

Child Care Stabilization Program Frequently Asked Questions Round 3 (March 31 – April 21, 2023)

MAIN WEBSITE: Click [here](#) to visit the DHHS website for more information

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Program Background

1. What is the Child Care Stabilization Program?

Round 3 of the Child Care Stabilization Program is being funded by the American Rescue Plan Act Child Care Supplemental Discretionary Funds appropriated in the American Rescue Plan (ARP) Act of 2021 (Public Law 117-2) signed into law March 11, 2021.

Child care is essential for our communities to thrive, but the system's current structure means many families cannot access or afford high-quality care plus the workforce is often underpaid for skilled and valuable work. In response to the urgent need to stabilize the child care sector, Section 2202 of the ARP Act was enacted and funds appropriated under the CCDF Discretionary Funds. This funding gives states, territories, and tribes the resources and opportunity to address the financial burdens faced by child care providers during and after the COVID-19 public health emergency and the instability of the child care market as a whole.

Program Timeline

2. What are the key program dates for the second round of grants?

The program will begin accepting applications for the third round of grants on March 31, 2023. Providers are encouraged to apply during the application period which ends **April 21, 2023**. Applications will be processed on a first come first served basis.

3. How will I know if there are any updates to the program?

Program updates will be posted on the DHHS website which may be found by clicking [here](#). Please check this website periodically to see if any updates have been posted.

Applicant Eligibility

4. Who is eligible to apply and what are the eligibility requirements?

Licensed Child Care Providers

A licensed child care provider (CCC, FCCHI, FCCHII, PRE, and SAOC) is considered eligible to apply if they became licensed between May 10, 2022 and April 21, 2023 OR has been funded in a previous stabilization grant round and has expanded their current license capacity since previous award. All applicants must meet all applicable state and local health and safety requirements.

Funding is not available to providers who are not in compliance with licensing requirements at the time of the grant application or at the time funds are disbursed. Applicants who, at the time of submission of application, are not trained in Prepare to Care, certified in pediatric first aid and CPR, or do not have an emergency preparedness plan in place, will have 60 days to submit proof of training, certification, or date in which emergency preparedness plan was completed (see #6 below). Applicants who do not provide verification within 60 days will not be eligible for the grant. All applicants will have the ability to submit their application for review and, once submitted, all applicants will be reviewed for the award.

Any provider who was eligible in Rounds 1 or 2 but did not apply is not eligible to apply for Round 3.

Unlicensed Head Start/Early Head Start and Educare Programs

An unlicensed Head Start/Early Head Start or Educare program is considered eligible to apply as long as they have met all applicable state and local health and safety requirements. **Home-based programs option slots are not eligible.**

Applicants who, at the time of submission of application, are not trained in Prepare to Care, certified in pediatric first aid and CPR, or do not have an emergency preparedness plan in place, will have 60 days to submit proof of training, certification, or date in which emergency preparedness plan was completed (see #6 below). Applicants who do not provide verification within 60 days will not be eligible for the grant. All eligible applicants will have the ability to submit their application for review and, once submitted, all eligible applicants will be reviewed for the award.

5. What documentation/information should Child Care providers provide?

- Provider address, including zip code.
- Race and ethnicity of the Family Child Care Owner or Center Director.
- Gender of the Family Child Care Owner or Center Director.
- Driver's license or other form of government-issued ID.
- Whether the provider is open and available to provide child care services.
- How funds will be used.
- Banking Information for payment via ACH electronic funds transfer.

Additionally, if at the time of submission of application, provider is not trained in Prepare to Care or certified in pediatric first aid and CPR, the following must be provided within 60 days:

- Proof of training in Prepare to Care pre-service for all staff directly working with children, including substitutes and volunteers. The form was sent to you in the announcement email. You may also find the form [here](#).
- Proof of certification in pediatric first aid and CPR for all staff directly working with children, including substitutes and volunteers. The form was sent to you in the announcement email. You may also find the form [here](#).

6. Use of funds:

Please note: All Child Care programs are required to maintain receipts for a period of 5 years for all expenses paid by the Child Care Stabilization Grant funds. A random audit will be performed requiring a random selection of applicants to submit copies of receipts that support these expenses. You will be contacted if you are selected for the audit and need to submit receipts and supporting documentation.

Child Care funds must: (1) be based on a provider's stated current operating expenses, including costs associated with providing or preparing to provide child care services; and, (2) to the extent practicable, cover sufficient operating expenses to ensure continuous operations for the intended period of the subgrant which is May 10, 2022 – May 10, 2024.

These include:

Personnel costs, benefits, premium pay, and recruitment and retention:

Wages and benefits for child care program personnel, including increases in compensation for any staff in a child care center or family child care providers and their employees; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions. Other examples of allowable personnel costs include ongoing professional development or training, premium or hazard pay, staff bonuses, and employee transportation costs to or from work. Child care providers may also use resources to support staff in accessing COVID-19 vaccines, including paid time off for vaccine appointments and to manage side effects, as well as transportation costs to vaccine appointments.

Rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance:

Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. It also may include late fees or charges related to late payment. Allowable facility maintenance and improvements that help comply with health and safety guidelines and may include, but are not limited to, building or upgrading 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. Facility improvements that make child care programs inclusive and accessible to children with disabilities and family members with disabilities are also allowable. Subgrant funds may not be used for construction or major renovations.

Facility upgrades may be considered for minor renovations and may be allowed if it is part of normal operational expenses. This includes:

- Building or upgrading playgrounds/playground surfaces, fencing around the playground area, outdoor furniture and shade structures.
- Renovating bathrooms to ensure age appropriateness and child safety.
- Installing railing, ramps or automatic doors to make the facility more accessible.
- Improving sidewalks.
- Purchase or construction of a storage shed to store program equipment and supplies.
- Replacing windows or doors or completing a minor roof repair.
- Replacing fire sprinklers, carbon monoxide detectors, and smoke detection systems.
- Replacing cabinets with adequate storage space for each child's personal belongings.
- Repainting walls with non-toxic paint.
- Removing non-load bearing walls to create additional space for social distancing.
- Maintenance and minor renovations to address Covid 19 concerns.
- Improvements that make programs inclusive and accessible to children with disabilities and family members with disabilities as outlined in the Americans with Disability Act (ADA) of 1990 (42 U.S.C. 12101, et.seq.).

This does not include major renovations which are defined in 45 CFR 98.2 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. Major remodeling is not an allowable use for these funds.

Personal Protective Equipment (PPE), cleaning and sanitation supplies and services, or training and professional development related to health and safety practices:

PPE, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices. Additionally, equipment, supplies, services, and training that support meeting state and local health and safety guidelines, including those related to the prevention and control of infectious diseases, prevention of sudden infant death syndrome and use of safe sleep practices, administration of medication (consistent with standards for parental consent), prevention and response to emergencies due to food and allergic reactions, building and physical premises safety, prevention of shaken baby syndrome and abusive head trauma and child maltreatment, response planning for emergencies from a natural disaster or a man-caused event, handling and storage of hazardous materials and the appropriate disposal of bio-contaminants, appropriate precautions in transporting children, pediatric first-aid and CPR, and recognition and reporting of child abuse and neglect.

Purchases of, or updates to equipment and supplies to respond to Covid-19:

This category includes purchases of, or updates to equipment and supplies to respond to the COVID-19 public health emergency including 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 as well as technological upgrades that programs can use to collect data and report to lead agencies.

Goods and services necessary to maintain or resume child care services:

Any material good or service necessary for the operation of a child care program. Examples of goods that might be necessary to maintain or resume child care services include food, 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 associated with licensing and costs associated with meeting licensing requirements.

Providers must provide a copy of their insurance policy showing coverage for transporting children in order to apply grant funds toward a vehicle purchase.

The guidelines for vehicle purchase are as follows:

- Child Care Centers are eligible to use grant funds towards the full purchase price of a vehicle with a minimum capacity of 8 passengers.
- Family Child Care Homes are eligible to apply grant funds towards the purchase of a vehicle that serves their program by regularly transporting children. There is no minimum vehicle capacity requirement. Providers may apply 30% of the vehicle cost or 30% of their total grant award, **whichever is less**, toward the purchase of the vehicle.
- Preschools are eligible to use grant funds towards the full purchase price of a vehicle with a minimum capacity of 8 passengers.
- School Age Only programs are eligible to use grant funds towards the full purchase price of a vehicle with a minimum capacity of 8 passengers.
- Food, snacks, beverages, and dishes, bottles, bibs, cups, silverware, and other supplies needed for meal times and drinks.
- Diapers, wipes, toilet paper, and toilet training diapers.
- Toys and games for children to play with both inside and outside.
- Cribs, crib mattresses, sheets, cots, pillows, blankets, and other materials for sleeping or napping.
- Books and workbooks.
- Craft materials.

- Annual memberships to activities that enhance the child care program including, but not limited to, museums, zoos, swimming pools, etc.
- Licensing fees and any expenses related to maintaining a license such as fire extinguishers and smoke and CO2 alarms.

Mental health supports for children and employees:

Providers may use these funds to support the mental health of children and employees to improve their social, emotional, and behavioral health and development.

Co-payment and tuition relief, to the extent possible, for families struggling to make child care payments

Eligible expenses can only be claimed during the subgrant period of May 10, 2022 – May 10, 2024.

NOTE: The examples included in the lists above are not meant to be all-inclusive. Providers are able to spend the grant funds based on past, current and future business expenses to continue operations for the intended period of the subgrant which is May 10, 2022 – May 10, 2024. For 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), the provider must pay 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 subgrant. Child care providers may not involuntarily furlough employees from the date of application submission through the duration of the subgrant period.

Application Process

7. How can I complete the application form?

Applicants may complete the application form by visiting the DHHS website [here](#) and clicking on “Apply Now” under the Child Care Stabilization Grant Program.

Please note paper-based applications will not be accepted to support a more efficient review and payment process.

8. Is there an appeals process?

The application process does not include an appeals procedure; however, eligible applicants will have 10 days to provide clarification documents for applications that are deemed to have missing information.

9. What if I fail to apply by the deadline?

At this time, DHHS does not anticipate a fourth round of grants. Accordingly, DHHS encourages those eligible to apply to do so before the April 21, 2023 deadline.

10. How will funding be determined?

The amount of Stabilization Grant funding an eligible applicant will receive is based on a number of factors — licensed capacity, billed subsidy spots, and multiple bonus categories. Providers will complete the online application and grant award amounts will automatically calculate based on the funding formula.

11. Why did DHHS choose November 2022 as the month to calculate the provider subsidy bonus?

November is the most represented month for the grant application cycle as providers are allowed 90 days to submit claims from the provision of service.

12. Are Child Care Centers required to allocate 25% of their grant funds towards staffing costs to receive the full amount of the Stabilization Grant?

Yes, to financially support the essential staff who make up the workforce of the child care industry, Child Care Centers must use 25% of their grant funds to pay for staff bonuses. Child Care Stabilization Grant funds must be documented and spent between May 10, 2022 – May 10, 2024.

Please note: All Child Care programs are required to maintain receipts for a period of 5 years for all expenses paid by the Child Care Stabilization Grant funds. In addition, Child Care Centers that opted into the 25% workforce grant funding will be required to maintain their supporting documentation verifying at least 25% of the grant funds was used for staff bonuses. A random audit will be performed requiring a random selection of applicants to submit copies of receipts that support these expenses. You will be contacted if you are selected for the audit and need to submit receipts and supporting documentation. **Child care centers may opt out of the 25% staffing requirement but will only receive 75% of their total potential award.**

13. What if I do not wish to receive the full amount approved?

Once you receive notification of the amount for which you have been approved, you will have 5 business days from notification to contact us with the adjusted award amount you wish to receive.

14. What if I can't complete the application myself?

Third parties (such as attorneys, accountants, family members, or others available to assist) are allowed to complete an application on your behalf. However, the third party will then be the email contact and you must allow the third party to agree to the application terms on your behalf. **Please note that stabilization grant funds cannot be used to pay for any fees associated with third party application assistance.**

15. Why do I need to agree to the Terms and Conditions before being notified whether my application has been approved?

Acknowledging that you have read, understand, and agree to the grant requirements and conditions is a step in the approval process. This includes but is not limited to:

- Agreeing to comply with the Grant Agreement Requirements and Conditions including but not limited to complying with all applicable federal laws, regulations, executive orders, policies, procedures, and directives.
- Agreeing to public reporting of your child care program and select award information as part of the State's public transparency and accounting.
- Confirmation that the application contains complete and accurate information.

16. Do the amounts that I enter within the average monthly operating expenses table have an impact on my grant award amount?

No, current average monthly expenses do not determine your grant award amount. The grant award amount is solely based on the DHHS funding formula.

Application Status

17. How will I know my application has been received and can I check the status?

Please refer to the Application User Guide sent to you via the announcement email for instructions on how to check your application status online. You may also find the Application User Guide by clicking [here](#). You will receive email notifications at various stages, including: (1) account creation; (2) application submission; (3) application decision; and, (4) fund disbursement.

18. Will I be able to make changes to my application after I have submitted it?

No. Once an application has been submitted an applicant will not be able to make any edits. *Please review the User Guide in its entirety before you begin your online application and ensure you have the required documentation for submission. The Application User Guide was attached to the announcement email sent to you, and may also be found under the Child Care Stabilization Program by clicking [here](#). DHHS encourages you to save the application as a draft and review once more before submitting to make certain any edits are made prior to submission.*

19. How will I be notified if I am awarded funding?

Grant award decisions will be announced via email. Please ensure the email address you provide in your application is entered correctly and that you will have access to it throughout the application process. Changing an email address after the application has been submitted may cause delays in processing.

20. If my application is not approved will I be informed about the reason for denial?

Yes, a notification email regarding “application decisions” will provide the reason(s) your application was not approved.

Tax Implications and Form 1099-G

21. Will any of the stabilization grant awards need to be repaid?

No, as long as you comply with the terms and conditions of the program. DHHS will conduct a post award review and repayment will be required if inaccurate or false information is provided and/or for other applicable instances of non-compliance.

22. What is Form 1099-G?

Federal, state, or local governments file this form if they made payments of:

- Unemployment compensation
- State or local income tax refunds, credits, or offsets
- Reemployment trade adjustment assistance (RTAA) payments
- **Taxable grants**
- Agricultural payments

The 1099-G form will reflect the total amount of funding received for each calendar year under the Nebraska-administered American Rescue Plan Act programs and is reportable to the Internal Revenue Service (IRS).

23. Who will receive a Form 1099-G?

Non-corporate entities that were recipients of the Nebraska Child Care Stabilization Program grants receiving \$600 or more should expect to receive a Form 1099-G for each calendar year in which funds were received. Form 1099-G information is reported to the IRS.

24. Will the Awarded amounts or stabilization funds I receive be considered taxable income?

Per the IRS, certain federal assistance awarded to businesses and individuals under the ARP is generally considered taxable income. Please consult your financial advisor and/or tax preparer as it pertains to your specific award and business or personal circumstances. Online resources are available on the [Internal Revenue Service website](#).

25. When will I receive a Form 1099-G?

1099-G forms for the calendar year 2023 will be mailed to award recipients on or before January 31, 2024. Please allow at least 5-7 business days for delivery by the U.S. Postal Service.

26. Where can I find more information about the American Rescue Plan Act and tax implications?

Please visit the [Internal Revenue Service website](#) for more information on the American Rescue Plan Act and any tax implications it may have. DHHS also encourages you to consult your financial advisor and/or tax preparer.

Technical Assistance

27. I do not have reliable internet; may I submit an application via paper or phone?

You can access the web portal to submit an application via your mobile device. Paper applications will not be accepted to support a more efficient review and payment process.

28. Can I fill out the application and submit the documents using my mobile device?

Yes, the website is mobile friendly. The application and supporting documents can be submitted electronically using your phone or other mobile devices.


29. What kind of assistance will be available to me during and after the application process?

Applicants may call +1 (833) 500-8810 from 08:00am - 05:00pm Central Time, Monday through Friday. Please be prepared to leave your name and contact information.

Post-Award / Fund Disbursement

30. To whom does the payment go?

The payment will be issued in the form of ACH electronic funds transfer to the Owner Name listed on the Child Care Licensing Roster on file with DHHS. If you have Child Care Subsidy banking information on file with DHHS, payment will go to the bank account receiving subsidy payments. If you do not have banking information on file with DHHS, please



enter the banking information on the grant application for the Owner Name listed on the Child Care Licensing Roster. Any discrepancies may result in delay of payment. If you have concerns about the ACH enrollment information on file or the ACH information being entered, please call 1-833-500-8810.

31. How does the payment process work?

Providers will receive payment in the form of ACH electronic funds transfer as follows:

- Providers who fully meet eligibility requirements at the time of application, and are moved to approved status, will receive the grant payment by May 31, 2023.
- For those providers who do not fully meet eligibility requirements at the time of application, but do become eligible after meeting the health and safety requirements, will receive the grant payment by June 30, 2023.

32. What common issues could result in denial or reduced payment(s)?

- Providers who operate less than 30 hours per week could see a reduction in the base amount.
- Provider is under investigation or involved with licensing issues and/or corrective action plans.
- Providers who have a change in licensing status, open or closed status, or hours of operation. DHHS will review these providers on a case-by-case basis.
- Provider is under investigation or involved in a fraud case.
- Provider is under investigation or involved in a Subsidy Compliance Action.

33. What if I can't spend all of my grant award by the end of the subgrant award period?

You must contact the Department of Health and Human Services at dhhs.childcaregrants@nebraska.gov and ask to arrange a call with a technical assistance provider to discuss options to use the remaining funds on allowable uses prior to returning the grant award. In order to allow time for DHHS to assist you in finding appropriate ways to spend the funds, you must contact DHHS no later than April 1, 2024.

34. As a recipient of grant funds, how long is my obligation to remain open and providing child care services?

Providers who accept the Stabilization Grant payment agree to stay licensed, opened, and actively watching children for a minimum of 12 months from the issue date of the payment.

Public Notice

35. What information will be made publicly available?

The State of Nebraska will issue public grant funding reports in aggregate form but please note information about the child care providers participating in this program, including the name of program and amount received, could be released with a valid public records request.