

IOWA DHS CHILD CARE STABILIZATION GRANTS

FREQUENTLY ASKED QUESTIONS

July 13, 2022

WHAT ARE THE STABILIZATION GRANTS?

As part of the American Rescue Plan (ARP) Act of 2021, states were allocated federal funding for Child Care Stabilization Grants. These grants are intended to support qualified child care providers with operational costs, such as personnel, rent/mortgage, and equipment.

HOW LONG WILL FUNDING BE AVAILABLE?

We will continue to take applications until the funding is expended or until 8/31/2022. All application determinations must be made by 9/30/22.

IS THIS DIFFERENT THAN THE CHILD CARE CHALLENGE FUND?

Yes, the Child Care Challenge Fund, facilitated by Iowa Workforce Development, is a state-led initiative that supports regional and community projects to establish local child care facilities and increase the availability of quality, affordable child care for working Iowans.

WHO IS ELIGIBLE TO APPLY FOR THE STABILIZATION GRANT?

Round 1 and 2

- ▶ Rounds 1 and 2 required eligible programs to have a financial loss due to COVID-19
- Or
- Children on CCA making up 25% or more of total enrollment.

Round 3

- ▶ A child care provider must be a licensed child care center or a registered child development home to qualify
- ▶ The program must be open and providing child care services or temporarily closed due to reasons related to COVID-19. Anticipated re-opening date is required.
- and
- ▶ Eligible programs that received Rounds 1 and 2 will be contacted directly after their Round 2 is complete, pending funding available.

CAN FOR-PROFIT PROGRAMS APPLY?

Yes both non-profit and for-profit child care programs can apply.

ARE SCHOOL-AGE PROGRAMS THAT ARE NOT OPEN DURING THE SUMMER DUE TO SCHEDULED CLOSURE (AND NOT BECAUSE OF COVID-19) ELIGIBLE FOR GRANTS?

In order to be eligible to receive a stabilization grant, a child care provider must either be open to provide child care services or temporarily closed due to public health, financial hardship, or other reasons relating to the COVID-19 public health emergency at the time of application. A school-age program that is closed for summer break would not be eligible to apply for a grant during that time. However they could be eligible during the school year when they are normally opened to provide child care services.

WHAT REQUIREMENTS DO I HAVE TO FOLLOW IF I RECEIVE A STABILIZATION GRANT?

There are requirements within the American Rescue Plan Act that must be followed if you receive a stabilization grant. Child Care programs must certify that:

- ▶ When open and available to provide child care services that your program implements policies in line with guidance from the State, Tribal and other local authorities and to the greatest extent possible, implements policies in line with guidance from the Centers for Disease Control and prevention.
- ▶ Your program will continue to pay staff at least the same amount in wages and benefits as when the application for the stabilization grant was submitted. Additionally, your program must agree not to take any action that reduces the weekly amount of an employee's compensation for the duration of the grant period. This includes involuntary furloughing any employee employed on the date of submission of the application.
- ▶ While not required, your program should provide relief from copayments and tuition payments for the families enrolled in your program to the extent possible and prioritize families struggling to pay.

HOW MUCH FUNDING WILL I RECEIVE?

Pending funds available, newly eligible applicants will be awarded a 2-month award using the identified funding formula.

QRS Rating	MRS Per child/Per day Licensed Center	MRS Per Child/Per Day Child Development Home
None	\$22.35	\$20.30
QRS 1 & 2	\$22.89	\$24.57
QRS 3 & 4	\$25.06	\$30.70
QRS 5	\$44.02	\$35.73

WHAT CAN I USE THE FUNDING FOR?

The American Rescue Plan Act specified that the Child Care Stabilization Grants made to providers must be used for the following purposes:

- ▶ **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.

- ▶ **Rent** (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance.
- ▶ **Health and Safety expenses:** Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
- ▶ **Equipment/Supplies related to COVID-19:** Purchases of or updates to equipment and supplies to respond to the COVID–19 public health emergency.
- ▶ **Maintain Services:** Goods and services necessary to maintain or resume child care services.
- ▶ **Mental Health:** Mental health supports for children and employees

You do not have to use the funding for all of the above purposes; you may choose which purposes you use your funding for. However, ALL Child Care Stabilization Grant funding must be used for ONLY these purposes

Please note when considering what fits in any of these categories major renovation is strictly prohibited with these funds. 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.

Additionally, you may not use the child care stabilization grant funding for items that have already been paid for by other public funding.

DO I HAVE TO HAVE A QRS RATING TO APPLY?

No, you do not have to have a QRS rating to apply. If a program is approved for a stabilization grant the amount of the grant will differ based on the program’s QRS rating at time of application. Please see the chart above for information on calculation of grant amounts.

ARE THE STABILIZATION GRANTS CONSIDERED TAXABLE INCOME?

Yes. The funding for the Stabilization Grants comes from the APR Act and there is nothing in that act that exempts these funds from taxation. Therefore,

this funding is subject to the same tax rules as regular Child Care Assistance (CCA) funding. State tax rules apply. Regarding federal tax rules, please contact the Internal Revenue Service for guidance. In some cases, funds used to cover operating expenses may be exempt from taxation.

HOW DO I APPLY?

The application is available online at <https://iastabilize.force.com/s/login>

WHAT DOCUMENTATION DO I NEED TO SUBMIT WHEN I APPLY?

- ▶ Basic program information (e.g. name, address, QRS rating, etc.)
- ▶ Your Provider ID (sometimes known as a KinderTrack ID). It is ESSENTIAL to have the correct Provider ID as many child care programs have the same or similar names.
- ▶ Demographic Information for the director (centers) or primary provider (child development homes).

- ▶ Current Enrollment
 - by age group
 - by CCA status
- ▶ Average Enrollment by age group pre-COVID (January 2020)

WHERE DO I FIND MY PROVIDER ID?

Your provider ID is sometimes also called a KinderTrack (KT) number. It can be found in multiple places. If you use the provider portal it is at the top of the home screen. It is also located in the upper right hand corner of any Notice of Decision (NOD) that you receive from DHS. Additionally if you are a Child Development Home it is located on your registration certificate.

HOW DO I FIGURE “CURRENT ENROLLMENT”?

Current enrollment means all children who’s guardian has completed the appropriate paperwork to enroll in your program and either you are holding a spot for them or they have started attending by the date the stabilization application is submitted. Current enrollment would include part-time children. However it does not include children for whom you provide backup care. If you are a Child Development Home provider please do not count your own children.

WHAT DOES CCA ENROLLMENT MEAN?

This means all children on the Iowa CCA program that are attached to your center/CDH as the main provider. Please do not count children for which you are listed as the “back-up” provider. Children on CCA in other states cannot be counted.

WHAT IF MY CURRENT ENROLLMENT IS MORE THAN MY PROGRAM’S CAPACITY?

This is fine as we understand that programs have part-time children or may be open multiple shifts.

HOW WILL YOU VERIFY MY CURRENT ENROLLMENT?

When you submit your stabilization grant application you will be asked to attest that all the information you provided is accurate and current and to electronically sign the application. This is an application for federal funds and if incorrect information is provided on the application you will be required to pay back the funds.

WHEN WILL I FIND OUT IF I’M APPROVED?

We will be processing applications as they are received. We anticipate that you should have a decision in 30 days of submitting your application. Please note: that if you are contacted to provide additional information this can extend that timeline depending on the length of time that passes before we receive all information needed to process your application.

WHAT IF I HAVE MULTIPLE LOCATIONS?

Funding is based on information specific to each child care location, therefore each location needs to apply individually using their unique Provider ID number (sometimes known as a KinderTrack number)

WHAT RECORDS DO I NEED TO KEEP?

Please keep all receipts or invoices related to use of these funds. You may be asked to provide these in the case of an audit and will also likely need this information for your program’s taxes.

All initial awards are for a three-month period of time. Depending on the number of applicants there

may be funding available for additional awards. The Department of Human Services will be tracking applications and will notify programs if funding levels permit additional awards.

WHAT IF I HAVE MORE QUESTIONS?

There is a help line and email address available to answer questions about the Child Care Stabilization Grant application.

Help Line: 712-314-5005. Phones are answered from 7:30 am - 4:00 pm. If you call after hours you may leave a message and someone will return your call.

Email: IAStabilize@tetrattech.com

