

How and When Federal Child Care Relief Funds Will be Distributed



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.

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.

Document up-to-date as of June 2nd, 2021

U.S. CONGRESS PASSES THE AMERICAN RESCUE PLAN ACT (ARPA)

Enacted March 11, 2021

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES (ACF) ALLOCATES FUNDING TO STATES, TERRITORIES, AND TRIBES

April 14, 2021

CCDBG DISCRETIONARY

STABILIZATION GRANTS

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

Forthcoming

Depending on lead agencies' decisions:

- Providers will receive additional support for COVID-19 related expenses or additional compensation through increased reimbursement rates; and
- Families will receive child care assistance, including essential workers who may not have qualified prior to the pandemic

Funds must be obligated

September 30, 2023

Funds must be liquidated

September 30, 2024

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

Lead agencies post applications for subgrants to their websites

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

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

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

*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.