



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

Utah received \$40.4 million in supplemental CCDBG funds through the CARES Act.

To support providers through closures and low attendance levels, from March through September, the state used these funds to pay subsidies to all providers based on enrollment, rather than attendance. All parent copays were also covered and family eligibility for state child care subsidies was increased from 60% of the state median income to the federal maximum of 85% (\$64,941 for a family of four). On September 2, the state announced that it would revert to attendance-based payments for all providers effective October 1.

In April, the state created the Child Care Operations Grant program that provided child care providers with financial assistance to operate during the pandemic. Awards were calculated as 75% of the provider's average January and February 2020 monthly income, excluding subsidy payments made at the time of the grant. Funds could be used to cover payroll, rent, and any other expenses related to operating during the pandemic.

To provide continued support for child care providers through the fall, the state extended its Operations Grant, which was originally set to discontinue on September 30. Licensed child care providers that received an Operations Grant could receive a payment each month from October through December 2020. Payments ranged from \$1,500 to \$20,000 based on provider capacity.

Also in the fall, the Department of Workforce Services' opened the new School-Age Program Grant (applications opened on September 4) which was funded with the state's supplemental CCDBG funds. Awards for this noncompetitive grant ranged from \$4,900 to \$19,600 per month based on the provider's operating capacity and operating costs. The state indicated that this contract-based grant would allow providers receiving the grant to continue invoicing for their monthly expenses with a projected end date of May 2021.

Beyond the School-Age Program Grant, at the time of publication, the state had not yet announced plans to support child care providers or working parents with young children into 2021.