

## **How States Are Using Economic Recovery Funds for Child Care: Fall 2009 Update**

The American Recovery and Reinvestment Act (ARRA), passed in February 2009, provides an additional \$2 billion in funding for the Child Care and Development Block Grant (CCDBG).

While not all states have finalized their plans for how they would use their ARRA child care funds as of August 2009, thirty states reported to the National Women's Law Center at least some information about how they were using or planned to use the funds. Among those states reporting information on their use of ARRA funds, twenty indicated that the funds were enabling them to maintain services for children and families already receiving child care assistance (Alabama and Arizona), avoid or delay the implementation of waiting lists and instead continue to serve families who apply for assistance (Colorado, Iowa, Maryland, and New Hampshire), reduce the length or prevent the growth of existing waiting lists for child care assistance (Arkansas, Maine, Mississippi, New Jersey, North Carolina, and Texas), expand eligibility for child care assistance for families searching for work (Delaware, North Carolina, South Dakota, and Texas),<sup>6</sup> serve a particular group of families (Massachusetts, South Carolina, and Washington), and/or achieve some combination of these purposes (Connecticut, Florida, and Wisconsin). For example:

- Alabama is using ARRA funds to avoid cutting child care assistance for 3,000 children already receiving it.
- Arizona is using ARRA funds to avoid cutting child care assistance for 15,000 children already receiving it.
- Florida is using ARRA funds to support approximately 20,000 child care assistance slots. Some local coalitions, which administer the child care assistance program, are using the funds to create new slots and others are using the funds to maintain enrollment.
- Maine is using nearly \$2.48 million in ARRA funds to provide child care assistance to 300 children on the waiting list.
- Massachusetts allocated \$2.5 million of its ARRA funding to provide Summer Learning Vouchers for working families with school-age children during the summer months of 2009. The vouchers provided assistance to children and families who met the income criteria for child care assistance and resided in school districts determined to be underperforming, with priority given to children whose siblings were already receiving child care assistance. The funds were used to support children's attendance at summer-only programs with a specific component or focus on addressing summer learning loss. Over 800 school-age children attended more than 250 summer enrichment programs across the state.

- Mississippi is using ARRA funds to provide child care assistance to more children, which contributed to a decrease in the waiting list from 6,667 children in February 2009 to 117 children in July 2009.
- New Hampshire used ARRA funds to delay the implementation of a waiting list that would have gone into effect on April 1, 2009. The state had seen a significant increase (by more than 4 percent) in the number of children receiving child care assistance during the fiscal year that began July 1, 2008. However, the state plans to begin implementing a waiting list as of October 1, 2009.
- North Carolina is using ARRA funds to increase the length of time a family may seek employment while receiving child care assistance from sixty days to six months for parents who were unemployed or underemployed on or after October 1, 2008, or who graduated with a degree or certificate as of December 2008. In addition, parents can qualify for child care assistance while seeking employment; previously, they could only qualify if they were already receiving child care assistance when they lost their job. The policy went into effect July 1, 2009. The state has also extended the time limit for education while receiving child care assistance from twenty-four months to thirty-six months for a parent who has lost employment on or after October 1, 2008, or otherwise needs additional training to enhance their marketable skills for job placement.

Although states have flexibility in spending most of the new ARRA child care funds, consistent with the CCDBG's general parameters, a significant portion of the funds must be spent on quality improvement activities, and some of these quality funds must be targeted at improving infant and toddler care. Of the \$2 billion in ARRA funding for the CCDBG, \$255.2 million must be spent on quality improvement activities, of which \$93.6 million must be spent to improve infant and toddler care. As of August 2009, eleven states reported to the National Women's Law Center some specific information about how they are using or proposing to use these funds for quality initiatives, which include the establishment or expansion of quality rating and improvement systems to assess and enhance the quality of child care settings (Delaware, Minnesota, New York, Texas, and Washington); provider training and professional development (Arkansas, District of Columbia, Idaho, Maine, New York, Oregon, South Dakota, Texas, and Washington); grants to providers for equipment and materials (Arkansas, Maine, and South Dakota); child care resource and referral services (Arkansas and New York); promotion of child care that integrates children with special needs (Arkansas and Texas); grants to support family, friend, and neighbor care (Minnesota); infant and toddler consultants (Arkansas); and infant and toddler resource centers (New York). For example:

- Maine is using a portion of its ARRA child care quality funds for development and implementation of a coordinated calendar for child care provider trainings; degree, credential, and certification coursework scholarships for providers; increased availability of training on the state's Early Childhood Learning Guidelines; a full-time position for two years for development of a health consultant network; and training and equipment to support accreditation. The state is also using its ARRA quality funds for initiatives to improve infant

and toddler care, including scholarships for infant and toddler coursework; equipment to support accreditation for infant and toddler programs; and training on infant mental health.

- Oregon is using its ARRA child care quality funds to support the first phase of EQUIP (Education and Quality Investment Partnership), a new public-private partnership that will provide awards to child care providers who receive additional training and education to encourage them to stay in the field and seek professional development.
- South Dakota is using a portion of its ARRA child care quality funds for Provider Enhancement Grants, which are available to registered and licensed child care programs to help purchase equipment, developmentally appropriate toys, outdoor play equipment, curriculum materials, children's books, and other items to enhance the child care environment. The state is also using its ARRA funds for Out-of-School-Time Maintenance Grants for Rural Programs, which will help cover costs for personnel, professional development, transportation, equipment and materials, and other expenses associated with the general operation of the program. Finally, the state is offering Provider Scholarships for Infant Toddler Training for registered family child care providers, group family child care providers, and child care centers that care for infants and toddlers (birth to age three) to help offset costs such as travel and staff time for participation in training on infant and toddler care.

*Excerpt from [Karen Schulman and Helen Blank, State Child Care Assistance Policies 2009: Most States Hold the Line, But Some Lose Ground in Hard Times \(Washington, DC, National Women's Law Center, September 2009\)](#).*