

ARPA Child Care Stabilization Grant Program

Frequently Asked Questions

This page provides a list of frequently asked questions related to the [ARPA Child Care Stabilization Grant Program](#). If you do not find the answer(s) you are looking for or need additional clarification, please contact us at AHS.DCFARPAGrant@vermont.gov.

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Award Calculation

1. **Will my program receive the same award amount as we received through the CRRSA Grant Program?**

No. The CRRSA grant program and this grant program are from different federal programs and have different funding priorities.

The federal funding for this program (APRA) asked states to prioritize small child care programs and programs that meet the needs of parents. The State set the base rates using these priorities (see question number 3 below). The federal guidelines strongly encouraged states to increase funding for specific activities or target populations of children, including increased wages or bonus programs to staff, programs operating in low-income areas, programs offering families nontraditional care hours, programs serving infants and toddlers, and programs serving diverse populations. The formula incentivizes programs for those specific activities by increasing their base amount.

The CRRSA grant program did not have the same priorities. The State's formula considered the size of the program, staffing needs, and months operating in the grant award.

2. **How are the awards calculated?**

Awards are determined based on the following:

- Based on the federal funding priorities for this program, the State of Vermont created a base rate for child care programs applying. One of the priorities for the funding is small child care programs and programs that serve very young children. The rate is per child per month. Any additional criteria that a provider meet is in addition to this rate. Small center-based and

family home programs with a licensed capacity of 59 children or fewer have a base rate of \$56 per child. Large child care programs with a licensed capacity of 60 children or more have a base rate of \$36 per child. Afterschool programs have a base rate of \$26 per child. Approved Relative Child Care providers have a base rate of \$56 per child receiving Child Care Financial Assistance currently being served.

- In addition to the base rate, programs will receive additional funds for each item they meet, offer, or commit to below.
 - Program offers or intends to offer the same accessibility and capacity (hours, days, and number of children) to families as they did pre-COVID.
 - Program offers or intends to offer alternative shifts (2nd or 3rd shift or weekend care).
 - Program is located in a low-income area (Caledonia, Essex, Lamoille, or Windham County).
 - Program offers or intends to offer infant and/or toddler care.
 - Program has enrollment that is racially or culturally diverse (at least 20% of enrollment of children who identify as a race other than (or in addition to) white, or whose language spoken at home is not English).
 - Program commits to using a portion of the funds for staff compensation (i.e., wages, insurance, time off). This item does not apply to ARCCs.
 - Program intends to use a portion of the funds for recurring staff retention bonuses throughout the life of the award. This item does not apply to ARCCs.

3. Is the award based off licensed capacity or total children enrolled in the program?

The award formula is based on licensed capacity even if the program enrolls more children on alternate days while not exceeding Licensed capacity on any given day.

- ### **4. What if I intend to use the funds to offer the same accessibility and capacity to families as I did pre-COVID, offer alternative shifts, offer infant and/or toddler care, or for recurring staff retention bonuses, but ended up not being able to? Do I need to return a portion of the funds?**

No, but you should be prepared to show documentation of your ongoing efforts in any category you receive a bonus for should your program be chosen for a program integrity review.

Payment

- ### **1. Are funds issued in one or multiple payments?**

Programs receive fixed monthly payments. The number of monthly payments will vary, depending on when a program submits their application and the months of the year that the program is open and serving children.

2. How will I receive payment(s)?

Payments are issued through the State's VISION system. Payments are made in the manner which your program has chosen to receive payments, including direct deposit.

3. When will I receive my payment(s)?

Depending on when a program applied, payments were issued at the end of each month starting November 2021 with the last payment being issued February 2023.

4. We are a multi-site program – will we receive payment in one payment or by site?

You will receive one lump sum, and the remittance advice will provide the details of the separate payments that made up the lump sum.

Use of Funds

1. How can my program use this funding?

The following are allowable expenses:

- Personnel costs:
 - Examples:
 - Payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), and benefits.
 - Premium pay, or costs for employee recruitment and retention, including but not limited to staff bonuses/sign-on bonuses, wage increases, costs of insurance coverage, retirement, educational advancement, tuition reimbursement, longevity bonuses, merit bonus.
 - Child care/afterschool costs for employee children.
 - Funding for substitutes to cover staff engaging in professional development, COVID vaccine leave, etc.
 - Extra hours pay for individuals providing care on evenings and weekends in addition to regular full-time work.
 - Professional development to meet licensing requirements.
 - Student loan payments.

- Facility Needs:
 - Examples:
 - Rent or mortgage
 - Utilities, insurance
 - Facility maintenance or improvements such as adding a bathroom or automatic hands-free sink

- Ongoing COVID-19 supports:
 - Examples:
 - Personal protective equipment, cleaning and sanitization supplies and services.
 - Professional development and training related to health and safety practices including but not limited to CPR, First Aid, and medication administration.

- Purchases of or updates to equipment and supplies to respond to the COVID–19 public health emergency.
 - Examples:
 - Technology
 - Plexiglass barriers
 - Emergency kits
 - Health supplies

- Goods and services necessary to maintain or resume child care services.
 - Examples:
 - Tuition reduction for families
 - Evening and weekend care
 - Transportation
 - Interpreter services
 - Play and/or health and safety materials
 - Play equipment for children
 - Addition or replacement of rug in child care space

- Mental health supports for children and employees.
 - Examples:

- Mental health service reimbursements.
- Contracted mental health services and consultation provided directly to children in the program.
- Funding for one-on-one child supports for behavioral needs.
- Program consultation services for mental health or mental health related program.
- Professional development on social/emotional curriculum or trauma and purchasing related materials (e.g., books, videos).

If you have questions on whether an expense is allowable, please contact AHS.DCFARPAGrant@vermont.gov.

2. Do I need to spend the money on the same categories every month?

No, you can change the categories that the money is spent in each month. However, it must be spent on the categories allowable for the grant as defined in the grant agreement.

3. Can providers use award funds to pay state or town property taxes? Can they be used to pay state or town business taxes? Also, in relation to money being used for employee pay, can the funds be used to pay payroll taxes?

State or town property taxes, on their own, are not among the purposes which ARPA Stabilization Funds are authorized. However, if property taxes were paid pursuant to an escrow agreement as part of the provider’s mortgage, then they could be considered a payment on a “mortgage obligation.” Business taxes are likewise not among the allowable purposes. However, payroll taxes paid on behalf of employees, such as for Social Security, Medicare, or unemployment, would be considered personnel costs.

4. What are minor renovations?

The following are examples of minor renovations, which are allowable expenses:

- Upgrading the kitchen to add safe electrical outlets and fix plumbing fixtures.
- Installing new HVAC to improve ventilation.
- Installing smoke detectors, a sprinkler system, or other fire warning device.
- Installing secure storage for hazardous materials.
- Replacing or installing cabinets to provide adequate storage space for each child’s personal belongings.
- Remediating lead paint and/or lead pipes.
- Repainting walls with non-toxic paint.
- Improving food preparation areas.

- Installing room dividers.
- Improving internal play space.
- Installing age-appropriate plumbing, such as child-sized toilets and sinks.
- Purchasing materials and play equipment to improve outdoor spaces.
- Install plexi-glass barriers to a program entrance.
- Expand outdoor play and gathering spaces.
- Replacing windows or doors.
- Completing minor roof repair.
- Removal of non-load bearing walls to create additional space for social distancing.
- Updating sidewalk to provide a safe pathway for children.
- Installation of rails and ramps to increase accessibility for individuals with disabilities.

If you have questions on whether an expense is a minor or major renovation, please contact AHS.DCFARPAGrant@vermont.gov.

5. What are major renovations?

Major renovations or the purchase or improvement of land are NOT allowable expenses. Major renovations are 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.

If you have questions on whether an expense is a minor or major renovation, please contact AHS.DCFARPAGrant@vermont.gov.

6. Am I required to provide relief from copayments and tuition for families in my care while I am receiving ARPA Stabilization funds?

The U.S. Administration for Children and Families, Office of Child Care 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 ARPA Stabilization funding period. The ARPA Stabilization application requires providers to certify that they “will provide relief from copayments and tuition payments for the families enrolled in the provider’s program, to the extent possible, and prioritize such relief for families struggling to make either type of payment”. If a provider is in the financial position to provide relief from copayments and tuition for families, they should provide that relief and prioritize the relief for families with incomes below 85 percent of state median income.

7. Can I use the funds to pay for past expenses?

Yes. You can use the funds to cover costs incurred after the declaration of the public health emergency on January 31, 2020, for any of the uses of funds outlined above, as long as those uses were made in response to the COVID-19 public health emergency (including child care operating expenses related to rent and mortgage and facilities; personal protective equipment, sanitation, and health and safety; equipment and supplies; goods and services; and mental health services as described above) and they were not covered by any other state or federal funding.

8. Can you give further explanation of what "recurring staff retention bonuses throughout the life of the award" means?

If the program identified on their application that they intended to use a portion of the award for recurring staff retention bonuses, the program must have a pre-determined ongoing frequency (e.g., monthly, quarterly) for issuing the staff retention bonuses. These cannot be a one-time bonus.

9. Do I need to spend the funds by a specific date?

Yes. Award funds must be spent by April 30, 2023.

10. What if I have questions about how to spend the money?

You can email AHS.DCFARPAGrant@vermont.gov with any questions.

Reporting and Accountability

1. Do we need to submit receipts?

Child care programs are required to maintain receipts for all expenses associated with this funding for a period of five years. The receipts do not need to be submitted, unless requested by the CDD.

2. Do receipts need to be dated during a certain period?

All expenses and receipts need to be dated January 31, 2020 - April 30, 2023.

3. Will we need to do a monthly and/or final report?

Programs will need to complete a final report at the end of the award period or when the program closes, whichever is sooner. Programs will be required to report what amounts have been spend in each of the allowable categories.

4. If my program closes, will I have to pay back funds?

If your child care program closes, you must return any unspent funds. If your program closes, you must notify AHS.DCFARPAGrant@vermont.gov.

5. What documentation should be kept for auditing and/or tax purposes and for how long?

Supporting documentation must be retained for a period of five years and promptly submitted to the CDD upon request. Supporting documentation may include:

- Program records and supporting documentation related to this application.
- Documentation to verify attendance of children and/or hours of care provided outside of business hours.
- Expenditure records and supporting documentation related to costs incurred and how funding was spent, including but not limited to:
 - Mortgage/rent/space cost statements
 - Utility statements
 - Payroll and benefits records
 - Original invoices and/or receipts for purchases of materials/supplies
 - Documentation of other benefits provided to child care staff members such as coverage of insurance costs or tuition reimbursement.

6. Is this a loan that needs to be paid back?

This is not a loan that needs to be paid back. These funds are provided to stabilize the continued operations of the child care program and to cover business expenses in response to COVID-19.

7. How are the Child Care Stabilization Grants funded?

The Child Care Stabilization Grants are funded through the Federal American Rescue Plan Act (ARPA) of 2021.

8. Is this funding taxable?

The ARP Act does not exempt the APRA Child Care Stabilization funding from taxation. Therefore, this funding is subject to the same tax rules as regular CCDF funding (child care financial assistance program). State tax rules apply. Regarding federal tax rules, please contact the Internal Revenue Service (IRS) for guidance. In some cases, funds used to cover operating expenses may be exempt from taxation. For further information about how these funds will impact your business, please talk to your accountant.

9. Am I a subrecipient?

No. Child care programs are beneficiaries and are not subject to subrecipient requirements.