

**RESOLUTION NO. 20201015-073**

**WHEREAS**, on May 7, 2020, the City Council adopted Resolution No. 20200507-023, directing an initial program that sustained small and local non-profit organizations and businesses using a portion of federal dollars designated for pandemic-related relief. The resolution included establishing a \$1,000,000 Childcare Support Fund; and

**WHEREAS**, on June 4, 2020, the City Council adopted Resolution No. 20200604-040, adopting the COVID-19 proposed spending framework for the use of all available federal and local funding that leverages and maximizes the benefit of federal COVID-19 relief funding and local funding; and

**WHEREAS**, on June 11, 2020, the City Council adopted Resolution No. 20200611-102, ratifying a contract with United Way of Greater Austin to administer the Childcare Fund grant program to disburse emergency funds to childcare facilities in need of relief as a result of COVID-19 pandemic in amount not to exceed \$120,000 with an option to amend and extend the term and administrative fee should additional grant funds become available to administer; and

**WHEREAS**, on September 17, 2020, the City Council adopted Resolution No. 20200917-062, directing the City Manager to explore and identify ways to support and to increase the survivability of those most vulnerable in Austin's hardest hit sectors: childcare, music and arts venues, restaurants and bars; and

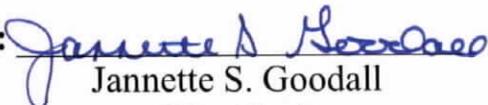
**WHEREAS**, on October 1, 2020, the City Council adopted Resolution No. 20200901-013, ratifying a contract amendment with United Way for Greater Austin to disburse a total of \$1,048,000 in emergency funds to childcare providers in need of relief as a result of the COVID-19 pandemic. The additional funding of \$148,000

comes from the Mayor and Council Fiscal Year 2019-2020 Operating budget, from Mayor Pro Tem Delia Garza's Office budget. United Way for Greater Austin's fee for administration of these funds is an amount not to exceed \$100,000 with an option to amend and extend the term and administrative fee should additional grant funds become available to administer; and

**WHEREAS**, on October 1, 2020, the City Council adopted Ordinance No. 20200901-052, amending certain Fiscal Year 2020-2021 department budgets to fund the Save Austin's Vital Economic Sectors (SAVES) Fund to support COVID-19 emergency relief; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Council approves the program guidelines, in Attachment A, for the Austin Childcare Provider Relief Grant, a \$5,000,000 program that will help support vulnerable Austin-based childcare providers impacted by the COVID-19 pandemic.

**ADOPTED:** October 15, 2020 **ATTEST:**   
Jannette S. Goodall  
City Clerk

**City of Austin – Economic Development  
Austin Childcare Provider Relief Grant  
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](http://www.austintexas.gov/covid19)
- Does not discriminate against job applicants, employees and patrons (i.e. families) based on race, creed, color, national origin, sex, gender identity, age, religion, veteran status, disability, or sexual orientation.

### **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 in specific geographic locations in the City 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 operating in these geographic locations receive equitable opportunity and consideration for program funding.

### **4.1 Workers Rights and Labor Issues**

Applicant will adhere to worker safety protections and workers' rights as applicable to the facility and business operations in accordance with local, state, and federal laws. The City may find a breach of the program guidelines if a program participant is found to have violated workers' rights for a period of one year from grant award, either because of a substantiated finding as determined by the City and is not cured by the participant, of unfair labor practices, worker safety violations, violation of antidiscrimination laws, or violation of other applicable worker rights laws.

### **4.2 Anti-Discrimination Agreement**

Applicants agree to comply with policies to support anti-harassment and anti-discrimination practices for business operations and work environment in the City of Austin. Applicants receiving grant awards shall be required to sign and comply with a City-provided form specifying non-discrimination and anti-harassment policies and practices. Evidence of noncompliance may be grounds for terminating a grant award and demanding repayment. At its discretion, the City may work with the recipient to develop a plan and timeline for becoming compliant.

## 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
<b>A. Base Award</b>	Licensed childcare providers (centers or home-based) that apply for grant.	Center-based = \$10,000 Home-based= \$2,500	A
<b>B. Served Essential Workers</b>	Open consistently since April 15,2020.	Yes: - Center-based = \$10,000 - Home-based = \$2,500 No = \$0	B
<b>C. Equity Consideration</b>	Located in a lower-income zip code OR serve students that reside in lower-income zip codes?	Yes: - Center-based = \$3,000 - Home-based = \$1,500 No = \$0	C

<b>D. Accepts Childcare Subsidies (CCS)</b>	Center serves families with Childcare Subsidies	Yes = \$3,000 No = \$0	D
<b>E. CCS Enrollment Children 5 years and Younger</b>	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
<b>F. Worker</b>	Number of workers as of March 1 or today (whichever is greater, including full and part time).	Full-time = \$300/employee Part Time = \$150/employee	F
<b>G. Hazard Pay</b>	<b>Open centers only</b> - Bonus to be paid directly to each current employee (full and part time).	Full-time = \$1,000/employee Part-time = \$500/employee	G
<b>Maximum Award Eligibility</b>	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.