



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

New York received \$163 million in supplemental CCDBG funds through the CARES Act.

The state released these funds in three stages “in order to be responsive to providers throughout the evolution of the pandemic in New York,” said Janice Molnar, Deputy Commissioner of New York’s Division of Child Care Services, in communication with BPC in late September. The first stage of funding early in the summer was primarily used to cover copayments for families affected by COVID-19, expand subsidy eligibility to families with up to 85% of the state median income, assist providers with PPE costs, and provide child care scholarships for the children of essential workers.

As of May 28th, 59% of center-based providers and 26% of home-based providers had closed across the state. Further, the state reported low attendance and utilization rates among parents even if a program stayed open, leading to 27% of open spaces being used during the crisis. This data indicated that those providers that remained open needed support to cover payroll and fixed costs given this decline in enrollment.

On June 23, the state announced a second stage of available funds: \$65 million for the NY Forward Child Care Expansion Incentive program. This program distributed \$20 million to cover the costs of materials like partitions and short-term rental space that providers needed to reopen and expand capacity, and \$45 million in grants to pay for 50% of the costs to open new classrooms.

During Phase Two, New York used its supplemental dollars to fund additional family subsidies, offer restart grants for closed programs, and offer start-up expansion

grants in areas where there was a greater need for child care than there were available spaces. These funds were distributed via the state’s 30+ child care resource and referral agencies. Child care resource and referral agencies received grants totaling approximately \$600 per provider and were to distribute masks, gloves, diapers, baby wipes, baby formula, and food to providers.

On September 10, the state announced the release of \$88.6 million, the final stage of supplemental CCDBG funding, to support the state’s child care system through December 31. Of these funds, \$20 million were dedicated to provide child care subsidies for the children of essential workers. Families of essential workers whose income was less than 300% of the Federal Poverty Level (\$78,600 for a family of four) received fully subsidized child care. Another \$20 million was dedicated towards grants to help providers cover the costs of altering their facilities to meet health and safety requirements.

To address the increased need for school-age care options while children learned online during the fall, New York offered an additional \$20 million to school-age care providers. The final \$28.6 million in aid was intended to help providers expand their programs by fronting half the cost (up to \$6,000) of opening a new child care classroom. Applications for these four grants were accepted on a rolling basis through December.

At the time of publication, local social services districts across the state were still permitted to waive parent copays and pay subsidies based on enrollment, rather than attendance. The state had yet to announce further assistance for 2021.

