



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

Pennsylvania received \$106.4 million in supplemental CCDBG funds through the CARES Act. Child care centers were mandated to close but were eligible to seek an emergency waiver if they wished to remain open to serve the children of essential workers. Home-based child care programs were not included in mandated closures and could remain open.

The state distributed about half of its supplemental funds (\$51 million) through grants to support all eligible child care providers across the state—nearly 7,000 in total. Awards were based on provider type, licensed capacity, and location, and ranged from \$2,235 to \$20,700. All providers received a base payment, and providers could receive additional funding if they served an area that lacked child care capacity. Additionally, the state paid subsidies to providers based on enrollment at the time of a program's closure.

On July 6, after a survey conducted in coordination with Penn State Harrisburg's Institute of State and Regional Affairs, the state distributed its remaining supplemental CCDBG funds from the CARES Act via a second round of grant payments. Awards ranged from \$1,700 to \$30,700 based on provider type and licensed capacity, similar to the first round of payments.

Separately, the state offered \$50 million in Hazard Pay grants to help employers in essential industries—including child care—pay staff. From August 16 through October 24, businesses could use awards to pay essential employees who earned less than \$20 per hour. Businesses had to apply by July 31 and could receive up to \$1,200 per eligible employee.

On August 28, to support the child care industry through the fall, Governor Tom Wolf (D) announced \$116 million of the state's federal Coronavirus Relief Fund dollars were made available for child care. The state distributed these funds in September to all licensed providers through grants ranging from \$2,100 to \$48,600 according to the number of children each provider served.

Recognizing the heightened need for school-age care in the fall, the state increased subsidy rates for school-age care during remote school hours. Effective August 31, providers received a blended rate—the combination of a part-time and full-time rate—instead of traditional part-time rates because providers were likely to care for students for more full-time days than part-time payments were intended to cover.

Effective September 1, the state reverted to attendance-based subsidy payments after paying providers based on pre-pandemic enrollment through August. However, on November 1, the state again switched back to making enrollment-based subsidy payments to open providers after recognizing that they continued to face variable attendance during the fall.

On January 20, 2021, Governor Wolf announced \$600 grants for child care workers across the state. The payments were to be funded with quality set-aside dollars from the state's normal CCDBG allocation as well as any remaining supplemental CCDBG dollars from the CARES Act. Child care providers were required to apply by February 12 to receive the payments for their workers, and awards were to be made on a first-come, first-served basis.