

Frequently Asked Questions

Child Care Stabilization Grants

Summer 2022 Application

General Questions

1. What is the Child Care Stabilization Grant program?

The Stabilization Grant is a non-competitive grant for child care providers to help stabilize operations and support the health and safety of children and staff.

2. When can I apply? Will there be multiple grant awards?

The Summer 2022 application will be available from August 9, 2022, through September 9, 2022.

Providers must submit their Fall 2021 Grant Spending Report and the Hiring and Recruitment Report prior to applying.

3. What is the source of funding for the Child Care Stabilization Grants?

Federal funding from the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (CRRSA) to provide financial assistance for child care providers to pay for expenses incurred during the pandemic will be used for this round of grant funding.

These funds will be administered by the Michigan Department of Education (MDE), Child Development and Care Office (CDC).

Eligibility Questions

4. Who can apply for a Child Care Stabilization Grant?

Eligible applicants include:

- Licensed child care centers.
- Licensed family homes and group homes.
- Tribal-based child care.
- Head Start, Great Start Readiness Program (GSRP) and 21st CLCC programs that also provide tuition-based child care (wrap-around child care for the program day is not considered tuition-based child care). **See question 6 for more information.**

Eligible applicants must also:

- Be open and available to provide child care services on the date of application OR be temporarily closed due to a positive COVID-19 exposure. If a provider is temporarily closed, they must have a current license. If your license is lapsed, you are not eligible for funding through this program.

Stabilization grants are available regardless of the receipt of previous federal assistance, including funding from the Child and Development Care program or the Child Care Relief Fund. The provider does not have to participate in the CDC

program, commonly called the child care subsidy, to be eligible.

Licensed providers with a suspended license are not eligible for the grant. Licensed providers with a provisional license are eligible for the grant.

5. Are licensed exempt providers eligible?

No. License exempt providers are not eligible for a Stabilization Grant

6. I am a GSRP and/or Head Start program or a 21st CCLC program, am I eligible to apply?

Maybe. Both Head Start and GSRP programs received GSRP and Head Start funding during the COVID-19 crisis to address program and staff costs. Federal guidance clarifies that the stabilization grant funding is intended to help the child care sector, not public prekindergarten programs.

If you only provide a Head Start and/or GSRP program and/or a 21st CCLC, you **are not eligible** for this grant. For example, this includes programs that do one or more of the following:

- Enroll tuition-paying children in their GSRP or Head Start classrooms
- Provide before, after, or Friday child care for their GSRP or Head Start classrooms only
- Receive 100% of their funding from GSRP and/or Head Start

Head Start and GSRP programs that are part of a broader child care program **are eligible**. For example, this includes licensed providers that do one or more of the following:

- Provide full day, year-round programming for four-year-olds
- Provide child care for infants, toddlers, three-year-old preschool, and/or school age children

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 or email Lfuller@ecic4kids.org before you can apply, and we can discuss your situation.

7. Does a program have to operate year round to qualify for a grant?

No. A licensed child care program that meets other eligibility criteria is not required to operate year-round to qualify. This means programs that operate during the school year only are eligible. Programs that operate in the summer only are eligible if they are licensed by child care licensing. Sites licensed by summer camp licensing are not eligible.

Programs will be monitored to ensure they reopen after a COVID closure. For school year only programs, sites must reopen in the fall. For summer only programs, sites must reopen in summer 2023.

8. Can I apply for a grant if I am temporarily closed and not caring for

children due to a COVID exposure?

Yes, if you were temporarily closed due to a COVID exposure you are eligible to apply. To receive funds, you must agree to reopen at the expiration of the quarantine, or you will have to repay unspent funds to MDE within 30 days.

9. Can I apply for a grant if I am open and willing to serve children, but don't currently have any children enrolled?

Yes, you must have children enrolled within 3 months after accepting the funds or you will have to repay the unspent funds to MDE. To receive funds, you must agree to reopen by no later than January 1, 2023, or you will have to repay unspent funds to MDE within 30 days.

10. If a provider has a license, but had their subsidy revoked due to fraud or misrepresentation, or is under investigation for either, do they qualify for funding?

No. A provider with a history of fraud or misrepresentation is not eligible.

11. If my program received previous COVID-relief funding, am I still eligible?

Yes. Stabilization grants are available regardless of the receipt of previous federal assistance, including funding from the Child Development and Care program or the Child Care Relief Fund.

As a reminder, you cannot use these federal funds to pay for expenses already paid for by another funding source.

12. What if I close after receiving the funds?

No funds may be spent after the closure of the license. Closure of the program's license will require the return of all unspent funds within 30 days after the closure. In addition, all spending reports must be submitted within 30 days. All closed licenses will be monitored.

13. What if my license changes or I move?

You can use the funds for the new license IF you are continually in operation with no lapse in care. You will need to do reporting under the old license and you will need to contact your Great Start to Quality Resource Center at 877-614-7328 so that they can notify the department.

14. Can Child Care Stabilization Grants be used to help a new child care provider open or a permanently closed child care provider reopen?

No. The Child Care Stabilization Grants cannot be used to help a new child care provider open or a permanently closed child care provider reopen. These subgrants are designed to stabilize existing child care businesses, not fund start-up or reopening of a provider not currently open for business. MDE will be releasing future funding opportunities to support new and expanding providers. Watch www.michigan.gov/childcare for upcoming opportunities.

Application Questions

15. How do I apply?

Eligible child care programs must complete and submit an online application.

Visit www.Michigan.gov/childcare to 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 may be willing to assist with your application.

Providers will need their log in information for their Great Start to Quality public profile to apply. If you do not know your username or password or you're having trouble logging in, please contact Great Start to Quality at 877-614-7328.

Please use care in completing all required elements on the application to avoid processing delays. Providers successfully completing an application will receive a confirmation of receipt.

Reminder: Eligible providers **must** register in SIGMA to receive payment. If you **do not** have a SIGMA vendor code, visit www.Michigan.gov/SIGMAVSS to register to receive payment. If you need assistance, please contact the SIGMA Help Desk at 888-734-9749 or email SIGMA-Vendor@michigan.gov.

16. What if the application doesn't prepopulate my SIGMA information and I forget my SIGMA vendor code or I need a SIGMA mail code to receive a grant payment?

If you have forgotten your SIGMA vendor code or SIGMA Address ID, you can look it up by following the instructions at: [How to Find Your SIGMA Vendor Number](#).

If you need assistance, please contact the SIGMA Help Desk for assistance. You can reach the Help Desk via e-mail at SIGMA-Vendor@Michigan.gov or 888-734-9749.

SIGMA vendor codes are generated immediately, however if there is an issue with information submitted with the request it could take a bit longer.

17. What if the auto-populated information showing the grant amount is incorrect? How do I change it?

You should save your application and call the Great Start to Quality Resource Center at 877-614-7328 for assistance.

18. Can I save my application, ask a question, and return before I submit?

Yes. Each section of the application has a "save" option. We strongly encourage you to save after completing each section of the application.

The save button is light blue and reads "Save Only."



The Submit Button is light green and reads "Submit Application."



Please note, you also have the option to Print your application for your records.

Once your application has been submitted, you will receive a confirmation email. Please make sure you receive the email. If you do not, please call the Great Start to Quality Resource Center at 877-614-7238 to check the status of your application.

19. If I make a mistake in any part of my application, am I disqualified?

We encourage all providers to read the FAQ or call for assistance **before** submitting the application. You will be able to save your grant application and come back later to complete your application before submission.

Please review your application to confirm all information is correct before clicking the submit button. Multiple application submissions will not be accepted. If you are aware of an error in your application, please contact the CDC office at 866-990-3227 to discuss options to correct it.

20. How do I apply if I have more than one site?

Child Care Stabilization Grants are site-based (by license number) and each site/location must apply separately. Funding must be spent at the location for which it was received.

21. Can I mail an application, or will it need to be submitted online?

Paper applications **will not** be accepted. The application can only be completed and submitted online through the link provided at www.michigan.gov/childcare. If you need assistance with submission of an application, please call your local Great Start to Quality Resource Center at 877-614-7328.

22. Am I required to submit supporting documentation or records with my application?

No. You are not required to submit supporting documentation with the online application. You are required to maintain records that support your grant application and use of funds for four years in the event that the records are requested for an audit or other purposes.

To help with record keeping the best practice would be to upload your receipts and documentation into the system as the money is spent. We strongly encourage you to utilize this option to help support any audits that may occur.

23. What certifications are required to receive the grant?

At the end of the application, you will find several certifications for uses of the funds. There are three federally required certifications that all providers must

agree to:

- Child care providers receiving funds must be in compliance with all health and safety requirements, local health, fire safety, and zoning requirements, and, to the greatest extent possible implement policies in line with [guidance from the Center for Disease Control \(CDC\)](#) and child care licensing rules in Michigan available at www.michigan.gov/michildcare.
- For each employee of the child care program, I agree to pay, each employee (including lead teachers, aides, and any other staff who are employed by the child care provider to work in transportation, food preparation, or other type of service), I must continue paying at least the same amount of weekly wages and maintain the same benefits (such as health insurance and retirement) for the duration of the grant. I understand that I may not furlough employees from the date of application submission through the duration of the grant period. The grant period ends after you spend all of the funds and submit required reporting.
- I will provide relief from copayments and tuition payments for the families enrolled in the child care program, to the extent possible, and prioritize such relief for families struggling to make either type of payment.
Note: MDE encourages child care providers to provide relief from tuition and copayments, if financially possible, especially for low-income families. However, child care providers are not required to provide relief from copayments and tuition for families in their care during the ARP Act stabilization subgrant period.

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.
- Notify MDE in the event of a permanent program closure before spending your grant funds.

24. 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, tuition credits for COVID absences, credits for gap between child care subsidy reimbursement and tuition costs, and possibly providing an across the board tuition discount (i.e. reducing tuition by 10% for families).

It is NOT allowable to make a payment to the families. Only to credit their account with you.

25. Am I or staff required to be vaccinated? No.

26. What if I need to furlough, terminate, or reduce a staff person's hours?

As part of the stabilization subgrant application, child care providers must certify they will pay at least the same amount in weekly wages and maintain the same benefits for each employee throughout the duration of the subgrant. Child care providers also may not involuntarily furlough employees employed on the date of submission of the application. The CRRSA does not address if a child care provider can terminate an employee for cause during this period. Therefore, providers participating in their CRRSA stabilization subgrant programs may terminate an employee for cause during the subgrant period.

27. Why does the application request information about my budget?

We are collecting your estimated budget and operational costs to help us better understand the cost of providing child care in Michigan. Your answers will not be used to calculate your grant award. It is acceptable to use your best estimate of your operating expenses.

28. Will there be assistance offered to apply?

Yes. 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. All grant application information is available at www.michigan.gov/childcare.

29. Who do I contact for updates about the status of my application?

You can check the status of your application by logging into your Great Start to Quality public profile page. Here's what each status means:

- **Pending for Submission:** This means you have started your application but not submitted your application.
- **Pending for Review:** This means you have submitted your application and it is ready for review.
- **Approved:** Your application has been approved! You will receive a notice via email with instructions.
- **Denied:** Your application was not eligible for funding. You will receive a notice via email.

If you can't find your status in the application portal, please call your Great Start to Quality Resource Center at 877-614-7328. If you're concerned the status is inaccurate, please contact the CDC office at 866-990-3227 for assistance.

Please do NOT call to find out if your application was approved before September 30, 2022.

Grant Award Questions**30. How will grant amounts be determined?**

Every eligible provider will receive a **base award** and **bonus payments** for providing in demand care.

Base Award for All Providers

Every eligible provider will receive a base award.

- Provider Type
 - Centers \$4,000
 - Group Homes \$3,000
 - Family Homes \$2,000
- Provider Size Award = Licensed capacity (x \$425*)

** Based on the number of applications received and the funding requested the base amount will be reviewed and may be adjusted prior to final awards. Your grant award may be higher!*

Bonus Payments for Eligible Providers

- **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 child care subsidy will receive a bonus (number of subsidy children x 30% of \$425*).
- **Non-Traditional Hour Bonus:** Providers that offer evening and weekend care (5% of the provider size award).
- **Special Needs Bonus:** For the purposes of this grant application, this is defined as caring for:
 - 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).

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!

Learn more on how to calculate your grant amount by visiting [the grant page](#).

31. What does caring for a child care subsidy child mean?

Providers that have a child(ren) enrolled that is receiving child care subsidy payments.

For the Summer grant formula, we will use child care subsidy billing data for the month of July 2022 (Pay Periods 215 and 216). Your application will pre-populate with child care subsidy billing data from July 2022 and you will be asked to verify prior to application submission. In order to have an adjustment made to your subsidy number you must complete your billing prior to submitting an application. If your program is school year

only and therefore you did not bill for childcare subsidy in July, you will NOT be eligible for the subsidy bonus.

32. 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. These need to be your regularly scheduled operating hours, not an ‘on call’ or temporary arrangement situation.

33. What does “caring for a child with special needs” mean?

For the purposes of this grant application, this is 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).

Examples:

- Are you serving infants and toddlers (ages birth to three) who have developmental delays or diagnosed conditions and have an active Individualized Family Service Plan (IFSP)?
- Are you serving preschool or school aged children (ages 3-12) who have been found eligible for special education services and have an Individualized Education Plan (IEP) or a 504 Plan?
- Does the provider have children in care that receive special education services from a local school district?
- A child may qualify for medical therapies (i.e. speech, OT, PT, etc.) but not meet the eligibility criteria for special needs under IDEA. For example, a doctor could write a script for speech therapy, feeding therapy, etc. at a clinic or rehab facility that is paid for by health insurance, but the child doesn’t have an IFSP, IEP, or 504 plan in place. For the purposes of “special needs definition” we were referring to eligibility under IDEA which would mean a child must have an IFSP, IEP, or 504 Plan.
- Child could also be participating in Early On® or Early On® Home Visiting.

34. What if I am in the process of getting a Great Start to Quality rating?

Every provider who has a published Great Start to Quality Rating is eligible for a bonus regardless of your star rating level. If you are still in the process of joining the program, you do not qualify for the bonus.

Programs move through the process in alignment with Great Start to Quality processes and procedures and the Validator will contact programs as soon as possible to schedule the validation. While the process often takes less time, the [Rating Timeline](#) for the validation process is up to 45 days and the entire rating process is up to 90 days.

If you are in the process of getting rated and you have questions, please contact the Early Childhood Investment Corporation at validation@ecic4kids.org

for assistance.

35. Will everyone who 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.

36. What if I my application is denied?

You will receive notification if your application is denied. You should email Lfuller@ecic4kids.org for more information.

37. If I am awarded a Child Care Stabilization Grant, when will I receive my grant award?

Assuming the application materials are submitted correctly and received within the allowable time-period, awards will be distributed the first week of October 2022.

38. Who do I contact if I have questions about the grant amount I received or I believe my grant amount is incorrect?

You should contact the CDC office at 866-990-3227 for assistance.

39. Is the grant award considered taxable income at the state and federal levels?

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

View additional information about tax implications in the [Child Care Stabilization Grant Tax Implications](#) document.

40. Can these funds be used to help cover the costs of consulting with a tax preparer?

Yes, it is strongly encouraged. Funds can be used for this purpose under "goods and services".

41. Can these funds be used to pay for employment taxes and property tax?

Yes. Property taxes should be charged to the grant using your time/space percentage.

42. Can I use these funds to pay state or federal taxes associated with receiving the grant funds?

No.

43. Do I need to take time and space into consideration when determining whether or not a cost is allowable?

Sometimes. For rent/mortgage, utilities, major house repairs, and minor renovations (such as cabinets, windows, or flooring) you do need to take time and space into consideration. For direct business expenses such as appliances or snow removal you do not.

For information on time/space percentages, it is best to work with a tax preparer or advisor. There is some information available at www.ecic4kids.org/grants in [English](#) and [Spanish](#).

44. Are child care stabilization subgrants considered "payments made to beneficiaries of a federal program," as described in 45 CFR 75.2, similar to direct child care subsidies paid under the voucher program? Or are these considered "sub-recipients"?

Child Care Stabilization subgrants included in the CRRSA Act are benefits to a child care provider and are considered payments made to beneficiaries of a federal program, which is the same as with child care subsidies under the voucher program. Providers receiving stabilization subgrants are not categorized as "sub-recipients" as defined at 45 CFR 75.2.

45. Do nondiscrimination requirements apply to the grant funding?

There are two sets of nondiscrimination requirements at play here – the CCDF nondiscrimination requirements at 42 USC 9858I and general nondiscrimination requirements tied to the receipt of Federal financial assistance such as the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act.

The CRRSA funds 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.

It is less clear when it comes to general nondiscrimination requirements. In general, the federal civil rights laws are tied to receipt of "Federal financial assistance." Grants are generally considered the clearest example of Federal financial assistance. See *United States Dep't of Transp. v. Paralyzed Veterans*, 477 U.S. 597, 607 n.11 (1986); see also 45 CFR 84.3(h) (defining Federal financial assistance for the purposes of Section 504). Under this interpretation, grants would qualify as Federal financial assistance to the providers that accept them and, consequently, civil rights protections like Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act would apply. However, ultimate beneficiaries of assistance are generally exempt from civil rights laws, and the providers may argue that the general civil rights laws do not apply to them because they are the ultimate beneficiaries of the

stabilization grants. Because the applicability of these laws in this instance is not altogether clear, we suggest providers explore with their own counsel what the general civil rights laws require in a particular circumstance and whether a provider has an appropriate defense to a given application.

Allowable Expenses Questions

46. What can these funds be used for?

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.

To be an allowable use of the grant, expenses must fit into one of the allowable purposes. We get a lot of questions about allowable expenses. The [tools from First Children's Finance](#) are a valuable first step. The materials review common expenses in each area and recommends how to track and document spending.

[Construction and major renovations](#) are specifically not allowed. Major renovation means: (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; or (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.

Improvements to a facility that are not considered major renovations may be considered minor renovations, facility maintenance, or improvements are allowed.

47. Can I improve my space in response to the pandemic?

Any improvement or upgrade to a facility that is not specified under the definition of major renovation*, may be considered a minor renovation and may be allowed if it is part of normal operational expenses. These funds may be used for minor renovations related to meeting the requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et. seq.).

* Major renovations is defined as: (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; or (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.

48. Can grant funds be used to assist in the purchase of a child care program?

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

49. When do I need to spend these funds?

Funds must be fully spent by July 1, 2023.

50. What if I can't spend all my grant award by July 2023?

You must contact the CDC office at 866-990-3227. Prior to returning funds, providers will be asked to meet with a technical assistance provider to discuss options to use remaining funds on allowable uses. Providers must contact the CDC office with concerns about funds that cannot be spent by July 1, 2023.

Funds for Staff Bonus Payments and Recruitment

51. Will child care staff members receive bonuses through the Child Care Stabilization Grant?

No. The summer grant round does not include specific Staff Bonus payments.

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:

- 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).

52. Is there funding available for recruitment/hiring bonuses to help recruit new staff?

No. This grant round does not include separate funding for this. You may use funds from the grant for these costs.

Reporting Requirements

53. What will be required for reporting?

Providers will be required to report how they spent the funds and current enrollment information.

Reporting will occur through the Great Start to Quality system. To prepare for reporting, MDE recommends using the [Expense Tracking Tool](#) to track spending and maintain records.

Additional information about reporting will be available at www.michigan.gov/childcare and through webinars.

54. Will there be assistance offered in completing required reporting?

Yes. Technical assistance will be available for all provider-types eligible for the grants. Providers can contact their Great Start to Quality Resource Center for

assistance with reporting at 877-614-7328. Additional resources will be available at www.michigan.gov/childcare.