

COVID-Related Funds and NH Child Care: Where Are We Now?

A Message from NH DHHS

May 25, 2021

Who could ever have imagined that the COVID-19 pandemic would be impacting our lives and our work fully 15 months after it began? Certainly not you, who have weathered the storm, answered the call and played a critical role in our state's economy – providing safe and nurturing child care for NH's children and families in the face of extraordinary challenges. Certainly not us at the Department of Health and Human Services (DHHS) whose job it is to rally around your programs and the families and children you serve to aide you in this daunting charge.

Who could ever have imagined that, because of the pandemic, child care would become “as essential as bridges” and “child care issues are now the country's issues?” (see: [Policymakers Used to Ignore Child Care. Then Came the Pandemic. - The New York Times \(nytimes.com\)](#))(May 9, 2021). And who could ever have imagined the response: An unprecedented \$142 million in federal and other dollars and resources allocated to NH child care over the past year for emergency response, recovery and stabilization, sustainability and capacity building? Perhaps not any of us.

We *can* imagine that you are as excited as we are about the new ARPA funding and are eager for current information on other COVID-related funds as well. Please read on for a brief status update on the American Rescue Plan Act (ARPA) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). Finally, are you curious about where DHHS COVID-related funding has gone so far? Check out the graphs and tables at the end of this article.

American Rescue Plan Act: What We Know So Far

- ♦ \$77,393,843 awarded to NH DHHS on April 14, 2021 from the US DHHS Office of Child Care (OCC) in two funding streams:
 - \$47,657,076 for child care program stabilization grants based on each program's actual operating expenses.
 - \$29,736,767 in CCDF discretionary funds for increasing capacity, enhancing quality and improving access to programs.
- ♦ ARPA child care funding is one-time emergency funding, and as such, will not be a sustainable source of future supply, quality or programmatic building.
- ♦ Providers will be able to leverage ARPA funding to make their programs stronger coming out of the pandemic than they were before it began.
- ♦ Focusing on the post-pandemic period will enable the child care community to meet the evolving needs of NH's children, families, business, and communities.

ARPA Stabilization Funds

- ♦ The DHHS Child Care Stabilization Grant program, *Child Care Achieving Stabilization Sub-Grant Program (CCASSP)* is under development.
- ♦ At least 90% of funding must be spent in subgrants to qualified providers.
- ♦ States may use up to 10% for administrative activities, supply building activities and awareness/technical assistance activities to ensure that programs know about the funding, can complete the application, and know how the funds may be used.
- ♦ Funds must be expended by September 30, 2023.
- ♦ The [OCC Stabilization Grants guidance](#) (click on link to access) includes some requirements that differ from previous federal funding programs. For example:

- “Rolling applications” – States must leave the application process open to programs over time, but may release the funds to different types of programs in tiers (e.g., Tier 1: family child care).
 - 50% of the program awards must be allocated by December 11, 2021.
- ♦ At this time, states are awaiting important clarification on the guidance from OCC regarding the allowable use of funds, state and grant recipient accountability and reporting requirements. For example, it is not yet clear if, in addition to basing funding awards on operating costs, states may include “incentive” funding for programs that agree to focus on previously identified priorities, such as pay differentials or signing bonuses for staff.

ARPA Discretionary Funds

- ♦ OCC guidance is not expected until late May.
- ♦ States will have some flexibility in the use of these funds to strengthen the child care system, as OCC does not require funds to be used for COVID-19 related expenses.
- ♦ States are expected to gather public input and feedback on the use of these funds.
- ♦ DHHS has begun to solicit informal input on innovation and utilization directly from child care organizations, advocates, policy makers, providers, the business community and employment supports.
- ♦ A more formal provider and public feedback process will begin when the guidance is received, which will include an online survey, meetings, and public review of the draft plan.
- ♦ DHHS anticipates that the final plan will include capacity building, sustainability planning, workforce stabilization and increased access to quality programs for families.
- ♦ DHHS will post the federal guidance (once received) and other ARPA-related information on [NH Connections-ARPA](#).

With more than \$77 million dedicated to child care in the American Rescue Plan Act (ARPA), NH DHHS joins child care programs, providers and stakeholders in eagerly anticipating further guidance from US DHHS on how this money can be used. As such, the State, providers, elected officials, and the early childhood community will need to carefully consider the most effective use of the funding to innovate their programs, building a more stable and sustainable child care sector that collectively works to meet the needs of all children and families in NH.

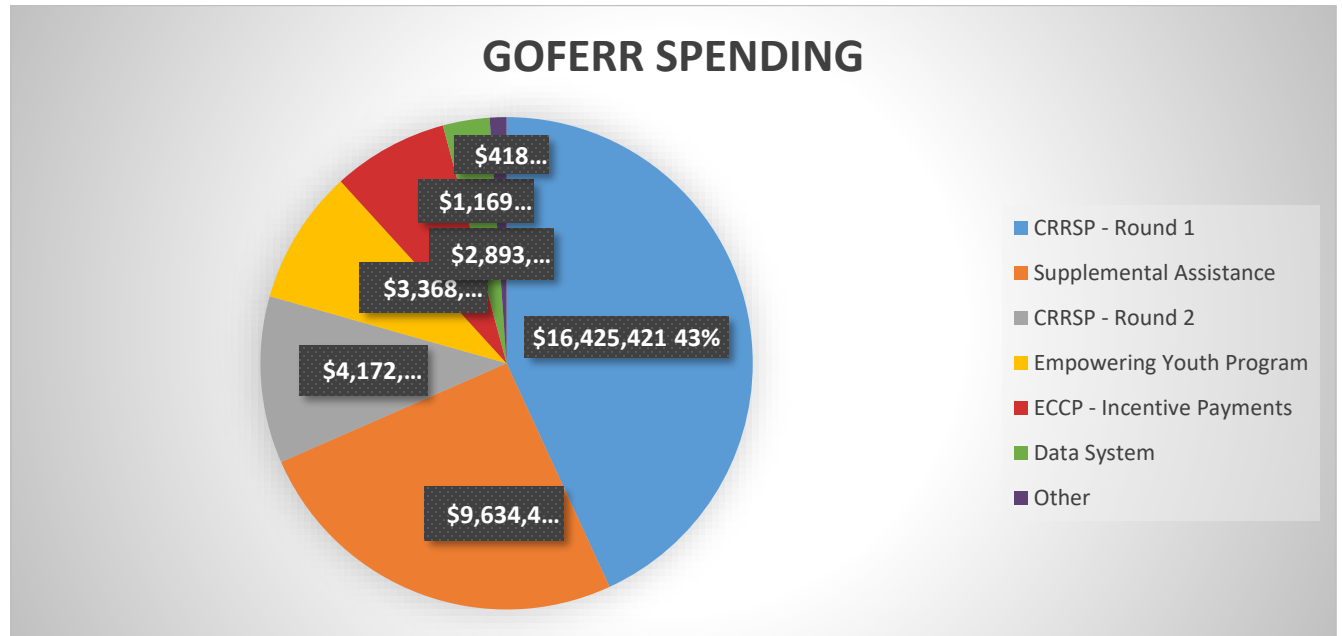
Status of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

- ♦ \$19,867,522 was awarded to NH DHHS on February 1, 2021 by the US DHHS Office of Child Care.
- ♦ Purpose: Support the stability of the child care sector through an array of activities necessary to maintain or resume program operations.
- ♦ 75% (\$14,014,566) of funds allocated directly to 572 child care programs and providers.
- ♦ Funding formula was based on number of classrooms, staff, and children enrolled in NH Child Care Scholarship Program.
- ♦ \$12,721,261 paid to participating providers since March 29, 2021.
- ♦ Funds may be utilized until September 2022 for any allowable activity and/or expense as defined in the “[CRRSA Allowable Uses and Expenses Reference Chart](#).”
- ♦ 25% (\$4,966,880) to be allocated for critical supports identified by stakeholders (e.g., workforce development, emergency policy extensions, child care supply building—especially family child care).
- ♦ For more information on CRRSA, please visit the [NH Connections website](#) or contact NH DHHS, Bureau of Child Development and Head Start Collaboration at eccp@dhhs.nh.gov.

DHHS Funding Allocations to Date (as of 5/21/21): Where Did the Money Go?

In addition to CRRSA and ARPA described previously, DHHS received funding and support from GOFERR, CCDF CARES Act, and multiple sources to support Personal Protective Equipment (PPE)/Health and Safety Supplies.

1) \$38,083,075 in GOFERR (Governor’s Office for Emergency Relief and Recovery) Funds:



2) CCDF CARES Act Funds (Office of Child Care):

CCDF - CARES Act Award	
Award	6,999,268
Expenses 3/27/20 - 6/30/20	6,999,268
Balance	-

Funds were distributed across several expenses categories, including, but not limited to, Disaster Billing, full-time rate for school-age care, paying family cost share, NH Connections Information System, and free, five-year access to Pyramid Model online modules for providers.

3) Personal Protective Equipment/Health and Safety Supplies and Distribution: \$1.5. million in funding and resources from FEMA, NH National Guard, NH Charitable Foundation, WB Mason, and Grappone Automotive Group.

We hope this information has been helpful in understanding NH’s COVID-related funding for child care at this time. For up-to-date information, please visit the [NH Connections website](#), participate in DHHS [Trainings and Webinars](#) and/or join us during regularly scheduled [DHHS office hours](#). Here’s to brighter, sunny days ahead.

Best,

Debra Nelson, Dianne Chase and the Bureau of Child Development and Head Start Collaboration Team