



Great Start Compensation Support Payments

10/04/2023

Goals for Today's Information Session

- Provide you with information to prepare for the first application of the new program opening this month
 - New program overview
 - Program similarities and changes
 - Important program requirements
 - Common questions
- Share upcoming dates
- Help you know where to go for more information

New Program Purpose

- The Great Start Compensation Support Payment Program was signed into law in May 2023 providing Minnesota with additional funds designed to **support the child care industry and early childhood (EC) educators.**
- Nation leading program that builds off of Child Care Stabilization Base Grants
- The program will issue monthly payments to eligible child care providers to fund increases in compensation and benefits for early childhood educators.

New Program Overview

- Great Start Compensation Support Payments
 - Starts October 2023
 - Application process will be similar to Stabilization Base Grants and Transition Grants until moving to the Provider Hub at some point in 2024.
 - This is a permanent new program, although the Legislature appropriated varying levels of funding for each of the next 4 years.
 - Funded with a total of \$ 618.4 million over the next 4 years
 - Program requirements are similar to Stabilization Base Grants but there are some differences.

How is the new program the same as Stabilization Base Grants?

Program

- Applications: Individualized monthly applications; previous month is funding period and hours reported period
- A provider must be open, operating, serving children and in an eligible license status
- Use of funds: increasing compensation/benefits for EC educators directly caring for children

Payments

- Payment amounts: Based on the # of hours reported for EC educators
- Hours that can be counted: Only hours directly caring for children
- 10% increased payment: Available for providers serving families participating in CCAP and/or ELS

What is different? (program and children)

How is the new program different from the Stabilization Base Grants?

Program

- One (1) EC educator can count for up to 2.0 FTEs
- No longer a prohibition against involuntary furloughs and laying off employees
- No longer a requirement to maintain wages when staff are not working
- No requirement to provide tuition or copayment relief to families
- Legal Non-licensed home-based providers receive a different type of payment
- No Financial Hardship Grants are available

Children

- A provider must care for a minimum number of children in order to be eligible
- Providers must record and report child enrollment and daily attendance
 - Providers will not be asked to report daily attendance data until mid-2024

What is different? (10% increase and reporting)

How is the new program different from the Stabilization Base Grants?

10% Increased Payment

- Child Care Access Equity Areas: A program's location in an "access equity area" is an additional eligibility criteria for an increased payment

Reporting

- Providers must complete an annual report describing how funds were used
- Providers must complete the Market Rate Survey between October 2023 – January 2024

What is different for licensed and certified centers?

How is the new program different from the Stabilization Base Grants for licensed and certified centers?

- Must use 100% of the funds to increase EC educator compensation and/or benefits
- No waiver process to be exempt from utilizing the funds for compensation and benefits
- Funds must be distributed to EC educators within 6 months of receipt
- Establishing a baseline for EC educator compensation will be important

More on Important Requirements

These requirements are in law and will protect against fraud or misuse of funds for this new program.

The department places high value on using state funds responsibly to secure community trust for continued public investment in this program

- Daily attendance
- Minimum # of children served
- Baseline compensation for determining increased compensation
- Record keeping
- Annual Report

Providers need to record and report daily attendance to be eligible for the Compensation Support Payments

- **What?:** Providers must record and report daily attendance data including:
 - Child's first & last names
 - Date
 - Check-in & check-out times
- **Why?:** An important protection against fraud and misuse of funds, ensuring that providers are operating and serving children.
- **How?:** Initially, the information required will be limited. Full daily attendance records will need to be reported when the application moves to the Provider Hub in mid-2024.

Attendance (Application question)

The October 2023 application will ask:

- What was your program's highest attendance on a single day during September 2023?
- What was your enrollment for each age group in a typical week from September 1 to September 30?
 - Infants
 - Toddlers
 - Pre-school
 - School age

Minimum number of children

Providers need to serve a minimum number of children to be eligible for the Compensation Support Payments

Why: This is an important protection against fraud and misuse of funds, ensuring that a minimum level of service was provided in return for state funding.

How: The minimum will be 3 children for certified child care center programs

Exception: There is one situation that will reduce the minimum to 2 children:

- Have opened a new license in the past 6 months

Minimum number of children (Application question)

What does a minimum number of children served mean?

- The minimum number of children must be in attendance on **at least 5 days** during the previous month.

The October 2023 application will ask:

- How many days did you care for at least **3** children on a single day from September 1 to September 30, 2023?

The minimum number of children (3 in the example above) will be customized in your application for your program

Establishing Your Program's Baseline Compensation

Child care centers need to provide information so that DHS can determine whether EC educators received increased compensation over time

Why: This is the program's primary purpose. The law requires compensation and benefits be increased for early educators:

- *“Child care centers ... must use money received under this section to pay for increases in compensation, benefits, premium pay, or additional federal taxes assessed on the compensation of employees as a result of paying increased compensation or premium pay to all paid employees or independent contractors regularly caring for children.”*

Establishing Your Program's Baseline Compensation (what)

What is baseline compensation?

- The amount of your program's total personnel costs during the month prior to receiving your first Compensation Support Payment minus any Stabilization Grants and Transition Grants expended for personnel expenses during that month.

Why is establishing baseline compensation important?

- To help providers meet the requirement to use 100% of funds to increase compensation by comparing baseline compensation to future reported personnel costs
- To support providers in planning for the short- and long-term use of the funds
- To support providers in distributing funds to employees within 6 months of receipt

Establishing Your Program's Baseline Compensation (Example)

The October 2023 application will ask for Personnel Costs and Grant funds distributed to EC educators

Example: To establish a Baseline we will look at a single month and remove grant funds from personnel costs, assuming 5 FTEs below

Total Personnel Costs (wages, bonuses, benefits (health, retirement, prof. development, etc.), employment taxes, etc.)	\$21,000	} Providers will share these 2 pieces of information
subtract	-	
Grant funds distributed to EC educators (Stabilization, Transition, etc.)	\$ 3,000	} DHS will calculate this
<hr/> Baseline Compensation	<hr/> \$18,000	
Baseline Compensation / FTE	\$ 3,600	

Providers must document the following:

- Daily attendance records must be completed every day
- How you are using the funds
- EC educator employment, compensation, and benefits, which must include time sheets or other records of daily hours worked; documentation of compensation and benefits; documentation of written changes to employees' rate or rates of pay and basis thereof as a result of these payments.

Providers must complete a brief Annual Report:

- To be completed 12 months after first Compensation Support Payment application
- Will collect information about how you spent the Payment funds you have received
- The Annual Report is being developed. DHS will share more details in the future.

Common Questions

Common Questions (Daily attendance)

QUESTION: Do we need to record exact sign-in/sign-out times for children's daily attendance?

ANSWER: Providers are expected to be as accurate as possible.

Common Questions (October 2023 FTE amount)

QUESTION: What will the \$/FTE be?

ANSWER: DHS is still finalizing the October 2023 \$/FTE, but it is expected to be between \$365 – 375.

Common Questions (FTE amount in future)

QUESTION: Will payment amounts (\$/FTE) be consistent in the future ?

ANSWER: DHS' goal is to keep \$/FTE payment amounts consistent through June 2024 at which time we will reevaluate the funding amount based on participation.

Common Questions (Meaning of permanent)

QUESTION: What does it mean that the program is “permanent”?

ANSWER: The law that created the program did not establish an end date. The program will continue unless future legislation is passed to change it.

Common Questions (Funding for technology?)

QUESTION: Will there be funding available for technology upgrades to assist with daily attendance tracking?

ANSWER: There are at least 3 current or future programs that providers can take advantage of that could assist providers in upgrading their technology:

1. COMING SOON: Child Care Provider Technology Grants
2. Parent Aware Quality Improvement Grants
3. Regional Child Care Aware Grants

Common Questions (Attendance and award amounts)

QUESTION: Does attendance affect award amounts?

ANSWER: No, attendance affects whether a provider is eligible, but it does not affect the payment amount.

Upcoming dates

- Compensation Support Payment Application will open on Monday, October 16, 2023.
- The application will be open for 10 days and will close on Wednesday, October 25
(this is 2 days longer than Base Grant and Transition Grant application periods)
- Applications will continue to open on the 15th of each month, except when the 15th lands on a weekend or holiday.

- The Compensation Support Payment website is under development. Please visit regularly for updates:

<https://mn.gov/dhs/partners-and-providers/grants-rfps/great-start-grants/great-start-support-payment-program/>

- It will contain information about:
 - Eligibility
 - Award amounts
 - Application periods and processes
 - Requirements
 - Allowable uses of the funds
 - Frequently Asked Questions (FAQ)

Thank you!

If you have questions or suggestions, please email:

supportfunds@Childcareawaremn.org

or

CompensationSupport.DHS@state.mn.us