States Are Using the CARES Act to Improve Child Care Access during COVID-19

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The analysis for this brief was initially conducted in April 2020. However, to best reflect both the rapidly changing policy environment and states' evolving responses to COVID-19, this brief was updated on June 17, 2020. The brief was subsequently updated again on July 6, 2020 to reflect newly identified data provided by Maryland on the state's use of CARES Act funds.

Child care plays a vital role in our nation's economy.[1] COVID-19 has largely shut down child care programs and schools across the nation, presenting challenges for working parents.[2] Child care closures are a particularly acute problem for frontline and essential workers—health care personnel, grocery store staff, postal and delivery service workers, and many others who need to physically report to work. At the same time, child care providers across the nation are struggling to stay financially secure under these dire circumstances.[3] The Coronavirus Aid, Relief, and Economic Security (CARES) Act included $3.5 billion in emergency funds for the Child Care and Development Block Grant, and the federal Administration for Children and Families issued guidance to allow states more flexibility in meeting Child Care and Development Fund (CCDF) requirements to mitigate the effects of the pandemic.[4,5,6] These measures enable states to help families and child care providers get the support they desperately need.

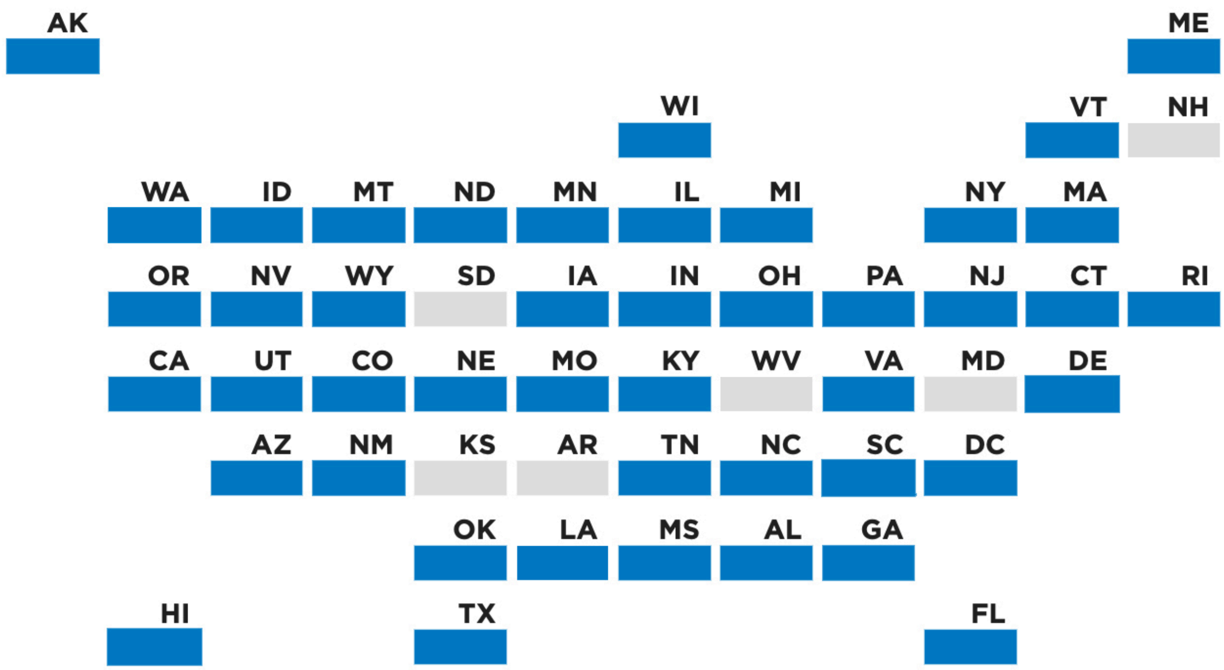
A new policy scan from Child Trends shows that states are using these emergency funds to improve the affordability of care and increase provider compensation. Specifically, states are:

- Continuing to pay child care providers who accept subsidies during this period of closure or low attendance[7]
- Providing emergency care through temporary regulatory changes and additional funding to providers who offer care for children of essential workers[8]
- Waiving or covering a portion of child care tuition that families may otherwise be required to pay[9]

Originally conducted in April 2020, this snapshot of state policies has been updated and is current as of June 17, 2020.[a] It does not encompass all policy changes as a result of the emergency funding. Child Trends sourced information from the Alliance for Early Success' COVID-19 State Actions resource, the Hunt Institute's COVID-19 Resources and Policy Considerations resource, and the U.S. Administration for Children and Families' Child Care Waiver Approval Summary document to inform this scan.[10,11,12] For additional information on individual state decisions, the National Women's Law Center recently conducted a survey of state child care administrators and released a report that will be updated as state policies continue to shift.[13]

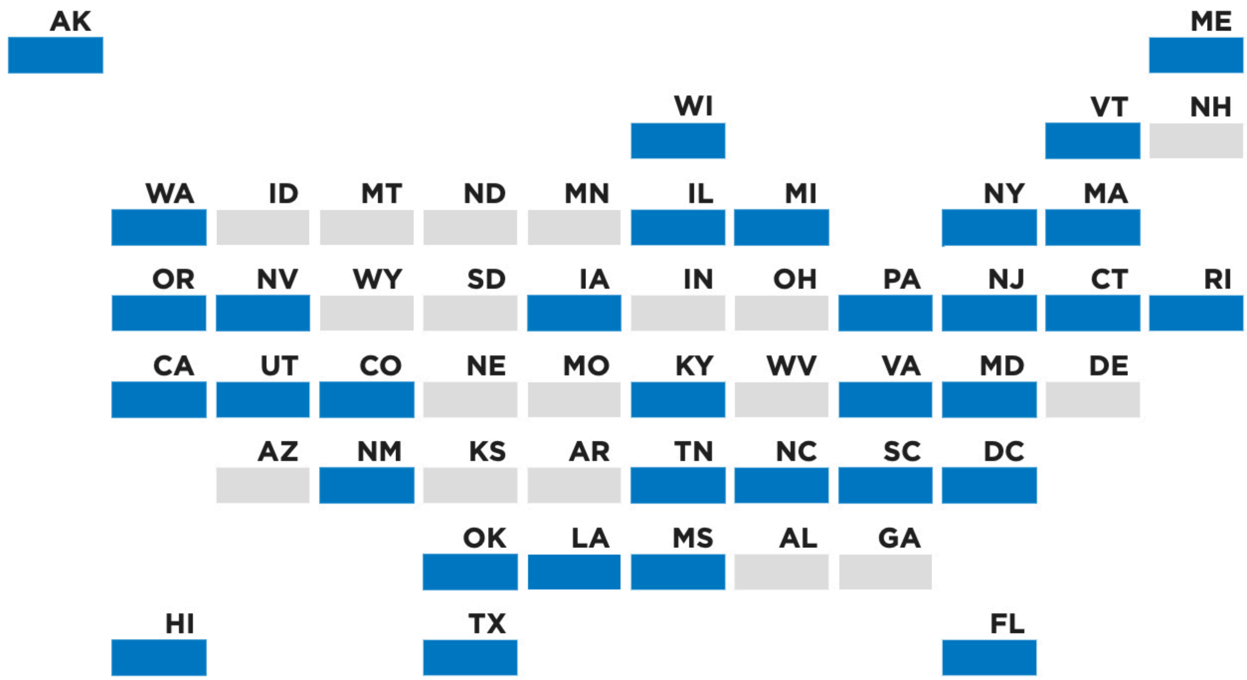
June 2020

44 states and Washington, DC are continuing to pay child care providers who accept subsidies during this period of closure or low attendance.



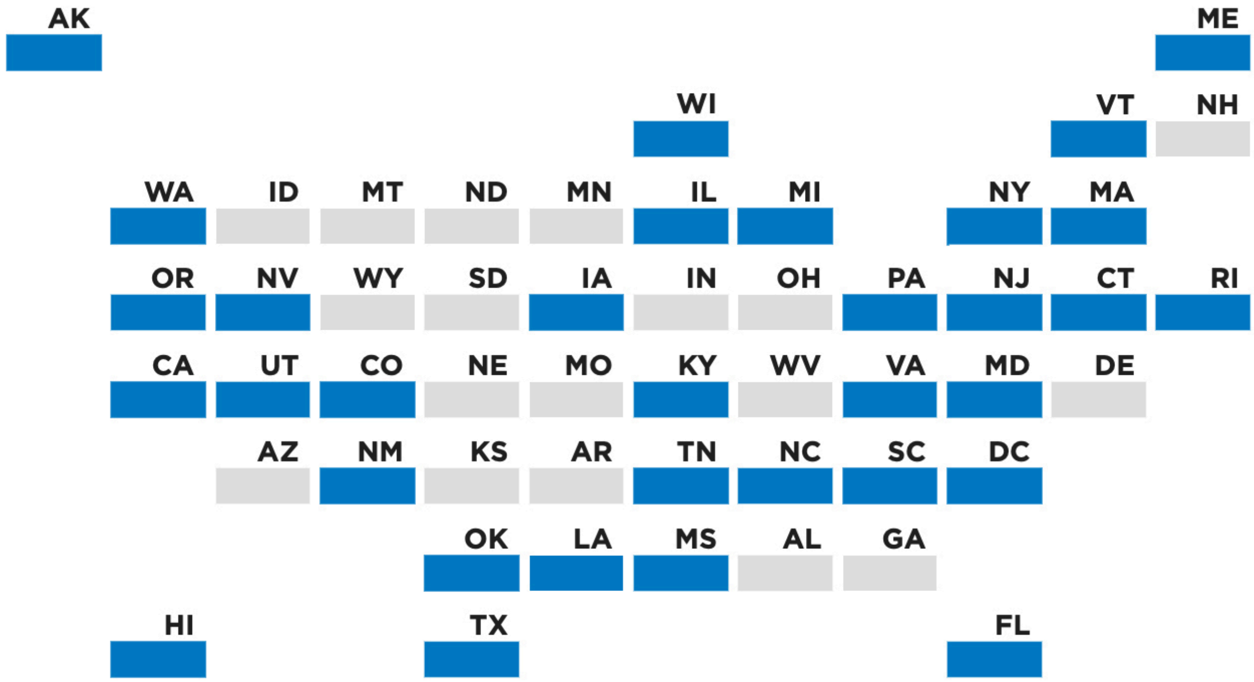
These measures are to prevent permanent child care closures as a result of the pandemic, which would hinder many families from returning to work and slow recovery across the nation; and to incentivize programs to stay open at lower capacity to care for children of essential workers. Many states are offering both of these resources to financially support providers. For example, Ohio providers are eligible to take 21 "pandemic days" during closure, where the value of one day is based on the number of hours that each child would have been in care.[14]

31 states and Washington, DC are providing additional funding to child care providers who offer care to children of essential workers.



This action is to incentivize providers to remain open and to adequately compensate providers that stay open during this health crisis. For example, Connecticut is providing additional funding to both licensed center-based and licensed home-based child care providers who serve children of essential workers; funding provided can be up to $825 per week and is based on the number of children a provider serves.[15] States are also paying child care providers higher rates for certain groups of children who receive subsidies. For example, Vermont is incentivizing child care providers to serve school-age children of essential workers who would otherwise have been in school by paying them a total of $325 per child each week.[16]

32 states and Washington, DC are waiving or covering a part of child care tuition that families may otherwise be required to pay.



This response is to relieve cost burdens on families who may otherwise have had to drop out of child care and help providers maintain a steady stream of revenue. For example, Washington state is waiving all fees for families who receive subsidies for the months of April, May, and June.[17]

Looking forward

States are continuing to determine the best use of federal dollars to support children, families, and providers during the COVID-19 pandemic. These maps represent a snapshot of states' immediate activities for ensuring continued compensation for providers, affordability of care for essential workers, and stabilization of the economy. As states move toward recovery, they can consider several other ways to utilize the emergency funds to support families and providers:

- Ease employment requirements for accessing subsidies as millions of unemployed families struggle to find work.
- Offer financial support to providers who may need to comply with extra health and safety guidelines as they resume operations, as described in the CARES Act.[18]
- Provide professional development and support for programming that cover topics of relevance to the crisis, including trauma, grief, and family engagement.
- Track child care supply and enrollment data to ensure that the most vulnerable children receive care.

While states have made clear their plans for supporting child care, more data is needed to know how often and to what extent these policies are being implemented. Child Trends plans to monitor how states are allocating federal funds as the crisis evolves.

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