

# *State and Federal Child Care Funding: What You Need to Know for*



# Opportunities for Policy Change

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- **Federal coronavirus relief** that invest in children, families, providers, communities and states;
- **Allowable uses of relief funding for child care** that can be used for short-, medium-, and long-term policy change;
- **Stakeholder engagement opportunities** including the state plan for the child care subsidy program.

# Federal Relief Packages

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# The American Rescue Plan Act of 2021 (ARPA, P.L. 117-2)

- Provides **\$1.9 trillion** to support continued relief and recovery from COVID-19 pandemic
- **Historic level of federal education investment**, particularly in ECE, K-12, and higher education
- Significant investments in other income supports that collectively will **cut child poverty in half this year**.
- State and local **fiscal stabilization funds** to help offset revenue losses.
- **Mostly one time/one year funds** that can be used over a longer period of time.



# Summary of Education Funding Available in ARPA Compared to Previous Relief Bills

	CARES Act	CRRSA	ARP
Early Childhood Education	\$4.25 billion	\$10.25 billion	\$40.6 billion
K-12	\$16.5 billion	\$58.3 billion	\$130 billion
Higher Education	\$14.25 billion	\$22.7 billion	\$40 billion
<b>Total Education Funding*</b>	<b>\$35 billion</b>	<b>\$91.25 billion</b>	<b>\$210.6 billion</b>

# Additional Components of American Rescue Plan

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- ✓ *Fully refundable child tax credit*
- ✓ *Expansion of child/dependent care tax credit*
- ✓ *Stimulus payments to families*
- ✓ *Funds for state and local governments.*
- ✓ *Increased funding for home visiting*
- ✓ *Increased funding for IDEA, including funds for infants, toddlers, and preschoolers with special needs*
- ✓ *New funds for students experiencing homelessness*
- ✓ *Subsidies for COBRA premiums*
- ✓ *Incentives for states to extend Medicaid supports for postpartum women for 12 months*
- ✓ *Extended tax credits for providers who provide family leave*
- ✓ *Extension of Pandemic EBT*
- ✓ *Extension of SNAP increases*

# Uses for New Funds

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# Short- and medium-term policy changes

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- ✓ Pay providers based on enrollment rather than attendance;
- ✓ Provide PPE and other cleaning and sanitizing materials at no cost to providers;
- ✓ Expand access to Head Start, Early Head Start, and full-day and year programs;
- ✓ Increase availability of scholarships for providers;
- ✓ Invest in mental health consultation for providers and families;
- ✓ Create and support family child care networks and shared services;
- ✓ Invest in child care resource and referral agencies to provide translations, technical assistance, and other supports to providers;
- ✓ Provide a wage increase that can be given directly to classroom teachers and aides; and
- ✓ Invest in grants to stabilize providers that fully fund costs.



# Longer-term policy changes

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- ✓ Increase access to child care subsidies by:
  - Increasing eligibility
  - Raising rates for all providers
  - Eliminate or lower co-payments and other parent fees
- ✓ Create contracts to meet the needs of families and providers;
- ✓ Improve data collection to identify gaps and address equity;
- ✓ Coordinate with other systems, including:
  - Expanding ChildFind
  - Working with pediatricians to provide developmental assessments and vaccines
  - Supporting transition of children from early childhood programs to elementary school;
- ✓ Increase access to home visiting programs; and
- ✓ Encourage and support family child care providers to enroll in the CACFP.

# Opportunities for Advocacy

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# Identifying State Needs

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- What data is needed to tell the story?
- What supports are needed to ensure funds are used wisely, well, and equitably?
- What organizations have the capacity to support the work?
- What works? What needs to be improved or changed?
- State plans for CARES, CRRSA
- Preschool Development Grant activities
- Infant and Toddler strategic plan
- [State plan for child care subsidy](#)

# The State Plan for the Child Care Subsidy Program: Taking Action

For more information, see CLASP's [\*Opportunities to Advocate for Equitable Child Care Policies through the State CCDF Planning Process\*](#)

- Identify your priorities—what do you want to have happen? What needs to change?
- Gather data (quantitative, qualitative, anecdotal). Tell your story about how policy change will positively impact children, families, providers, communities, and the state.
- Grab your seat at the table! States are required to ask for stakeholder input—make sure that you know who is organizing those efforts and that your organization as well as providers and parents are included.
- Ensure that parents and providers can participate through supports such as stipends, transportation supports, meetings outside of daytime working hours, technological supports, translation, etc.
- Take advantage of public hearings by submitting testimony in all forms.

# THANK YOU

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