

To: Ellen Wheatley, Director of the Office of Child Care

Subject: Minnesota Planned Use of Child Care and Development Fund (CCDF) Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) Funds Report.

Below are Minnesota's planned uses for the federal COVID relief funds provided through the Child Care and Development Block Grant (CCDBG) pursuant to the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). These planned uses were developed through a series of meetings with providers, families, legislators, program administrators from counties and tribes across Minnesota, and other stakeholders that represent the interests of Minnesota's children, families, and child care providers.

Direct Child Care Services (Subsidies)

Minnesota's planned uses related to direct child care services include:

- Beginning in February, 2021, the new federal funds will help pay child care costs for front line essential workers with lower household incomes. In Minnesota, the Child Care Assistance Basic Sliding Fee Program serves families who have not been receiving cash assistance through Minnesota's TANF program. An estimated 82% of families on current waiting lists (and currently being served by the program) are essential workers. The additional funds will be added in Calendar Years 2021, 2022 and 2023 to local agencies annual allocations, as this is a capped spending program.
 - The Basic Sliding Fee program supports on-going access to child care assistance for the timeframe allowed to spend these temporary federal funds. Once families are served at the local level, they remain on the program as long as they are eligible, or until a child reaches age 13 (or up to 15 if a child has a special need). Infusing the funds over three years supports continuity of care. Minnesota works with local agencies to ensure that commitments made, combined with normal attrition, maintain adequate funding for families child care costs over time.
- The funds might be used to cover added per family costs associated with school age care in 2021 and beyond or allow for flexibility in potential costs associated with state waivers related to COVID-19. Current costs for waiver for absent days, paying closed providers, or paying two providers are covered with existing funds; if there is a need for extension, these funds could cover these associated costs.
- Finally, Minnesota will consider using funds for Early Learning Scholarships if, after consultation with the Minnesota Department of Education, there would be an allowable federal use. A number of families served with scholarships are considered an at-risk population and could fit within Child Care Development Fund uses. Minnesota will continue efforts to seek authority to spend other federal funds, but these CRRSA funds added to the Child Care Development Block Grant may be a solution for a group of families and children not currently being served.

Virus Mitigation Policies and Practices

Minnesota will continue to provide COVID-19 Public Health Support Funds for Child Care. Included in the allowable uses for these payments are covering child care provider costs for

resources, supplies, PPE and other health and safety related uses. In addition, individuals providing technical assistance related to the public health support payments are also equipped to provide technical assistance on accessing resources to meet CDC guidance to stop the spread of the virus. See below for more information about the COVID-19 Public Health Support Funds.

Grants or Assistance Other than Subsidies

As noted above, Minnesota will continue to offer COVID-19 Public Health Support Funds for Child Care payments to eligible child care providers. The COVID-19 Public Health Support Funds program provides payments to help child care providers implement state and federal public health guidance related to COVID-19. Following this guidance was putting additional financial strain on child care providers, who are part of an already struggling industry critical to our economy reopening. Allowable uses of these payments include those mentioned above to help child care providers cover the costs of virus mitigation along with support for staff compensation and to cover the increased costs or lost revenue resulting from employment or business interruptions due to COVID-19-related business closures.

- For the months of January and February 2021, COVID-19 Public Health Support Funds were continued using CRRSA funds at the following amounts: \$1,200 for family child care, \$8,500 for child care centers, and \$3,000 for certified centers.
- COVID-19 Public Health Support Fund payments will continue, with the possibility of continuing at lower amounts in future months to extend monthly payments longer. Shifts in eligibility and other requirements may also be considered.

Minnesota will also provide:

- Technical assistance to licensed providers to apply for funds and meet CDC guidance.
- Supports for family, friend and neighbor caregivers, including but not limited to those serving children and families getting costs paid for through the Child Care Assistance Program.
- Supports to child care programs to build sustainability, reopen, or startup through consultation, business supports, grants and loans.

Assistance to Providers Not Participating in Subsidy System Prior to Pandemic

The COVID-19 Public Health Support Funds for Child Care (described more in the “Grants and Assistance Other than Subsidies” section, above) will be available to the vast majority of child care providers in Minnesota, and not just limited to providers receiving subsidies through Minnesota’s Child Care Assistance Program. Supports and consultation for programs to startup, reopen and to help currently operating programs with business supports to improve sustainability after the pandemic will also be available to all programs. Supports for Family Friend and Neighbor caregivers also are available to all caregivers of this type, and are not tied to participating in Minnesota’s Child Care Assistance Program.

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