



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

Tennessee received \$82.4 million in supplemental CCDBG funds through the CARES Act. The state used these funds to fully cover child care costs for essential workers, to pay subsidies based on enrollment, and to offer Disaster/Emergency Response and Recovery Operations Cost Grants that helped defray the loss of income and revenue providers faced due to the pandemic.

During the summer months, Tennessee paid enhanced subsidy rates to providers based on enrollment, rather than attendance, and covered all parent copays. To provide continued support for parents and providers this fall, the state extended these policies through December 31. The Department of Human Services also covered child care costs for essential workers through the end of the calendar year.

Additionally, the state extended the application window for the Disaster/Emergency Response and Recovery Grant. Providers in need of reopening assistance or stabilization support could apply through September 30. Providers were eligible to receive payments in intervals of two weeks or 30 days for any operational costs associated with opening during the pandemic and any differences between the provider's rate and the maximum state subsidy rate.

As many schools shifted to online instruction, the Department of Human Services partnered with the YMCA and Boys & Girls Clubs of Tennessee to offer free school-age care options for the families of essential

workers. These temporary school-age care arrangements were available through the fall, and the state produced guidance indicating that child care providers could receive subsidies for providing school-age care during hours of remote learning.

To help providers cover increased operating costs during the fall, the state partnered with the Community Foundation of Middle Tennessee to offer providers free online to business management tools and opportunities to purchase bulk supplies at discounted prices.

On November 30, the state announced a second round of Support and Enhancement Grants. Awards were available for up to \$4,000 (and up to \$5,000 in distressed counties) per provider and could be used for expenses related to offering child care during the pandemic.

The state's COVID-19 Pandemic Child Care Payment Assistance program, which fully covered child care costs for essential workers, expired December 31. According to Sky Arnold, a spokesman for the state's DHS, Tennessee spent nearly \$110 million on this program from various sources through November.

At the time of publication, the state had not announced any plans to continue supporting child care providers or working parents into 2021.