The American Rescue Plan Act provided critical relief to families who rely on child care and to a child care industry that would have collapsed without an infusion of emergency funding provided by Congress and the administration. The bill included two primary provisions related to child care: stabilization grants to qualified child care providers to help maintain the pre-pandemic supply of child care; and Child Care and Development Block Grant (CCDBG) funding for states to invest in the child care system. The flowchart on the following page summarizes how these funds will be distributed to states, and ultimately to families and providers.

How and When Federal Child Care Relief Funds Will be Distributed

Supporting Access
Provided $14,990,000,000 in supplemental funds to carry out the CCDBG Act and provide child care assistance to working families, including essential workers who may not have qualified before the pandemic. Lead Agencies have broad discretion to determine how to spend funds. Prior relief dollars have been used for:
• Providers’ increased operating expenses;
• Virus mitigation – trainings, cleaning supplies, and personal protective equipment (PPE); and
• Direct care services – waiving parent co-pays, supporting school-age care, and increasing reimbursement rates.

Rebuilding Supply
Provided $23,975,000,000 for states to provide child care stabilization grants to qualified child care providers to help maintain the pre-pandemic supply of child care. Funds must be used to award subgrants to qualified child care providers that were, on the date of submission of the application for the subgrant, either open and available to provide child care services or closed due to COVID-19.
• Providers may use subgrant funds for personnel expenses; rent or mortgage and utility payments; PPE and cleaning supplies or services; purchases of or updates to equipment and supplies related to COVID-19; and mental health supports.
• Subgrantees agree to pay employees no less than the full compensation they received when the application was submitted; and provide relief from copayments and tuition payments to families enrolled in the provider’s program, to the greatest extent possible, prioritizing families struggling to make either type of payment.
### U.S. Department of Health and Human Services, Administration for Children and Families (ACF) Allocates Funding to States, Territories, and Tribes

**CCDBG Discretionary**

All ARPA supplemental CCDBG and stabilization grant allocations were posted by ACF on April 14, 2021.

The funds are available for states to use.

#### ACF Issues Non-Regulatory Guidance

**June 11, 2021**

Lead agencies are strongly encouraged to use these funds together with annual CCDF funds to provide child care assistance in a manner that is strategically designed to:

1. Support a system of high-quality child care
2. Expand Access to Child Care Assistance
3. Mental Health Supports
4. Outreach on the Availability of Child Care Assistance
5. Supporting Vaccination

**April 11, 2023**

Lead Agency must notify ACF of the amount of any ARP CCDF Discretionary funds that cannot be obligated by September 30, 2023 - identified funds will be recaptured by ACF and realotted

**September 30, 2023**

Funds must be obligated

**September 30, 2024**

Funds must be liquidated

#### ACF Issues Non-Regulatory Guidance

**May 10, 2021**

States, Territories and Tribes Establish NEW Child Care Stabilization Program. Activities including but not limited to staffing, creating the application, technology systems for electronic submission and reporting, publicizing fund availability

**June 11, 2021**

Lead agencies post applications for subgrants to their websites

**Ongoing**

Lead agencies provide TA support for applicants – including helpline or chat for real-time support

**May 10, 2021**

Lead agencies accept and award applications on a rolling basis – subgrants awarded with wide discretion

**June 11, 2021**

Lead agencies must include plans for funding in 2022-2024 CCDF State Plans

**July 1, 2021**

Lead agencies must notify ACF if they are unable to obligate 50% of funds. 20 jurisdictions* require legislative approval to spend unanticipated funds, which may add additional time before grants can be issued to providers

**December 11, 2021**

Lead agencies must notify ACF if any funds cannot be obligated by September 30, 2022 - identified funds will be recaptured and reallocated to other lead agencies

**April 1, 2022**

Subgrant reporting and monitoring

**Ongoing**

Funds must be obligated

**September 30, 2022**

Funds must be liquidated

**September 30, 2023**

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*Alaska, Arizona, District of Columbia, Illinois, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, and Texas.