



COVID-19 Federal Relief Funds for Early Care and Education in Louisiana

Overview

Between March 2020 and March 2021, states received federal COVID-19 relief money through three stimulus bills: (1) the Coronavirus Aid, Relief and Economic Security (CARES) Act; (2) the Coronavirus Response and Relief Supplementary Appropriations (CRRSA) Act; and (3) the American Rescue Plan Act (ARPA). The acts provide substantial support for states to address challenges resulting from the COVID-19 pandemic, including \$50 billion specifically dedicated to child care. In total, Louisiana will receive an estimated \$1.03 billion in federal aid for early care and education from these three bills.¹

Table 1

COVID-19 Federal Relief Provisions to Early Care & Education in Louisiana

Bill Name	Louisiana's Allocation	Purpose
CARES Act	\$67.5 million	CCDBG & Head Start
CRRSA Act	\$198.3 million	CCDBG & Head Start
ARPA	\$772.5 million	CCDBG & Child Care Stabilization Grants
Total	\$1.03 billion	

Coronavirus Aid, Relief and Economic Security (CARES) Act

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law in March 2020 and provided \$3.5 billion in grants to states through the Child Care and Development Block Grant (CCDBG) Program and \$750 million for grants to all Head Start programs. Louisiana received a total of \$67.6 million from the CARES Act for early care and education, which has to be spent by September 30, 2022.^{2,3} The CCDBG CARES funding provides supplemental dollars to provide child care assistance to low-income working families; help child care providers remain open or reopen, including paying salaries and wages of staff; and increases state flexibility by waiving several CCDBG requirements including removing minimum spending requirements on direct child care services and quality investments, removing income eligibility requirements for essential workers' child care, and expanding funding eligibility for child care providers regardless of whether they serve children receiving child care assistance.⁴

The Louisiana Department of Education (LDE) has used CARES funding to provide grants to child care providers and regional networks to support reopening, (personal protective equipment (PPE) distribution, expanding the Child Care Assistance Program, and providing additional supports, including respite service and mental health consultants. A more detailed breakdown of how Louisiana plans to spend CARES dollars can be found [here](#).

Other notable provisions in the CARES Act related to child care are (1) creating an array of small business loans to cover payroll, mortgage or rent payments, and utility bills and (2) the Paycheck Protection Program (PPP).⁵



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Coronavirus Response and Relief Supplementary Appropriations (CRRSA) Act

The Coronavirus Response and Relief Supplementary Appropriations (CRRSA) Act was signed into law as part of the Consolidated Appropriations Act of 2021 in December 2020. Congress allocated \$10 billion to the CCDBG program. Louisiana received a total of \$198.3 million from the CRRSA Act for early care and education through the CCDBG allocation, which must be spent by September 30, 2023.⁶ The CRRSA CCDBG funds provides flexible funding to states to use for “direct care services and subsidies, virus mitigation policies and practices, and grants and assistance to stabilize child care providers.”⁷

As of May 2021, LDE is using CRRSA funding to stabilize child care providers and the early childhood workforce, increase supply of and access to high-quality child care, teacher coaching and training supports, and supports for families with young children who experienced unfinished learning. A more detailed breakdown of how Louisiana plans to spend CRSSA dollars can be found [here](#).

Other notable provisions in the CRSSA Act related to child care are (1) an additional Paycheck Protection Program (PPP2), (2) flexibilities to home visiting programs funded by the Maternal, Infant, and Early Childhood Home Visiting program, and (3) an extension of current funding and policy for the Temporary Assistance for Needy Families (TANF), the Child Care Entitlement to States, and other related programs.⁸

The American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) was signed into law in March 2021. The American Rescue Plan provides states with \$15 billion in CCDBG funding and \$24 billion in funding for child care stabilization grants.⁹ Louisiana will receive a total of over \$772 million from ARPA, including \$296.8 million for CCDBG/expanded child care assistance, which has to be spent by September 30, 2024, and \$475.7 million for child care stabilization grants, which has to be spent by September 30, 2023.¹⁰ The ARPA CCDBG funds can be used to fund child care assistance for families, essential workers, and “make quality investments needed to address recovery from the pandemic.”¹¹ ARPA places “no income limits on families who may receive assistance through these [CCDBG] funds.”¹²

The ARPA child care stabilization grants must be used “to address the urgent needs of child care providers struggling to survive or reopen under pandemic conditions,” as well as help parents access high-quality child care and fairly compensate the child care workforce.¹³ Lead agencies are required to spend 90% of stabilization funds as subgrants to qualified child care providers who can spend these funds on expenses such as “wages and benefits, rent and utilities, cleaning and sanitization supplies and services, mental health services and many other goods and services necessary to maintain or resume child care services.” Child care providers, regardless of whether or not they are participating in the child care subsidy system, may be eligible for the subgrants and can simultaneously receive child care subsidy payments and child care stabilization subgrants.¹⁴ As of May 2021, the LDE is in the process of developing its plan for how to spend ARPA dollars through a process informed by key stakeholders, including child care providers, families, and business leaders.



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Other notable provisions in ARPA related to child care are (1) increasing the federal Child Tax Credit maximum amount to \$3,000 per child and \$3,600 for children under age 6 and extending the credit to 17-year-olds for families who fall below certain income thresholds; (2) temporarily increasing the value of the child and dependent care tax credit, which currently covers 35% of care expenses up to \$3,000 for one dependent or \$6,000 for two or more dependents and increases the maximum allowable expenses to \$8,000 for one dependent and \$16,000 for two or more, and allows the credit to cover 50% of expenses; and (3) extends tax credits for employer-provided paid sick and family leave established under the Families First Coronavirus Response Act through Sept. 30, 2021. The measure would also (4) increase the wages covered by the paid family leave credit from \$10,000 to \$12,000 per worker; (5) provide an additional \$150 million for the Maternal, Infant, and Early Childhood Home Visiting program; (6) provide an additional \$1 billion for the Pandemic Emergency Fund, which provides one-time benefits such as cash and vouchers to eligible families with low incomes; and (7) permanently increase the total funding for the Child Care Entitlement to States from \$2.9 billion to \$3.05 billion per year (an increase of \$130 million) and temporarily waive state matching funds for 2021 and 2022.¹⁵

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