

States' Plans to Use the CRRSA's \$10B in Child Care Relief Funds

COVID-19 has intensified the child care crisis our country has faced for decades, pushing the sector to a breaking point. The pandemic's devastating impacts **have compounded** existing inequities in the child care and early education field—inequitable access for communities of color, unaffordable care for many families, and poverty-level wages for providers and early educators.

Fortunately, the **American Rescue Plan Act's** (ARP) \$39 billion investment in the sector caps a year-long effort to secure the more than \$50 billion in direct child care relief necessary to stabilize the sector. The ARP dollars come on top of earlier critical support. Last spring's **Coronavirus Aid, Relief, and Economic Security Act (CARES)** provided \$3.5 billion in relief funding for child care. And December's **Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA)** included \$10 billion in essential relief to support children, families, and early educators.

As states await the infusion of ARP funding, they are currently supporting the sector with CRRSA dollars. The CRRSA's flexible funds can be used for a variety of purposes including direct care services and subsidies, virus mitigation policies and practices, and grants and assistance to stabilize child care providers. Under CRRSA, states are required to aid providers who were not participating in the subsidy system before the pandemic started. (See CLASP's **recommendations**, in partnership with EducationCounsel and the National Association for the Education of Young Children, on how states can spend this funding).

In the table below, CLASP summarizes the planned uses of CRRSA funding by each state as described in **60 Day Reports** newly released by the federal Office of Child Care. Our analysis finds that states are dividing their funds among a variety of initiatives:

- 46 states plan to fund direct care services such as waiving parent co-pays, supporting school-age care, or increasing provider reimbursement rates.
- 37 states plan to pay for virus mitigation such as provider trainings, revising standards to align with new health policies, cleaning supplies, and PPE.
- 49 states plan to offer grants or assistance for providers to help support increased operating expenses.

While policymakers provided general guidance for the use of CRRSA funds, 37 states have proposed to use their funding in different, often innovative ways. **Maine** plans to expand the Early Childhood Consultation Partnership, which provides mental health consultation to early care and education programs. **New Mexico** will fund efforts to ameliorate COVID's social and emotional impacts on early childhood development. For pre-K students, **North Carolina** will implement a summer learning loss program to mitigate the impact of limited instructional experiences before kindergarten begins. **Missouri** has plans to offer grants that will support higher education locations in implementing or

expanding on-site child care programs.

The child care and early education investments of the CARES, CRRSA, and ARP Acts are critical in alleviating the harmful impacts of the pandemic. But policymakers must continue to invest significant funding to address the consequences of historical under-investment in the sector. Direct support for the system is critical in supporting the economic security and labor force participation of early educators—disproportionately BIPOC women—and of Black, Latinx, Indigenous, and Asian American families who are especially likely to face barriers to finding or affording care. Our nation needs these transformative future investments to build a more equitable, accessible, and affordable child care and early education system.

| <u>Planned Uses of CRRSA Funds by State</u> | | | | | | |
|--|----------------------|-----------------------------|-------------------------|-----------------------------|--------------|---------------------------|
| State | CRRSA Funding | Direct Care Services | Virus Mitigation | Grants or Assistance | Other | Not Yet Determined |
| Alabama | \$188,165,369 | X | X | X | X | X ¹ |
| Alaska | \$18,899,904 | X | X | X | X | |
| Arizona | \$248,639,343 | X | X | X | X | |
| Arkansas | \$119,264,607 | X | X | X | | |
| California | \$964,324,483 | X | X | X | X | |
| Colorado | \$119,294,226 | X | X | X | | |
| Connecticut | \$70,820,221 | X | X | X | X | |
| Delaware | \$27,828,250 | X | X | X | X | |
| District of Columbia | \$16,609,664 | X | X | X | X | |
| Florida | \$634,960,835 | X | X | X | X | |
| Georgia | \$403,660,875 | X | X | X | X | |
| Hawaii | \$33,305,583 | X | X | X | | |
| Idaho | \$57,763,865 | X | | X | X | |
| Illinois | \$331,954,027 | | | X | X | |
| Indiana | \$225,205,174 | X | X | X | X | |
| Iowa | \$94,862,531 | X | | X | X | |

| Planned Uses of CRRSA Funds by State | | | | | | |
|---|----------------------|-----------------------------|-------------------------|-----------------------------|--------------|---------------------------|
| State | CRRSA Funding | Direct Care Services | Virus Mitigation | Grants or Assistance | Other | Not Yet Determined |
| Kansas | \$89,170,627 | X | X | X | X | |
| Kentucky | \$195,962,758 | X | X | X | X | |
| Louisiana | \$198,319,710 | X | X | X | X | |
| Maine | \$30,506,173 | X | X | X | X | |
| Maryland | \$128,849,320 | X | X | X | | |
| Massachusetts | \$131,060,103 | | X | X | X | |
| Michigan | \$292,114,988 | X | | X | X | |
| Minnesota | \$135,153,284 | X | X | X | | |
| Mississippi | \$133,184,960 | X | X | X | X | |
| Missouri | \$185,155,630 | X | X | X | X | |
| Montana | \$28,379,759 | X | X | X | X | |
| Nebraska | \$59,653,464 | | | | | X ² |
| Nevada | \$92,725,733 | X | X | X | | |
| New Hampshire | \$19,867,522 | X | X | X | X | |
| New Jersey | \$178,238,560 | X | X | X | | |
| New Mexico | \$82,158,393 | X | X | X | X | |
| New York | \$468,787,636 | X | X | X | | |
| North Carolina | \$335,912,393 | X | X | X | X | |
| North Dakota | \$19,448,230 | X | X | X | X | |
| Ohio | \$333,433,668 | X | X | X | | |
| Oklahoma | \$151,281,209 | X | | X | | |
| Oregon | \$103,766,214 | X | X | X | X | |
| Pennsylvania | \$303,852,449 | X | | X | X | |
| Rhode Island | \$23,867,232 | X | X | X | X | |

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|---|-------------------------------------|-----------------------------|-------------------------|-----------------------------|--------------|---------------------------|
| State | CRRSA Funding | Direct Care Services | Virus Mitigation | Grants or Assistance | Other | Not Yet Determined |
| South Carolina | \$182,004,760 | X | X | X | X | |
| South Dakota | \$25,801,823 | X | X | X | X | |
| Tennessee | \$231,134,191 | X | | X | X | |
| Texas | \$1,135,748,591 | X | | X | X | |
| Utah | \$108,969,353 | X | X | X | X | |
| Vermont | \$12,228,305 | | | X | | |
| Virginia | \$203,692,270 | X | X | X | X | |
| Washington | \$162,411,128 | X | | X | | |
| West Virginia | \$66,858,313 | X | | X | X | |
| Wisconsin | \$148,829,810 | | | | | X ³ |
| Wyoming | \$12,216,624 | X | | X | X | |
| Total | \$10,000,000,000⁴ | 46 | 37 | 49 | 37 | 3 |

¹ Alabama specified that it has not yet determined how to spend all of its allocated CRRSA funds.

² Nebraska will finalize all spending plans when final guidance from the Administration for Children and Families is received.

³ Wisconsin will report its plans once the Wisconsin Department of Children and Families and the state legislature adopt a state plan.

⁴ This total includes funding for Tribes, Territories, and Puerto Rico. Actual funding uses may ultimately differ from planned uses.