

COVID-19 Support for Child Care

CHILD CARE
RELIEF FUND
ROUND 6

UPDATES FOR
PARTNERS AND
PROVIDERS

Welcome!

Today's Agenda:

- 1) COVID-19 financial support
- 2) Round 3: No repayments necessary
- 3) Round 6: Updates and application
- 4) Questions?

Since spring 2020, over 6,000 providers have received a share of over \$100 million to strengthen child care in Michigan.

And we know more support is needed.

Over 300 providers have offered feedback on these investments and helped us make them work better for families and providers.

Thank you!

MDE-CDC-ADMIN @MICHIGAN.GOV

Continue to share your input!

COVID-19 Support for Child Care

New!

Subsidy billing
for school age
children

Absence hours
for COVID-
related absences

Round 6 of the
Child Care Relief
Fund

Subsidy Billing for School Age Children

Summary

Effective pay period 018 (August 16, 2020 – August 29, 2020), child care providers may bill the child care subsidy for care provided during the school day for school-age children if a child is participating in virtual education. This includes when a child is participating in a fully virtual program, virtual learning during a hybrid program, and virtual learning offered due to temporary closures.

Rationale

All children deserve safe places to learn while their families work. When children are enrolled in virtual or hybrid education, child care providers have been addressing a critical gap in families' child care needs. This policy change provides financial support to families participating in subsidy and compensates child care providers for the services that they are providing.

Subsidy Billing (cont.)

Eligible children

To be eligible, a school-age child must be enrolled in a virtual education program when virtual learning is the only option in the school district. This includes when a school-age child:

- Is enrolled in a fully virtual option¹:
 - Because virtual learning is the only option available at their school
 - Due to a health concern of the child or family member
- Is enrolled in a hybrid program, and the child is in a child care setting on the days he or she is assigned to participate virtually because:
 - A five day a week in-person option is not available currently at their school
 - Due to a health concern of the child or family
- Is enrolled in a five day a week in-person program through their school, and virtual instruction is provided temporarily (for example, due to a COVID-19-related closure)

MEMORANDUM

DATE: October 8, 2020

TO: Michigan Licensed Child Care Providers

FROM: Dr. Scott M. Koenigsknecht, Deputy Superintendent
P-20 System and Student Transitions

SUBJECT: Child Care Subsidy for Care for School-Age Children

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¹ Children enrolled in a cyber school are not eligible because their typical school experience is offered remotely and not in person.

Full Memo:
www.michigan.gov/childcare

Additional Absence Hours Available Through December 30

If a child is absent for COVID-related reasons, they may be eligible for up to 60 additional absence hours. Details coming soon about when and how to bill.

COMING SOON!

Round 6 of the Child Care Relief Fund

I wasn't expecting another round of grants. Where did funding for Round 6 come from?

MDE was not expecting a Round 6 either. In June, the Legislature had appropriated \$125 million for tuition credits in June, July, and August. There is roughly \$70 million in remaining funds that are being used for Round 6 grants.

Round 6 of the Child Care Relief Fund

Will there be a Round 7?

We are not anticipating one. In Round 6, we will spend all remaining CARES Act Funds that have been awarded to child care. Governor Whitmer continues to advocate for more federal resources for child care, but it is not clear when that funding might be available, if at all.

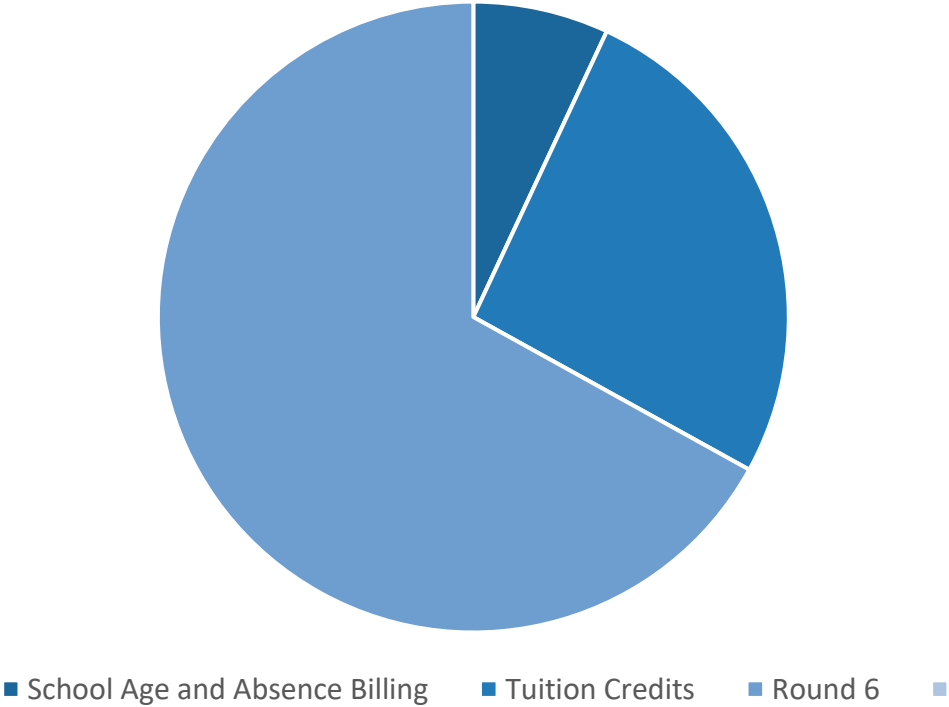
Update on Federal Investments

Child Care And Development Block Grant Funding

- \$100.7 million
- Largely invested in April, May, and June grants
- Also supported the provider type funding in July and August

Update on Federal Funding, continued

Coronavirus Relief Fund



Round 3: Recoupments Avoided Related to Subsidy Tuition Credits

Good News: Recoupments Avoided Related to Subsidy Tuition Credits

Providers can avoid recoupments providing basic information about how they spent their June tuition credit stipend and confirming funds were used appropriately.

What should you do next? Wait to hear more from MDE directly.

- Providers who accept the child care subsidy and received tuition credits in June will be required to provide information about how they spent their June tuition credit stipend.
- MDE will contact providers individually to complete this reporting.
- If a provider does not participate in this monitoring activity, recoupments may still be necessary on an individual basis. It is MDE's goal to avoid that and the Department will partner with providers to gather accurate documentation.

More Details

- *Which providers does this affect?*
 - If you serve children receiving the subsidy AND you applied for tuition credits in Round 3 (June), you were notified that you may need to repay grant funds to the state
- *Why is this necessary?*
 - The Child Care Relief Fund was created with federal funds, and those federal funds have requirements for how states spend the money. One rule is you can't use two different federal funding sources to pay for the same expense. In this case, there were concerns that this grant provided funding for tuition already being paid for by the child care subsidy.
- *What's the solution?*
 - The state updated its guidance in July and August to clarify that child care providers should only report tuition that is paid by families directly.
 - The state is also completing a full monitoring review to ensure that providers used the tuition credits they received to first provide the tuition credit on a family's co-pay, as required, with any remaining funds used to pay for allowable operational expenses.

Round 5 Grant Applications Extended

- If you put your Round 5 grant application on pause, submit now!
- The grant application deadline has been extended until **October 16, 2020 at 5:00 pm.**

→ If you have questions about your application, we're here to help!
Please call the CDC Help Desk at 866-990-3227.

Round 6 Updates

What We Heard	How We Responded
Child care providers need more financial assistance.	Round 6 includes more funding than any previous round for child care providers to respond to operational needs.
Child care providers know their needs and funding should be flexible.	The state is allowing providers as much flexibility as possible to spend funds to meet their needs while meeting federal requirements.
It's not sustainable to keep rates the same.	Child care providers can increase rates and still be eligible for funding.
The application process needs to be as easy as possible.	Instead of multiple funding rounds, this new funding is being allocated in a single round.
Tuition credits are hard to administer.	This round, tuition credits are a flat rate for families in your care to ease administrative burden.

Round 6 Summary



To support providers: The largest grants to date



To help families: Flat rate tuition credit

Grant Structure

Providers must apply operational funds **AND** tuition credits*

Provider type	OPEN child care centers base amount: \$10,000 OPEN family/group home base amount: \$8,000
Licensed capacity	1-6 children: \$1,000 7-12 children: \$2,400 13-25 children: \$5,000 26-50 children: \$10,000 51-75 children: \$15,000 76-100 children: \$20,000 101+ children: \$26,000
Star rating	1 or 2 star: \$500 bonus 3, 4, or 5 star: \$1,500 bonus
Tuition credits	\$200 per child in care in September

Eligibility:

Providers must be open and caring for children

* Providers are no longer required to put rate increases on hold to be eligible.

Licensed child care centers

Family homes and group homes

Tribal child care

Head Start and GSRP programs that provide tuition-based child care (does not include before and after school care)

I am a Head Start or GSRP provider. Am I eligible?

Maybe.

Both Head Start and GSRP programs received GSRP and Head Start funding during the COVID-19 crisis to address program costs and staff costs to finish the FY20 program year. If you only provide a Head Start and/or GSRP program, you are not eligible for this grant.

If you are not sure whether you qualify, please contact the Child Development and Care Office at the Michigan Department of Education at 866-990-3227, and we can discuss your situation.

What if my tuition rates are higher now than they were in March, am I eligible?

Yes.

You are eligible for this round of funding. This requirement was removed from the legislation authorizing this funding, and providers are no longer required to have the same tuition as March 2020 to qualify for funding.

When is the application available?

Monday, October 19 at 9:00 am to
Friday, November 6 at 5:00 pm

Will everyone who applies receive funding?

Funds will be awarded on a **first come, first serve** basis until all available funding is awarded. Incomplete applications will not be in line for funding until all information is provided. A complete application does not guarantee funding.

How do I apply?

Visit [Michigan.gov/childcare](https://michigan.gov/childcare)

- Apply
- Review FAQ
- View application tools



The screenshot shows the Michigan Department of Education website. The header features the Michigan Department of Education logo and a search bar. The main navigation menu includes: State Board of Education & Superintendent, Top 10 in 10, Academic Standards, Career and Technical Education, Early Learners and Care (highlighted), 21st CCLC - After School, Child Development and Care, Parents, and Providers. The breadcrumb trail reads: MDE / EARLY LEARNERS AND CARE / CHILD DEVELOPMENT AND CARE. Below the breadcrumb are three tabs: Getting Started, Contact US, and What's New. The 'What's New' tab is active, displaying a section titled 'For Questions Regarding:' with contact information for license exempt child care providers, billing, and criminal history reviews. A photograph of a teacher and children is visible in the background of the 'What's New' section.

MICHIGAN
Department of Education

Search

MDE / EARLY LEARNERS AND CARE / CHILD DEVELOPMENT AND CARE

Getting Started Contact US What's New

For Questions Regarding:
Being a license exempt child care provider call 866-990-3227, ext. 1.
Your billing or child care payments call 866-990-3227 ext. 2.
License exempt provider criminal history reviews call 866-990-3227, ext. 5.
For child care licensing information call 866-685-0006 or visit



Child Care Relief Fund Application

Who is applying for a grant?

***Provider name**

***Provider type**

***Are you a Head Start and/or GSRP provider?**

Yes

No

Previous step

Step 2 / 5

Next step

Application Tips

- Round 6 will be very similar to the first five rounds of the grant
- Have your license or registration number ready
- Review your application twice and confirm you've entered information correctly before submitting



How can we reach you?

Providers are required to register in SIGMA to receive a grant payment (payment can be made via EFT or paper check). If you do not have a **SIGMA vendor code or SIGMA mail code**, you must request one by contacting the SIGMA Help Desk at SIGMA-Vendor@michigan.gov or **1-888-734-9749**. If you enter an invalid code, it will significantly delay processing time.

Note: License exempt providers are not required to submit a SIGMA vendor code or mail code.

*SIGMA Vendor code

SIGMA Vendor Code start with a cv,vc or vs (Total 9 characters)

SIGMA Address ID

EX: AD012 or 012

If we have questions about your application, we may contact you to clarify.

*Contact Name

Your Name

*Contact Phone

XXX-XXX-XXXX

*Contact Email

Previous step

Step 3/ 5

Next step

SIGMA Tips

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- If you do not have a SIGMA vendor code or SIGMA mail code, you must request one by contacting the SIGMA Help Desk at
 - SIGMA-Vendor@michigan.gov
 - 517-284-0540
- If you enter an invalid code, it will significantly delay processing time.

Operational Funds for Providers

Awards are based on:

- Provider type
- Licensed capacity
- Star rating

Providers will submit this information in their application and MDE will verify responses based on data from licensing and Great Start to Quality.

Allowable Uses

In Round 6, child care providers are eligible to receive funding to cover operational expenses. Unlike previous grant rounds, these grants are funded by the federal Coronavirus Relief Fund. This federal funding source has specific rules about how money can be spent that are different than previous round of the Child Care Relief Fund (when operational grants were paid for by the Child Care Development Block Grant).

- 1. Funds must be used on expenses from March 2020 through December 30, 2020.** Although you are receiving these grant funds in late 2020, the funds can be used to cover business expenses from March through December 30, 2020. Be sure to maintain records of when your expenses occurred.
- 2. Funds must be used on expenses that were not previously paid for by federal funds.** If you received other federal support between March and December 2020, you cannot use these grant dollars on the same expenses. For example, if you received a PPP loan or you receive the child care subsidy, be sure to document that these grant funds paid for different expenses.
- 3. Funds can be used to cover the following expenses.** These funds must be used to cover expenses related to COVID-19. Maintain clear records of why grant expenses are COVID-related. See the next slide.

Type	Allowed	Not Allowed
Payroll	<ul style="list-style-type: none"> - Payroll costs due to COVID-19, such as increased costs due to smaller group size or not combining classrooms - Overtime directly due to COVID-19 staffing needs. This would include situations such as OT costs for extending their hours to service first responders or public health staff. - Hazard pay (up to an additional \$2 an hour) for employees for the time they are working in person with children 	<ul style="list-style-type: none"> - Regular payroll - Hazard pay for employees who do not work directly with children or for the time staff were not working directly with children - Workforce bonuses
Business interruption	<ul style="list-style-type: none"> - Expenses incurred when their business was closed, open for shorter hours, or experiencing lower enrollment due to COVID-19. - This includes expenses such as mortgage payments or rent, utilities, or insurance 	<ul style="list-style-type: none"> - Expenses incurred prior to March 1, 2020 - Damages covered by insurance - Operating expenses while the business is open for normal hours (mortgage, insurance, utilities) - Expenses reimbursed by other federal programs (e.g. PPP, UIA)
Public health expenses or compliance with public health measures	<ul style="list-style-type: none"> - Materials purchased for health and safety, such as thermometers, masks, face coverings, or gloves - Materials purchased to allow for social distancing and smaller group sizes, such as new toys and materials that allow for rotation of items in play spaces - Cleaning, such as sanitation supplies, extra janitorial costs, equipment 	<ul style="list-style-type: none"> - Purchases that are not directly connected to COVID-19 - Stockpiling PPE for future uses beyond anticipated short term need
Additional food costs	<p>Food costs, if costs exceeded their typical budget. This may be due to higher food cost due to COVID-19 or having to order/serve food differently (such as switching to individually packaged food items). Food costs in excess due to the higher demand from COVID. This would only cover the additional costs, not all food costs and the additional costs must be a results of the increased demand due to COVID.</p>	<ul style="list-style-type: none"> - Regular food costs - Any food costs paid for by another federal program including food costs normally including in tuition paid by child care subsidy program.

Tuition Credits for Families

How should I count the number of children in care when I answer questions to receive the tuition credit?

- If you were **open** and had children in care in September, you will be asked to report the number of children ages 0-2 and children ages 3 and older who attended your program at least one day between September 1-30.
- Children should be included if all the following are true:
 - They were in attendance at least one day between September 1-30
 - They are counted as part of your child-to-staff ratio
 - You charged tuition or a co-pay to care for them (not paid by state or federal funds)

Tuition Credits for Families

• **ARE FAMILIES WHO RECEIVE THE SUBSIDY ELIGIBLE TO RECEIVE A \$200 TUITION CREDIT?**

- Maybe.
- If a family pays tuition or a co-pay, they are eligible to receive the tuition credit. Providers should include these children in their application.
- If a family does not pay tuition or a co-pay (in other words, the subsidy fully covers their bill), they are not eligible to receive the tuition credit.

Tuition Credits for Families

If I charge families a fee to “hold” a spot, can I count their children as in my care in September?

- No. To receive the tuition credit, children must be in care.

A family was in my care but has left. What should I do with their tuition credit?

- If a family disenrolls before you provide its credit, you must attempt to issue the credit.
- If a family owes you a balance, you may apply the credit to that balance.
- If not, you should reimburse the family directly for previous tuition paid.
- If you attempt to reimburse a family two or more times, and are not able to do so, document your attempts.
- The department may request this documentation for up to five years after final payment is made. You are not required to return funding to the state.

What if the family wants to donate their tuition credit back to the provider?

- The tuition credit funding must be credited to the family as required and supported by documentation to ensure program requirements are met.
- If the family is interested in donating to the program/provider, it can do so as a separate transaction.

New Assurances

ADDED

- Providers must assure that they will issue tuition credits to families on their next tuition bill.
- Providers must assure they will spend funds in compliance with federal rules.
- Providers must assure they will not use these grant funds to pay for expenses already paid for with other federal money.

REMOVED

- Providers no longer need to assure that their weekly rates are the same as March 2020.



Child Care Relief Fund Application

Your Child Care Relief fund grant application has been submitted! Please print or take a picture of this confirmation page for your records.

Grant amounts vary based on provider type and amount of tuition charged.

The Michigan Department of Education (MDE) will be processing applications as quickly as possible. If the department has any questions regarding your application, we will be reaching out using the email provided in your application. MDE will be taking reasonable steps to distribute grants within 15 business days of receiving a complete application.

If you have questions about your application, please contact the Child Development and Care office (MDE) at 866-990-3227.

Confirmation Tips

- Providers should print their confirmation screen after they submit their application.
- Be sure to confirm your email address is accurate before submitting the application.
- If providers make a mistake when they apply, call the CDC Office at 866-990-3227.



How will I receive my grant funds?

- After providers apply, they will receive a confirmation email indicating their application has been received.
- The Michigan Department of Education will then verify eligibility and may contact the provider for clarification of application items.
- Providers can check the status of their SIGMA payment via SIGMA or check www.michigan.gov/childcare for a weekly posting of payments made.
- MDE will be taking reasonable steps to process applications within 15 days of receiving a complete application.

Do grants need to be reported as income?

Yes.

Child Care Relief Fund grants will be counted as income and 1099s will be issued for payments over \$600. We do not believe the rate reduction grant will increase providers' overall tax liability because the grant is replacing income that the provider would have received from parents if the grant were not available.

Am I required to submit supporting documentation or records?

No. You are not required to submit supporting documentation with the online application.

However, you are required to maintain records that support your grant application and use of funds for **five years** in the event the records are requested for an audit or other purposes.

You are encouraged to use the tool created and posted at www.michigan.gov/childcare to document child care tuition costs and reimbursement amounts provided to families in your care.

Visit www.Michigan.gov/childcare to apply!

Stuck? We're here to help!

- Child Development and Care Office: 866-990-3227
- Regional Resource Centers: 877-614-7328
- SIGMA Help Desk:
 - SIGMA-Vendor@michigan.gov or
 - 1-888-734-9749

