



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

Colorado received \$42.5 million in supplemental CCDBG funds through the CARES Act.

The state used funds to establish the Emergency Child Care Collaborative with the intent to ensure child care access for essential workers. Through this program, the state covered 100% of child care tuition for essential workers through May 24, 2020.

Governor Jared Polis (D) issued an executive order requiring the Colorado Department of Human Services (CDHS) to use supplemental CCDBG funds to reimburse providers impacted by COVID-19. The state encouraged counties to maintain expanded absence payments to all providers who were open or had temporarily closed through June. However, as of July 1, CDHS recommended that subsidies only go to providers that had reopened to provide child care services to families that received subsidies unless other extenuating circumstances occurred.

Additionally, through August 2020, the state accepted applications for “sustainability grants” ranging from \$1000 to \$3000 for open and operating centers through a licensed capacity. These grant payments were distributed by the end of October and were intended to help child care providers pay salaries, purchase additional cleaning and safety supplies, accommodate smaller group sizes, and develop activities/ programs to serve the children of essential and emergency workers.

Colorado also supported providers through the Preschool Development Grant. This funding was intended to promote business planning and sustainability by providing centers

with micro-grants to assist with licensing or expansion expenses both prior and during the COVID-19 crisis. Furthermore, the Energize Colorado Gap Fund, a nonprofit developed by the Colorado Nonprofit Development Center provided more than \$25 million in grants to boost small business enterprises during the pandemic, with child care providers being eligible.

Throughout the year, Colorado reformed subsidy payments to cover reduced ratios and groups sizes, support flexibility for staff due to anticipated absences, and defray health costs related to screenings or other preventative measures.

Governor Polis called a special session of the state legislature in December to address the specific challenges posed by COVID-19, including child care. As such, on December 7th, the state created two grant programs to support child care providers across the state: the Child Care Relief Grant program and the Emerging and Expanding Child Care Grant Program. The legislation provides \$45 million from the state's general fund to support licensed child care in sustaining and expanding their businesses. The CCRG will offer grants to all eligible providers, between \$500 and \$35,000, at a cost of \$35 million. The funds are intended to provide support for 10 weeks and will be provided to all applicants by February 28. Details about the second grant will be available in February.

Looking into the future, Colorado recognizes a need to consider new cost modeling under these new economic and societal realities, including cost-based reimbursements rather than market rate calculations for subsidy payments.