

Texas's Use of CRRSA Child Care Funding

Fact Sheet | March 2021

Texas received **\$1.1 billion** in supplemental CCDBG funding through the Coronavirus Response and Relief Supplemental Appropriations Act passed in December 2020. This is in addition to the **\$372 million** in supplemental CCDBG funding the state received from the CARES Act in March 2020.

States were required to submit a plan for their use of CRRSA funds to the Department of Health and Human Services by February 26, 2021. As of March 3, Texas had not made final decisions on how the new CCDBG funds would be allocated. However, to comply with the federal requirements, the state published a discussion [paper](#) on Planned Use of CRRSA Funds. The state was clear that final decisions on the use of funds are expected no later than May 31, 2021 and must be considered by the Texas Workforce Commission prior to approval. Texas is [one of 19 states](#) that requires legislative approval to spend unanticipated funds, such as those from the CRRSA. A summary of the state plan is described below.

Support for providers. Currently, the state plans to use at least 50% of the supplemental funds to support child care providers. Specifically, all regulated providers will be eligible for funds to address higher operating costs because of lower enrollment. The state anticipates offering support to approximately 14,000 CCDBG-eligible providers (including centers and family child care homes) and non-subsidy providers. Funding may be used to cover rent or mortgages; utilities; personnel costs or payroll; and employment or property taxes, all with the intent to ensure providers can easily record how grant funds were used. Providers may also use the funds to offer their staff stipends or hazard pay, or to help staff attend professional development courses outside of their regular work hours.

The state will award these grants based on licensed capacity and the average cost of care in the providers local workforce development area. It is also considering enhancing grant amounts based on accreditation or quality status, and/or for providers operating in areas where supply does not meet demand.

Additionally, the TWC is examining other ways to support CCDBG-eligible providers, including using contracts for targeted populations such as infants, toddlers, and pre-K partnerships. It may also consider ways to build child care capacity through formal partnerships with public pre-K programs or employers who are interested in on-site care.

Support for parents and families. TWC intends to expand the number of low-income families receiving a subsidy in fiscal years 2022-23. The state notes that as more families return to work, more financial aid to subsidize child care will be useful. At the same time, as one-time funds, TWC mentions it can reduce the number of children served based on available resources in future years.

Support for child care workers. Texas may expand professional development opportunities for early childhood educators. It is also examining how to support educators in improving children's social-emotional and behavioral health, including through teacher-family relationships and linkages to additional support services. Details of what these supports might entail were not explained further.

More information available [here](#), including how the [state spent its CARES Act funding in 2020](#).