child care programs are finding it exceedingly difficult to recruit and retain high-quality teachers. Funding should be used to provide stipends on a short-term basis to incentivize retention.

As the state continues to navigate the response and recovery to the COVID-19 pandemic, we offer our support and willingness to help make these important steps a reality. Our child care programs and the families who rely on them are counting on us. Thank you for doing all you can to support Texas child care through this crisis and into the future.

Sincerely,

Texans Care for Children
Austin/Travis County Success by 6 Coalition
Child Care Associates
Child Care Group
Children at Risk
Commit
Dallas Early Education Alliance
Early Matters Dallas
Fight Crime: Invest in Kids Texas
First3Years
Mission: Readiness Texas
Pre-K 4 SA
ReadyNation Texas
Texas Association for the Education of Young Children
United Ways of Greater Austin
United Ways of Metropolitan Dallas
United Way of San Antonio and Bexar County
United Ways of Texas
YWCA El Paso Del Norte Region