



Vermont Association for the
Education of Young Children

American Rescue Plan Act Child Care Stabilization Grants

What does this mean for your child care program?



Presenters

Sherry Carlson | Chief Programs Officer, Let's Grow Kids

Lawrence Miller | Five Vine Consulting

Erika Schramm | Skylight Coaching & Consulting

Anne Levesque | Director of Human Resources, Wake Robin

Federal Programs Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

- CRRSA is a 9-month program running from April – December 2021.
- Approximately 750 providers are receiving a monthly prospective payment as long as they are open and serving children in that month.
- This program infuses over \$1 million into the child care and school age system each month.
- Approximately \$7.5 million have gone out to programs to date

| Activity | CRRSA | ARPA |
|-------------------------------------------------------------------------|-------|------|
| PPE, cleaning, and other materials to meet Health and Safety practices | Yes | Yes |
| Minor facility improvements/maintenance | Yes | Yes |
| Occupancy (rent, insurance, mortgage, utilities, etc.) | Yes | Yes |
| Wages, bonuses (sign on and retention), insurance payments, etc. | Yes | Yes |
| Professional Development/Technical Assistance for ECE | Yes | Yes |
| Replenishment of Lost Revenue and/or Reduced Enrollment | Yes | No |
| Mental health services/consultations for program staff and for children | No | Yes |
| | | |

American Rescue Plan Act (ARPA)

- Stabilization Funds \$29.3M
- Discretionary Funds \$18.3M
- Matching Funds \$780K
- Part C IDEA \$1.2M

ARPA Stabilization

Total awards will be determined using a formula that is comprised of a base rate and various increases. The base rate prioritizes funding towards smaller programs per federal guidance. Various increases of the base rate will be added for applicants who meet any of the following criteria:

- Offers or will offer infant/toddler care.
- Offers or will offer alternative shifts.
- Agrees to direct at least some of their award to staff compensation and/or recurring monthly retention bonuses.
- Agrees to work towards pre-COVID accessibility for all families in their program.
- Offers a minimum of 5 days per week, with a minimum of 8 hours of care each day.
- Operates in a low-income area.
- Enrollment is racially or culturally diverse.

ARPA Discretionary

This funding is focused on systems and will be awarded through procurement processes. **Areas of focus:**

- Workforce Supports (Act 45) (2.6 mil-each year through FY 2024)
- Special Accommodation Grants (\$500,000 in FY 2022 and 23)
- Business Training Support for providers (\$500,000)
- Capacity building activities for early childhood and after school age children in regulated settings (1.8 mil in FY2022-23 and 2024)
- Social emotional, mental health, and staff training needs in early care settings (2.5 million in FY 2024)

Local (Towns/Cities) Fiscal Recovery Funds

- Promoting healthy childhood environments, including new or expanded high-quality child care
- Home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth
- Providing premium pay for essential workers
 - Child care workers, educators, and school staff

Considerations for Investment

ARPA Child Care Stabilization Grant Program

Let's Grow Kids Webinar
Friday, October 29, 2021

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Source: <https://dcf.vermont.gov/arpa-child-care-stabilization>

Purpose

- Purpose
 - Cover unexpected business costs associated with the pandemic
 - Stabilize their operations so they can continue providing care
- Eligibility
 - Have a Registered or Licensed Family Child Care Home (FCCH), Center Based Child Care and Preschool Program (CBCCPP), Afterschool Child Care Program (ASP) license, or be an Approved Relative Child Care Provider at the time of your application.
 - Be located in Vermont serving Vermont families
 - Be open and serving children as of the date of your application; or if the program was open on March 11, 2021, and currently closed due to COVID-19, plans to be open within 30 days of completing your application.



Allowed Uses

- Personnel Costs (including payroll and salaries or similar compensation for an employee --including any sole proprietor or independent contractor-- employee benefits, premium pay, or costs for employee recruitment and retention).
- Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance.
- Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
- Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency.
- Goods and services necessary to maintain or resume child care services.
- Mental health support for children/families and employees.

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Limits

- Taxes – unless property taxes are included in a mortgage payment for escrow property taxes and business taxes are not allowed.
- 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.*

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Income Taxes

- *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.*

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Fungibility

- This money needs to be spent on allowed items, with documentation, including receipts retained for five years.
- *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.*
- **Which means, you may be able to use this money on allowed used, freeing up other money for other uses.**

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Your Priorities

- This could be a lot of money for some programs
 - <https://form.jotform.com/211854627376059>
- You don't need to spend the money in the same month received
- You do need to send the money by December, 2022
- Pause and consider what we talked about last year
 - Risk Log
 - Vision for the Future
 - Opportunity Log



Risks

- Out of your brain and into writing – not Zen mastery
- A living document you can update as things change
- Risk Log Elements
 - Risks are scored on two axes: likelihood and consequence
 - from 1 to 4 and added together
 - Write a line or a paragraph of what led you to each of those scores
 - 1's and 2's, probably just accept the risk and move on. 7's and 8's, figure out how to avoid them. 3-6, you want mitigation plans, written down
- Business and Personal – everything that is worrying you.
 - We need space to think about opportunity

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Vision

- This is a big event, in world history terms
- Many people find their priorities and values shift during these events
- Being intentional is important
- The aspirational list (expressed as positives not negatives)
 - What do you wish was different about your business?
 - What do you wish was different about your life?
 - What do you wish was different about your relationships?
 - What inner truths and beliefs are changing?
- Reflect and revise



Opportunities

- Opportunities are external, but things you can influence
- Opportunity Log Elements
 - Opportunities are scored on two axes: likelihood and benefit
 - from 1 to 4 and added together
 - Write a line or a paragraph of what led you to each of those scores
 - 7's and 8's, put a lot of energy into thinking about how to implement
 - 3-6, you want optimization plans to enhance the opportunities
 - 1-2, don't bother unless it is something easy
- Important: track the external triggers that would cause you to pursue one opportunity or another, to achieve your vision.



Impact

- Given your priorities, what are the most significant things you could do to transform your capacity for the future?
- What does “stabilization” mean for your program in the long term?
- What are the other resources you need?



Inspiration

Some Allowed Uses

- See the FAQ at:
 - <https://dcf.vermont.gov/content/arpa-faq>
- People
 - *Costs for employee recruitment and retention*
 - *Professional development to meet licensing requirements and Funding for substitutes to cover staff engaging in professional development*
 - *Professional development on social/emotional curriculum or trauma and purchasing related materials (e.g., books, videos).*
 - *Professional development and training related to health and safety practices including but not limited to CPR, First Aid, and medication administration.*
 - *Child care/afterschool costs for employee children*

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Inspiration

Some Allowed Uses

- Play
 - *Play and/or health and safety materials*
 - *Improving internal play space.*
 - *Purchasing materials and play equipment to improve outdoor spaces.*
 - *Expand outdoor play and gathering spaces.*
- Property Safety
 - *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.*

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Inspiration

Some Allowed Uses

- Physical Improvements
 - *Replacing or installing cabinets to provide adequate storage space for each child's personal belongings.*
 - *Installing room dividers.*
 - *Removal of non-load bearing walls to create additional space for social distancing.*
 - *Installation of rails and ramps to increase accessibility for individuals with disabilities.*
 - *Replacing windows or doors.*
 - *Repainting walls with non-toxic paint.*
- When in doubt: AHS.DCFARPAGrant@vermont.gov

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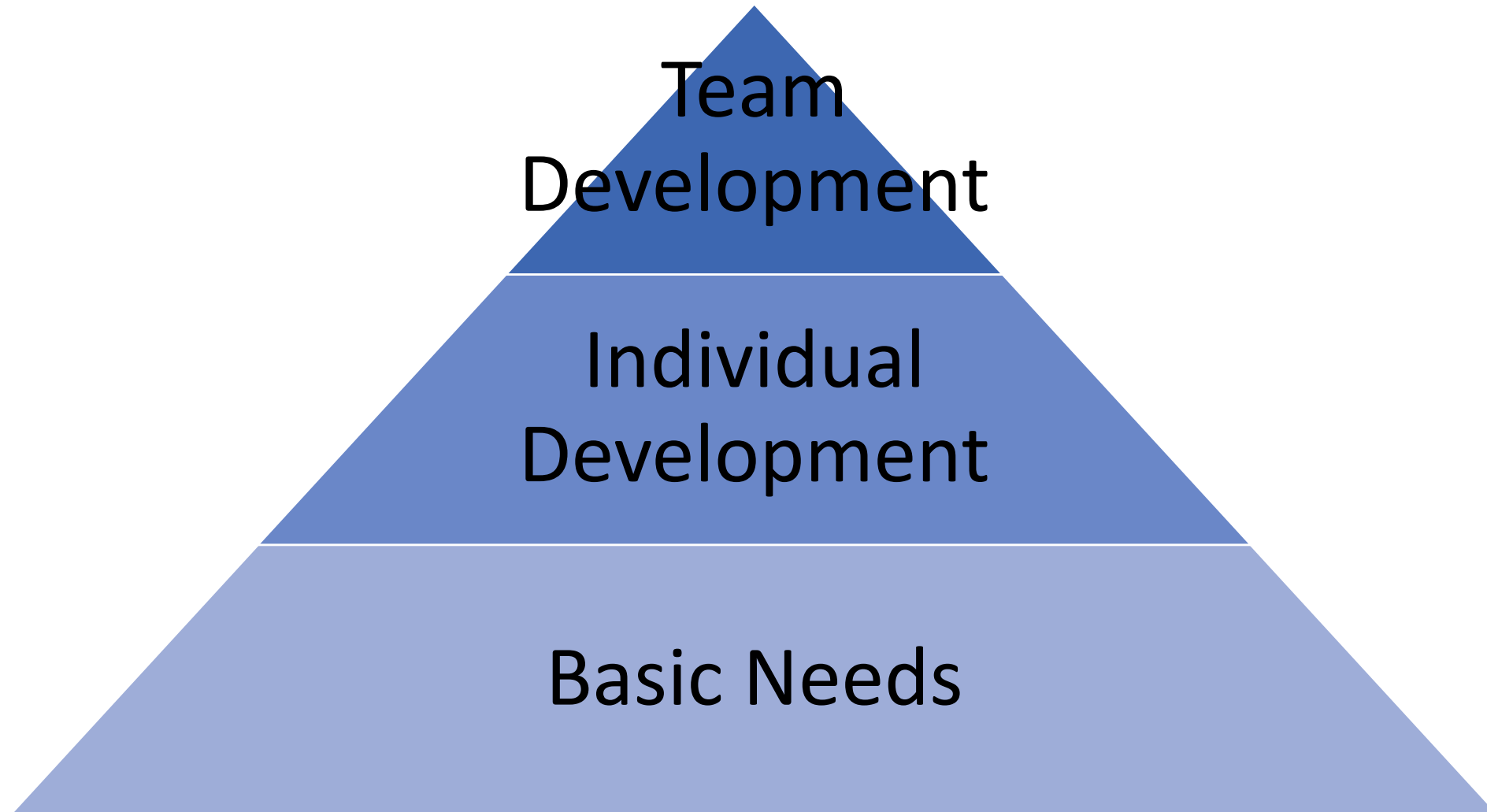
Conclusion

- Think Big and Long Term
- Focus on your vision of the future
- Don't limit your imagination to the list
- Consider other resources to support your plan
- Reflect on how much change you have managed since March of 2020.
- Recognize that every government program has limits. ARPA is a support and with creativity it could go a long way in transformation, but has limits, combine with other resources to achieve your vision



What a great opportunity!

- Invest in your team, invest in your program, invest in your children & families
- People want purpose and meaning from their work. They want to be known for what they're good at...AND
- They also want to be sure their basic needs are met



What are some possibilities?

| Basic Needs | Individual Development | Team Development |
|--------------------|--------------------------|--------------------------|
| Pay | Professional development | Professional development |
| Health insurance | Regular feedback | Community/team building |
| Time off | Recognition | Celebrations |
| Retirement | Flexibility | Adequate staffing levels |
| Safe place to work | Retention bonuses | |
| Needed supplies | Employee assistance | |
| Clear expectations | program | |

How to Prioritize

- Understand your options
- Talk to your staff to know what they value
- Identify effort vs. impact
- Focus on what matters most – balance small, easy wins with longer term opportunities



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CHILD CARE IS ESSENTIAL

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QUESTIONS?