

# UNDERSTANDING FEDERAL COVID CHILD CARE RELIEF FUNDS IN LOUISIANA

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This state profile is part of the Center for Law and Social Policy's (CLASP's) *Child Care Relief Documentation Project*, which aims to provide a deeper understanding of the impact that federal COVID child care relief funds have already had across four states: Louisiana, Michigan, New York, and Virginia.<sup>1</sup> The project outlines the successes and challenges of the implementation process and highlights how the funding ultimately made a difference in shaping the child care system and the lives of families and child care providers. The CLASP team conducted interviews in each state with a variety of decision-makers, advocates, and directly impacted providers—as well as with families in Louisiana.<sup>2</sup> For more information and to read other state profiles and the overarching brief, visit our [resource page](#).

## QUICK FACTS: CHILD CARE IN LOUISIANA

<b>Lead Agency for the Child Care and Development Fund (CCDF):<sup>3,4</sup></b>	Department of Education
<b>Children under 13 (2021):</b>	785,689 <sup>5</sup>
<b>Number of children under 13 living below 200 percent Federal Poverty Level (FPL):</b>	381,618 <sup>6</sup>
<b>Average monthly number of children served by CCDF (2020):</b>	19,700 <sup>7</sup>
<b>CCDF income eligibility threshold pre-COVID (2019):</b>	162 percent of FPL <sup>8</sup> or 55 percent State Median Income (SMI)
<b>CCDF income eligibility threshold with COVID Child Care Relief Funding (2021):</b>	198 percent of the FPL <sup>9</sup> or 65 percent SMI (increased again to 85 percent SMI in 2022)
<b>Average annual wage for child care workers (2022):<sup>10</sup></b>	\$22,100 <sup>11</sup>
<b>Method of authorization for relief resources:<sup>12</sup></b>	General funding was authorized by the state legislature, but the detailed implementation plan developed by the Department of Education did not need approval.
<b>Total federal COVID child care relief funding:<sup>13</sup></b>	\$1.03 billion <sup>14</sup>

## QUICK FACTS: FEDERAL COVID CHILD CARE RELIEF FUNDING

To date, Congress has delivered more than \$50 billion to support children, families, and early educators across the country through child care relief resources. In total, this relief came from the following authorizations.

Date Signed into Law	Authorizing Legislation	Total Amount	Obligation & Liquidation Deadlines
March 2020	Coronavirus Aid, Relief, and Economic Security Act (CARES) Act <sup>15</sup>	\$3.5 billion in supplemental CCDBG discretionary funding	<b>Obligation:</b> September 30, 2022 <b>Liquidation:</b> September 30, 2023
December 2020	Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) <sup>16</sup>	\$10 billion in supplemental CCCDBG discretionary funding	<b>Obligation:</b> September 30, 2022 <b>Liquidation:</b> September 30, 2023
March 2021	American Rescue Plan Act (ARPA) <sup>17</sup>	Nearly \$24 billion for the Child Care Stabilization Program Almost \$15 billion in supplemental Child Care and Development Block Grant (CCDBG) discretionary funds A permanent increase (\$633 million) in annual mandatory CCDBG funding to \$3.55 billion	<b>Stabilization funds:</b> <b>Obligation:</b> September 30, 2022 <b>Liquidation:</b> September 30, 2023 <b>Supplemental funds:</b> <b>Obligation:</b> September 30, 2023 <b>Liquidation:</b> September 20, 2024

## HIGHLIGHTS: KEY USES OF FEDERAL CHILD CARE RELIEF FUNDS

As of April 2023, Louisiana had spent all funding from the CARES Act and nearly all its funding from CRRSAA. In addition, the state had obligated all its ARPA stabilization and supplemental funding, which is expected to be liquidated by the respective deadlines. The following is a non-comprehensive selection of ways Louisiana used the relief funds.

- **Strengthening the child care system**
  - Switched to reimbursing child care providers participating in the child care assistance program based on enrollment instead of attendance.
  - Provided Teacher Support Grants directly to sites, providing one-time stipends and wage supplements to recruit and retain the early educator workforce.<sup>18</sup>
  - Partnered with research universities and local organizations to conduct a study focused on the cost mechanisms for early childhood care and education and the impacts on the early education workforce.<sup>19,20</sup>
  - Waived licensing fees for providers from March 2020 through February 2023.
- **Expanding access and supply**
  - Funded additional seats through the Department of Education's traditional voucher program, which offers child care assistance to families through any provider that is eligible to accept them, and through a contracted seats model. Funded by a state

contract, the contracted seats model provides child care assistance to families through specific high-quality providers in the local early childhood and education networks. The additional seats funded through the contracted slots were targeted at infants and toddlers.<sup>21</sup>

- Braided relief funding and Preschool Development Grant funds to provide 2,970 tuition-free seats for children birth through age three in the 2021-2022 school year. The program was reauthorized for 2022-2023, increasing the number of slots to 3,201. However, this program expired in June 2023. While the state is still determining what will happen next, they expect the 3-year-olds to be able to move into 4-year-old programs that are funded separately. Additionally, they may be able to continue to pay for at least some of the other children with the additional state and federal dollars they have just been awarded this year.
  - Permanently expanded eligibility for child care assistance to families with parents/caregivers who were searching for employment for the full 12-month certification period.
  - Waived copayments for all families receiving child care assistance from March 2020 through August 2022.
  - Made Child Care Assistance Program-certified family child care providers eligible to participate in the state's quality rating system and the related incentives and supports.
- ***Supporting classroom quality***
    - Braided child care relief funding with Hurricane Ida relief funds and other federal funds to partner with Tulane University's TIKES Program to expand existing mental health consultation services to all families with children from birth to five.
    - Offered trauma-informed practice training for child care resource and referral agencies.
    - Provided funding to local early childhood community networks to offer professional development on early language and literacy development and to support young children with disabilities.
- ***Empowering and engaging families***
    - Geaux Far Louisiana—an initiative led by a coalition of parents, providers, and advocates, and involving several Louisiana state agencies—engaged over 1,000 parents in listening sessions to create a strategic plan for early childhood.<sup>22</sup>
    - Provided funding to Early Childhood Community Network Lead Agencies<sup>23</sup> to develop plans and strategies focused on supporting child development through at-home learning and family outreach and engagement programs as well as other efforts.
    - The Department of Education launched a "Be Engaged" B-12 framework to guide school systems and early childhood community networks to support intentional planning for implementation of high-quality family engagement practices.<sup>24</sup>

## IMPACT OF FEDERAL COVID CHILD CARE RELIEF FUNDS

### QUICK FACTS: IMPACT IN LOUISIANA

<b>Additional children served through child care assistance expansion:</b>	The number of children served between 2020 and 2022 increased by approximately 5,928
<b>Total stabilization resources provided to child care businesses:</b>	\$475.7 million <sup>25</sup>
<b>Child care programs reached through stabilization program:</b>	2,105 <sup>26</sup>
<b>Children served by providers that received stabilization grants:</b>	Approximately 150,200 <sup>27</sup>
<b>Number of child care professionals reached with bonuses:</b>	Approximately 3,200 through two rounds of Teacher Support Grants

In planning and implementation of the COVID-19 relief funds, Louisiana had four priorities: 1) strengthening the child care system, 2) expanding access and supply, 3) meeting the developmental needs of children through quality improvements, and 4) empowering and engaging families. To start addressing these priorities, the state had to stabilize the workforce. At one point in the beginning of the pandemic, 90 percent of child care programs had been closed.<sup>28</sup> In response to this, the state disbursed four grants to providers as quickly as possible through CARES funding.<sup>29</sup> For example, the first round of grants was sent to providers on April 23, 2020, and by December 2020, only 2 percent of child care centers remained closed due to COVID-19.<sup>30</sup> Because providers had already received some funding through CARES and CRRSAA to help keep their doors open, the ARPA stabilization grants went toward increased wages and bonuses for staff along with efforts to increase quality. To date, the state has offered nine opportunities for providers to receive stabilization grants, six funded by CARES and CRRSAA and three by ARPA. Louisiana will disburse one final round of funding later this summer, completing the distribution to providers of all stabilization funds awarded by ARPA.

In addition to the direct funds to child care programs, Louisiana made some targeted changes to its subsidy program. One interviewee described these efforts as, “working to take the burden of the price of care off of families and providers.” Some of these changes included the state waiving co-payments, reimbursing providers based on enrollment instead of attendance, and expanding eligibility for subsidies to families who were searching for employment. Due to the availability of additional funds, expanded eligibility, and increased payment rates, the subsidy program has grown to serve an estimated average of an additional 3,000 children since early 2022 while also stabilizing participating child care businesses.<sup>31</sup>

**DUE TO THE AVAILABILITY OF ADDITIONAL FUNDS, EXPANDED ELIGIBILITY, AND INCREASED PAYMENT RATES, THE SUBSIDY PROGRAM HAS GROWN TO SERVE AN ESTIMATED AVERAGE OF AN ADDITIONAL 3,000 CHILDREN SINCE EARLY 2022 WHILE ALSO STABILIZING PARTICIPATING CHILD CARE BUSINESSES.**

**- LOUISIANA DEPARTMENT OF EDUCATION**

In the planning and implementation of all these initiatives, Louisiana strengthened its existing relationships and built new ones across the child care and early education field to inform processes. Administrators held many listening sessions with a wide range of partners, used its advisory council, and surveyed providers, families, and other members of the early childhood community. The interviewees noted that the governor stepped up with the Department of Education to advocate on this issue and work to address the crisis. In fact, while it was not funded with the federal relief dollars, the governor was able to leverage Louisiana Policy Institute for Children's Pritzker Children's Initiative grant to add a new Director of Early Childhood Systems position to the governor's office policy team. Throughout the implementation process, the state was well positioned to meet the needs of child care programs and families as it received feedback and direction based on direct experiences.



## IMPLEMENTATION PROCESS

Each year the Louisiana Department of Education makes a specific request to the Division of Administration, which is the state government's financial operations hub. The governor's office then considers including that request in the proposed executive budget, which it submits to the legislature for consideration. The legislature has final approval over any state general funds to be appropriated to the state child care assistance agency.

Once funds are appropriated, the Board of Elementary and Secondary Education approves the expenditure of both federal and state funds through contracts and allocations proposed by the Louisiana Department of Education.

When the relief funds made it to the Louisiana Department of Education, officials there had discretion over how the relief funds were spent, which offered important flexibility. The Louisiana Policy Institute for Children (LPIC), which is a non-profit research organization, began to quickly conduct a series of surveys for providers and parents in March 2020 to understand their needs. LPIC shared its findings with the state Department of Education, which developed the plan for and directed the release of federal relief funds.<sup>32</sup>

The Department of Education also built additional partnerships to support its work. For example, OCFS engaged providers in testing the stabilization grant portal and worked to build a more trusting relationship with providers. OCFS also engaged community-based organizations including the state's child care resource and referral network and union partners to deliver technical assistance to providers on implementing the grants that were received. Throughout the process, OCFS sought feedback from community-based organizations, advocates, and providers on its plans for implementing funding, held problem-solving meetings to address concerns, and responded immediately to feedback.

## CHALLENGES

Louisiana had a variety of challenges during the implementation process. One particularly unique obstacle was that the state experienced five storms that qualified as tropical storms or hurricanes, including Hurricanes Laura and Ida, which had catastrophic impacts on the state. While the federal child care relief funding helped, these storms created substantial additional challenges for providers, families, and policymakers already managing the crisis of the pandemic.

A more administrative challenge the Department of Education experienced was the time it took to go through the state's procurement process for purchasing goods and services. Setting up contractors to provide innovative programming during the emergency of the pandemic proved to be particularly difficult since the relief funds were an unprecedented, significant one-time investment. Child care providers that participate in the state's child care assistance program typically go through a portion of this process. However, during the pandemic, providers whose businesses were not already a part of the child care assistance program had to register as vendors with the state and submit check requests to receive stabilization grants. This process was reportedly cumbersome for everyone and added obstacles and delays in getting financial support to those providers.

## WHAT WILL HAPPEN WITHOUT ADDITIONAL RESOURCES?

The COVID-19 relief funds were crucial in helping support Louisiana's child care system and, ultimately, the economy in general. However, as these dollars near their expiration dates, the state is concerned about what comes next for the system. As one provider stated, "It's going to be bad—a crisis." Another added, "We need dedicated investments in the child care profession. Right now, some of us can survive but most of us will not." As the cost of living rises and high inflation rates continue, child care business owners have concerns about remaining open and how families will be able to continue receiving care without the expanded subsidies, which also threatens caregivers' economic security. With the change in rates and eligibility guidelines, the state had to open a wait list for its subsidy program on October 1, 2022. Families are concerned that with the end of federal relief funding, combined with the provider shortage, the wait list will grow, and child care assistance will become more difficult to access.<sup>33</sup>

**“WE NEED DEDICATED INVESTMENTS IN THE CHILD CARE PROFESSION. RIGHT NOW, SOME OF US CAN SURVIVE BUT MOST OF US WILL NOT.”**

**- LOUISIANA CHILD CARE PROVIDER**

Louisiana is working to find alternative resources to sustain the increase in access to child care assistance that it achieved with federal relief funding. One program the state will rely on is the Louisiana Early Childhood Education Fund, a state matching fund that sources revenue from taxes on sports betting and casinos, among other things.<sup>34</sup> The fund offers local entities a dollar-for-dollar match on locally funded investments made to expand access to child care and early education for children with the greatest need. While the fund incentivizes state and local partnerships to address child care access, state funding and local partnerships alone are insufficient. Large federal investments beyond the relief funds are crucial in maintaining progress and enabling more innovation to address the field's evolving needs. On a more specific note, an administrator shared that without this funding, many are worried about "loss of seats, loss of special supports for communities to provide workforce supports, loss of funding to increase family engagement and at-home learning, loss of funding for additional professional development for teachers and leaders, and loss of needed compensation supports." Throughout the pandemic, Louisiana has demonstrated the positive and efficient changes that can be made when there is funding to support the efforts. A provider really summarized this by saying, "We have to invest in our children. Whatever that costs, we need to be paying for it." If federal decision-makers prioritize large, sustained investments in the child care and early education field, everyone from providers to employers, but especially children and their development, will reap the benefits.

*The CLASP team conducted interviews with a variety of decision-makers in each state as well as advocates and directly impacted providers and families. For details on our methods and a deeper analysis of the impact federal relief funding had on the child care field and the takeaways from each state, please visit our [resource page](#).*

## ENDNOTES

<sup>1</sup> Total COVID relief funding is defined as federal funding that was designated to states in the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, the 2021 Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA), and the 2021 American Rescue Plan Act (ARPA). The ARPA funding included two major investments: (1) nearly \$24 billion for the Child Care Stabilization Program; and (2) almost \$15 billion in supplemental Child Care and Development Block Grant (CCDBG) discretionary funds and an increase in annual mandatory CCDBG funding to \$3.55 billion (which was exempted from the state match requirement in 2021 and 2022). National Women's Law Center, *Child Care Rescue: How States are Using their American Rescue Plan Act Child Care Funds*, 2022, <https://nwlc.org/wp-content/uploads/2023/01/Child-Care-Rescue-State-Uses-of-ARPA-Funds-NWLC-Report.pdf>.

<sup>2</sup> All information without an endnote citation is from the interviews conducted with the decision-makers in each state as well as advocates, and directly impacted providers and families.

<sup>3</sup> A lead agency is the state agency that is designated with implementing the child care assistance program and the federal funding from the Child Care and Development Fund (CCDF).

<sup>4</sup> For the purposes of this state profile, we will be referring to the program and the act that authorizes it – the Child Care and Development Block Grant (CCDBG) – interchangeably using the acronym CCDF.

<sup>5</sup> CLASP analysis of 5-year American Community Survey data, 2017-2021. Estimates are based on children ages 0 through 12.

<sup>6</sup> CLASP analysis of 5-year American Community Survey data, 2017-2021. Estimates are based on children ages 0 through 12 who are at or below 200% FPL.

<sup>7</sup> *FY 2020 Preliminary Data Table 1 – Average Monthly Adjusted Number of Families and Children Served*, Administration for Children and Families, Office of Child Care, 2022, <https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>.

<sup>8</sup> Karen Schulman, *On The Precipice: State Child Care Assistance Policies 2020*, National Women's Law Center, 2021, <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf>.

<sup>9</sup> Karen Schulman, *At the Crossroads: State Child Care Assistance Policies 2021*, National Women's Law Center, 2022, <https://nwlc.org/wp-content/uploads/2022/06/State-of-Child-Care-2022-WIP-accessibility.pdf>.

<sup>10</sup> Bureau of Labor Statistics definition of child care worker: "Attend to children at schools, businesses, private households, and childcare institutions. Perform a variety of tasks, such as dressing, feeding, bathing, and overseeing play." Excludes "Preschool Teachers, Except Special Education" (25-2011) and "Teaching Assistants, Preschool, Elementary, Middle, and Secondary School, Except Special Education" (25-9042)," <https://www.bls.gov/oes/current/oes399011.htm>.

<sup>11</sup> Bureau of Labor Statistics, *State Occupational Employment and Wage Estimates Louisiana*, 2022, [https://www.bls.gov/oes/current/oes\\_la.htm#39-0000](https://www.bls.gov/oes/current/oes_la.htm#39-0000).

<sup>12</sup> The authorization process is part of what provides the legal authority for the government to operate and fund programs. <https://www.cbo.gov/publication/57660>.

<sup>13</sup> Total COVID relief funding is defined as federal funding that was designated to states in the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, the 2021 Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA), and the 2021 American Rescue Plan Act (ARPA). The ARPA funding included two major investments: (1) Nearly \$24 billion for the Child Care Stabilization Program; and (2) Almost \$15 billion in supplemental Child Care and Development Block Grant (CCDBG) discretionary funds and an increase in annual mandatory CCDBG funding to \$3.55 billion (which was exempted from the state match requirement in 2021 and 2022).

<sup>14</sup> Louisiana Policy Institute for Children, *COVID-19 Federal Relief Funds for Early Care and Education in Louisiana*, 2021, [https://policyinstitutela.org/wp-content/uploads/2022/01/Overview-of-COVID-19-Federal-Relief-Funds-for-ECE-in-LA\\_LPIC.pdf](https://policyinstitutela.org/wp-content/uploads/2022/01/Overview-of-COVID-19-Federal-Relief-Funds-for-ECE-in-LA_LPIC.pdf).

<sup>15</sup> H.R. 748 of January 3, 2020, "Coronavirus Aid, Relief, and Economic Security Act," <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>.

<sup>16</sup> H.R. 133 of December 27, 2020, "Consolidated Appropriations Act, 2021," <https://www.congress.gov/116/plaws/publ260/PLAW-116publ260.pdf>.

<sup>17</sup> H.R. 1319 of March 11, 2021, "American Rescue Plan Act of 2021," <https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>.

<sup>18</sup> Louisiana Department of Education, "Louisiana Department of Education Distributes \$17 Million to Child Care Providers," March 2022, [https://www.louisianabelieves.com/newsroom/news-releases/release/2022/03/17/louisiana-department-of-education-distributes-\\$17-million-to-child-care-providers](https://www.louisianabelieves.com/newsroom/news-releases/release/2022/03/17/louisiana-department-of-education-distributes-$17-million-to-child-care-providers).



<sup>19</sup> Louisiana CASA, "Louisiana Department of Education distributes \$17 million to child care providers", 2022, <https://www.louisianacasa.org/post/louisiana-department-of-education-distributes-17-million-to-child-care-providers#:~:text=The%20Louisiana%20Department%20of%20Education%20funded%20two%20rounds,supplements%20in%20recognition%20of%20their%20COVID-19%20front-line%20service.>

<sup>20</sup> Daphna Bassok, Anna J. Markowitz, Amy Smith, and Laura Oleson, *The Early Childhood Education Workforce in Louisiana: Findings from the 2018 Early Childhood Workforce Survey in Jefferson and Rapides Parishes*, 2019.

<sup>21</sup> Danielle Ewen, Gina Adams, and Grace Luetmer, *Contracting in the Child Care System: Key Steps to Support Equity and Accessibility*, 2021, <https://www.urban.org/sites/default/files/publication/104345/contracting-in-the-child-care-system.pdf>.

<sup>22</sup> Geaux Far Louisiana, "Coalition," 2022, <https://www.geauxfarla.org/coalition>.

<sup>23</sup> The Louisiana Department of Education created local early childhood networks comprised of child care, Head Start, and publicly funded pre-K in public and nonpublic schools under a unified system of early learning and development standards, expectations for adult/child interactions, and accessible enrollment. There are currently 66 of these early childhood care and education community networks in Louisiana, and each function as a consortium of early learning providers. The department manages this system by designating a lead agency for each community network that coordinates essential administrative activities, observations, and enrollment. See more here <https://www.louisianabelieves.com/docs/default-source/early-childhood/early-childhood-lead-agency-rfa.pdf>.

<sup>24</sup> Louisiana Department of Education, "Louisiana's Be Engaged Birth-12 Framework," September 2021, <https://www.louisianabelieves.com/docs/default-source/family-support-toolbox-resources/louisiana's-be-engaged-birth-12-framework.pdf>.

<sup>25</sup> Administration for Children and Families, Office of Child Care, *Louisiana ARP Child Care Stabilization Fact Sheet*, 2022, [https://www.acf.hhs.gov/sites/default/files/documents/occ/Louisiana\\_ARP\\_Child\\_Care\\_Stabilization\\_Fact\\_Sheet.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/Louisiana_ARP_Child_Care_Stabilization_Fact_Sheet.pdf).

<sup>26</sup> Administration for Children and Families, *Louisiana ARP Child Care Stabilization Fact Sheet*.

<sup>27</sup> Administration for Children and Families, *Louisiana ARP Child Care Stabilization Fact Sheet*.

<sup>28</sup> Survey of Louisiana Child Care Providers.

<sup>29</sup> The Study of Early Education Through Partnerships, et al. *Senate Resolution 29*, 2021, [https://www.louisianabelieves.com/docs/default-source/early-childhood/senate-resolution-29.pdf?sfvrsn=31686618\\_2](https://www.louisianabelieves.com/docs/default-source/early-childhood/senate-resolution-29.pdf?sfvrsn=31686618_2).

<sup>30</sup> The Study of Early Education Through Partnerships, et al. *Senate Resolution 29*.

<sup>31</sup> Louisiana Believes, Department of Education, "Louisiana Department of Education Establishes Waitlist for Child Care Assistance Program Starting October 1," 2022, <https://www.louisianabelieves.com/newsroom/news-releases/release/2022/09/22/louisiana-department-of-education-establishes-waitlist-for-child-care-assistance-program-starting-october-1>.

<sup>32</sup> Louisiana Policy Institute for Children, Child Care Research, *COVID-19 Provider Surveys*, 2020-2021, <https://policyinstitutela.org/research/child-care-sector/#Provider-Surveys>.

<sup>33</sup> Louisiana Believes, Department of Education, "Louisiana Department of Education Establishes Waitlist for Child Care Assistance Program Starting October 1," 2022, <https://www.louisianabelieves.com/newsroom/news-releases/release/2022/09/22/louisiana-department-of-education-establishes-waitlist-for-child-care-assistance-program-starting-october-1>.

<sup>34</sup> Louisiana Policy Institute for Children, State of Early Care and Education, *State Funding*, <https://policyinstitutela.org/early-childhood/state-of-early-care-and-education/>.