

# The American Rescue Plan & Federal Relief Funds for Early Education in Massachusetts

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## Early Education During the COVID Crisis

Across Massachusetts, early education providers, family care homes, and Pre-K centers persevere each day through the challenges of the COVID pandemic. Early educators across the Commonwealth continue to deliver enriching care for young children while also allowing parents to work and provide for their families. This essential work keeps our economy moving.

Fortunately, the federal government stepped up to respond to the challenges of COVID for early education. Funding is a key factor in how early educators have navigated the pandemic and kept classrooms open.

At the start of the pandemic, the overall funding picture for early education was bleak. This is in part because unlike K-12 schools, early education lacks comprehensive, stable and guaranteed public funding. It was [already plagued by underinvestment](#) resulting in the lack of affordable care options for families, chronically low-pay for educators, high teacher turnover, and limited public support for care.<sup>1</sup> The challenges of working conditions in early education fall particularly hard on teachers who are almost entirely women and where many are also people of color.

Another cause of the financial strain specific to COVID was the temporary closure of most early education centers in early 2020 that led to [tuition revenue declines of an estimated \\$750 million statewide](#). While some COVID relief programs assisted early care providers, the funding dip was only significantly counterbalanced when the federal government provided dedicated relief funding that arrived in the middle of 2021 (see below). Overall, early childhood providers have

### Key Takeaways

- Funding has been critical for early care providers in responding to the pandemic. Early education funding was inadequate before the crisis, but COVID further exacerbated the challenges. However, the federal government stepped up with funding to stabilize early education and care across the state.
- Federal relief laws provided \$730 million for early education in Massachusetts. Roughly two-thirds of this support came through the largest and most recent law, the American Rescue Plan (ARPA).
- Significant federal early education funding remains to be planned for and spent. These investments can help kids recover and thrive beyond the COVID pandemic while shoring up under-resourced early education providers.

adeptly navigated budget holes throughout the pandemic, but the situation remains unstable and in need of both short and long-term investment.

In general, child care operating costs increased by around 20% due to COVID-related challenges.<sup>2</sup> Upon reopening, early educators contended with new safety regulations, disruptions to attendance, and persistent staffing shortages.<sup>3</sup> Even with the federal relief available since the start of the pandemic early educators struggled through the most recent COVID surge. Moreover, there is no vaccine yet for children under 5, leaving early education classrooms more vulnerable than their K-12 counterparts.<sup>4</sup>

## Federal Funding for Early Education in the COVID Era

Overall, since March 2020, the federal government enacted [six significant relief laws](#), providing a total of \$730 million for early education in Massachusetts.<sup>5</sup> These laws addressed a wide range of issues including health care, unemployment insurance, loans for businesses, stimulus checks, and financial support to the state budget and cities.

The most recent and largest round of aid was from the American Rescue Plan Act (ARPA). For information on earlier rounds of aid, see the summary chart and footnotes below.

## Federal Covid-19 Relief Supporting Early Education in Massachusetts, By Grant Fund

Grant	Relief Laws Providing Funding	Grant Amount	
		Sub-Total	Total
Child Care Development Block Grants			\$372.9m
	CARES*	\$45.7m	
	CRRSA*	\$131.1m	
	ARPA*	\$196.2m	
Child Care Development Block Grants – (Native American) Tribes			\$713k
	CARES	\$384k	
	CRRSA	\$57k	
	ARPA	\$272k	

Child Care Stabilization Funding	ARPA		\$314.4m
Entitlement to States	ARPA		\$9.4m
Head Start			\$27.7m
	CARES	\$10.3m	
	CRRSA	\$3.5m	
	ARPA	\$13.9m	
Individuals with Disabilities Education Act (IDEA) – Infants and Toddlers	ARPA		\$3.6m
<b>GRAND TOTAL</b>			<b>\$729.7m</b>
*CARES - Coronavirus Aid, Relief, and Economic Security Act – March 2020			
*CRRSA - Coronavirus Response and Relief Supplemental Appropriations Act of 2021 – December 2020			
*ARPA - American Rescue Plan Act – March 2021			

Overall, ARPA provided \$538 million for early education across several areas. The vast majority (95%) was provided through two broad programs under the authority of the state Department of Early Education and Care (EEC) and the Legislature. The first *Child Care Stabilization Funding*, received \$314 million from ARPA.<sup>6</sup> EEC has used this funding to create operational grants to support early care programs across the state called *Commonwealth Cares for Children (C3)*.<sup>7</sup> C3 provides monthly grants equal to part of centers’ operating costs. The C3 program also accounts for the greater costs of serving infants and toddlers and provides more for low-income kids and communities.

Overall, the federal relief through C3 has significantly expanded the number of providers receiving public support from EEC, with 81% of eligible providers (around 6,000) involved and receiving \$200 million in C3 grants as of January 2022.<sup>8</sup> This data also shows that early educators

in low-income communities, Gateway Cities, communities of color, and those receiving subsidies are more likely to participate. EEC announced the extension of the program from 6 months to a full year in late 2021. If state policymakers can identify ongoing resources to sustain these efforts, this could be a useful example for broad-reaching operational support that lasts beyond the COVID crisis.

The second major ARPA early education program, *Child Care Block Grants*, totals \$196 million. In general, both pots of funding have similar goals to help care providers address rising operating costs and other disruptions caused by COVID, while expanding opportunities for families, particularly essential workers and those with low-incomes.<sup>9</sup> Congress also relaxed some typical federal requirements through ARPA to provide greater flexibility.<sup>10</sup> As it stands, the Legislature has not budgeted the ARPA *Child Care Block Grants*, so the details remain to be determined in 2022 and beyond. Separately, a small dedicated fund for Native American tribes in Massachusetts received \$272,000 in similar block grants.

Within ARPA, there are also funds spread throughout 3 other small grants. One program, *Child Care Entitlement to States*, contains \$9 million for a small but permanent increase to federal child care support.<sup>11</sup> Another one, *Head Start* will provide \$14 million in supplemental funding to federally administered Head Start programs across Massachusetts.<sup>12</sup> Finally, *Individuals with Disabilities Education Act (IDEA) Infants and Toddlers* will provide nearly \$4 million to support early intervention developmental screenings for young children to help them reach key milestones and connect to enriching services as they enter kindergarten. Not included in this total is \$5 million in IDEA funding for preschool children distributed to school districts, which is treated as K-12 funding in this analysis.<sup>13</sup>

According to the Baker Administration, the specific uses of over \$219 million in ARPA early education grants (around 40% of the total) remain to be determined and 60% remains to be spent as of January 2022. This largely tracks with the C3 stabilization formula being implemented now and the other grant programs still to be determined.

## Moving Forward in Supporting Early Education

The federal government requires that states figure out how they will use the funds by the fall of 2023 and to spend the resources by the fall of 2024.<sup>14</sup> Early educators and state policymakers can likely plan for and spend the funds significantly ahead of these deadlines.

Having significant ARPA funds remaining creates opportunities for early education advocates, policymakers, teachers, and families to make their concerns and priorities heard. These stakeholders can help determine the best uses of ARPA relief dollars to support equitable funding in ways that will support all kids — particularly low-income and kids of color who have been harmed by past underinvestment. In December 2021, [a separate ARPA spending bill from the Legislature](#) allocated general state relief dollars (as opposed to targeted early education

dollars discussed here). Some of these funds will also likely be allocated in 2022 and could fill gaps for early education.

Our state could maximize the one-time opportunities from ARPA by using them to shore up early education providers in a systematic way moving forward. Sustained funding is necessary to improve quality and affordability for families while addressing working conditions for teachers consistently in the years to come.

Without further action at the state or federal level, most of these federal grants will expire over the next two years, creating the potential for a significant funding cliff. There are already some signs of concern along with efforts to proactively address the issue. [Governor Baker's FY 2023 budget proposal](#), on its own would cut early education by 14% from current levels. However, the Governor subsequently proposed using [\\$450 million in federal and surplus state funds to continue the C3 stabilization effort for another year](#), through FY 2023. It remains to be seen which temporary early education investments made during the pandemic will be sustained. Overall, state policymakers must move beyond temporary efforts and identify sustainable long-term solutions for expanding affordable high-quality early education and care to reach all families in Massachusetts.

## Endnotes

<sup>1</sup> Colin Jones and Marcus Giang. “Care for Our Commonwealth: The Cost of Universal, Affordable, High-Quality Early Care & Education Across Massachusetts.” MassBudget. 2021 pgs 2-3.

<sup>2</sup> Rebecca Ullrich and Aaron Sojourner. “Child Care is Key to Our Economic Recovery” Center for Law and Social Policy and National Women’s Law Center. April 2020 pgs. 5-6

<https://www.clasp.org/sites/default/files/publications/2020/04/CCKeytoEconomicRecovery.pdf>

<sup>3</sup> Stephanie Ebbert. “State Eases Regulations for Reopening Camps and Child-Care Centers. Boston Globe. June 2020. <https://www.bostonglobe.com/2020/06/15/metro/state-eases-regulations-reopening-camps-child-care-centers/?p1=BGSearch Overlay Results>

Stephanie Ebbert. “Boston-Based Advocacy Effort Launched to Push for Child-Care System Reform. November 2021.

<https://www.bostonglobe.com/2021/11/08/metro/boston-based-advocacy-effort-launched-push-child-care-system-reform/?p1=BGSearch Overlay Results>

<sup>4</sup> Naomi Martin and Tiana Woodard. “Really Demoralizing and Operationally Very, Very Hard: Child-Care Providers Try to Stay Open in COVID Surge.” Boston Globe. January 2022.

<https://www.bostonglobe.com/2022/01/03/metro/really-demoralizing-operationally-very-very-hard-child-care-providers-try-stay-open-covid-surge/?p1=Article Inline Text Link>

<sup>5</sup> Unless otherwise noted, data on federal relief funds for early education in Massachusetts are based on January 2022 figures from the Executive Office of Administration and Finance see: Massachusetts Executive Office of Administration and Finance. “COVID-19 Federal Funding Sourced Administered by the Commonwealth – Summary” January 2022. <https://www.mass.gov/info-details/about-covid-19-federal-funds>, Massachusetts Executive Office of Administration and Finance. “This database also contains further descriptions and explanations of individual grant programs.

<sup>6</sup> United States Department of Health and Human Services – Administration for Children and Families. “Child Care Funding Released in American Rescue Plan.” April 2021. <https://www.acf.hhs.gov/media/press/2021/child-care-funding-released-american-rescue-plan>

<sup>7</sup> Mass. Department of Early Education and Care. “Meeting of the Board June 8, 2021.” pgs 30-36.

<https://www.mass.gov/doc/june-8-2021-board-meeting-materials/download>

<sup>8</sup> Mass. Department of Early Education and Care. “Meeting of the Board January 11, 2022.” pgs. 16-18

<https://www.mass.gov/event/board-of-early-education-and-care-meeting-tuesday-january-11-2022-2022-01-11t130000-0500-2022-01-11t160000-0500>

<sup>9</sup> United States Department of Health and Human Services – Administration for Children and Families. “Child Care Funding Released in American Rescue Plan.” April 2021. <https://www.acf.hhs.gov/media/press/2021/child-care-funding-released-american-rescue-plan>

<sup>10</sup> Linda Smith, Kathlyn McHenry, and Frannie Einterz. “Child Care in the American Rescue Plan Act of 2021.

Bipartisan Policy Center. March 2021. pgs 1-3. <https://bipartisanpolicy.org/blog/child-care-arp/>

<sup>11</sup> Linda Smith, Kathlyn McHenry, and Frannie Einterz. “Child Care in the American Rescue Plan Act of 2021.

Bipartisan Policy Center. March 2021. pg 3. <https://bipartisanpolicy.org/blog/child-care-arp/>

<sup>12</sup> United States Department of Health and Human Services – Administration for Children and Families. “FY 2021 American Rescue Plan Funding Increase for Head Start Programs.” May 2021.

<https://eclkc.ohs.acf.hhs.gov/sites/default/files/pi/downloads/acf-pi-hs-21-03.pdf>

<sup>13</sup> United States Department of Education. “Fact Sheet Section 2014 of the American Rescue Plan Act of 2021 and the Individuals with Disabilities Education Act.” July 2021. pgs. 1-2.

<https://www2.ed.gov/policy/speced/leg/arp/index.html> and <https://www2.ed.gov/policy/speced/leg/arp/arp-idea-fact-sheet.pdf>

<sup>14</sup> Child Care Law Center. “Child Care Funding in the American Rescue Plan Act, 2021.” pgs 1-3.

<https://www.childcarelaw.org/wp-content/uploads/2021/03/Child-Care-Funding-in-the-American-Rescue-Plan-Act-of-2021-by-the-Child-Care-Law-Center.pdf>