

# New Federal Funds and Child Care Services

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# Federal Law Overview and Key Dates

- Consolidated Appropriations Act of 2021, signed into law by President Trump on December 27, 2020.
- Includes \$10 billion for child care, made available through the Child Care Development Fund (CCDF).
- We expect Minnesota to receive an estimated \$137 million in additional funds. We have yet to receive an official award letter.

Date	Action
February 25, 2021	60 Days from enactment  We must submit a report to the U.S. Office of Child Care, describing how DHS intends to use these funds.
September 30, 2022	DHS required to have obligated new funds
October 31, 2022	DHS must submit a report to the Office of Child Care on how funds have been appropriated and committed to be spent
September 30, 2023	All funds must be spent

# Requirements and Eligible Uses

- Any provider eligible for CCDF funds eligible for funds under this law
- Flexible funding with few requirements.
- Waives minimum quality and infant/toddler set-asides generally required for CCDF
- Maintains administrative funding cap.
- New funds must be used for purposes related to COVID-19 response, and can be used for expenses incurred prior to the enactment of this new law.
- Requires the availability of funds to be publicized widely, and that technical assistance be provided to help providers apply.

# Potential Options for Uses

## Potential Uses for the Child Care Assistance Program:

- Relief from copayments and tuition payments for families.
- Child care providers' costs to provide continued payments and assistance in case of decreased enrollment or closures related to COVID-19
- Enrollment and eligibility policies that support the fixed costs of providing child care services
- Child care assistance to health care sector employees, emergency responders, sanitation workers, farmworkers, and other workers deemed essential during the response to COVID-19

## Other Uses:

- Help providers to remain open or reopen as appropriate and applicable.
- Support the stability of the child care sector to help providers afford increased operating expenses, such as through stability payments as we provided in the COVID-19 Public Health Support Funds for Child Care program.
- Encourage providers to use funds to continue to pay the salaries and wages of staff.
- Publicize availability of funds, and provide technical assistance to help providers apply for funding.

# Short-Term Plans for Federal Funds

- Reduce or temporarily fund CCAP Basic Sliding Fee waiting list using existing statutory authorities
  - Infuse \$15 million, \$ 10M in CY 21 and \$ 5M in CY22
  - Serve up to 780 new families
  - Estimated 82% of families eligible for CCAP work in critical sectors
- Continue COVID-19 Public Health Support Funds for child care programs for January and February
  - Estimated cost of \$45 million
  - These payments stabilized the child care market as providers operate with substantially lower profit margins during the COVID-19 pandemic