

## FAQ on The American Rescue Plan Act Sustainability Payments

- The sustainability payments for providers are funded by the Federal Government through the American Rescue Plan Act. These funds are specifically allocated to send to providers to sustain their child care business while building back the economy and to provide services for families and children.
- All regulated child care providers, which includes Type I, Type II, Certified, and Registered providers that were open as of March 11<sup>th</sup>, 2021 that are on the ALL-STARS program and accepts child care assistance are eligible for sustainability payments.
- To be eligible for tier two the facility would have to raise wages to at least \$10.00 per hour. This goes for anyone that is on your payroll. Example: If you have a cleaning service that comes in and they are not on your payroll you would not count them in your payroll information.
- To be eligible for tier three you would need to pay all staff members a minimum of \$13.00 per hour. This again goes for anyone that is on your payroll.
- Contracts will be on a rolling basis where if you chose to go up in tiers you may do so. A new contract will need to be signed and sent in 30 days before the next payment amount. If you want to stay at the tier that you at then you do not have to fill out another contract after that point. Only one contract, unless you are changing tiers.
- \$49.6 Million would be reserved for each grant period for the programs that apply for each funding round.
- Child care programs must be OPEN and serving children, unless they have been temporarily closed by the health department due to a COVID outbreak and quarantining.
- Half-day child care programs (that are only open for less than five hours daily) will receive funding that is pro-rated at 50% of the allotment for full-day child care programs.
- Programs that operate on the school year calendar and close temporarily in the summer will miss the July or July payments.
- There will be 9 payments that will begin coming in November of 2021 and last till September 30<sup>th</sup>, 2023. These payments will range from every 2 to 2.5 months.
- Child care providers receiving the American Rescue Plan funds must complete a monthly data sheet and send it to the contract agency by the 5<sup>th</sup> of each month. The data sheet will include data on enrollment, staff turnover, and other key data points.
- Child care programs in Tier 2 or Tier 3 for funding must provide payroll documentation to prove the base pay for all child care staff employed at the program.
- If providers are not currently using the pay scale they apply for (Tier 2 or 3), then they have four months after receiving the award to provide documentation that raises have been provided and the requirements of the tiered system are in place.
- Each provider will be audited. Auditing will be implemented by a third-party vendor and will last till September of 2024.
- You will need to ensure that you keep thorough records of how the funding is spent and keep receipts of all purchases or payments.
- Payments will be based on what the capacity of your center was On March 11<sup>th</sup>, 2021.
- The payment amounts could vary each time due to facilities changing tiers. The amounts of payments will not be known until after all applications are collected each payment period and tallied. With that we will not be able to explain what the amount will be per child.
- You may use the funds for:
  - Personnel costs including salaries, benefits, premium pay, or recruitment and retention;

- Facilities costs including rent, mortgage payments, utilities, maintenance, improvements or insurance;
- Cleaning supplies or services, personal protective equipment, and training and technical assistance on health and safety practices;
- Purchases of or updates to equipment and supplies to respond to the public health emergency; or
- Mental health supports for children and child care employees.
- Funds can be used for expenses acquired at any point during the pandemic and state of emergency.
- Funds can be utilized to pay off debt acquired during the state of emergency related to keeping the child care program operational.

#### Frequent Asked Questions

- Is the rate of pay the only difference in each tier?
  - Yes, the only difference in tiers is the amount that you pay your staff.
- How many months of payroll documentation will you need to show proof of pay?
  - Three to four months of payroll will need to be provided.
- What if I have to close my center before payments have ended?
  - Any unused funds will have to be paid back to the Division of Child Care.
- Can we use funds to pay bonuses to staff?
  - Yes, you may use these funds to pay bonuses. But to receive the higher tiers you have to pay the base rate of either \$10 for tier two or \$13 for tier three.
- Are you allowed to pay some staff \$10 and some \$13?
  - You could, but you would only qualify for tier two and not three because all staff have to be paid \$13 an hour to reach tier three.
- Does the payrate include substitutes?
  - Yes, anyone who is on your payroll would need to be paid that rate.
- How can we find out if we are apart of the STARS system?
  - You can click on the link provided and it will take you to the public website and search your center. [https://kynect.ky.gov/benefits/s/child-care-provider?origin=program-page&language=en\\_US](https://kynect.ky.gov/benefits/s/child-care-provider?origin=program-page&language=en_US).
- Can we use PayPal/Venmo/cash app records to show what we are paying our staff.
  - Yes, but you will also need to be able to show how you pay payroll taxes and other deductions.
- Does the payrate apply to “Work experience” High School Students?
  - If they are on your payroll then they will be apart of accountability.

- Can you use these funds for repairs?
  - If the repairs are imperative for the health and safety of the children then yes. We do recommend that if you can wait for the facility repairs grant to do so.
- Can you use these funds for loss of income due to exposure of covid?
  - Funds can be used for expenses acquired at any point during the pandemic and state of emergency.
- Are centers required to take these funds?
  - No, a program is not required to take these funds, though we highly recommend you do to assist with sustainability of the business.
- Can you use funds for therapist or psychologist to work with the children?
  - These funds can be used for curriculum and materials that are associated with social emotional and mental health awareness and supports.
- We go by the school schedule so how does the summer work?
  - Programs that operate on the school year calendar and close temporarily in the summer will miss the July or July payments.
- How do I take the CCAP Training?
  - You may click on the link and it will take you straight to the training.
  - <https://www.hdilearning.org/product/ece-080/>
- If you are closed for vacations or holiday breaks will you loose funding for those days?
  - No, we are aware that almost everyone is closed for holidays and certain weeks for vacations.
- How many hours constitutes as full time?
  - Anything over five hours is considered full time.
- What if I increased in capacity after March 11<sup>th</sup>, 2021?
  - What ever your capacity was at the March 11<sup>th</sup>, 2021 date is what your payments will be based on.
- Do you have to pay taxes on the funds?
  - Yes, these funds are taxable.
- Do we start keeping track of money spent when we receive first payment of is there a certain date we should start?
  - You need to start keeping records of funds as soon as you receive and starting spending funds.
- Is there a date the funds have to be used by?
  - There is not an end date on when to spend.

- Will we need to open separate accounts in order to separate usage?
  - No, separate accounts will not be necessary. We do recommend you talking with your CPA on how to document the funding.
  
- Will a data sheet be provided for us to use? Or is that something we are expected to create on our own?
  - Yes, a data sheet will be provided by the third party vendor.
  
- What do we do when funds run out and we aren't able to continue paying staff \$13 per hour?
  - We understand this concern and wish we had an answer. We are hoping more funding comes down the pike and also we want to be able to use the data collected from this research to show that this increase in funding is vital to keep providers open. We don't have an answer for that but know that this is a way that we can advocate for more funding for early education.