

# Welcome

We will begin shortly after 2:30 PM

Questions or suggestions that we are not able to address today can be submitted to [dhs.child.care@state.mn.us](mailto:dhs.child.care@state.mn.us)

Please turn your video off for the presentation



# One-time Supplemental & Financial Hardship Grants

- Introductions
- January 2022 Grant Overview
- One-time Supplemental Grant
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# Introductions

# January 2022 Grant Overview

During January 2022 we will have 3 grant programs available:

Category	Base Grants	One-time Supplemental	Financial Hardship Grants
Application Dates	January 18 – 25	January 18 – 25	January 26 – February 9
Program End Date	June 2023	January 2022	TBD
Approximate Grants Dispersed	\$8 – 10M	\$20M	TBD

# One-time Supplemental Grant

- In December 2021, the Minnesota Governor's Office and DHS prioritized \$20 million from the COVID-19 Flexible Response Account for Minnesota's child care providers in response to rising new COVID-19 case totals in Minnesota.
- These funds, called One-Time Supplemental Stabilization Grants, are part of Minnesota's share of the American Rescue Plan Act funding.
- Minnesota child care providers can apply for these grants as part of their January 2022 Child Care Stabilization Base Grant application.
- These funds provide significantly more flexibility

# One-time Supplemental Grant: Flexibility

- What flexibility is provided in the One-time Supplemental Grants:
  - Providers are NOT required to use 70% of funds in increasing staff compensation and benefits
  - Providers are NOT required to maintain wages and benefits of staff for the full funding period
  - Providers are allowed to furlough staff during the funding period if needed
  - Providers are not required to report and update program capacity information

# One-time Supplemental Grant: Amounts

- The following providers are eligible:
  - Licensed and certified child care providers in good standing throughout the funding period with the Minnesota Department of Human Services
- Grant amounts:

Provider Type	Approximate Grant Amount*
Licensed Family Child Care	\$ 1,200
Licensed Child Care Centers <75 children	\$ 5,500
Licensed Child Care Centers 75+ children	\$ 8,500
Certified Child Care Centers	\$ 3,000

\*Exact grant amounts will depend on the level of child care provider demand, determined through the number of applications received from eligible child care providers



# One-time Supplemental Grant : How to Apply

## How to apply?

- Providers will be able to apply for the One-time Supplemental Grant in the same application as the Base Grant
- Providers can apply for either the Supplemental or Base Grants or both
- Look for your personalized email to apply on Tuesday, January 18
- The application period will end on Tuesday, January 25 @ 4 PM

# Financial Hardship Grant

- At the end of June 2021, the Minnesota Legislature created [Minnesota's Child Care Stabilization Grant Program](#), which is funded by the federal American Rescue Plan Act.
- The Stabilization Grant Program included the creation of an additional grant opportunity to help providers experiencing extreme financial hardship, called the Financial Hardship Grant Program.
- \$ 70 million has been set aside for the Financial Hardship Grant Program
- The duration of the program is dependent on how many providers apply and qualify

# Financial Hardship Grant: Requirements

- The requirements of the Financial Hardship Grants are the same as Base Grants with the exception of:
  - Requirement to use 70% of funds in increasing staff compensation and benefits

# Financial Hardship Grant: Criteria

## Grant criteria:

	Criteria #1	Criteria #2	Criteria #3
Licensed Family Child Care	COVID Closure where provider receives less than 75% of the month's parent fees and CCAP & ELS reimbursements	Two or more months behind on rent or mortgage payments	Operating loss over the previous consecutive 3 months equal to 25% or more of a provider's gross income
Licensed Child Care Center	Monthly gross income that is insufficient to cover 2 payroll periods (4 weeks)	Two or more months behind on rent or mortgage payments	Operating loss over the previous consecutive 3 months equal to 33% or more of a provider's gross income
Certified Child Care Center	Monthly gross income or operating funds is insufficient to cover 2 payroll periods (4 weeks)	<ul style="list-style-type: none"> <li>Public school-based program with a fund balance equal to or less than \$0</li> <li>Non-public school based programs with days cash on hand less than 10 days</li> </ul>	Operating loss over the previous consecutive 3 months equal to 33% or more of a provider's gross income

# Financial Hardship Grant: Licensed & Certified Centers Criteria #1

- Licensed & Certified Criteria #1: Monthly gross income that is insufficient to cover 2 payroll periods (4 weeks)
- Providers should be prepared with the following information:
  - Gross income<sup>1</sup> or operating funds<sup>2</sup> for December 1 to December 31, 2021
  - Personnel expenses<sup>3</sup> for the most recently completed 4 weeks of payroll?

<sup>1</sup>Gross income = Income that your child care business receives. This includes parent fees, potentially Child Care Assistance Program and Early Learning Scholarship payments, loans, grant funds, and other sources of income.

<sup>2</sup>Operating funds = Specific to non-profit certified centers is the funds allocated from the organizations budget to support the child care program

<sup>3</sup>Personnel expenses = personnel expenses comprise wages and salaries subject to withholding of tax and comparable expenses, as well as expenses determined direct based on wage or salary, such as social security contributions, statutory and voluntary personal insurance contributions and pension expenses

# Financial Hardship Grant: Licensed Center Criteria #2

- Licensed Center Criteria #2: Two or more months behind on rent or mortgage payments
- Providers should be prepared with the following information:
  - How many months are you currently past due on the rent or mortgage payment for the location of your child care program?
  - What documentation of the delinquency of your rent, lease or mortgage payment do you have?

# Financial Hardship Grant: Certified Center Criteria #2a

- Certified Center Criteria #2a: Public school-based program with a fund balance equal to or less than \$0
- Providers should be prepared with the following information:
  - At the end of the last complete fiscal month what was the Fund Balance of the fund that supports your child care program?

# Financial Hardship Grant: Certified Center #2b

- Certified Center Criteria #2b: Non-public school based programs with days cash on hand less than 10 days
- Providers should be prepared with the following information:
  - At the end of your last complete fiscal month how many Days Cash on Hand<sup>1</sup> did your program have?

<sup>1</sup>Days Cash on Hand = The number of business days that a business could continue to operate if its income stopped or could not be collected.  
Calculation:  $\text{unrestricted cash} \div [(\text{total expenses} - \text{depreciation} - \text{in-kind expenses}) \div 365]$



# Financial Hardship Grant: Licensed and Certified Criteria #3

- Licensed & Certified Criteria #3: Operating loss over the previous consecutive 3 months equal to 33% or more of a provider's gross income
- Providers should be prepared with the following information:
  - Child care revenues<sup>1</sup> for October 1 through December 31, 2021
  - Child care operating expenses<sup>2</sup> for October 1 through December 31, 2021

<sup>1</sup>Child Care revenues = Parent fees, CCAP and ELS reimbursements and Food Program Reimbursements and any Child Care Stabilization Base Grant payments

<sup>2</sup>Operating expenses = operating expenses includes any business expenses in the categories below:

- Payroll
- Benefits (health, dental, vision insurance, retirement contributions, etc)
- Other personnel costs
- Rent or mortgage
- Facility expenses (utilities, insurance, maintenance)
- Personal Protective Equipment (PPE), including cleaning and sanitation supplies and services
- Training expenses for staff on health and safety practices
- Food
- Learning materials and activities

# Financial Hardship Grant: Example of Criteria #3

- Example of Licensed & Certified Criteria #3: Operating loss over the previous consecutive 3 months equal to 33% or more of a provider's gross income

What were your child care revenues for Oct 1 – Dec 31, 2021?	\$ 18,000
What were your child care operating expenses for Oct 1 – Dec 31, 2021?	\$ 25,000
Determine Profit/Loss	\$ 18,000 - \$25,000 = - \$7,000
Operating Loss as a % of gross income	\$ 7,000 / 18,000 = 39%
Eligibility	39% is > 33% = Eligible

# Financial Hardship Grant: Amounts

## Grant amounts:

Provider Type	Approximate Grant Amount*
Licensed Child Care Centers Tier 1	\$ 8,500
Licensed Child Care Centers Tier 2	\$ 19,000
Licensed Child Care Centers Tier 3	\$ 33,000
Licensed Child Care Centers Tier 4	\$ 54,000
Licensed Child Care Centers Tier 5	\$ 68,000
Certified Child Care Centers	\$ 14,500

- Providers will be able to apply again in 3 months, pending availability of funding
- Licensed Child Care Center Tiers are based on Child Hours which is Licensed Capacity x Licensed Operating Hours

\*Exact grant amounts will depend on the level of child care provider demand, determined through the number of applications received from eligible child care providers

# Financial Hardship Grant: How to Apply

## How to apply

1. Start to prepare and compile information needed for your application.
2. Look for an email from DHS to child care providers announcing the availability of the application on January 26, 2022
3. Complete a Financial Hardship Application Request Form as early as possible during the application period.
4. Watch for an email from DHS indicating whether your program met the initial eligibility criteria. If your program met the initial eligibility criteria, your email will contain a link to an individualized Financial Hardship Grant application.
5. Complete the full application by the close date of the application period. After submitting your application, you will receive a confirmation email from DHS indicating your Financial Hardship Grant application was received.
6. Look for an email indicating whether your program has been awarded or denied a Financial Hardship Grant after the application period closes.

## Where to go if you have questions or need help with the applications?

- Visit the DHS website:
  - [Stabilization Grant webpage](#)
  - [Financial Hardship Grant webpage](#)
  - [Financial Hardship Grant FAQ](#)
- For answers to additional questions, please call Child Care Aware at 651-290-9704 or email [supportfunds@childcareawaremn.org](mailto:supportfunds@childcareawaremn.org)
- Si necesita ayuda para comprender esta carta, comuníquese con Rocio Sosa, [rsosa@thinksmall.org](mailto:rsosa@thinksmall.org), 651-641-6660
- Hadaad ubaahantahay caawimaad fahanka warqadan, fadlan la xiriir Abdulkadir Warsame, [awarsame@thinksmall.org](mailto:awarsame@thinksmall.org), 651-641-6673
- Yog tias koj xav tau kev pab nkag siab tsab ntawv no, thov hu rau Julie Yang, [JYang@thinksmall.org](mailto:JYang@thinksmall.org), 651-366-6792
- Child Care Aware of Minnesota will use Language Line Services for languages other than Spanish, Hmong and Somali via phone at 651-290-9704 or by email at [supportfunds@childcareawaremn.org](mailto:supportfunds@childcareawaremn.org).

# Q & A

**Question:** What documentation needs to be submitted with the application?

**Question:** If I make a mistake in my application how can I correct it?



**Question:** If children and staff who have a COVID-19 close contact do not quarantine, will my program still qualify for the Child Care Stabilization Grant?

# Thank you!

If you have additional questions or suggestions, please submit them to [dhs.child.care@state.mn.us](mailto:dhs.child.care@state.mn.us)