

## **Arizona Child Care Stabilization Grant FREQUENTLY ASKED QUESTIONS**

### **What is the Child Care Stabilization Grant Program?**

The Child Care Stabilization Grant (CCSG) Program is intended to directly support Arizona's child care providers that have endured increased costs and challenges due to COVID-19. CCSG will sustain Arizona's child care network by supporting providers by giving a consistent, reliable funding source to cover increased cost and challenges due to COVID-19 from July 2021 through June 2023.

While child care providers must apply to receive funds, grants are not competitive. Providers may utilize grant funds for a variety of expenses including salaries and benefits for employees, bonus incentives for hiring and retention, licensing fees, liability insurance, tuition and registration relief for families, lease and mortgage payments, utilities, classroom materials, and supplies.

These funds are made available to Arizona through the Child Care and Development Fund (CCDF) relief funding appropriated through The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2).

### **Who is eligible for grant funds?**

Providers must have been licensed or certified by March 11, 2021:

- DES Non-Certified Relative Providers
- DES Family Child Care Providers (including in-home providers)
- DHS Licensed Centers
- DHS Certified Group Homes
- Tribal Child Care Providers
- Military Child Care Providers

Providers licensed after March 11, 2021 must contract with DES in order to qualify for grant funding.

In addition, all programs must also be:

- Open and currently serving children at time of application (this does not include temporary closures of 14 days or less).
- In good standing with DES and their regulatory authority such as DHS, the Tribal or Military regulation authority.

Providers are strongly encouraged to update their operational status with their Licensing authority. This will be necessary to access the various supports offered through the Department.

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### **How much is the CCSG award?**

Once approved, grant awards will be issued monthly in flat payments based on provider type/capacity, through June 2023.

- DES Non-Certified Relative = \$500/month
- DES Certified Family Child Care (1-4 children) = \$1,000/month
- DHS Certified Group Home (5-10 children) = \$2,000/month
- DHS Licensed (11-59 capacity) = \$5,000/month
- DHS Licensed (60-100 capacity) = \$7,500/month
- DHS Licensed (100+ capacity) = \$10,000/month

### **What is the CCSG Workforce Amount?**

The CCSG Workforce Amount is an increase to child care providers' Stabilization Grant awards effective July 2022. The CCSG Workforce Amount increase is specifically designed to stabilize, recognize, and prioritize Arizona's early childhood care and education workforce through spending related to hiring and employing child care staff. Additional information on the CCSG Workforce Amount increase, including FAQs, can be found at [des.az.gov/ccsg](https://des.az.gov/ccsg).

Effective July 2022, Child Care providers receiving the CCSG who certify that they will use the CCSG Workforce Amount funds to directly support the child care workforce will receive a new total monthly CCSG award in the following amounts:

- DES Non-Certified Relative = \$750/month
- DES Certified Family Child Care (1-4 children) = \$1,500/month
- DHS Certified Group Home (5-10 children) = \$3,000/month
- DHS Licensed (11-59 capacity) = \$11,500/month
- DHS Licensed (60-100 capacity) = \$19,000/month
- DHS Licensed (100+ capacity) = \$25,500/month

The monthly CCSG award for providers who do not submit the [CCSG Workforce Amount form](#) and attestation will remain the same.

### **How can I apply for the Child Care Stabilization Grant Program?**

Beginning July 19, 2021 through September 30, 2022, providers will need to apply for the Child Care Stabilization Grant Program on the DES Division of Child Care website at [des.az.gov/CCSG](https://des.az.gov/CCSG). Grant awards will start the month following application and approval.

Any applications received after the 15th of the month will be reviewed and processed for the following month grant payment. *Please note: Providers only have until September 30, 2022 to apply for the funds.*

### **If a provider has multiple sites does each site have to apply for the grant funding?**

Yes, each site must apply separately.

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### What are the allowable uses of the Child Care Stabilization Grant Program Funding?

The CCSG temporary funds are to help your program remain open by supporting operating and business expenses, as set forth in The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2).

Providers must keep records of how they have spent the funds. As the CCSG is federal funding, child care providers who receive the grant are encouraged to review the Federal Cost Principles set forth in the Code of Federal Regulations at [2 CFR Subpart E § 200.403 Factors affecting allowability of costs](#).

Providers may use these funds for the following purposes, including for reimbursement of these expenses incurred from January 31, 2020 through September 30, 2023:

- **Personnel Costs:** Includes costs associated with employing staff such as payroll/wage supplements or bonuses. Other examples of allowable personnel costs include: health, dental, and vision insurance, retirement contributions, paid time off including sick or family leave, free/reduced cost child care benefit for staff, paid time off for professional development and training, reimbursements for tuition costs for certificate or degree program, and reimbursement/stipends for teacher out-of-pocket costs for classroom supplies.

Raising the wages of child care staff is a central part of stabilizing the industry. Providers are encouraged to use grant funds for recruiting and retaining existing and former child care workers and strengthening the diversity of the workforce to meet children's and families' needs.

*For the CCSG Workforce Amount, there must be an increase above and beyond employee wages or benefits since receiving the Child Care Stabilization Grant.*

*For more information on personnel costs allowable for the CCSG Workforce Amount, please see the [CCSG Workforce Amount Decision Tool](#).*

- **Rent/Mortgage/Utilities:** Includes monthly rent or mortgage payments, property insurance, liability insurance, or utilities such as gas, electricity, oil, water/sewer, telephone, cell/mobile phone, or internet, which may include fees or charges related to late payment.
- **Facility Maintenance or Improvements:** Includes minor renovations that do not meet the definition of major renovation at [45 CFR 98.2](#): (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. CCSG funds may not be used for construction or major renovations. Allowable facility maintenance and improvements may include, but are not limited to, building or upgrading

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playgrounds, renovating bathrooms, installing railing, ramps, or automatic doors to make the facility more accessible, and removing non-load bearing walls to create additional space for social distancing.

Providers should strive to include renovations needed to comply with safety guidance in the context of developmentally appropriate practice and a welcoming environment for children and families.

- **Goods and Services:** Includes any material goods or service necessary for the operation of a child care program such as Examples of goods that might be necessary to maintain or resume child care services include food and equipment and materials to facilitate play, learning, eating, diapering and toileting, or safe sleep. Examples of services that are allowable include business automation training and support services, shared services, child care management services, food services, and transportation. The category also covers fees and costs associated with meeting licensing requirements.

We encourage providers to treat this term broadly, so that child care providers can flexibly meet their individual needs.

- **Personal Protective Equipment (PPE):** Include equipment, supplies, services, and training that support meeting state and local health and safety guidelines. Examples include PPE, cleaning supplies like disinfectants, paper towels, masks, gloves, or safety glasses, and cleaning services.
- **Equipment and Supplies for Public Health Emergency:** Includes purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency. So long as the equipment and supplies are in response to the COVID-19 public health emergency, examples include indoor and outdoor equipment and supplies that facilitate business practices consistent with safety protocols and developmentally appropriate practice, as well as business items needed to respond to new challenges, such as business software and upgrades. This might also include technological upgrades that programs can use to collect data and report to DES.
- **Mental Health Supports:** Includes support for the mental health of children and employees. Examples include mental health consultations for children and their families, and mental health services for staff.

Infant and early childhood mental health consultation (IECMHC), an evidence-based, prevention-based strategy that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow. The well-being of staff and caregivers is also important to stabilizing the child care sector because the mental health and well-being of staff impacts training, recruitment, and retention as well as the level of care provided to children.

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### **What is the duration of the CCSG program?**

The first CCSG award payments were initiated in August 2021 and will continue monthly through June 2023.

The CCSG Workforce Amount began with the July 2022 grant payment for providers who completed their attestation via the [CCSG Workforce Amount form](#) by June 30, 2022. Future CCSG Workforce Amount awards will start the month following application approval.

Providers only have until September 30, 2022 to apply for the funds. Grant awards will start the month following application and approval. There will be no backdating of grant awards.

### **When do the grant funds need to be fully spent?**

The funds must be spent by no later than September 30, 2023.

### **I received the previous Child Care COVID-19 Grant and/or the Child Care Workforce Retention and Recruitment Grant, do I have to reapply?**

If you previously received the Child Care COVID-19 Grant or the Child Care Workforce Retention and Recruitment Grant we will use your previous application information for this grant. ***You will still need to submit an application.*** Providers will need to attest that the information is the same, and DES will use that application information, thus eliminating the need to fill out the content again.

Note: Providers must be in good standing with DES **and** their regulatory authority such as DHS, the Tribal or Military regulation authority.

### **What is needed to apply?**

If you previously received the Child Care COVID-19 Grant or the Child Care Workforce Retention and Recruitment Grant we will use your previous application information for this grant. ***You will still need to [submit an application](#).***

If you did not receive those grants, you will need:

- Your DHS license number (i.e. CDC xxxxx or SGH xxxxx) if you are a DHS licensed child care facility or certified group home
- Your DES provider identification number (i.e. P00xxxxxx) if you are a DES Certified Family Child Care home or a DHS licensed child care facility or certified group home contracted with DES and receiving child care subsidy billing and reimbursements
- Your Employer Identification Number (EIN) or Social Security Number (SSN)
- A completed State of Arizona Substitute W-9 & Vendor Authorization Form (GAO-W-9)

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### **What are the qualifications to receive the Child Care Stabilization Grant?**

Providers must apply to receive CCSG funds. Grants are not competitive, meaning if a child care provider submits a complete application, is eligible, and agrees to the grant program terms, they will receive funding. Terms of the grant are listed below:

- Providers must be open and providing child care services at the time of application and for the duration of the grant (this does not include temporary closures of 14 days or less).
- Providers must be in good standing with DES and their regulatory authority such as DHS, the Tribal or Military regulation authority.
- Per Federal requirements outlined in The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2), child care providers must certify that they will meet the following requirements throughout the period of their grants:
  - The provider will, when open and providing services, implement health and safety policies in line with guidance and orders from corresponding state, territorial, tribal, and local authorities and, to the greatest extent possible, implement policies in line with guidance from the Centers for Disease Control and Prevention (CDC).
  - The provider must pay each employee (including 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), at least the same amount in weekly wages and maintain the same benefits (such as health insurance and retirement, if applicable) for the duration of the grant. Child care providers may not involuntarily furlough employees from the date of application submission through the duration of the grant.
  - The provider will provide relief from copayments and tuition payments for the families enrolled in the provider's program, to the extent possible, and prioritize such relief for families struggling to make either type of payment. 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 percent of the State Median Income.
- Providers must submit monthly reporting. For more details, see FAQ: **When do I submit the required reporting?**

### **Would my CCSG award increase once my license increases?**

Effective September 30, 2022, any changes in a provider's licensed capacity will not result in an increased grant award. Prior to September 30, 2022, providers must submit documentation to [childcaregrants@azdes.gov](mailto:childcaregrants@azdes.gov) that includes their new licensing capacity. Following verification, the next month's grant payment will increase according to the new licensing capacity.

### **Is the grant based on current enrollment or licensed amount of children?**

The grant is based on a provider's current licensed or certified capacity.

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### **What is considered good standing?**

#### DES In Good Standing:

A provider in good standing is regarded as having complied with all their Provider Registration Agreement obligations, while not being subject to any form of overpayment disputes, suspension of authorizations, or final warning disciplinary actions.

#### DHS In Good Standing:

A person or organization in good standing is regarded as having complied with all of their explicit obligations while not being subject to any form of sanction or disciplinary action.

### **What is the requirement and definition of “open and provide child care services?”**

A child care provider must abide by its planned hours of operation as reported to DHS (or their applicable licensing agency). Providers are allowed temporary closures that are aligned with COVID-19 guidance. Any closures that exceed 14 days must be reported to [ChildCareGrants@azdes.gov](mailto:ChildCareGrants@azdes.gov). Providers are strongly encouraged to update their operational status with their Licensing authority. This will be necessary to access the various supports offered through the Department.

### **Can I apply if I have a pending application for a child care license?**

You must be fully licensed by time of application to be eligible for CCSG funding. Any providers licensed after March 11, 2021 must contract with DES in order to qualify for grant funding.

### **Is a provider required to provide child care services to children of families accessing the state child care subsidy program in order to be eligible?**

If a provider was licensed or certified by March 11, 2021, they do not have to be contracted with DES to be eligible for the CCSG funds. Providers licensed or certified after March 11, 2021 must contract with DES in order to qualify for CCSG funding.

### **How will a provider be notified of the grant award?**

Providers will receive an email with a notification of grant approval/denial and grant award amount. Please allow 5 business days for application review.

### **How long will it take to receive grant funding?**

The first CCSG award payments were initiated in August 2021 and will continue monthly through June 2023.

The CCSG Workforce Amount began with the July 2022 grant payment for providers who completed their attestation via the [CCSG Workforce Amount form](#) by June 30, 2022. Future CCSG Workforce Amount awards will start the month following application approval.

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Please note, if a provider is set up for direct deposit, processing time varies for each bank. Please wait up to 3 business days for payment to appear. If you do not have direct deposit, your grant award will be mailed.

### How can I set up a direct deposit to receive my grant funds?

Direct deposit is set up for all DES contracted providers and these providers do not need to take any action. Providers that are not contracted with DES will need to:

- Submit the Division of Child Care Direct Deposit Form ([CCA-1140A for Centers and Group Homes](#) or [CCA-1141A for DES Certified Homes/Relative Providers](#)) with a voided check pre-printed with the provider's name and address; **OR**
- Submit a letter from the provider's financial institution (Bank or Credit Union) signed by the teller, including the bank's contact information, the routing and account number by email to: [ccapaymentprocessing@azdes.gov](mailto:ccapaymentprocessing@azdes.gov). Prepaid money cards are not accepted.

### Are the grant funds taxable?

Yes. In accordance with guidance from the Federal Office of Child Care: The [ARP Act](#) does not exempt the ARP child care stabilization subgrant funding from taxation. Therefore, this funding is subject to the same tax rules as regular CCDF funding. If you have additional questions, please contact a tax professional.

### Do providers need to save and submit receipts associated with this grant?

Providers must keep records of how they have spent the funds. All receipts and documentation associated with the spending of this funding should be retained for your records and for auditing purposes.

### When do I submit the required reporting?

Providers must submit a monthly report on how all grant funds have been spent. Each month's report is due by the last day of the month for the previous month **\*\*\*If you do not submit your monthly report by the deadline, you will not receive the following month's grant payment\*\*\*** For example: If you do not submit the August 2022 report by September 30, 2022, your October 2022 grant payment will be placed on hold and you will not receive that payment until you are compliant with reporting. Continued non-compliance puts you at risk of losing your CCSG award.

### What is required in the monthly reporting?

Please review the [CCSG Reporting Guide](#) for more details. In each monthly reporting form, you will complete two sections:

- **Section 1 Previous Month Reporting**: Open/close status, planned closures, staffing, enrollment, and waitlist by age.
- **Section 2 Total Grant Expenditures**: Cumulative grant funds spent since the first payment of grant funds received (i.e., dating back to August 2021 or when the



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provider first received the grant) not just grant funds spent or received the previous month.

### **Who can I contact if I have questions?**

Please contact the Child Care Grant mailbox at [ChildCareGrants@azdes.gov](mailto:ChildCareGrants@azdes.gov) with any questions about the application, payment process, and monthly reporting.

For more information on how to best utilize this funding, providers are encouraged to reach out to a business coach through the Southwest Human Development Early Childhood Business Management Program at [ECBMP@swhd.org](mailto:ECBMP@swhd.org).

Additional technical assistance and support is available through Arizona Association for the Education of Young Children (AzAEYC): [azaeyc.org/ccsg/](http://azaeyc.org/ccsg/) or [info@azaeyc.org](mailto:info@azaeyc.org).

### **Are there other supports being offered to the child care network?**

Yes. Please visit [Arizona's Division of Child Care](http://Arizona's Division of Child Care) website to learn more about Arizona's Child Care Recovery Plan, in partnership with the child care and early childhood education community, to launch temporary support over the course of the next three fiscal years (all funds must be expended by September 30, 2024) to help child care recover and rebuild.

For more resources and information, visit: [des.az.gov/CCSG](http://des.az.gov/CCSG)