## Child Care Stabilization Grants

SPRING 2022 APPLICATION



#### Overview

- Goals
- Eligibility
- Grant Award
- Grant Requirements
- Application
- Technical Assistance and Supports Available



### **Vision**

All families have access to safe, quality, affordable child care that meets their needs—regardless of how old their children are, where they live, family income, or their race/ethnicity.



# We have \$1.4 billion in federal resources to help strengthen our system and move closer to this vision.

Stabilize child care businesses

Expand access to care (eliminate deserts)

Lower costs for working families

Support early educators

**AVAILABLE** 

**AFFORDABLE** 

**QUALITY** 



The Governor and Legislature included \$700 million specifically to stabilize existing providers through the **Child Care Stabilization Grant**.

Over **\$365M** was awarded in the fall (included staff bonus funds) with **5,890** providers receiving grants.



# This Child Care Stabilization grant application and grant formula was designed with input from child care providers

#### Predictable

- Do providers know how much funding they will receive?
- -Can they rely on that funding over time?

#### Simple

- -Is the application as simple as possible?
- Is there support available to quickly answer questions?

#### Equitable

-Is more funding going to providers with more need?

#### Adequate

- -Is the funding significant enough to make a meaningful impact on the provider's budget?
- -Will the funding help providers stay open?



### Our goal is to have 100% of eligible child care providers apply for grant funds



## Eligibility



### Who can apply for a Child Care Stabilization Grant?

- Applicants must be licensed child care providers:
  - Child care centers
  - Group homes
  - Family group homes
  - Tribal child care providers
- Applicants must either be:
  - Open and serving children
  - Open and willing to serve children OR
  - Temporarily closed and/or not serving children because of the pandemic.
     These providers must agree to open within three months
- If an applicant operates a GSRP, Head Start or 21<sup>st</sup> CCLC program, they must also provide child care services. Providing before/after care for program participants does not meet this requirement.

#### I am a GSRP, Head Start, and/or 21st CCLC program. Am I Eligible to Apply?

Maybe.

If you only provide a Head Start and/or GSRP or a 21st CCLC solely funded program, you are not eligible for this grant. Head Start, GSRP and 21st CCLC programs must also provide tuition-based child care under the same license number to be eligible.

To be eligible:

 You may provide HS/GSRP, and/or 21st CCLC but you must also provide tuition based child care

None of the following qualify as tuition based child care for the purposes of this grant:

Wraparound child care (before and after HS/GSRP program hours and/or Fridays
 Enrolling children paying tuition in HS/GSRP or 21<sup>st</sup> CCLC programs.

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.

# Will everyone that applies receive a grant?

This is a non-competitive grant. Every eligible child care provider that submits a complete application will receive a grant award. Funding is not awarded on a first come, first serve basis.



### Grant Award



### **Grant Application**

- This grant is the second opportunity of the Childcare Stabilization Grant.
- Even if you applied in the Fall, you must submit a separate application for the Spring.
- If you received a fall grant, you must have spent the money and submitted the report before having access to the Spring Application.
- A report will also be required after the second grant.



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

**Non-Traditional Hour Bonus:** Providers that offer care after 6 pm and before 6 am Monday-Friday and weekend care (5% of the provider size award)

**Special Needs Bonus:** A child with a disability, as defined in section 619 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)

## What Does "Caring for a Child Care Subsidy Child" Mean?

For the Spring grant formula we will use child care subsidy billing data for the month of February 2022. Your application will pre-populate with child care subsidy billing data from February 2022 and you will be asked to verify prior to application submission.



## What Does "Non-Traditional Hour Care" Mean?

Providers that are providing care prior to 6:00 am or after 6:00 pm on weekdays and/or any time on the weekend.



## What Does "Caring for a Child with Special Needs" Mean?

For the purposes of this grant application, this is a defined as caring for:

 A child with a disability, as defined in section 619 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).

### What Special Needs is NOT

We recognize that many providers make special accommodations in providing care for children. This can range from dealing with a food allergy to medical conditions.

For the purposes of this grant, however, these are not considered special needs.



### Center Example

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



### Center Example

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		
$($650 \times 50 \times .30)$	50	\$9,750.00
GSQ		
$($65,000 \times .05)$	Υ	\$3,250.00
Non-trad		
$($65,000 \times .05)$	Y	\$3,250.00
Special needs		
(\$65,000 x .05)	Υ	\$3,250.00
	<b>Total Amount of</b>	
	Grant	\$98,250.00



### Home Provider Example

Category	Value	Amount
Licensed Capacity		
(\$650 x 6)	6	\$3,900.00
Provider Type	Family Home	\$2,000.00
I/T		
$($3,900 \times .15)$	Y	\$585.00
Subsidy (\$650 x 6 x .30)	6	\$ 1,170.00
GSQ	O	φ 1,170.00
(\$3,900 x .05)	Υ	\$195.00
	Total Amount of	¢ 7 950 00
	Grant	\$ 7,850.00



### Home Provider Example

Category	Value	Amount
Licensed Capacity		
(\$650 x 12)	12	\$7,800.00
	Group Home	\$3,000.00
I/T		
(\$7,800 x .15)	Υ	\$1,170.00
Subsidy		
$($650 \times 12 \times .30)$	12	\$2,340.00
GSQ		
(\$7,800 x .05)	Υ	\$390.00
Non-trad		
$($7,800 \times .05)$	Υ	\$390.00
Special needs		
(\$7,800 x .05)	Υ	\$390.00
	<b>Total Amount of Grant</b>	\$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 childcare services (count in the childcare ratio) and/or administration, work at the childcare facility and be on payroll.

<u>Volunteers and contracted staff (staff who receive a 1099) do not qualify for bonus payments.</u> To count as staff, the employer must pay Payroll Taxes for the employee.

If you are a home provider or a Center Director you should include yourself in the full time count.

- Full time: 30 + hours weekly --- \$1,000
- Part time: less than 29 hours weekly ---- \$500

Staff who work in multiple locations should only be counted once.



### **Home Provider Staff Bonuses**

Home based providers should count themselves as full time staff.

If a partner/spouse is also on the child care license, then they can also receive the staff bonus.

Other family members who help out or do maintenance, but who are not listed on the license and who are not reported as employees (receive a W-2 and employer withholdings) are NOT eligible for a staff bonus.

# Staff Bonus Payments Requirements

All staff bonus payments must be paid to staff NO LATER THAN **September 1**, **2022** but should be paid to staff as soon as possible.

They should be paid in a lump sum.

They cannot be used to pay for other staff benefits, i.e. they must be paid through payroll to the staff member as a bonus.

Staff bonus payments are considered taxable income and should be processed as such, including the withholding of payroll taxes.

# Additional Funding to Support the Workforce

Providers may choose to use additional funds from their Stabilization Grant to increase staff compensation, increase staff wages, provide additional bonuses, or for recruitment purposes. That may include:

- Bonuses or increases in wages for any period between January 2020 and July 2023.
- Contributions toward health insurance costs that reduce costs for staff
- Contributions to staff retirement funds.
- Educational advancement or tuition reimbursement for staff.
- Coverage of child care costs for staff members' children. (This can be done regardless of where care is provided.)



## Grant Requirements



## To receive funding, providers must:



Submit a complete application

2

Provide bonus pay to staff

3

Implement COVID protocols aligned with the CDC and child care licensing

4

Maintain staff wages and benefits

5

Provide tuition relief (to the extent possible)



Submit required reports



# Additional Assurances and Compliance

Providers must also agree to state-required assurances including that you agree to:

- Spend grant funds on allowable expenses
- Participate in monitoring activities and provide proper documentation if requested
- Notify MDE in the event of a permanent program closure before spending your grant funds.

Providers agree to record keeping for monitoring and audit purposes.

Noncompliance may result in termination of a grant award and/or repayment of funds.

# Do Non-Discrimination Requirements Apply to the Grant Funding? (FAQ #43)

In general,

The ARPA stabilization grants were appropriated as additional funds "in accordance with the Child Care and Development Block Grant Act of 1990." Sec. 2202(b), PL 117-2. Thus, the CCDBG Act would apply unless a clear conflict was shown. The nondiscrimination provision of the CCDBG Act applies to any "child care provider that receives assistance under this subchapter" and prohibits discrimination against children on the basis of their religion and in employment on the basis of religion. Family child care providers are exempt from the prohibition against discrimination against children.



### **Allowable Uses**

This grant is intended to support operational expenses and your COVID-response. You must spend grant funds on one or more of the following:

- Personnel costs,
- Rent or mortgage payments,
- Insurance,
- Facility maintenance and improvements,
- Personal protective equipment (PPE) and COVID-related supplies,
- Training and professional development related to health and safety practices,
- Goods and services needed to resume providing care,
- Mental health supports for children and early educators, or
- Reimbursement of costs associated with the current public health emergency.



## Major Renovations - NOT Allowable

- (1) structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area;
- (2) extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change.

Major remodeling is not allowed for these funds.

**NO** structural changes

**NO** extensive alterations of facility or home

**NO** extension of a facility or home to expand floor area



### 3 Important Questions

- 1. Is it required by licensing or insurance?
- 2. Does it make the environment safer during COVID?
- 3. Does it directly benefit the children in my care?



### Purchasing a Program?

No. Stabilization Grant funds cannot be used to assist in the purchase of a child care program.



### Am I Required to Offer Tuition Discounts to Families?

No. Programs are encouraged, but not required, to offer tuition relief/discounts to families.

However, as a condition of this grant, you must certify that you will provide relief from copayments and tuition payments for families enrolled in your program, to the extent possible, and prioritize such relief for families struggling to make either type of payment.

#### **Allowable** tuition relief examples include:

- Waiving of tuition co-payments for families
- Providing an across the board tuition discount (i.e. reducing tuition by 10% for families)
- Tuition credits for COVID absences or closures
- Credits for families who are waiting for subsidy eligibility



# How Long Do I Have to Spend These Funds?

Funds must be fully spent by July 31, 2023.

#### What if I can't spend all of my grant award by July 2023?

You must contact MDE at 866-990-3227. Prior to returning funds, providers will be asked to discuss how these funds can be used to strengthen your business and services for children and families. Providers must contact the CDC Help Desk with concerns about funds that cannot be spent no later than July 1, 2023.



### Reporting Requirements

- Providers will be required to report how they spent the funds, current enrollment information, and will be asked to verify payments of bonuses to staff.
- Reporting will occur through the Great Start to Quality system. To prepare for reporting, MDE recommends using the tools available at <u>Michigan.gov/childcare</u> to track spending and maintain records.
- Additional information about reporting will be available at <u>www.michigan.gov/childcare</u> and through webinars.



# Is the Grant Award Taxable Income?

**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/consult with your tax preparer to create a plan for how to estimate the tax implications for planning purposes. **Grant funds can be used to cover the cost of tax consultation/preparation.** 

**Grant funds cannot be used to pay taxes.** 

To find more information about the taxability of funds visit <a href="www.michigan.gov/childcare">www.michigan.gov/childcare</a>.



Grants will be released beginning the week of June 20.





## Chat Break



## Application



Applications for the Child Care Stabilization Grant will be available on March 22 after 8:00 am. It will close on May 26 at 6:00 pm.



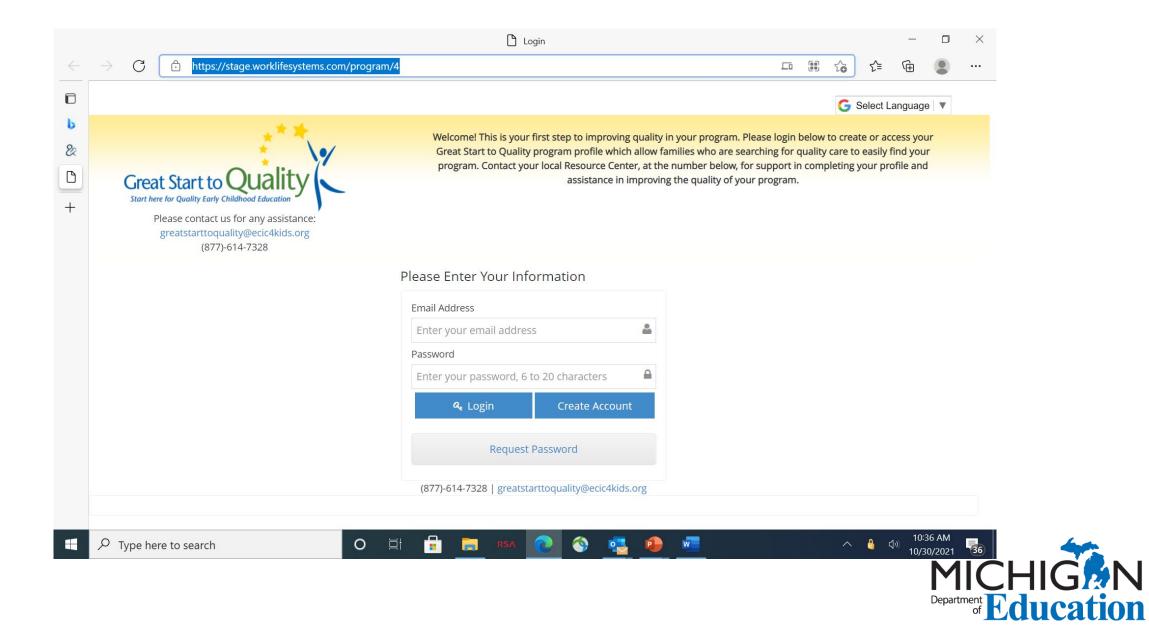
### How Do I Apply?

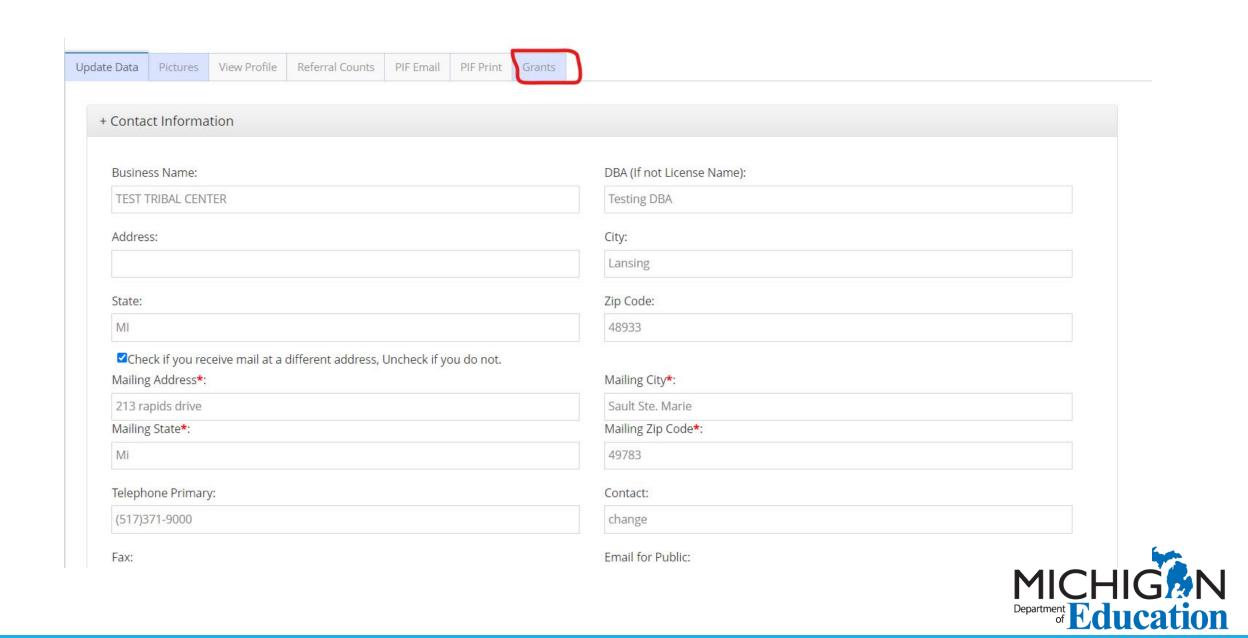
Eligible child care programs must complete and submit an online application. Visit <a href="www.Michigan.gov/childcare">www.Michigan.gov/childcare</a> to access the application link and complete the application.

If you need help applying, we're here to support you! Contact your Great Start to Quality Resource Center for help with your application by calling 877-614-7328. You may also find another local partner whom you normally work with that will be willing to assist with your application.

**Reminder**: You can save your application and come back to complete it later. We'll also have much of your application prepopulated to make applying faster! Once you submit your application, you will NOT be able to edit it!







 Update Data
 Pictures
 View Profile
 Consumer Ed
 Referral Counts
 PIF Email
 PIF Print
 Grants

#### **Available Grants**

- Child Care Stabilization Grant, Spring 2022



#### **Closed Grants**

- Child Care Stabilization Grant, Fall 2021



Provider Type Licensed Family Homes			<b>Business Name</b> Kimberly Ann Marie Fis	her		
First Name 🐧			Last Name 🐧			
<b>Location Address</b> 24046 Thomas		<b>City</b> Warren	State MI		Zip Code 48091	
		Mailing City	Mailing State		Mailing Zip Code	
Email	<b>Phone</b> (586)756-546	5	Alternate Phone <b>1</b>			
License Number SIGM DF500279798	IA Vendor Number <b>1</b>	Set Up your SIGMA]	[Find your SIGMA]	SIGMA Mail Code	0	
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#### **ESTABLISHING YOUR BASE GRANT PAYMENT AMOUNT:**

#### Enrolling children paying tuition into a Head Start, GSRP, or 21st CCLC program

○ Yes ● No

These federal funds are intended to support licensed child care providers. To be eligible, you may provide Head Start, GSRP, and/or 21st CCLC, but you must also provide tuition-based child care. None of the following qualify as tuition-based child care services for the purpose of this grant:

- Wraparound child care (before and after Head Start or GSRP program hours and/or on Fridays)
- Enrolling children paying tuition during Head Start, GSRP, or 21st CCLC program hours

#### As of the date of your application, select the option that describes your program's status:

- Open regular hours and serving children.
- Open with reduced hours and serving children.
- Open and willing to enroll children, but none currently attending. I understand that I must serve children within 3 months of receiving the funds to continue to be eligible.
- O Temporarily closed due to public health concerns, financial hardship, or other reasons relating to the public health emergency. I understand that I must serve children again within 3 months of receiving the funds to continue to be eligible.

#### **Total Licensed Capacity: 6**

- I agree with the licensed capacity identified
- O I do not agree with the licensed capacity shown. *If you do not agree*, contact the CDC Help Desk at 866-990-3227 to discuss your concern. The licensed capacity listed here is provided by child care licensing.

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#### **ELIGIBILITY FOR BONUS PAYMENTS:**

Every eligible child care provider will receive a base payment. Many providers will also be eligible for bonus payments. These payments award additional funding to programs that provide specialty services that are in demand and often cost more to provide. Bonus payments will be awarded based on the following criteria:

Our records indicate that you billed for 0 children receiving the child care subsidy in the month of February 2022. If you believe this is inaccurate please call 866-990-3227 to speak with someone before submitting your application.



Please review your days and hours open and make any changes:

Day	Open	Close
Sunday		
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		

Based on the hours of operation noted above, your program does not offer care during non-traditional hours. 10



#### Are you currently caring for a child participating in Early On or Early On Home Visiting, a child with an IEP, IFSP, or 504 plan?

- 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);

$\odot$	Yes	$\cup$	No
		-	

We show you have NO Star rating in Great Start to Quality. Do you agree?

Yes ○ No



#### STAFF COMPENSATION FUNDS

As part of your Child Care Stabilization Grant payment, you will receive funds to provide bonuses to your staff. You will receive \$1,000 per full-time staff member (30+ hours per week) and \$500 per part-time staff member (29 or fewer hours per week).

These bonuses must be paid to staff by no later than September 1, 2022. Providers should maintain a list of employees on staff as of the date of application that identifies their scheduled work hours. Providers are encouraged to use this list to document proof of payment for their records.

To qualify, staff must:

- provide direct child care services and/or administration,
- work at the child care facility (not funded by GSRP/Head Start only)
- be on payroll(receive a W-2 and have employer withholding taxes).

Home providers should include themselves in the full-time count. Center directors should also be included in the full-time count.

Volunteers and contracted staff do not qualify for bonus payments. If you issue a 1099 to a staff member, they are considered a contracted staff.

If a staff member works in more than one location, you should only request funding for them at one location.

As of today, the number of current full-time (work 30 or more hours per week) paid staff (inc	1		
As of today, the number of current part-time (work 29 or fewer hours per week) paid staff:	1		



#### CURRENT ENROLLMENT:

Please report enrollment and openings as of today's date. (All fields must be completed, please enter zero where applicable.)

Age of Children	Children Currently Enrolled Full-time	Current Openings Full-time	Children Currently Enrolled Part-time	Current Openings Part-time
Infant (Birth – 1 year)	0	0	0	0
Toddler (1 – 3 years)	0	0	0	0
Preschool (3 – 5 years)	0	0	0	0
Kindergarten (5 – 6 years)	0	0	0	0
School Age (Before/After Care, Summer Care)	0	0	0	0

Based on the enrollment noted above, your program does not serve infants/toddlers.

The program currently has a wait list:

O Yes O No



Please enter the estimated monthly administration costs of running your child care facility/home program (rounded to the nearest dollar) in the table below. You must enter a number for each expense category. If you do not have an expense in a category you would enter "0". You do not need to have expenses in all categories.

Expenses	Average Monthly Cost	Are you planning to spend any of the grant funds to cover some or all of this expense?
Personnel Costs: 19		
Salaries <b>1</b>	0.00	
Employment Taxes, Self-Employment Tax, and Fringe Benefits 🕄	0.00	
Increased Personnel Salaries/Wages (recruitment bonus, staff bonus, premium pay). ①	0.00	



Based on the information you provided in your pending application your estimated grant award is as follows. Learn how the grant award is calculated at www.michigan.gov/childcare.

Base award:			
Licensed capacity:	\$46150.00		
Payment for Licensed Centers:	\$4000.00		
Additional payment for serving infants/toddlers:	\$6922.50		
Total base award:			
Bonus award:			
Caring for children receiving subsidy:	\$0.00		
Non-traditional hour care:	\$0.00		
aring for children with special needs:			
Participating in Great Start to Quality:			
Total bonus award:			
Additional staff compensation:			
Staff bonus payments: Full-time			
Staff bonus payments: Part-time	\$500.00		
Total estimated grant award:	\$60880.00		



$\Box$ I have read and agree to the terms and conditions and am an	horized person to submit this application.
Enter the full legal name of the authorized individual completing	s application:
Your email address:	Your phone number:
Your signature: 1	Date:
	3/17/2022
Back to Grants	Save Only
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View Profile Consumer Ed Referral Counts Update Data Pictures PIF Email PIF Print Grants **Available Grants** - Child Care Stabilization Grant, Spring 2022 Closed Grants - Child Care Stabilization Grant, Fall 2021 Submitted Grant Applications (Pending for Review) 3/11/2022 11:52 AM - Child Care Stabilization Grant, Spring 2022 Approved Grant Applications - Child Care Stabilization Grant, Fall 2021



# For more information on the application questions and content visit <a href="www.Michigan.gov/childcare">www.Michigan.gov/childcare</a>



## Technical Assistance



## **Great Start to Quality Resource Centers and other Partners Can Help!**

- Help with completing your application
- Help with submitting reports and meeting reporting requirements
- Help with how to spend the funding

Call 877-614-7328



### Resources on the Child Development and Care Website: www.Michigan.gov/childcare

- Frequently Asked Questions Document (FAQ)
- First Children's Finance Expense Tracking Tool
- •First Children's Finance Budget Guide: Centers
- •First Children's Finance Budget Guide: Homes
- Allowable Uses of Funds (MDE)
- Allowable Uses of Funds Can I Renovate?
- How Does Receiving the Child Care Stabilization Grant Affect Your Taxes?
- Application Questions and Supports for Completing an Application
- Determining My Grant Amount





	Amount											
Category	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Personnel												
Owner pay & benefits												
Employee pay & benefits												
Premium pay												
Bonuses												
Vaccine related costs												
Facility Costs												
Mortgage or rent												
Late fees												
Utilities												
Phone & internet												
Maintenance												
COVID-related expenses												
PPE, Cleaning and Safety												
Cleaning supplies												
PPE												
Trainings												
Cleaning services/janitor												
Equipment and Supplies												
Software												
Computers & IT												
Other equipment												
Goods and Services												
Supplies												
Learning materials/toys												
Licensing fees												
Other												
Other												
Other												
Mental Health Services												
Past Expenses												
Othor								1				

### **Important Numbers**

Visit <a href="www.Michigan.gov/childcare">www.Michigan.gov/childcare</a> to apply!

Stuck? We're here to help!

- Great Start to Quality Resource Centers: 877-614-7328
- Child Development and Care Office: 866-990-3227 (select option 1)
- SIGMA Help Desk:
  - SIGMA-Vendor@michigan.gov or
  - o 1-888-734-9749



# Childcare Stabilization Grants Timeline

DATE	
March 22, 2022	Spring Application Opens (8am)
May 20, 2022	Last day to submit Fall Spending Report and still be able to apply for Spring
May 26, 2022	Spring Application Closes (6pm)
June 20, 2022 (week of)	Spring Payments will be released through SIGMA
July 31, 2022	Hiring and Recruitment Report due.
September 1, 2022	Deadline to pay Spring staff bonuses.
July 31, 2023	Final Grant Reports due.



### Child Care Providers are Heroes!

## WE THANK YOU!

