



Department of Public Health and Human Services

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Greg Gianforte, Governor

Adam Meier, Director

January 21, 2022

Hello,

We wanted to provide an update on the Child Care Stabilization Grants and answer some of the questions we are receiving from providers regarding how grant awards were calculated and what to expect during the application review process. In accordance with the intent of these funds – which is to stabilize child care systems – the administration is committed to reaching and supporting as many eligible child care providers as possible despite limited federal funding.

The first application period was from October 7, 2021 to December 15, 2021. During this time, we received 440 applications. Of those, 385 are complete, unduplicated applications (as of December 16, 2021). We are in the process of reviewing these applications and sending out letters of intent to award stabilization grant funding. A second application period is currently open until January 31, 2022.

In the applications to DPHHS, child care providers submitted financial information in three areas: 1) current operating expenses based on what is allowable according to federal law; 2) anticipated additional operating expenses; and 3) past expenses incurred since March 1, 2020 that were not paid with other COVID-19 relief funds. The total amount of operating costs identified in the first 300 applications was \$72,920,418, which exceeds the amount of \$61,268,171 available to issue for stabilization grants.

Based on the unexpected demand and operating costs identified by the first 300 applicants, DPHHS realized that funding 100% of operating costs would not be feasible given the amount of federal funding available. Using this information, DPHHS decided it needed to base grants on a percentage of operating costs.

Additionally, recognizing that some child care businesses previously received federal COVID-19 aid and some did not, DPHHS opted to subtract prior COVID-19 relief funding from those providers' anticipated allocations. DPHHS also subtracted any Head Start or Early Head Start funding received. These deductions were made in order to fund as many applications at the highest rate possible using the \$61,268,171 of available stabilizations funds.

After receiving feedback from the child care community, we have revised the list of prior COVID-19 relief funding types that will be deducted from operating costs to determine grant award amounts. We will be reviewing the 385 completed applications received during the first grant submission period to deduct only these amounts. Some of the 230 providers who received letters of intent to award may receive an updated letter from DPHHS to reflect this recalculated amount.

We continue to review the remaining applications received during the first grant submission period and will be sending out letters of intent to award, followed by contracts and payments in the coming weeks. The first quarterly payment should be issued within 10 business days after we have received a signed contract. The attached documents address frequently asked questions and further outlines our process.

Finally, it's important to understand where we have been and where we are headed as we reinforce our critical child care industry. As we shift from emergency models of support and funding, Montana maintains extremely low unemployment and its workforce cannot be effectively served due to a lack of child care capacity. We are pleased that our efforts continue to move from 'survival business practices and programming (i.e., keeping the doors open) and morph into stabilizing your industry long term. The Stabilization Grants are only one way to ensure the future of child care small business, promote opportunities to develop viable business plans, establish job security and a sustainable workforce, and consequently support Montana's children and families.

Other supports available for the child care workforce include recruitment and retention bonuses (soon to be issued through the Early Childhood Project); a technical assistance and training model for business continuity and sustainability, along with a shared service model to share expenses and expertise in business operations; an opportunity for communities to come together and plan for their individual and unique child care needs, with funding support; and funding support for new child care providers or those that decide to expand locations, their hours, slots, or offerings.

We remain dedicated to close collaboration with our child care provider community and interested stakeholders.

Thank you for your patience as we continue to process your applications and payments. We will continue to communicate with you regularly throughout this process. If you have not received a request for information to complete your application, a letter of intent, or a contract by February 4, 2022, please reach out to us at Cindy.Straughn@mt.gov.

Sincerely,



Jamie Palagi, Administrator
Early Childhood and Family Support Division

QUESTIONS AND ANSWERS

Child Care Stabilization Grant Application & Review Process

Q: I haven't received a letter of intent to award. Did you get my application?

A: If you received an email from eMACS shortly after you submitted your application providing confirmation of your bid, DPHHS is in possession of your application. We will contact you if we require more information to complete the review process.

Q: How do I know my file uploaded in eMACS?

A: Your response will show as "submitted." For step-by-step instructions, view the steps outlined in the vendor resources "How to Submit a Bid>Responding to Events" handbook at <https://spb.mt.gov/eMACS-Resources>.

Q: I submitted my application but continue to receive eMACS system notifications. What do I need to do?

A: If you submitted your application and continue to receive eMACS system notifications, such as reminders of due dates, disregard the additional notifications. DPHHS will contact you directly with questions and/or status of your application.

Q: I returned my W-9 and EFT forms. Did you get my W-9 and EFT forms?

A: Yes. DPHHS will contact you if we need you to make edits to the forms or if we haven't received your completed forms within two weeks. Please check your spam/junk mail and be sure your voicemail has space for us to leave a message.

Q: I returned my W-9 and EFT forms over 10 business days ago. Did you send my contract?

A: No. DPHHS has not emailed any contracts yet. We anticipate sending contracts by email to providers who have received letters of intent no later than February 4, 2022. Once a provider has received a letter of Intent and returned the W-9 and EFT forms to DPHHS, you should receive a contract by email within 10 business days.

Q: Why did I receive a document showing my quarterly payments and requesting a signature?

A: There were a few providers who received an automatic mailing showing their quarterly payments with a signature line. This is not a contract. DPHHS's IT team is working to ensure those automatic mailings are no longer generated.

Q: When will I get my funding?

A: We anticipate sending contracts by email to providers who have received letters of intent no later than February 4, 2022. Once a provider has received a letter of intent and returned the W-9 and EFT forms to DPHHS, you should receive a contract by email within 10 business days. The first quarterly payment will be issued within 10 business days of receipt of signed contract from the provider.

Q: Why are you deducting previously received COVID relief funding?

A: These deductions were made in order to fund as many applications at the highest rate possible using the \$61,268,171 of available federal funding. In accordance with the intent of these funds – which is to stabilize child care systems – the administration is committed to reaching and supporting as many eligible child care providers as possible despite limited federal funding. Demand and operating costs were ultimately higher than expected and some providers seeking aid had not previously received federal financial assistance while others had done so.

Please see our [Child Care Stabilization Grant](#) website for more information and FAQs.

DEDUCTED COVID-19 RELIEF FUNDING TYPES

The following COVID-19 Relief funding will be verified using publicly available sources and deducted from your operating costs. The final award will be calculated at 45% of the remaining operating costs.

- Montana Business Adaptability Grant Program,
Montana Department of Natural Resources and Conservation
- Montana Business Stabilization Program,
Montana Department of Commerce
- Montana Business Innovation Grant Program,
Governor's Office of Economic Development
- Behavioral Health Grants,
Montana Department of Public Health and Human Services
- Social Services Nonprofit Grants,
Montana Department of Public Health and Human Services
- Supporting Montana's Families School-aged Child Care Grant,
Montana Department of Public Health and Human Services
- Child Care Supplemental Payments,
Montana Department of Public Health and Human Services
- Head Start/Early Head Start funding, including COVID-19 related funding
- Child and Adult Care Food Program Emergency Funds,
Montana Department of Public Health and Human Services

*Note that this list does not include COVID-19 relief-related loans or funds received via the Small Business Administration's Paycheck Protection Program.

Child Care Stabilization Grant Application & Review Process

A step-by-step guide



Start here

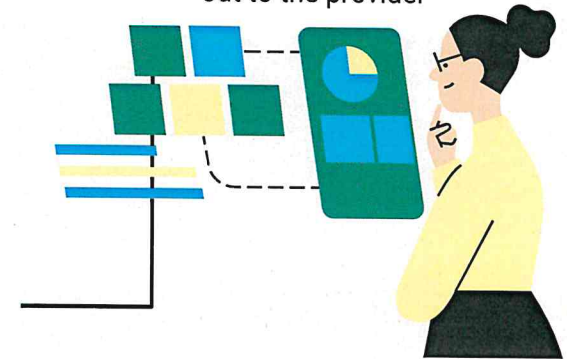
Provider submits application on eMACS

Provider receives a confirmation of bid from eMACS which means the state has received the application



DPHHS reviews applications

As part of the review process, DPHHS may determine they need more information and will reach out to the provider



Provider completes required W-9 and EFT forms and returns to DPHHS



Once an application is deemed complete, DPHHS calculates the award amount and sends an intent to award letter to provider along with required W-9 and Electronic Fund Transfer (EFT) forms to complete



Once forms are received, DPHHS creates a contract and sends to provider for signature - this will include payment information and quarterly reporting requirements



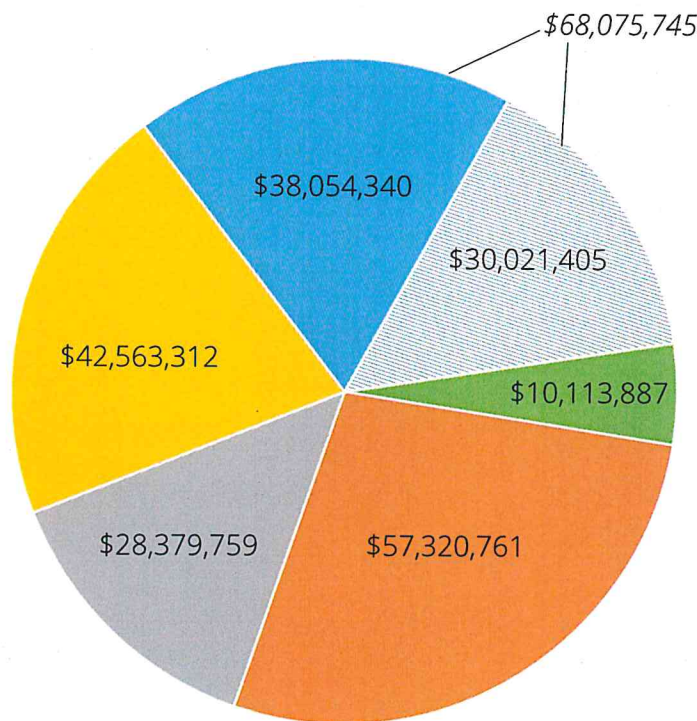
Provider returns signed contract, DPHHS signs contract

Quarterly payments begin

Quarterly payments begin within 10 days of receipt of signed contract



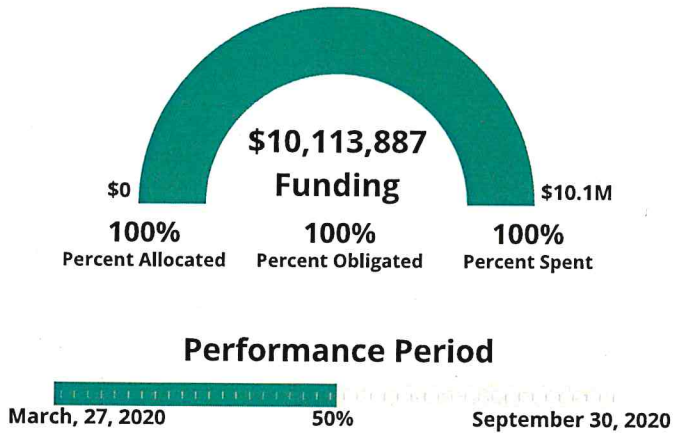
Early Childhood and Family Support COVID-19 Pandemic Funding Project Summary



- Coronavirus Aid, Relief, and Economic Security Act (CARES)
- Coronavirus Relief Fund
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARPA) Supplemental Child Care Block Grant Funding
- ARPA Child Care Stabilization Grants (Approved)
- ARPA Child Care Stabilization Grants (Seeking Approval in January, 2022)

ECFSD Covid-19 Pandemic Child Care Past Funding

CARES Act



Supplemental Payments to Licensed/Registered Child Care Providers (Two Rounds of Payments Averaging \$4,244)

- 888 providers received supplemental funding to mitigate the impacts of COVID including health and safety

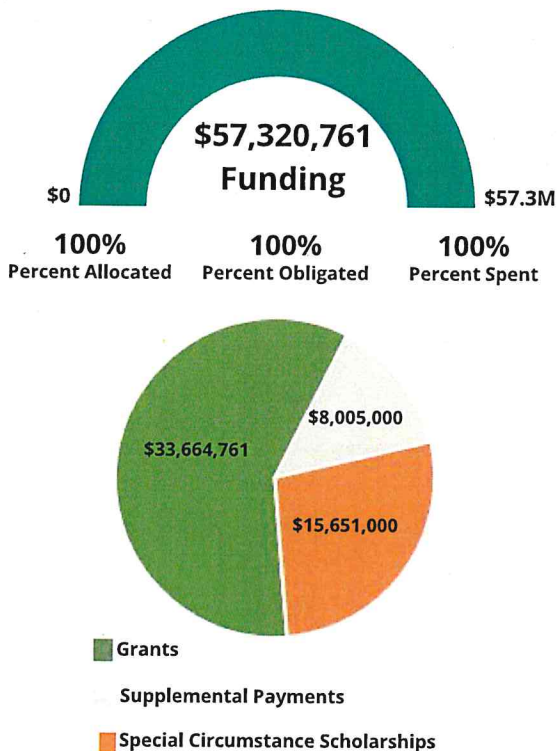
Best Beginnings Child Care Scholarships Full Coverage (\$1,419,479)

- 3,500 families continued to receive child care assistance even if temporarily out of work due to COVID-19
 - Paid full authorized amounts regardless of attendance
 - Three months of co-pay relief for BBS families

Temporary/Short Term Child Care for Essential/Emergency Personnel (\$782,771)

- 15 new programs received funding to provide temporary child care for 549 children

Coronavirus Relief Fund



A Third Round of Supplemental Payments to Licensed/Registered Providers Averaging \$9,620 Per Provider (\$8,005,000)

- 888 providers received supplemental funding to mitigate the impacts of COVID including health and safety

Special Circumstance Scholarships to Offset Costs Related to In-Home Child Care and Remote Learning Support (\$15,651,000)

- 4,000 Families received \$2,000 scholarships

Grants to Community-Based School-Age/After School Programs (\$33,664,761)

- 327 school-age programs received funding to guarantee school-age child care services

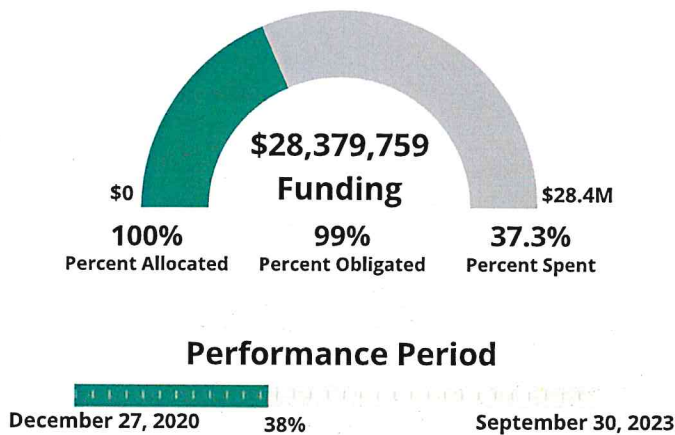
Support for Child Care Resource & Referral Agencies

- Seven Child Care Resource and Referral Agencies received funding to administer new COVID-19 funding/programs

ECFSD Covid-19 Pandemic Child Care Present Funding



Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)



Best Beginnings Scholarship (BBS) Guaranteed Payment for Child Care Slot

- An average of 617 licensed child care providers have received full authorized amounts each month regardless of attendance to hold child care slots for families

Eligibility Increase From 150% to 185% FPL

- 287 additional families served due to eligibility increase

Co-Payments Limited to \$10 per Family

- 1,940 families have received co-pay relief since June

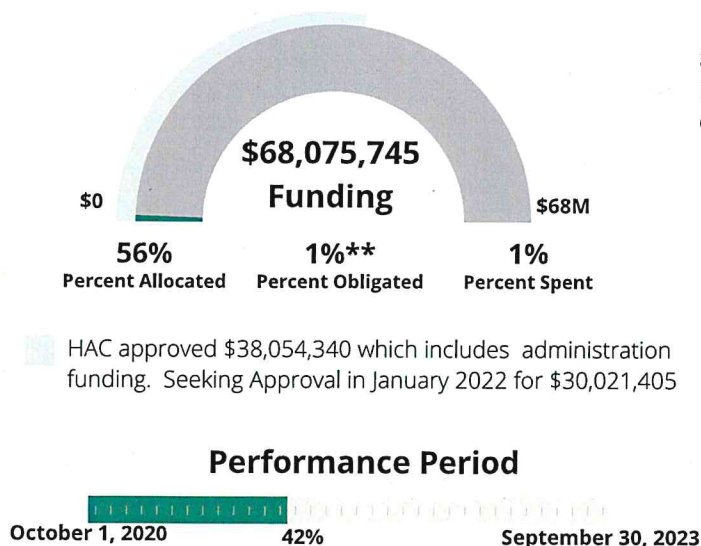
Cost of Background Checks Covered for all Required Staff Members (\$40,120)

- 1,337 background checks covered

Grants to Parents to Pay for Summer School Age Child Care/Camps (\$4,841,910)

- 2,080 families received grants

ARPA Child Care Stabilization Grants



Stabilization Grants to Cover Operating Costs for Licensed/Registered Child Care Businesses, Including eligible In-Home Providers (FFN's)

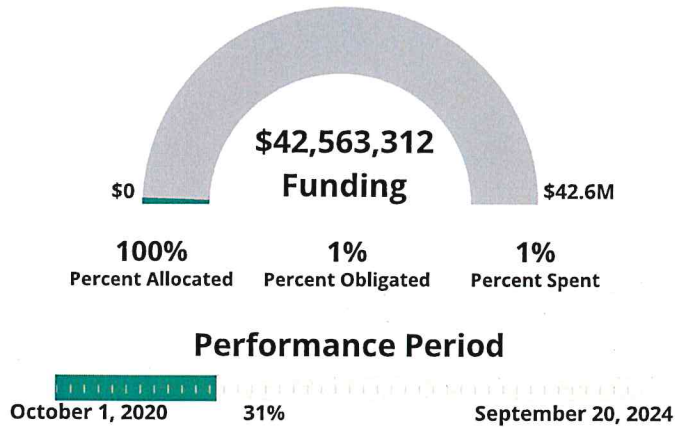
- 440 applications received to date, intent to award letters going out the end of December 2021, first part of January 2022
- Projections indicate the state will expend full allocation for 80% of eligible providers (at a rate of about 45% of the child care businesses operating costs for one year)

HAC approved \$38,054,340 which includes administration funding. Seeking Approval in January 2022 for \$30,021,405

ECFSD Covid-19 Pandemic Child Care Present Funding (continued)



ARPA Supplemental Child Care Block Grant Funding



Current Status

Temporary Child Care Assistance for Health Care Workers

- Currently accepting and processing applications

Specialized Training, TA and Business Consultation

- A request for proposal (RFP) is being drafted now, and should release in December with the intent to award in February

Future Plans

Child Care Innovation/Start-Up/Expansion Grants

- An RFP will be released in January, 2022

Child Care Workforce Supports

- Staff in child care businesses will be eligible to receive workforce incentives through MSU Early Childhood Project

Child Care Resource and Referral Pilot in Eastern Montana

- Preliminary discussions with DCC in Miles City to design pilot have been initiated

Ongoing

Child Care Resource and Referral Licensing Regulatory/Business Process Review Project

- Rules related to group sizes in facilities in accordance with SB 142 recently published
- Currently surveying interested parties
- Focus Groups to begin soon
- Reviewing regulations
- Shadowing staff and conducting business process review in progress
- Anticipate rule changes
 - Immunizations
 - School-age child care