



2022 Child Care Relief Fund

CHILD CARE CENTER TIPS & TOOLS FOR USING COVID RELIEF FUNDS EFFECTIVELY

Using COVID Relief Funds Effectively

The 2022 Child Care Relief Fund can have a huge impact on your business and the children in your care. Though this one-time funding brings much needed relief, the challenge will be to balance your short-term and long-term business needs as you decide how to best utilize these funds. This informational resource is designed to help you think through ways that you can most effectively use this money to recover from the COVID-19 pandemic as well as to strengthen your child care center in the future.

Though this money can be used in a wide variety of ways, there are some restrictions. For this reason, it will be important to plan how you use your funds so that you can ensure that it has a positive impact on your business while remaining in compliance with the terms and conditions associated with funding.

Relief money is on the way! Now what?

The 2022 Child Care Relief Fund will be structured so that you receive your award across four equal quarterly payments. Because you can use your funds on expenses incurred between September 1, 2021, and May 23, 2023, we suggest spreading out your expenses over time.

The investment ideas listed below can help you maximize the impact of your spending and ultimately, strengthen and revitalize your operations moving forward.

Investment idea #1: Increase staff pay and benefits

As we all know, child care staff are highly valued, but typically underpaid. These funds could provide the opportunity to give your existing staff a well-received bonus or a temporary pay differential. (Be sure to clearly inform your team that these are limited duration bonuses, not a permanent change in their compensation.)

Consider a phased approach, such as paying the bonuses out quarterly over a year. A phased approach means you retain cash in case you need it elsewhere and also provides an incentive for retention. If you are offering a one-time cash bonus, 10% of salary is a good rule of thumb. However, a [temporary pay increase](#) can provide a longer more sustained impact on your workforce. There is no limit on the amount of the increase, but it is important to have clear rules about how it is being applied. You will want to ensure it is fair to employees and be clear about the time limitation with it.

Additionally, to aid in [staff recruitment and retention](#), consider using the money to offer a sign-on bonus for new employees and offering employee referral incentives to existing staff. You can also use the money to pay for substitutes to give your staff some additional time off to alleviate some stress.

There are a variety of retirement plans available to small business owners. Consider offering retirement contributions to assist staff with long-term financial planning. It is best practice for all full-time employees to have access to contribute to a retirement plan. In addition to aiding in employee satisfaction, and being a savings tool, there are tax benefits to offering retirement benefits, it is simply, a win-win. You can learn more about [selecting and offering employee benefits](#) at childcare.texas.gov.

Consider creating a retreat or relaxation area for staff to use for breaks if you have the available space. This increases the quality of your program and employee satisfaction. You could create or update a designated staff break area with lounge chairs, materials for relaxation or meditation.

For a detailed, comprehensive guide on supporting your staff, view the [How to Support Your Workforce with CCRF 2022 Guide](#).

Investment idea #2: Improvements to your center

Do you have a list of program quality or health and safety improvements that need to happen to your facility? Although the CCRF 2022 is a one-time opportunity, it can help you to check off some of those long-term investments. Some ideas include replacing your heating or cooling system, replacing your roof or your gutters, providing new bathroom fixtures and toilets, or even revamping the kitchen.

You can also consider adding other physical improvements, such as new laundry machines, replacing a refrigerator or an extra freezer, or any other kind of equipment, which may help to make things more efficient and effective.

With the added sanitation demands of the pandemic, you can also add equipment like:

- Portable sinks;
- Hand sanitizer dispensers;
- Touchless faucets and soap dispensers;
- HVAC or ultraviolet air purifiers to improve indoor air quality;
- Automatic door opener and flusher toilet;
- Touch-free waste bin;
- Steam cleaner vacuum;
- Child care waiting area with wall dividers;
- Tables with clear tabletop dividers or individual student desks;
- Replacement classroom carpets or flooring;
- Dishwasher; and
- Upgrade sanitizer systems for cleaning toys and other materials in the center.

Young children are very susceptible to their environments. It may be helpful to have a facility assessment done to learn how to improve the environmental health of your facility such as air quality and water quality:

- Air quality improvement examples: HVAC upgrade, duct cleaning, humidifier, and/or portable air cleaners (purifiers). Providers can contact an HVAC specialist to determine what can be done to improve air quality.
- Water quality improvement examples: replacing old, corroded pipes that may be subject to lead and copper contamination. Providers can contact their local health department for water testing.

General improvements to your center may include:

- Updating the sign-in and check-out systems used by families or caregivers (i.e., an electronic system that may work with a child care operations system);
- Updating security systems or camera systems for classrooms and common areas; and
- Improving technology equipment (i.e., iPads, laptops, printers/copiers, electronic filing, bookkeeping, tuition or fee payment systems or child care management systems).

SAVINGS ALERT! There may be additional programs that provide incentives to support certain building improvements. This can help you leverage recovery funds even further. To find a listing of potential programs in your state, visit the [U.S. Department of Energy — Office of Energy Saver](#).

Learn more about [finding a contractor](#) below.

Investment idea #3: Replace or buy a van or bus

Child care centers who include transportation in their business expenses may try to use their business vehicle for as long as possible. The CCRF funding you receive could present you with an opportunity to replace your van, bus, or the other vehicle that you use for your business with one that is newer, safer, and more efficient. If you do not have a vehicle that you use for your business, you could also purchase a vehicle for the first time. This would allow you to add services such as outings or pick up and drop off services. If you are offering this service for the first time, you may need to consider your staffing needs or model to accommodate the new offering. As you account for business expenses, the new staff role could be funded temporarily with the funds you receive. You will also want to set a budget for the costs associated with vehicle maintenance, any additional liability insurance coverages, staffing needs, and fuel. Long term, you may want to charge an additional fee to families who utilize the service.

Investment idea #4: Play area improvements

Another potential use for the 2022 CCRF is to upgrade your indoor and outdoor play space. Through these improvements, you can offer children an area that will be more developmentally appropriate and enjoyable. These can also allow for general safety and comfort of children you serve. Some ideas are listed below. Play spaces are often a big factor for families choosing a center or provider, so improved play space can also impact revenue by attracting new families as well as retaining the ones you have.

Keep in mind that the new federal guidelines consider pools a high-risk activity and there are special regulations associated with that kind of offering.

Here are a few ideas to consider for upgrades to your outdoor area:

- Additional riding toys;
- Toys to push and pull;
- Tunnels or structures to crawl through;
- Upgraded water or sand play areas;
- Slides;
- Updated fencing;
- Re-painting;
- Updated flooring;
- Materials for creative arts or STEM activities;
- Tricycles, balance bikes, helmets or scooters;
- Rubber surfacing;
- Natural play space materials;
- Children's garden;
- Additional seating;
- Portable shades for outdoor lessons and play;
- Pavement repair;
- Awning for outdoor waiting areas; and
- Fencing for a pool if you have one (pool covering also).

Investment idea #5: Continuing education or training for staff

The 2022 Child Care Relief Fund can also present your business with a great opportunity to help your staff advance their skills. An investment in your staff can pave the way for new art, music and reading programs, as well as new child learning techniques can serve children better. These programs can also make you a more sought-after provider for families and help to combat reduced enrollment over time.

Awards can also be used to cover the costs of training and any staff travel expenses or per diems.

Investment idea #6: Market your program

Operating on tight margins, child care centers may not typically budget funds to invest in marketing their program to attract new families and boost enrollment. Now that securing enrollments is more critical than ever, it is wise to consider using incoming funding to conduct marketing activities. This could consist of designing and purchasing promotional materials such as fliers and brochures, starting or upgrading a program website, upgrading signage, and purchasing paid ads.

You may also find that a subscription to a shared services program could assist in expanding your network and offer marketing support, in addition to cost-savings opportunities. A shared services network is an organization comprised of child care providers who use a centralized method of shared access to services which can include accounting and bookkeeping, professional development and training, and purchasing options for members. Additionally, members can often access supports for their businesses including business strengthening resources, peer-support, or up-to-date information on local grant opportunities.

For more information, providers can contact their Local Workforce Development Board.

Investment idea #7: Prepare for the unexpected

While most programs are required to have emergency preparedness plans, have you thought about whether you have the necessary resources, equipment, and materials to effectively carry out an emergency plan?

Here are a few ideas to consider to help you in executing your risk management plan:

- Using surplus operational dollars to establish or contribute to an emergency fund to cover expenses associated with emergencies, such as insurance deductibles;
- Emergency supplies, including portable kits for evacuations and 72-hour supply kits for sheltering in place; and
- Text messaging services/parent communication apps to be used for emergency notifications.

Additional Resources

If you enjoyed these tips and tools on how to use your Child Care Relief Funding effectively, you may enjoy these other resources at childcare.texas.gov:

- [How do I select and offer employee benefits?](#)
- [How can I reward my staff?](#)
- [How to Support Your Workforce with CCRF 2022 Guide](#)
- [How to use CCRF Funding to Recruit and Retain Staff Webinar](#)
- [Pay Increases and Payroll Taxes](#)

Conclusion

While the last two years have certainly been a challenge, the 2022 Child Care Relief Fund will help you recover from the losses your business experienced over the last year, easing the burden on you, your business, and your staff. Take the time to sit down and create a plan for the use of your funds keeping in mind the variety of ways that they can be used. If you need more support creating a plan to spend your relief funding, please reach out to [Texas Child Care Business Coaching Team](#).

Questions?

If you have any questions, you can [register for a FREE call with a business coach](#) at childcare.texas.gov.

Appendix: Finding a Good Contractor

We often hear from providers that even when they do have the cash to invest in improvements to their home or center, it can often be difficult to find a good, reliable contractor to complete the work. Here are some general suggestions on ways to find and vet a contractor that you can be sure will meet the needs of the job.

Ask trusted contacts for recommendations

Start with people you know and ask about their previous experiences with contractors. You can even post on social media within your friend network to get referrals and recommendations.

Additionally, you may want to consider approaching home improvement stores or other facilities that you know well. Their trusted employees may be able to provide recommendations on contractors that they personally know.

Do your research

Whether someone comes to you with glowing recommendations or not, you may want to conduct your own search for contractors online.

Some of the more popular and reliable sites include:

- [Angie's List — angieslist.com](https://www.angieslist.com)
- [checkbook.org](https://www.checkbook.org)
- [homeadvisor.com](https://www.homeadvisor.com)
- [houzz.com](https://www.houzz.com)
- [porch.com](https://www.porch.com)

Many of these sites are free or low-cost and will give you access to not only contractors, but reviews of actual the users of their services. You may also want to check with your local Chamber of Commerce or the Better Business Bureau too.

Conduct a phone interview

Once you have secured a few referrals, ask them some questions over the phone. Ask:

- If they are licensed and insured, and can provide proof.
- If they typically do projects that are your size.
- For references on not only their work, but also from suppliers and subcontractors.
- For a list of some previous clients, the size of their project, and how it aligns with your particular needs.
- How many projects they typically have going on at the time. Too many projects might mean they won't have the time to do your project in a timely way. No projects may make you wonder why.

Meet in person

After the phone interview, have a face-to-face meeting with three or four of your top candidates. It can be difficult to find the time to meet with more than one contractor, but this is a great way to truly understand what they can offer. Talk about your project and timeline making sure they understand the magnitude and complexity of it.

- Ask them questions about what will happen if there are unforeseen issues that come up.
- Ask them about when they will be able to handle your project, and how long they think it will take.

Call references

After meeting in person, call the former clients of those contractors you most liked. Ask past clients about their finished product, how long it took, how satisfied they were and how close the final price was to the original estimate.

If there is a previous client who is willing, schedule a time to go look at the completed work. Make sure it's something that really is comparable with the quality and size of the project that you would like to undertake.

NOTE This can be tricky since most individuals may not want to receive calls. Perhaps the contractor has a website, pictures, or testimonials that they can share with you.

Get multiple bids

For the contractors you like and have good references, get a bid from each one. Review the bid, including their timing (how long the project is going to take, when they'll start and end), and have them put that in writing. Be sure to minimize disruption to your daily programming — plan work around a scheduled program break or after-hours.