

American Rescue Plan: Child Care Assistance Program

Child care providers across Missouri have faced unprecedented financial and logistical challenges related to the COVID-19 pandemic, leading many to close temporarily or permanently.¹ Without additional fiscal support, many Missouri children & families could be left without access to quality, affordable childcare.

The American Rescue Plan (ARP) provides more than \$721.8 million in funding to support Missouri's child care system and families who rely on child care to go to work, school, and to provide quality early learning to Missouri's children.

The American Rescue Plan (ARP) provides more than \$721.8 million to support child care in Missouri

Policy Area	Estimated Allocation	Timeline
Child Care Assistance	\$277.69 M	Funds must be obligated by September 30, 2023
Child Care Stabilization	\$444.14 M	50% of funds must be obligated within 9 months

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Child Care Assistance

Approximately \$277.7 million will be used to expand child care assistance through the Child Care and Development Block Grant (CCDBG). These funds are flexible and must supplement, not supplant other federal, state, & local funds.

Additional funds:

- May be used to provide child care assistance to essential workers regardless of income.
- Are not subject to certain CCDBG categorical spending rules that require a percentage of funds to be spent on quality activities and direct services.
- Must be used during FFY2021, FFY2022, or FFY2023 (or by September 30th, 2023).

Child Care Stabilization Fund

Approximately \$444.1 million will be used to create a fund to provide grants to Missouri child care providers in order to stabilize the statewide child care market. Providers who are currently operating or who are closed for COVID-related reasons (including financial hardship) are eligible for sub-grants, including those who have not previously received funding through the CCDBG.

\$444.1 Million for Child Care Stabilization in Missouri

Use of Funds	Estimated Funds Available	Rules
Administrative and Technical Assistance Costs	44.41M	Max 10% of total state allocation
Subgrants to Providers	399.73M	50% must be obligated within 9 months

Subgrants must be used for at least one of the following activities:

- Personnel costs, including compensation and benefits
- Rent, mortgage payments, utilities, facility maintenance, or improvements, insurance
- Personal protective equipment, cleaning and sanitization costs, training and professional development related to health and safety practices;
- Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency;
- Goods and services necessary to maintain or resume child care services; or
- Mental health supports for children and employees.

Child care providers who receive grants must certify:

- To implement policies in line with guidance from state, tribal, and local authorities, and the CDC.
- That they will not reduce an employee’s compensation (and any applicable benefits).
- To offer families relief from co-payments and tuition payments, to the greatest extent possible, and prioritize such relief for families struggling to make either type of payment.

i. Kids Win Missouri (2020) Paving The Road To Recovery For Families: Supporting Missouri Kids & Families Through and Beyond the COVID Crisis. Available: <http://kidswinmissouri.org/wp-content/uploads/2021/01/Parent-COVID-Impact-Report--FINAL-6.pdf?x97712>. Accessed 3/25/2021.