



Important information on the Child Care Stabilization Base Grants

The American Rescue Plan Act was signed into law in March 2021, providing Minnesota with additional funds designed to help stabilize the child care industry as the state continues to recover from the COVID-19 pandemic. At the end of June, the [Minnesota Legislature created the Minnesota's Child Care Stabilization Grant program](#) beginning in June 2021 and lasting until June 2023.

Please read the following information carefully. The Child Care Stabilization Base Grant differs in many important ways from the COVID-19 Public Health Support Funds for Child Care program, which concluded in May 2021.

Base Grant award amounts

[State statute requires base grant amounts to be determined based on the number of full-time equivalent staff](#) who regularly care for children in the program, including sole proprietors (i.e. family child care providers) or independent contractors. "Regularly cares for children" is defined as a paid staff person whose job description or responsibilities include interacting with, caring for, and supervising children enrolled in the program.

Providers who have recently received payments through the Child Care Assistance Program, Early Learning Scholarships, or both will be eligible for one 10% increase to their Base Grant per funding period.

Base Grant funding periods are one month in length, with grants paid on a monthly basis and available through June 2023. Beginning in July 2022, Base Grant amounts will be reduced from initial monthly payment amounts, with amounts for the final month being no more than 50% of the amounts awarded in September 2021, as required in [state statute](#).

Understanding the Base Grant formula

The Base Grant is calculated based on the number of full-time equivalent (FTE) staff who regularly care for children in the program. For grant purposes, one FTE is a staff member who works 32 or more hours per week. Part-time staff hours must be calculated based a 32-hour week. The [Child Care Stabilization Grant FTE Worksheet](#) will assist with FTE calculations based on the total number of hours each staff member worked during the previous calendar month.

The Base Grant is calculated by taking the starting rate, which is currently \$430, and multiplying that by the number of FTE staff who work in a program.

Below are some examples of how the monthly Base Grant amount is calculated.

Example 1: Family child care provider who has a paid helper assisting 16 hours per week has 1.5 FTEs (the provider is one FTE, and the paid helper is half of an FTE). For this family child care program, \$430 is multiplied by 1.5 FTEs, which equals a \$645 Base Grant.

Example 2: A child care center operates with 16.75 FTEs. For this program, \$430 is multiplied by 16.75 FTEs, which equals a \$7,202.50 Base Grant.

Example 3: A certified center is operating with 8.25 FTEs. For this program, \$430 is multiplied by 8.25 FTEs, which equals a \$3,547.50 Base Grant.

Programs may be eligible for an increased Base Grant award amount if they serve children of families with low incomes, as documented through payments they recently received from the Child Care Assistance Program, Early Learning Scholarship program, or both. These programs will receive an additional 10% bonus on top of their Base Grant. For example, a program with a Base Grant of \$1,935 would receive an additional \$193.50, for a total award of \$2,218.50.

Base Grant eligibility

Child care program types eligible for funds include:

- Family and group family licensed under [Minnesota Rules, Chapter 9502](#)
- Child care centers licensed under [Minnesota Rules, Chapter 9503](#)
- Certified license-exempt child care centers under [Minnesota Statutes, Chapter 245H](#)
- Tribally licensed child care programs
- Legal non-licensed providers who are authorized by Child Care Assistance Program under [Minnesota Statutes, Chapter 119B.125](#) and serving eligible families under [Minnesota Statutes, Chapter 119B](#).

In addition, the above eligible programs must be licensed, certified or registered and in good standing throughout the funding period with the Minnesota Department of Human Services (under Minnesota Rules, Chapters 9502, 9503, 245H or 119B) or their tribe. This means the program must not have been:

- The subject of a current or past finding of fraud
- Prohibited from receiving public funds under Minnesota Statutes, Section 245.095
- Under revocation or under temporary immediate suspension.

To receive these funds, an eligible program, as described above, must have been operating and serving children on the first day of the funding period and must attest in writing that the program continued to operate and serve children during the full funding period. Please refer to the [Base Grant FAQ](#) for more details on eligibility requirements of each grant.

Application process

The Minnesota Department of Human Services is continuing to use the online application process used in previous funding rounds and will send emails with application information and a link to a personalized application to all eligible providers. Applications for the Base Grants open at the end of each funding period.

Upcoming Base Grant funding periods for 2021

Funding period	Application period
Aug. 15, 2021 – Sept. 14, 2021	Sept. 15, 2021 – Sept. 22, 2021 at 4 p.m.
Sept. 15, 2021 – Oct. 14, 2021	Oct. 15, 2021 – Oct. 22, 2021 at 4 p.m.
Oct. 15, 2021 – Nov. 14, 2021	Nov. 15, 2021 – Nov. 22, 2021 at 4 p.m.
Nov. 15, 2021 – Dec. 14, 2021	Dec. 15, 2021 – Dec. 22, 2021 at 4 p.m.

Requirements of accepting a Base Grant

Providers who accept a Base Grant must attest in writing to meet the following requirements during the funding period.

Requirement	What this means
When open and providing services, providers attest in writing to implement policies in line with guidance and orders from corresponding state, tribal, and local authorities and, to the greatest extent possible, guidance from the Centers for Disease Control and Prevention (CDC).	Per the federal Child Care Stabilization Grant law , providers agree to implement the guidance provided from the CDC, to the extent possible. This guidance may change and providers are encouraged to frequently review the guidance available at cdc.gov/coronavirus/2019-ncov/community/schools-childcare/guidance-for-childcare.html .
Pay staff at least the same amount in weekly wages and maintain the same benefits (such as health insurance and retirement, if applicable).	<p>Per federal law, providers receiving grants agree to maintain wages (i.e. total weekly pay) for all staff during the funding period. This means that if an employee receives an hourly wage, then the total weekly wages earned must remain the same. Employers are also required to maintain the same level of staff benefits over the duration of the funding period. All staff includes lead teachers, aides, and staff that are employed by the child care provider to work in transportation, food preparation, and any other staff that the provider employs.</p> <p>Employees who voluntarily reduce their hours, for example requesting a reduced work schedule or requesting to take unpaid leave, may have their weekly wages reduced based on the voluntary request for reduced hours or leave.</p>
Use at least 70% of the Base Grant to provide increased compensation, benefits, or premium pay to all paid employees, sole proprietors (i.e. family child care provider), or independent contractors who regularly care for children, unless granted a waiver from the Minnesota Department of Human Services.	Per state statute , programs are required to use at least 70% of the Base Grant to increase compensation, benefits or premium pay. This may include increased hourly wages, additional benefits (health, retirement, educational, etc.), or providing enhanced pay (staff bonus, hiring bonus, etc.) to staff. Programs can choose how they use the 70% of Base Grant funds as long as this portion goes toward

Requirement	What this means
	<p>increased compensation for staff who regularly care for children.</p> <p>Grant recipients may request a waiver from the requirement to use at least 70% of the Base Grant to provide increased compensation, benefits or premium pay, if they cannot due to restrictions included in agreements with employee bargaining units, or if the program is experiencing unusual and significant financial hardship.</p>
<p>Provide relief from copayments and tuition payments for the families enrolled, to the extent possible, and prioritize such relief for families struggling to make either type of payment.</p>	<p>Per federal law, providers, to the extent possible, will use these funds to provide relief from copayments or tuition payments for families enrolled in their program. If a provider is unable to provide relief from copayments and tuition payments for all families enrolled in the program, they should prioritize doing so for families most in need of relief and target families earning below 85% of the state median income. Refer to page 3 of the Child Care Assistance Program copayment schedules document for a table with 85% of the state median income by household size.</p>
<p>Report/update program capacity information through the Provider Business Update Tool at least every six weeks. <i>(Note: Legal non-licensed providers are exempt from this requirement)</i></p>	<p>The Update Tool is available at mnpbu.naccraware.net/#!/login, and allows programs to update their capacity. Programs that have never used the Update Tool before can refer to these instructions for using the Update Tool. For further assistance, email updatetool@parentaware.org. Plan to complete this survey, at a minimum, once every six weeks to ensure that the data remains current.</p> <p>Data from the Update Tool is used to update the map and survey data that are shared publicly through parentaware.org. This information helps parents of young children get connected to programs when they are looking for child care.</p>

Programs that accept Base Grants must agree:

Requirement	What this means
Not to furlough or lay off employees.	Per federal law , providers must attest in writing not to require an employee to involuntarily take time off without pay (i.e. layoff staff). In the event of a temporary closure due to public health guidance issued by the Minnesota Department of Health, Minnesota Department of Human Services and/or the provider's local public health agency, employers would need to continue to pay their employees at the same rate of pay.
Not to use these funds to pay taxes.	Per federal law , providers are prohibited from using these funds to pay taxes.
Not to use these funds for items that have already been paid for by other federal, state, tribal and/or local public funding.	Providers accepting these funds must ensure the funds are not used to pay for any allowable use that has already been paid for with other federal, state, tribal or local public funds. Examples of other funding sources may include Peacetime Emergency Child Care grants, COVID-19 Public Health Support Funds for Child Care, Tribal Child Care Stabilization Grant funds, forgiven Paycheck Protection Program loans, Child Care Aware Regional Grants, and others. Base Grant funds are intended to cover additional allowable costs that are not covered by other support programs. If uncertain whether the source of funding from other support programs is public, programs should verify with the organization that provided that support.

Allowable uses of Base Grant funds

Programs may use the funds for one or more of the following options:

- Personnel costs, benefits, premium pay, and recruitment and retention; this allows programs to pay for expenses such as:
 - Personnel costs (payroll, salaries, new hires, etc.)
 - Employee benefits (health, dental, vision insurance)
 - Premium pay or bonus for staff (including hiring bonuses)

- Retirement costs and contributions
- Educational costs (professional development, training, scholarships, etc.)
- Paid sick or family leave
- Support for getting the COVID-19 vaccine (appointments, paid sick leave, transportation)
- Rent or mortgage payments, utilities, or insurance; this allows programs to pay for expenses such as:
 - Rent or making payments on any mortgage obligation, including payments that are past due from Jan. 31, 2020 or later
 - A business's utility bills (heat, electric, phone, Wi-Fi service, etc.)
 - Liability and/or accident insurance, transportation insurance, homeowner's insurance, business insurance, etc.
 - Late fees or charges from late payments
- Facilities maintenance and improvements; this allows programs to pay for expenses such as minor renovations and minor improvements that are necessary to address COVID-19 concerns, including:
 - Building or upgrading playgrounds and outdoor learning spaces
 - Renovating bathrooms
 - Installing ramps, railings, etc., for accessibility
 - Removing non-load bearing walls to create more space for social distancing
 - Replacing carpet with linoleum or another easily cleaned surface
 - Installing touch-free faucets or light switches

*(Please note that grant money **cannot** be used for construction or major renovations or remodeling. Including structural changes to foundations and loadbearing walls, or extensive alterations of a facility.)*
- Health and safety equipment, supplies and training; this allows programs to pay for expenses such as:
 - Personal protective equipment (gloves, masks, digital thermometers, face shields, changing table paper, etc.)
 - Cleaning and sanitation supplies and services (cleaning/disinfecting wipes, ventilation systems, vacuums, washer/dryer, bleach, hand sanitizer, spray bottles, paper towels, soaps, garbage bags, professional cleaning and sanitation services, independent cleaning services, etc.)
 - Training and professional development on health and safety practices
- Purchases of or updates to equipment and supplies to respond to COVID-19; this allows programs to pay for expenses such as:
 - Indoor and outdoor equipment and supplies (portable partitions, plastic shields, sink installation, disposable utensils and dishes, COVID-19 signage, storage containers, etc.)
 - Business items needed to respond to new challenges (software for tracking attendance, communicating with parents, etc.)
 - Technology upgrades for collecting data and reporting to lead agencies (software purchases, technical assistance, etc.)
- Goods and services necessary to maintain or resume child care services; this allows programs to pay for expenses such as:

- Food, food service equipment and materials, materials for play, learning, eating, diapering, toileting, and safe sleep
- Business training and business support services (child care tracking online systems, etc.), child care management services (online payroll systems, accounting services, etc.), food services, transportation, janitorial or cleaning services, and professional development for staff
- Mental health supports for children and employees; this allows programs to pay for expenses such as:
 - Mental health supports for staff (such as staff training and development, team building, resiliency and stress management, staffing patterns and schedules, program materials and supplies, a mental health library)
 - Toys to spark conversations with children about emotions and stress
 - Family engagement (parent/teacher conferences, books and other materials children can take home, activities like family game nights).
- Provide relief from tuition and/or copayments for families enrolled.

Base Grant funds can be used for any of the options above, for expenses incurred between Jan. 31, 2020, and Sept. 30, 2023. Providers accepting these funds must ensure the funds are not used to pay for any allowable use that has already been paid for with other federal, state, tribal or local public funds.

Questions?

Contact Child Care Aware at 651-290-9704 or by email at supportfunds@childcareawaremn.org.

- Si necesita ayuda para comprender esta carta, comuníquese con Vanessa Carrasco Berliz vcarrasco@thinksmall.org, 651-641-6660
- Hadaad ubaahantahay caawimaad fahanka warqadan, fadlan la xiriir DHS Language Line, 800-367-9559
- Yog tias koj xav tau kev pab nkag siab tsab ntawv no, thov hu rau Julie Yang JYang@thinksmall.org, 651-366-6792

Child Care Aware of Minnesota will use Language Line Services for languages other than Spanish, Hmong and Somali; they can be reached by phone at 651-290-9704 or by email at supportfunds@childcareawaremn.org.



For accessible formats of this information or assistance with additional equal access to human services, write to dhs.info@state.mn.us, call 651-431-4000, or use your preferred relay service. ADA1 (1-18)