




Child Care COVID-19 Federal Funding Sources

In response to COVID-19, DHS has received Federal funding from 4 primary sources to be directed to the child care sector to promote recovery and stability



Child Care Stimulus Funding Sources

Funding Source	Timeline	Allowable Uses
CARES Child Care Development Fund (CCDF)	Must be obligated by 9/30/22 and liquidated by 9/30/23	The supplemental funding must be used for activities authorized under the CCDBG Act that prevent, prepare for, and respond to COVID-19.
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) CCDF	Must be obligated by 9/30/22 and liquidated by 9/30/23	The CRRSA Act funds can be used for any activities that are allowable under the CCDBG Act and CCDF regulations, <i>as long as the activities relate to preventing, preparing for, and responding to COVID-19.</i> In addition to the activities allowed under CCDF, the CRRSA Act offers new flexibility to lead agencies to meet the needs of families and child care providers during the COVID-19 pandemic , such as serving essential workers regardless of income and covering copayments for all eligible families.
American Rescue Plan Act (ARPA) CCDF Discretionary Funds (Section 2201)	Must be obligated by 9/30/23 and liquidated by 9/30/24	Lead agencies may use supplemental funds for any activities allowable under the CCDBG Act and CCDF regulations. These activities are not restricted to responding to the COVID-19 public health emergency. The supplemental funds in the ARP Act are an unprecedented opportunity to expand access to high-quality child care and move toward a more equitable child care system; lead agencies are strongly encouraged to use funds in a manner that will work toward each of these goals and thereby build stronger and more equitable high-quality child care systems for America's families.
ARPA Child Care Stabilization Grants (Section 2202)	Must be obligated by 9/30/22 and liquidated by 9/30/23	The lead agency shall use no less than 90% of their total award to make subgrants to qualified child care providers , regardless of such a provider's previous receipt of other Federal assistance, to support the stability of the child care sector during and after the COVID-19 public health emergency. Administrative fees may not exceed 10%.



Child Care Stabilization Grant Programs

In response to COVID-19, DHS has distributed Child Care Stabilization Grants in Spring/Summer 2021 and will begin distribution of ReInvigorate Child Care Stabilization Grants in Fall 2021/Winter 2022, to stabilize the sector and ensure continuity of care

Stabilization Grant Programs: Objectives

Both Rhode Island Child Care Stabilization Grant programs share a set of primary objectives and guiding principles. Beyond stabilizing child care businesses in the short-term, Stabilization Grants are intended to promote longer-term capacity-building across the sector.

Stabilize Businesses

01

03

Support Workforce

Ensure Continuity of Care



02

04

Strengthen Business Models



CRRSA Child Care Stabilization Fund



DHS facilitated a Child Care Stabilization Fund in Spring/Summer 2021, using \$18.6M of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funding

CRRSA Child Care Stabilization Fund: Methodology

DHS elected to dedicate \$18.6M of its funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) to be directed to eligible child care providers via Child Care Stabilization Grants. The methodology was designed in partnership with fellow New England state agencies.

Vision: All DHS-licensed child care programs approved to reopen and committed to serving children in-person were eligible to receive a Child Care Stabilization Grant. Child care providers applied online for a grant award reflective of their licensed capacity. These funds were intended to support the child care system's recovery during the COVID-19 pandemic with key focus on specific categories of spending designed to stabilize the program's ability to effectively and safely serve young children.

Methodology: Centers received a classroom-based stipend. Family child care received a program-based stipend.

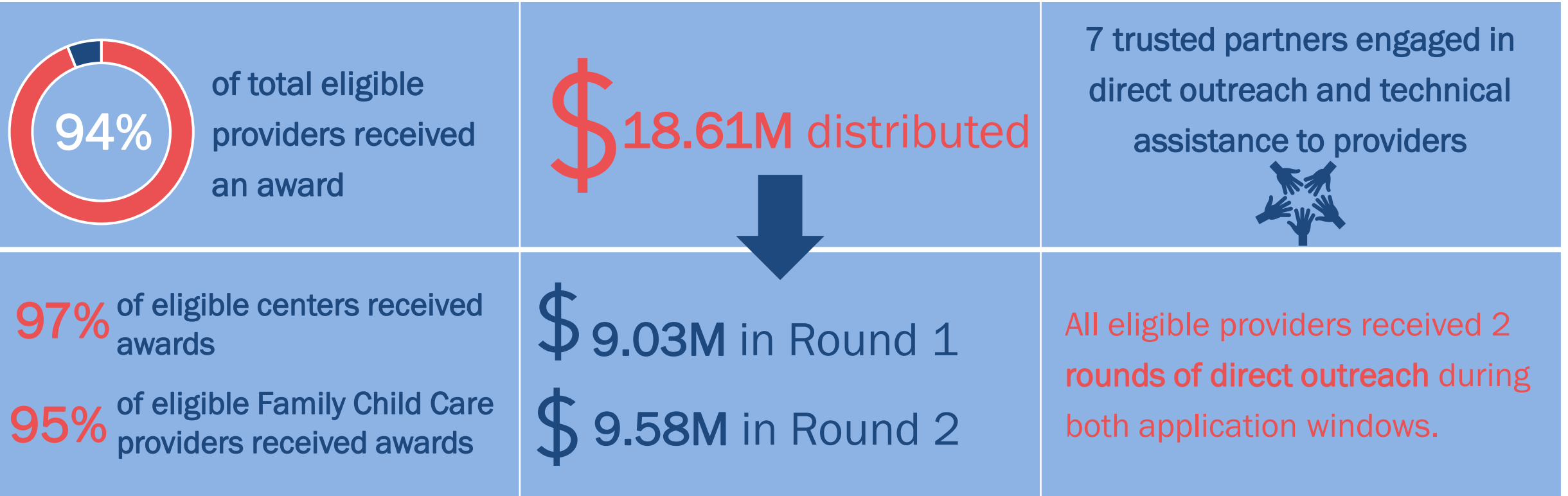
- Center-Based Monthly Stipend (per classroom): \$4,500 (Issued twice)
- Family Child Care Stipend (per program): \$3,000 (Issued once; inclusive of 2 awards of \$1,500)

These costs reflect the lost revenue associated with operating at 75 percent capacity during the COVID-19 pandemic (25 percent reduction in enrollment) for each classroom for one month.



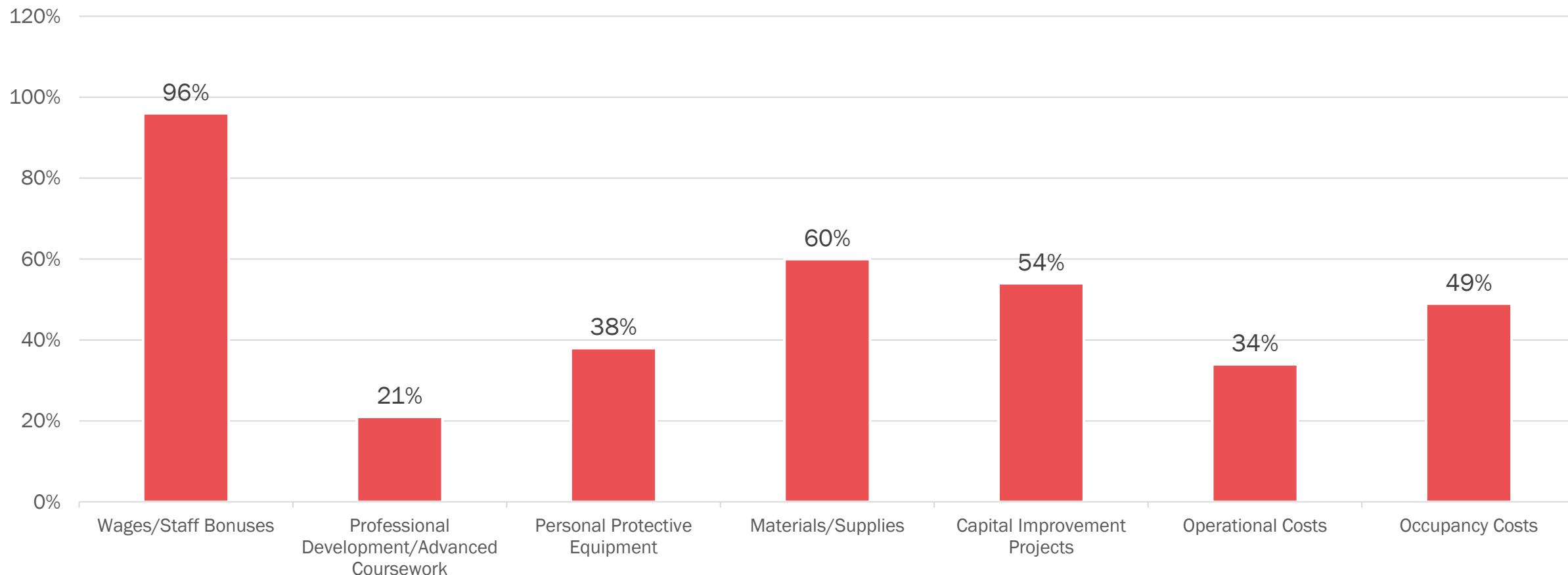
CRRSA Stabilization Fund: Distribution Data

This slide demonstrates summary distribution data, demonstrating the impact of the program. Detailed data delineating provider spending can be found on slides 8-10.



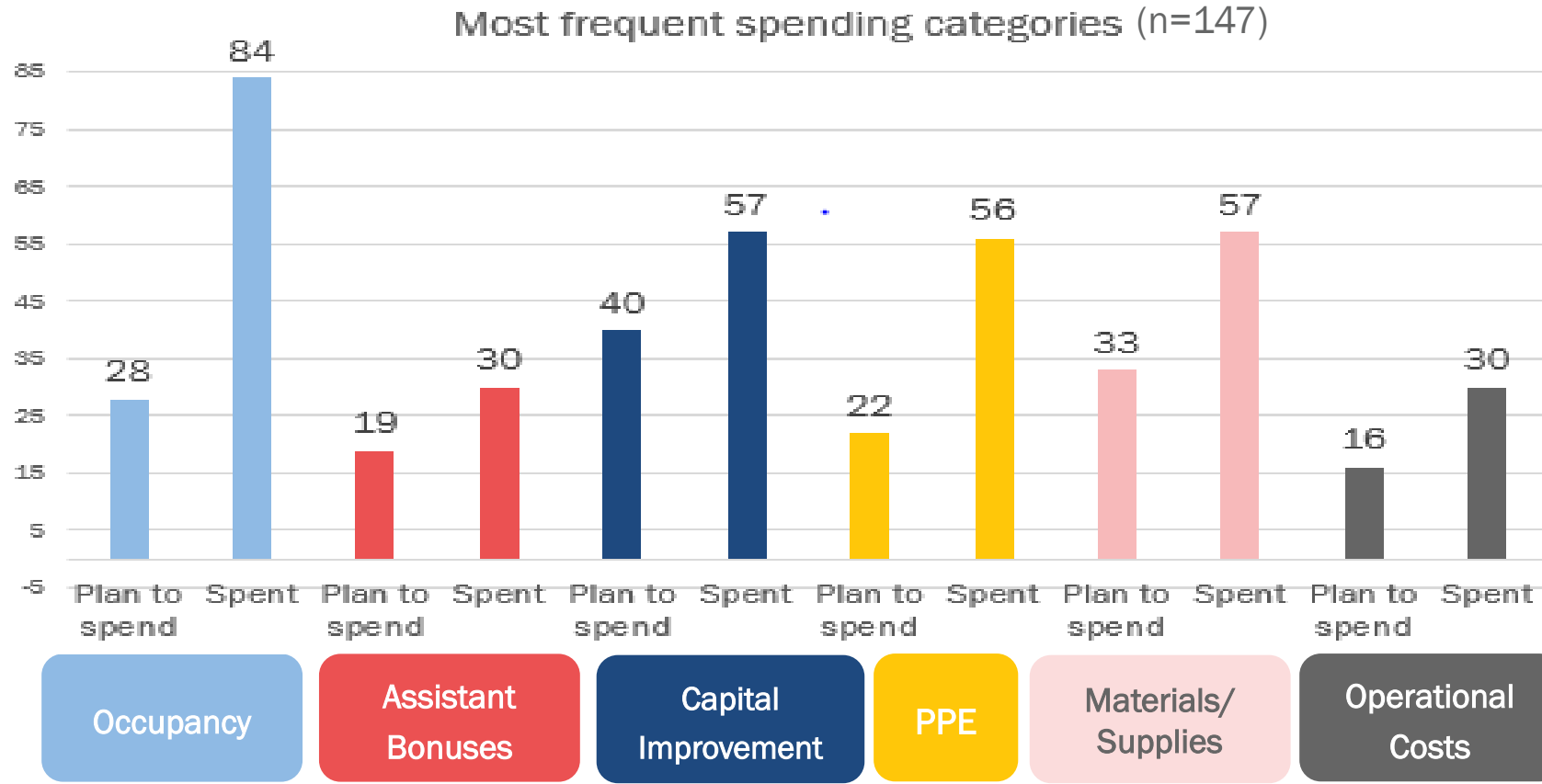
Overview: Child Care Center Spending Data

% of Providers Spending in Each Category (n=378)



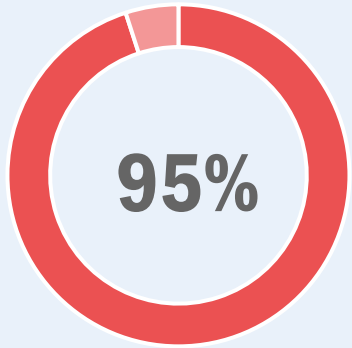
Overview: Family Child Care Spending Poll Data

Family Child Care grant recipients completed an optional spending poll to share how they planned to use their grant funding. Please note that only 41% of FCC grant recipients completed this poll. The chart shows the number of providers, rather than percentage, that spent in that particular category; most providers spent in multiple categories.



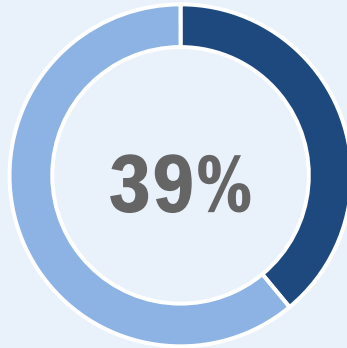
Center Workforce Compensation Enhancement

As part of the CRRSA Child Care Stabilization Grant program, Child Care Centers were eligible to receive a 20% add-on to their second monthly stipend if they dedicated at least 20% of their first stipend to staff bonuses (via spot bonuses, hazard pay, or wage enhancements).



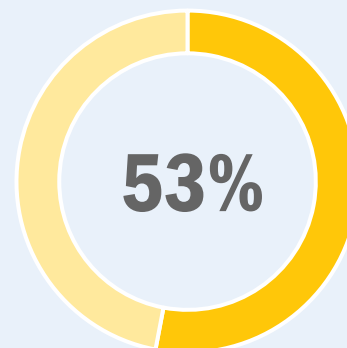
95%

of Centers elected to dedicate at least 20% of their first stipend to staff bonuses



39%

The average Center dedicated 39% of their first stipend to staff bonuses



53%

of Centers dedicated more than 20% of their stipend to staff bonuses

\$2,954,187

went directly to staff, impacting

~4,017

child care workers total



ARPA **Re**Invigorate Child Care Stabilization Grants

DHS will distribute \$56M in Child Care Stabilization Grants to eligible child care providers from Fall 2021 - Winter 2022, using funds from the American Rescue Plan Act (ARPA)

ARPA Stabilization Grants: Allowable Uses

The American Rescue Plan Act (Section 2202) earmarked \$23,975,000,000 to be directed, by states and tribes, to eligible child care providers in the form of Child Care Stabilization Grants.* Rhode Island received \$57,251,352 for Stabilization Grants.

- **Allowable Use:** “The lead agency shall use the remainder of the grant funds awarded pursuant to subsection (c) to make subgrants to qualified child care providers described in subparagraph (B), regardless of such a provider’s previous receipt of other Federal assistance, to support the stability of the child care sector.” “The amount of such a subgrant to a qualified child care provider shall be based on the provider’s stated current operating expenses, including costs associated with providing or preparing to provide child care services during the COVID–19 public health emergency, and to the extent practicable, cover sufficient operating expenses to ensure continuous operations for the intended period of the subgrant.”
- **Eligibility:** “To be qualified to receive a subgrant under this paragraph, a provider shall be an eligible child care provider that on the date of submission of an application for the subgrant, was either— (i) open and available to provide child care services; or (ii) closed due to public health, financial hardship, or other reasons relating to the COVID–19 public health emergency.”
- **Allowable Spending Categories:** “A qualified child care provider that receives funds through such a subgrant shall use the funds for at least one of the following: (A) Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits, premium pay, or costs for employee recruitment and retention. (B) Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. (C) Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices. (D) Purchases of or updates to equipment and supplies to respond to the COVID–19 public health emergency. (E) Goods and services necessary to maintain or resume child care services. (F) Mental health supports for children and employees.”

*<https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>



ReInvigorate Stabilization Grants: Overview



Any licensed child care provider (or license-exempt provider) in the state that is open or available to serve children, is eligible to apply.



\$56,081,163 will be directed to stabilization grants with approximately 2% of total award being directed to administrative costs.



All eligible applicants are eligible to receive 6 monthly stipends; Centers will receive classroom-based stipends and FCC providers will receive program-based stipends.



ARPA delineates allowable categories of grant spending.



ReInvigorate Stabilization Grants: Methodology

Grant amounts are intended to cover the cost of demonstrated lost enrollment at the 75th percentile rate; the program will also include an incentive for Centers allocating funds to workforce bonuses.

The proposed ARPA Methodology is built on:

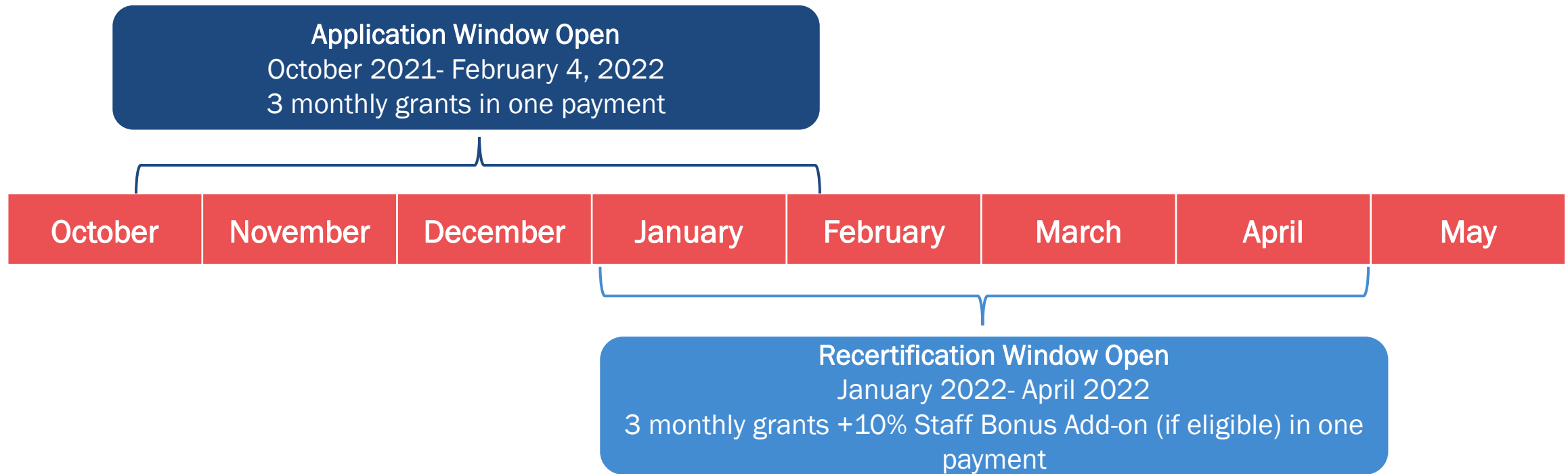
- The reported average decreased enrollment rate of 25% from the Fall 2020 COVID-19 Impact Survey series; and
- The 2021 Market Rate Survey (completed in June 2021) 75th percentile private pay tuition rates as the input calculating the lost revenue due to decreased enrollment.

Provider Type	Monthly Grant Award Amount	Payment Amount
Licensed Center-based	Varies based on number of classrooms and licensed capacity. Stipends begin at \$4,500 (per classroom). Monthly grants will be capped at \$50,000, per program.	Varies based on number of classrooms and licensed capacity. Centers will be eligible to receive a 10% add-on if they dedicate 10% of their first three stipends to staff bonuses. Centers are eligible to receive 2 lump sum payments of 3 monthly grants each.
Licensed Family Child Care	\$2,000	\$12,000 (6 monthly grants in 1 lump sum payment)
Licensed Group Family Child Care	\$3,000	\$18,000 (6 monthly grants in 1 lump sum payment)
Active License-Exempt	\$400	\$2,400 (6 monthly grants in 1 lump sum payment)



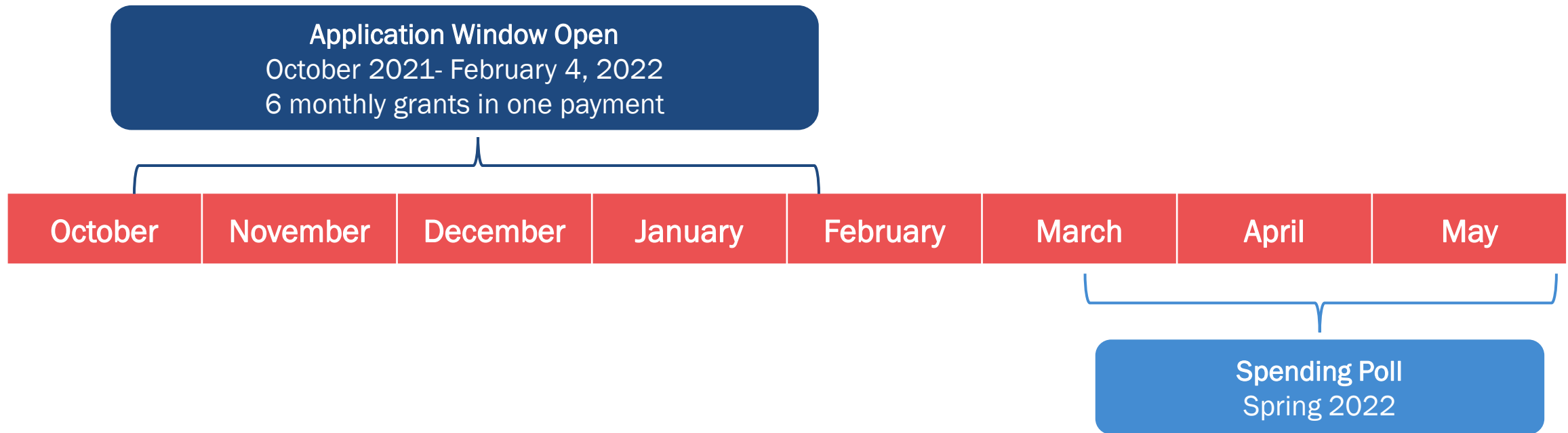
Grant Methodology: Application + Disbursement Schedule for Centers

Center providers may be eligible for total of 6 monthly grants and a 10% Staff Bonus Add-on.



Grant Methodology: Application + Disbursement Schedule for FCC/GFCC/LE Providers

Home-based providers may be eligible for total of 6 monthly grants.



Reinvigorate Stabilization Grants: Allowable Spending Categories

As stated on slide 11, the American Rescue Plan Act included the allowable spending categories within which providers must spend.

Allowable use of funds	Examples
Equipment or supplies related to COVID-19	Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency, such as business software upgrades, room dividers, or floor stickers for social distancing.
Goods or services to maintain or resume child care services	Goods and services necessary to maintain or resume child care services. Goods may include: food, equipment and materials to facilitate play, learning, eating, diapering/toileting, and safe sleep. Services may include business automation training, child care management services, food services, or transportation. This may also include fees associated with licensing and costs associated with meeting licensing requirements.
Mental health supports	Mental health supports for children and employees. This may include: infant and early childhood mental health consultation, or mental health consultations for staff.
Personnel costs	Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits (such as health, dental, or vision insurance; paid sick or family leave; and retirement contributions), premium or hazard pay, or costs for employee recruitment and retention. Personnel costs may also include: ongoing professional development or training, premium or hazard pay, staff bonuses, and employee transportation costs to or from work.
Personal Protective Equipment	Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
Rent or mortgage	Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance.

