

REPORT HIGHLIGHTS



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ACF Did Not Monitor States' Compliance With All American Rescue Plan Child Care Stabilization Grant Provisions

Why OIG Did This Audit

- The American Rescue Plan (ARP) Act of 2021 appropriated \$24 billion for child care stabilization grants with the goal of providing financial relief to child care providers to help pay for costs associated with the COVID-19 public health emergency and stabilize the child care market.
- States were required to use most of their ARP grant funding to award subgrants to child care providers. The Administration for Children and Families (ACF) must review and monitor States' child care stabilization grant programs for compliance with ARP and other Federal requirements.
- This audit identified how 15 selected States used ARP-funded child care stabilization grants and included a review of ACF's oversight activities related to these funds.

What OIG Found

- The selected States varied in their determination of subgrant award amounts, frequency of provider payments, and allowable use of funds. Also, States reported experiencing challenges in implementing subgrant programs such as developing application systems and State-specific challenges.
- ACF conducted monitoring activities to oversee States' ARP child care stabilization grant programs, including monthly interviews with State officials and collecting and reviewing State subgrant award data; however, not all ARP provisions were monitored by these activities. In addition, ACF did not require States to develop internal controls to ensure integrity and accountability of their ARP child care stabilization grant programs.
- ACF used State-reported program data to publish fact sheets on States' subgrant programs that were not always reliable or accurate.

What OIG Recommends

We made three recommendations to ACF, including that it develop a written plan to effectively monitor States' compliance with requirements for future child care emergency assistance programs. The full recommendations are in the report. ACF concurred with our recommendations and provided information on actions it has taken or plans to take to address them.