

American Rescue Plan Act

Child Care Stabilization Grant Training

DCCECE October 2021



Introduction

(1) Economic Importance of Child Care

- Total U.S. Economic Impact is over \$99 BILLION dollars (this includes revenue and child care's impact on other industries) annually.
- Access to stable and high-quality child care helps parents improve their labor productivity.
- Availability of ECE programs encourages and attracts homebuyers.

(2) Importance of Quality

- Investments in high-quality early childhood education can generate up to \$7.30 per dollar invested
- Participants in high-quality early education programs show long-term results in the form of lower incarceration rates, arrest rates, and a reduced likelihood of receiving government assistance.

<https://www.earlylearningpolicygroup.com/childcare-economic-impact.html>

https://edworkingpapers.org/sites/default/files/Untangling_Evidence_Preschool_Effectiveness_REPORT.pdf

<https://www.ffyf.org/why-it-matters/economic-impact/>

AR COVID Relief by the Numbers

(1) CARES Act

- Supplemental Payments - \$11m
- Sanitation/PPE Payments - \$6.5m
- Maintenance Payment - \$3m
- Deep Cleaning - \$100K
- Essential Workers - \$22m

(2) CRSSA

- Supplemental Payments - \$27m
- Maintenance Payments - \$23m
- Deep Cleaning - \$55K
- Essential Worker - \$45m or almost 13,000 families

Green = Direct Payments to Providers



American Rescue Plan Act

Overview

(1) Stabilization Funds

- Subgrant Payments - \$258m
 - Operational Payments
 - Quality Improvement
 - Child Care Expansion
- Supply Building - \$25m

(2) Supplemental Discretionary Funds

- Essential Worker Child Care - \$130m
- TEACH Scholarship Program - \$40m

Stabilization Subgrants

Overview

Lead agencies must spend 90% of stabilization funds as subgrants to qualified child care providers to support the stability of the child care sector during and after the COVID-19 public health emergency.

Arkansas's 3 subgrant categories:

- (1) Operational Payments
- (2) Quality Improvement
- (3) Child Care Expansion

Operational Payments

Operational subgrant payments can be used to cover expenses associated with remaining open or sustaining a viable business during the COVID public health emergency.

Examples of covered expenses:

- (1) Creating a formal business plan
- (2) Salary/Payroll
- (3) Minor COVID related renovations (example: UV air purifiers in HVAC system)
- (4) PPE/COVID related safety equipment
- (5) New or updated security systems
- (6) Cover past losses associated with COVID-19
- (7) Mental health services for children or employees

Operational Payments

Table 1: Operational Payments Subgrant Amount Chart

Care Type	Capacity	Subgrant Amount per Application
Registered Family Home	5	\$5,000
Licensed Family Home	10	\$7,500
	11-16	\$10,000
Child Care Center	<50	\$17,500
	51-100	\$25,000
	101-150	\$32,500
	151-200	\$40,000
	200+	\$47,500
Out of School Time	<50	\$10,000
	51-100	\$15,000
	101-150	\$20,000
	151-200	\$25,000
	200+	\$30,000

Quality Improvement

Quality improvement subgrant funding will support existing early childhood education programs in obtaining or sustaining a higher level of AR Better Beginnings. NOTE: All CCDF programs must be Level 2 or higher by June 30, 2022.

Examples of covered expenses:

- (1) New staff sign-on bonus
- (2) Substitutes (for staff to attend training)
- (3) Minor renovations
- (4) Furniture and equipment
- (5) Curriculum resources and supplies
- (6) Parent involvement
- (7) Professional development
- (8) Screenings/Assessments

Quality Improvement

Table 3: Classroom Quality Improvement Subgrant Amount Chart

Care Type/Capacity	Amount per child (based on current enrollment)
Infant/Toddler/Preschool < 100	\$1500.00
School Aged <100	\$750.00
Infant/Toddler/Preschool 101-200	\$1250.00
School Aged 101-200	\$625.00
Infant/Toddler/Preschool 201+	\$1000.00
School Aged 201+	\$500.00



Child Care Expansion

Child Care Expansion grants will be available to qualifying and currently licensed child care providers who are on good standing with DCCECE. Providers are encouraged to partner with local businesses to expand or open additional campuses to provide child care to Arkansas's essential workforce. Applications will be prioritized by the following areas of focus: (1) Child care deserts, (2) Infant/Toddler/School Aged care, (3) Essential business partnerships, (4) Non-traditional care hours, and (5) CCDF participation.

Examples of covered expenses:

- (1) Salaries/Personnel (first 6 months)
- (2) Minor renovations and facility maintenance
- (3) Rent, mortgage, and utilities
- (4) Furniture and equipment
- (5) Curriculum resources and supplies
- (6) Technology

Child Care Expansion

Table 4: Child Care Expansion Subgrant Amount Chart

Capacity Expansion Type	Additional Capacity	Subgrant Amount (max)
Infant	+5	\$15,000
	+10	\$30,000
	+15	\$45,000
	+20	\$60,000
	+25	\$75,000
	+30	\$90,000
Toddler	+8	\$12,500
	+16	\$25,000
	+24	\$37,500
	+32	\$50,000
	+40	\$62,500
	+48	\$75,000
School Aged	+18	\$5,000
	+36	\$10,000
	+54	\$15,000
	+72	\$20,000
	+90	\$25,000
	+108	\$30,000
	+126	\$35,000
Staff Salary	+144	\$40,000
	Up to 1 per new classroom	\$15,000 per staff member



Stabilization Grant Review Overview

Operational Payments:

Reviewer will check application for all required components and submit to an approver for payment.

Quality Improvement:

Reviewer will check application for all required components and submit to the DCCECE Better Beginnings team for final approval prior to payment.

Child Care Expansion

Reviewer will check application for all required components and submit to the DCCECE Child Care Expansion Committee and Child Care Licensing (must conduct a visit) prior to final approval for payment.

Supply Building

Funding contracted out through partnerships to create new child care centers across Arkansas for the essential workforce, including care for non-traditional hours.

MORE INFO TO COME

Supplemental Discretionary Funds

Essential Worker Child Care:

Funding to continue assisting Arkansas's essential workforce in paying for child care services. Essential worker child care will be extended until funding has been exhausted.

TEACH Scholarship Program:

Funding to cover scholarships for early childhood teachers to obtain a degree or credential in the field. Funding will be disseminated out by the Arkansas Early Childhood Association using the national TEACH model.

Integrity

- (1) Providers will be required to follow DHS and Federal auditing guidelines
- (2) DHS will do an audit of a statistically valid random sampling of providers each year
- (3) Providers will be required to do reporting on the funds spent compared to the submitted budget
- (4) Providers will be required to maintain receipts for 5 years after the date of award

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