

City of Austin – Economic Development
Austin Childcare Provider Relief Grant
DRAFT Program Guidelines

1.0 Introduction and Purpose

The Austin City Council created a City-funded Austin Childcare Provider Relief Grant program through [Ordinance No. 20201001-052](#). The Austin City Council approved a one-time allocation of \$5,000,000 for this program. The Austin Childcare Provider Relief Grant will be structured as a grant program for eligible childcare providers located in a City of Austin Council District. The one-time grant awards will range between \$2,500 to \$60,000. Childcare providers can use these funds for eligible expenses incurred after March 1, 2020.

The Childcare Provider Relief Grant intends to benefit childcare providers, with a focus on those that:

- Provide full-day childcare to children ages five and younger;
- Have a Texas Rising Star (TRS) rating, a National Accreditation, or are eligible for a TRS assessment and have the assessment scheduled;
- Have been impacted by COVID-19 related disruptions; and
- Have virus mitigation and protective equipment needs

1.1 Community Benefits

The community benefits to be achieved through this program include job retention and maintaining high-quality, affordable, and accessible childcare for Austin's workforce.

2.0 Program Fund and Fund Source

Funding in the amount of \$5,000,000 is available in the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund. Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds are not used for this program.

3.0 Eligibility Criteria

Childcare providers must meet the following criteria to be eligible for this grant program:

- Have a physical address in a City of Austin Council District
- Be classified as a licensed childcare center, or a licensed or registered family childcare home provider
- Provide full-day childcare to children ages five and younger
- Possess a TRS rating, National Accreditation, or be eligible for a TRS assessment and have the assessment scheduled
- Experienced COVID-19 related disruptions
- Incurred or plan to incur COVID-19 mitigation and protective equipment expenses
- Meet or exceed the City of Austin's recommended COVID-19 safety guidelines, which can be found online at www.austintexas.gov/covid19

3.1 Ineligibility Criteria

Childcare providers are ineligible for this grant program if any of the following apply:

- The childcare provider does not meet the eligibility requirements
- The childcare provider is not located in a City of Austin Council District
- Full time, permanent City of Austin employees

3.2 Previous Grant Recipients

Childcare providers who received a prior Austin Childcare Provider Relief Grant or any other CARES Act funded grants or loans may apply for this program.

3.3 Applicants with Multiple Sites

Childcare providers with multiple eligible locations may receive funds for each site. Only one application is required.

3.4 Commercial Tenants

Applicants who rent or lease their property must demonstrate a commitment from the property owner to enter into a more favorable rent or lease agreement for the applicant. If a property owner is unwilling to enter into a more favorable rent or lease agreement, the applicant can submit documents demonstrating a good faith effort to work with their property owner to negotiate a more favorable agreement.

4.0 Equity Consideration

The City of Austin recognizes that childcare providers owned and/or operated by people of color are disproportionately less likely to receive financial assistance from other sources. Because the total request for funding will likely exceed the amount available in this grant program, the City of Austin's outreach strategy and award rubric ensures childcare providers owned and/or operated by people of color receive equitable opportunity and consideration for program funding.

4.1 Workers Rights

Applicant will adhere to labor peace provisions and worker safety protections as applicable to the facility and business operations in accordance with local, state, and federal laws.

5.0 Eligible Expenses

Childcare providers can use these funds for eligible business expenses incurred after March 1, 2020. All past and future expenses must be incurred as a result of the global COVID-19 pandemic to be considered eligible. Eligible expenses include:

- Rent or mortgage for organization property incurred since March 1, 2020
- Operational costs
- Payroll and employee retention
- Technology and software
- Sanitation/cleaning services or supplies
- Personal protective equipment (PPE) purchases/rentals
- COVID-19 compliance facility modifications

- Business personal property
- Business insurance
- COVID-19 related staff training
- Property taxes
- Licensing fees or related expenses
- TRS assessment fees or related expenses

The following types of expenses are not eligible for these grant funds:

- Lost sales, donations or sponsorships
- Costs incurred prior to March 1, 2020
- Costs that have been paid or will be paid by other COVID-19 grants/loans
- Litigation/legal expenses in actions by or against the organization

6.0 Grant Award

The total grant award will be determined by an award rubric. Awards are capped at \$60,000.

Award Rubric

Category	Direction	Award Calculation	Eligible Award Amount
A. Base Award	Licensed childcare providers (centers or home-based) that apply for grant.	Center-based = \$10,000 Home-based = \$2,500	A
B. Served Essential Workers	Open consistently since March.	Yes: - Center-based = \$10,000 - Home-based = \$2,500 No = \$0	B
C. Equity Consideration	Have an owner or Executive Director of color?	Yes: - Center-based = \$3,000 - Home-based = \$1,500 No = \$0	C
D. Accepts Childcare Subsidies (CCS)	Center serves families with Childcare Subsidies	Yes = \$3,000 No = \$0	D
E. CCS Enrollment Children 5 years and Younger	CCS enrollment as of March 1 or today (whichever is greater) for children ages 5 and younger (based on TRS/national rating).	National accreditation = \$500/seat TRS 4 star = \$400/seat TRS 3 star = \$300/seat TRS 2 star = \$200/seat TRS assessment scheduled = \$100/seat	E
F. Worker	Number of workers as of March 1 or today (whichever is greater,	Full-time = \$300/employee Part Time = \$150/employee	F

	including full and part time).		
G. Hazard Pay	Open centers only - Bonus to be paid directly to each current employee (full and part time).	Full-time = \$1,000/ employee Part-time = \$500/ employee	G
Maximum Award Eligibility	The award ceiling is \$60,000.		TOTAL = A + B + C + D + E + F + G

The City of Austin anticipates awarding \$4,500,000 to \$5,000,000 to eligible program applicants. The total amount dispersed will depend on whether the City of Austin contracts with a third-party to administer the grant program. Administrative fees for third-party administrators can be as high as 10 percent of the total program fund.

7.0 Funding Disbursement

The City of Austin or a third-party program administrator will make every effort to distribute funding within thirty (30) days after the application period closes and any necessary documentation from applicants is received.

7.1 Equity in Funding

An analysis of TRS-rated childcare providers shows there is a disproportionate number of TRS-rated childcare centers on the west side of Austin, and relatively few certified centers on the east side. Even more concerning is the extremely low number of certified centers in Northeast Austin, where many of Austin's most marginalized and underserved households reside. More information about this analysis is available via [the "Revising Eligibility Criteria for the Austin Childcare Business Relief Grant" staff memo](#).

Given the clear equity issue presented by this analysis, the City of Austin will establish the following Funding Groups to ensure this grant program is implemented in an equitable manner:

Funding Group	Description	Grant Funds Available*
Group A	Open centers with National Accreditation and/or TRS rating	\$3,000,000
Group B	Temporarily Closed centers with National Accreditation and/or TRS rating	\$500,000
Group C	Open centers who need Texas Rising Star Assessment	\$1,250,000

**The totals in this chart assume a five percent administrative fee charged by a third-party administrator.*

Applicants will be placed in a Funding Group based on the information provided in the application. All funds within each Funding Group will be awarded by random lottery among eligible applicants. If there

are remaining funds in a Funding Group after all eligible applicants within the group are funded, the remaining funds will be reallocated into another group with greater need.

8.0 Public Disclosure

All information submitted by applicants as part of the grant application and administration are subject to the Texas Public Information Act.

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