Bipartisan Policy Center

California'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 California took to support the child care industry and working parents through 2020.

California received $350 million in supplemental CCDBG funds through the CARES Act.

To provide child care for essential workers, California established an emergency child care program through the state's existing subsidy system. Households were eligible only if all available caregivers were deemed essential, if the family required child care to work, if the family could not work remotely, and if the family had assets of less than $1 million. The state created a website, mychildcare.ca.gov, to match parents with a licensed child care provider during the pandemic. The state allocated a $50 million to serve children of essential workers and at-risk populations through this policy.

Through the results of a survey conducted in April that encompassed over 2,000 providers in California, 60% said they would not make it through the pandemic without financial intervention. In response, $50 million of CARES Act CCDBG funds were distributed to providers for cleaning and supplies to help them meet health and safety guidelines. California also recalibrated its Quality Counts program to meet the needs of providers by shifting professional development online and providing stipends to participants who remained open.

Child care providers received full subsidies for all enrolled children, including any copayments or fees usually paid by parents, through June. The state also continued to pay providers who had temporarily closed, based on enrollment. Programs that received funds by the state were required to continue paying staff wages and benefits. Failure to do so resulted in a reduced payment. The state's subsidy program continued to pay providers for 30 days if they had to temporarily closed.

In the fall, California continued to reimburse child care providers based on pre-pandemic enrollment and encouraged providers to provide distanced learning opportunities to families.

During the year, the state also changed its mechanism for funding subsidy reimbursements. Though this change was not in response to COVID, it now requires additional coordination between state agencies, which may delay the release of funds. Furthermore, the state announced stricter guidance about criteria to determine for maximum reimbursable amount. Each of these policies could further disrupt child care providers during the crisis, and beyond.

Unfortunately, despite efforts to preserve the child care industry throughout this crisis, the state estimates that nearly 2,500 family child care programs have closed permanently since the pandemic began.

At time of publication, California had not announced additional support for child care providers, or funding to meet demand for school-age child care into 2021.