



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

Montana received \$10.1 million in supplemental CCDBG funds through the CARES Act. The state used these funds to offer financial support for child care programs, to support temporary emergency child care initiatives, and to cover enhanced payment rates for all subsidy recipients.

Specifically, Montana created Temporary Emergency Child Care Support grants available to providers caring for the children of essential, medical, and emergency personnel. These one-time grants were available for: up to \$23,000 for a program serving under 10 children each day; up to \$55,000 for programs serving between 11-24 children each day; and up to \$90,000 for programs serving more than 24 children each day. By the end of June, 770 licensed providers had received emergency grants.

Any licensed or registered child care program that was operating or planned to reopen was further eligible for one-time payments of \$3,000 for family programs, \$5,000 for group homes, and up to \$8,000 for centers.

For providers that remained open during the pandemic, the state paid subsidies based on enrollment rather than attendance and covered all parent copayments from March through May; however, as of June 1, providers only received subsidy payments for children who attended at least 85% of the authorized time. For providers that reopened, the state offered backpay of three months for this policy.

On August 11, the state dedicated \$50 million of their federal Coronavirus Relief Fund towards maintaining support to providers, as well as expanding child care for school-age children throughout the fall.

Specifically, of these funds, \$8 million were issued as supplemental payments to licensed and registered providers to maintain and expand the number of child care slots available. The payments were available on September 1.

Further, to address the need for school-age care options during school closures and virtual instruction in the fall, \$30 million was issued to providers that offered school-age care for children from low-income families. Providers were able to receive monthly payments of \$1,000 per school-age child based on the average daily attendance; however, these funds were required to be expended by December 31 as the Coronavirus Relief Fund was set to expire at the end of December under the CARES Act.

New federal legislation signed at the end of 2020 extends the December deadline for these funds by one year. However, at the time of publication, the state had yet to announce either deadline extensions for providers or further assistance for providers into 2021.