



American Rescue Plan Act of 2021

Stabilization Grants: Overview of the Use of Funds for States and Territories

The American Rescue Plan (ARP) Act of 2021 appropriated \$23,975,000,000 for child care Stabilization Grants, which are available until September 2023. Below is an overview of the allowable use of funds for the ARP Act Stabilization Grants. For additional information, please refer to the [OCC ARP Act Stabilization Funds Information Memorandum](#).

Overview of ARP Act Stabilization Grants: Use of Funds					
Lead Agency Set-Aside for Administration and TA (No More Than 10%)	Subgrants to Child Care Providers (At Least 90%) States and territories must spend at least 90% of their allocations on subgrants to child care providers. Lead Agencies should provide stabilization grants to fund expenses that providers will incur throughout the duration of the subgrant. Lead Agencies may <i>not</i> require child care providers to incur expenses and to submit receipts to receive stabilization funds.				
	Child Care Providers May Use Stabilization Subgrants To Cover the Following Expenses				
Administering stabilization subgrants, carrying out activities to increase the supply of child care, providing technical assistance (TA), supporting subgrant applications, publicizing the availability of stabilization subgrants, and extending TA to providers receiving subgrants.	<i>Personnel Costs</i>	<i>Rent, Mortgage, Utilities, Facilities Maintenance, and Insurance</i>	<i>Equipment and Supplies</i>	<i>Goods and Services</i>	<i>Mental Health Services</i>
	Wages and benefits for child care program personnel, including increases in compensation for any staff member in a child care center or family child care providers and their employees; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions.	Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance, including late fees or charges related to a late payment.	Personal protective equipment (PPE), cleaning and sanitization supplies and services, or training and professional development related to health and safety practices (not limited to those designed specifically in response to the coronavirus disease 2019 [COVID-19] public health emergency).	Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency.	Services to support the mental health of children and employees, such as infant and early childhood mental health consultation.
	<i>Paying for Past Expenses:</i> Qualified child care providers may reimburse themselves for costs incurred after the declaration of the COVID-19 public health emergency on January 31, 2020 (but before the March 11, 2021, ARP Act date of enactment), for any of the uses of funds outlined above as long as those uses were made in response to the public health emergency.				