

Calculating Your Grant Amount

Fall 2021

Grant Formula: Overview

- All providers will receive a **base award**. Base awards will vary based on size of the program and provider type to recognize the universal need to stabilize child care and the variation in cost by site.
- Providers will also be eligible to receive **bonus payments** to reward and recognize sites that are helping the state address gaps in the child care system. Bonuses will be paid out in addition to the base award.

All eligible providers will receive:

Provider Type:

- Centers: \$4,000
- Group home: \$3,000
- Family home: \$2,000

Provider Size:

Licensed capacity X
\$650*

*Please note: This award is tentative and assumes that 100% of eligible child care providers apply. Final grant awards will be calculated based on the actual number of applicants. Your final award may be higher!

SOME eligible providers will receive:

Caring for Infants and Toddlers: Providers serving children 6 week to 30 months. (15% of the provider size award)

Caring for Child Care Subsidy Children: Providers serving children receiving the subsidy will receive a bonus (number of subsidy children x 30% of \$650*)

Non-Traditional Hour Bonus: Providers that offer evening and weekend care (5% of the provider size award)

Special Needs Bonus: A child with a disability, as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401); A child who is eligible for early intervention services under part C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq); A child who is less than 13 years of age and who is eligible for services under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (5% of the provider size award)

Quality Bonus: Providers with a published rating in Great Start to Quality (5% of the provider size award)

Center Example

Category	Value	Amount
Licensed Capacity (45 x \$650)	45	\$29,250.00
Program Type	Center	\$4,000.00
I/T ($\$29,250 \times .15$)	Y	\$4,387.50
Subsidy ($\$650 \times 15 \times .30$)	15	\$2,925.00
GSQ ($\$29,250 \times .05$)	Y	\$1,462.50
	Total Amount of Grant	\$42,025.00

Center Example 2

Category	Value	Amount
Licensed Capacity (\$650 x 100)	100	\$65,000.00
Program Type	Center	\$4,000.00
I/T (\$65,000 x .15)	Y	\$9,750.00
Subsidy (\$650 x 50 x .30)	50	\$9,750.00
GSQ (\$65,000 x .05)	Y	\$3,250.00
Non-trad (\$65,000 x .05)	Y	\$3,250.00
Special needs (\$65,000 x .05)	Y	\$3,250.00
	Total Amount of Grant	\$98,250.00

Home Provider Example

Category	Value	Amount
Licensed Capacity ($\$650 \times 6$)		6 \$3,900.00
Provider Type	Family Home	\$2,000.00
I/T ($\$3,900 \times .15$)		Y \$585.00
Subsidy ($\$650 \times 6 \times .30$)		6 \$ 1,170.00
GSQ ($\$3,900 \times .05$)		Y \$195.00
	Total Amount of Grant	\$ 7,850.00

Home Provider Example 2

Category	Value	Amount
Licensed Capacity (\$650 x 12)	12	\$7,800.00
	Group Home	\$3,000.00
I/T (\$7,800 x .15)	Y	\$1,170.00
Subsidy (\$650 x 12 x .30)	12	\$2,340.00
GSQ (\$7,800 x .05)	Y	\$390.00
Non-trad (\$7,800 x .05)	Y	\$390.00
Special needs (\$7,800 x .05)	Y	\$390.00
	Total Amount of Grant	\$15,480.00

Staff Bonus Payments

- To receive funds, providers will report the number of full time and part time staff on payroll the day they submit their application.
- To qualify, staff must provide direct child care services and/or administration, work at the child care facility, and be on payroll. Volunteers do not qualify for bonus payments.
- If you are a home provider, you should include yourself. Center Director's can also be included.
 - Full time: 30 + hours weekly --- \$1,000
 - Part time: less than 29 hours weekly ---- \$500
- Only count once if a staff members works in multiple locations.

Staff Recruitment and Hiring Funds

- May request additional funding for recruitment/hiring bonuses for recruiting new staff.
- May request additional funds for Recruitment/sign on bonus
 - \$1,000 per new full time staff member
 - \$500 per new part time staff member
- Recruitment/sign on bonus funds must be used to provide additional wage, salary, employee benefits, or bonus compensation to new staff. Providers agree to return funds if it is determined that they did not use these funds to pay staff as described here.
- Vacancies should be current as of the provider's application date. Providers must assure they will hire staff and award sign on bonuses within six months of receiving the funds.

Is This Funding Taxable?

Yes.

The Child Care Stabilization Grant is considered income and is taxable. Programs that are awarded a grant will receive an IRS Tax Form 1099-NEC. This funding is subject to the same tax rules as regular CCDF funding. State tax rules apply.

Regarding federal tax rules, please contact your tax preparer or the Internal Revenue Service for guidance. In some cases, funds used to cover operating expenses may be exempt from taxation.

We strongly urge you to talk with your tax preparer to create a plan for how to estimate the tax implications for planning purposes.

See Taxable Income guidance at www.Michigan.gov/childcare.