



BOARD/COMMISSION RECOMMENDATION

Early Childhood Council

20210414-3b: Spending Framework Recommendations in Response to ResilientATX Resolution

WHEREAS, the City of Austin has included access to high quality affordable early care and education as key strategies in the adopted Strategic Direction 2023 for achieving economic affordability and mobility goals (Strategy 10 and 11); and

WHEREAS, Austin/Travis County child care sector was fragile, inadequate, and inequitable before the onset of the COVID-19 Pandemic, and the pandemic has greatly exacerbated this; and

WHEREAS, for families in Austin, child care is the second highest cost behind housing; lack of access to affordable child care is one of the top barriers to workforce participation; and housing, child care, and workforce development are inherently tied together and are all necessary for economic mobility, and self-sufficiency; and

WHEREAS, 70% of non-working low-income parents with young children cite lack of affordable child care as the reason they are not in the workforce; many families who need child care cannot afford to pay what it costs to provide care; and the state child care subsidy reimbursement rates are between 25-75% of the market rate, creating inequitable access to quality programs and leaving child care providers without sufficient income to cover the cost of care; and

WHEREAS, the COVID-19 pandemic has significantly reduced the supply of quality child care, and exacerbated inequitable access to care, negatively impacting family economic stability in Austin, including a reduction in the supply of child care capacity; and

WHEREAS, family-based child care programs have closed at twice the rate of centers and had difficulty accessing resources such as PPP and grants; and

WHEREAS, temporary and permanent closure of child care programs increased food insecurity for young children and high-quality child care programs can improve food security for young children through the Child and Adult Care Food Program (CACFP); and

WHEREAS, child care programs are struggling to re-open or increase capacity due to challenges hiring and retaining qualified staff to work for \$8-\$14/hour; and

WHEREAS, child care centers have experienced significant drops in enrollment as a result of families experiencing loss of work hours or employment making them ineligible for federal subsidy; and

WHEREAS, Austin has a unique opportunity to build a more equitable and resilient system by investing in key infrastructure and new opportunities that address identified gaps and strengthen existing programs; and

WHEREAS, investments in early care and education have a strong return on investment for both the current and future workforce; and investments in the early care and education infrastructure in Austin will yield positive long-term benefits for Austin through better outcomes in health, education, economic productivity, and reduced crime; and

WHEREAS, federal money coming through the State for child care through Texas Workforce Commission will address immediate stabilization but cannot be used to strengthen and scale the infrastructure that has potential to impact generations of Austin families;

NOW, THEREFORE, BE IT RESOLVED that the Early Childhood Council recommends that the City of Austin incorporate and adopt all “Recommendations for Transforming the ATX Early Childhood System” summarized below and submitted by the Austin/Travis County Success By 6 Coalition in the spending framework for COVID-19 relief and recovery and American Rescue Plan Funding.

Goal	Priority 1: Provide additional child care funding to address gaps created for families due to changes in employment status	Total
Mitigate the “Benefits Cliff” by supporting parents with bridge funding to access child care	New Initiative: Create a step-down child-care fund for Workforce Program Graduates to mitigate the benefits cliff	\$4.5M
Support parents with funding to access child care who are ineligible for subsidy due to unemployment or loss of hours.	Existing Initiative: Increase funding for Continuity of Care Program	\$1.5M
Goal	Priority 2: Sustain and scale innovative infrastructure to increase access to affordable quality care meeting needs of all families.	Total
Increase access to and enrollment in high-quality child care programs for children living in households with low-income	Existing Initiative: Funding to strengthen & scale the Austin ISD / United Way Pre-K Partnerships Hub which leverages state education funding into the child care system and expands access to public Pre-K to eligible children of working families.	\$1.2M
	New Initiative: Expansion and Sustainability of Family/Home-based Child Care Networks	\$1 M
Goal	Priority 3: Planning and implementation of solutions to address identified gaps and to strengthen the child care system	Total
Increase access to/ enrollment in high-quality child care programs for children living in households with low-income	New: Planning and implementation of pilot for a system of non-traditional hour child care Austin/Travis County has almost no licensed or quality-rated non-traditional hour child care for employees who work evenings/weekends.	\$1M

Use recovery dollars to address the structural problems in the child care system by building shared service supports to strengthen systems.	New: Planning and implementation of a Shared Services Alliance	\$1.5M
Goal	Priority 4: Stabilizing the child care workforce. Quality child care is dependent on a quality workforce.	Total
Recruit and retain qualified teachers and administrators necessary for high quality child care.	Existing Initiative: Expand wage supplements and tuition support to recruit and retain qualified early childhood educators	\$1M
Goal	Priority 5: Stabilize programs that support families with young children outside of full-time child care	Total
<u>Expand capacity and participation in home-visiting, parent education, & family support services.</u>	Existing Initiative: Increase Social Service Contract for Ready Families Collaborative	\$250,000
		11,950,000

Date of Approval: April 14, 2021

Record of the vote: 7-0 with 2 abstaining (Anna Lisa Conlin, Cathy McHorse)

Attest:

