



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

Minnesota received \$48.1 million in supplemental CCDBG funds.

The state obligated \$30 million of these funds to create the Peacetime Emergency Childcare Grant for licensed providers serving the children of emergency responders. Over 4,000 family and center-based child care providers offered care for emergency and essential workers through this program through September. These grants were offered on a monthly basis beginning at amounts of \$4,500 with an additional \$1,000 for providers serving children at non-traditional hours, caring for children whose first language is not English, and/or those who have special needs.

Providers that were licensed to serve over 15 children were eligible for an additional \$15,500 per month. Furthermore, the state continued to provide subsidized payments to temporarily closed facilities and absent children at open facilities for a month.

From April 18 to May 18, \$9.75 million was distributed through grants, with a second and third round of funding distributed in subsequent months. Of the 5,401 applications received, 84% were home-based or family care providers and 16% were center-based providers. Only 1,287 of the 5,401 were awarded grants.

Providers serving essential workers had been deemed critical services, though were operating with limited capacity during the crisis. The state also encouraged school districts and charter schools to provide care for the school-aged children of emergency workers.

On July 29, Governor Walz (D) announced \$56 million of the state's federal Coronavirus Relief Fund (CRF) dollars would go towards additional grants. To be eligible, child care providers were required to stay open throughout September. Licensed home-based providers could receive up to \$1,200 per month for July, August, and September, while centers could receive up to \$8,500 per month. Grants were intended to cover lost revenue resulting from COVID-19-related closures, to provide incentives or overtime to working staff, or to comply with health and safety regulations. Nonprofit programs providing full-time care for school-age children in the summer months were also eligible to apply. This program was extended at the end of September with an additional \$53.3 million in CRF dollars for October, November, and December.

At the beginning of March, Minnesota began to pay subsidies to Child Care Assistance providers for up to one month based on pre-pandemic enrollment regardless of their operating status. To further assist providers during the fall, beginning on October 1, providers began to receive payments on days when subsidized children were absent, effectively paying providers based on enrollment. These policies were extended through February 11, 2021. Furthermore, the state continues to pay subsidies based on enrollment for up to 30 days during child care program closures.

On September 2, Minnesota published guidelines for families and providers receiving subsidies for child care during remote school learning for the 2020-2021 school year. Minnesota did not announce any new funding at the end of 2020 for the winter.