

## Alabama's Response to COVID-19: Child Care Actions

*Fact Sheet | January 2021*

On March 27, 2020, the CARES Act was signed into law, including \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant to prevent, prepare for, and respond to the coronavirus. This funding represents a 60% increase in total discretionary appropriations for fiscal year 2020, which amounts to \$9.326 billion. States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to help address needs of working families and providers through COVID-19. However, as the funds ran out during the ongoing crisis, many states began pulling from other sources to continue supporting parents and providers alike. This fact sheet explains the actions Alabama took to support the child care industry and working parents through 2020.

Alabama received \$65 million in supplemental CCDBG funds through the CARES Act.

The state used funds to offer “sustainability payments” to providers that remained open and participated in the state’s subsidy program. These weekly payments were intended to help make up for lost income due to lower capacity levels as required by the state’s health orders. Providers received payments representing 50% of children enrolled in a program. This program ended on August 1, and the last payment issued August 24. Nearly \$40 million was spent on this program.

Additionally, providers that remained open continued to receive subsidy payments based on attendance, including for school-aged children.

Beginning in May, parents working in the health care industry were able to receive child care assistance, regardless of their income level. Participants were required to select a licensed child care provider, including centers or family homes. The program was to last through the public health emergency, and all participants were given a 20-day notice prior to the program’s expiration.

Alabama published separate orders for Early Head Start-Child Care Partnership grantee participants. Providers required to close through May 29, and could reopen June 1. During closures, child care programs were paid their full rate per child, based on the number of contracted slots. Staff were to be paid, even if they were unable to work. Programs that wished to remain open to provide child care during the

emergency were permitted to do so if they were in compliance with all state and local guidance and standards and were not required to meet EHS-CCP standards.

On July 10, Alabama announced a new grant program to support providers who remained open and incentivize more providers to reopen. Grant amounts were based on each provider’s licensed capacity with a base rate of \$300 per child. To be eligible, licensed providers had to be open or plan to reopen no later than August 17 and continue to remain open for a period of one year from the date of receiving the grant. Funding was intended to help child care providers pay staff, purchase materials and cleaning supplies, and provide meals and tuition relief for families.

Applications closed on August 7, 2020. As of late September, over \$10 million in grants had been disbursed to 834 providers across the state. According to a Department of Human Resources [survey](#) published on October 21, 85% of the state’s 2,381 child care providers had reopened, up from 63% open in July, when the grant program was first introduced, and a significant increase from the 12% of providers who were open in March. The same survey estimated that providers were operating at 66% enrollment capacity compared with 88% in January 2020.

Alabama did not announce plans to provide support through to meet demand for school-age child care during the school year nor any new grants to help the child care industry through the winter, nor did it announce whether it offered subsidies based on enrollment or attendance through the fall and winter.