

FAQs: Peacetime Emergency Child Care Grants

As part of their COVID-19 Response Supplemental Budget proposal, Gov. Tim Walz and Lt. Gov. Peggy Flanagan proposed \$30 million in funding for emergency grants for licensed child care providers serving essential workers during the COVID-19 public health emergency. Child care providers and educators themselves are expressly listed as essential.

There are approximately 420,000 children under the age of 12 who live in a household of an essential worker within a [critical sector](#). Of these, the state estimates that, during this peacetime emergency, about 270,000 children will need care, and approximately 120,000 are likely to need and use licensed child care settings. Child care providers play a key role in enabling emergency and essential personnel to go to work.

The child care sector operates on small margins and has experienced financial strains prior to the emergence of COVID-19. These financial challenges are intensifying as revenue decreases with the governor's Stay at Home Executive Order. On March 26, 2020, the Minnesota Legislature passed the governor's proposal, and Gov. Walz signed it into law on March 28, 2020.

The Minnesota Department of Human Services, Governor's Children's Cabinet and Child Care Aware of Minnesota are working on the grant application and distribution process. Below are answers to frequently asked questions about the grants, as of March 31, 2020.

1. Who will administer the grants?

[Child Care Aware of Minnesota](#), a nonprofit that, for more than 25 years, has helped families find child care, supported the professional growth of child care providers, and informed local communities on the importance of quality early education for every child.

Child Care Aware of Minnesota works with agencies across the state that support the quality and professional growth of child care providers and programs. The Child Care Aware system has experience providing grants to Minnesota child care providers, which allows them to use existing processes and infrastructure to administer the grants.

2. What types of child care programs will be eligible for the grants?

Child care programs eligible to apply for grants under this section include:

- Family and group family licensed under [Minnesota Rules, chapter 9502](#)
- Child care centers licensed under [Minnesota Rules, chapter 9503](#); and
- Tribally licensed child care programs.

For these providers to be eligible, they must also meet the following requirements:

- Have a license in good standing
- Not operating on a conditional license, under revocation, or under temporary immediate suspension
- Not the subject of a finding of fraud
- Not prohibited from receiving public funds under [MN Statute 245.095](#), which requires that any provider, vendor or individual be excluded from receiving grant funds if excluded from another Minnesota Department of Human Services program.

Other program types may become eligible as determined by the commissioner of Human Services. At this time, no additional programs are eligible.

3. What are the requirements to receive a grant?

To receive a peacetime emergency child care grant, an eligible program must agree in writing to:

- a) Prioritize spaces in their program for children of essential workers, as [identified in state guidance](#).
- b) Maintain service for the period of the grant (one month with opportunity for monthly renewal) or until the peacetime public health emergency ends, whichever is first. There is an exception for service disruptions that are necessary due to public health guidance to protect the safety and health of children and child care providers requested by the Department of Human Services or Department of Health.
- c) Use health and safety practices that prevent the spread of COVID-19 in a child care environment based on guidance created by the commissioner of Human Services, in consultation with the commissioner of Health. This guidance is posted on mn.gov/childcare, the Department of Human Services website and accessible in other formats:
 - I. [Health and safety best practices and guidance](#)
 - II. [COVID-19 Child Care Screening for Emergency Child Care Centers](#)
- d) Must not require the payment of private pay tuition for children enrolled prior to the peacetime emergency but are no longer attending, even if families plan to return once the public health crisis has ended. Providers may charge private pay tuition for children attending their program.
- e) Must re-enroll previously enrolled families who temporarily stopped attending their program during the peacetime emergency, provided there is sufficient capacity available and the families of the children have not violated the terms of the contract with the provider, other than terms related to the payment of fees and any required notification for disenrollment.

4. Do child care workers have to care for children of essential workers in order to receive the grant?

Open child care providers are encouraged to prioritize needs of families working in critical sectors. [Guidance on essential workers for schools and child care](#) lists the critical sectors described in the governor's executive orders related to the emergency response. More detailed [Critical worker definitions](#) from the [Governor's Stay at Home Executive Order 20-20](#) refer directly to the federal Cybersecurity and Infrastructure and Security Agency guidelines.

While child care providers must agree to prioritize children of [essential workers listed here](#); the legislation does not require that a provider have these children in their care at the time of application.

If child care providers are currently caring for children of essential workers, the provider is eligible to apply for the grant if they meet the other requirements, listed in Question 3.

5. Can providers care for children of nonessential workers during the peacetime emergency if they receive a grant?

Yes, provided the program has the capacity to do so in compliance with the commissioner's health and safety guidance. See Question 21 about Stay at Home Order.

6. How will grants be distributed? What will be put in place to ensure equitable distribution (e.g. by geography and provider type)?

The grant legislation requires Child Care Aware of Minnesota to consider local needs, financial vulnerability and access to other financial supports. Grants should be distributed “to the extent practical” in an equitable way by geographic distribution and provider type.

In carrying this out, the application process will prioritize based on:

- Geographic distribution of grants
- Areas experiencing child care shortages
- Financial risk
- Equitable access for families needing child care
- Hospital or other essential service needs in the community (i.e. a correctional facility, utility plant or other critical sector demands in a particular community)
- Consideration of balance by provider type (e.g. family and center-based providers).

7. Will every applicant get a grant?

This depends on the number of applicants; although based on initial interest, this will likely not be possible.

8. How much are the grant amounts?

Selected applicants will receive an award on a month-to-month basis. Monthly grant awards start at \$4,500. All providers awarded a grant are also eligible to receive an additional \$1,000 per month if they meet one or more of the following criteria:

- Are open during non-standard hours (defined according to the Child Care Business Survey as open before 6 a.m., after 6 p.m., and/or on weekends), including overnights
- Serve children whose first language is other than English, and/or
- Serve children with special needs.

Providers that are licensed to serve 15 or more children will be eligible for an additional amount of up to \$15,500 per month. The maximum grant a provider is eligible for is up to \$21,000 in one month. Providers

may be eligible to receive grants for more than one month; however, grant award amounts are subject to change (increase or decrease) on a month-to-month basis.

9. If providers closed their child care program temporarily due to low enrollment and/or public health concerns, can they reopen and be eligible for the grant?

Yes, if they apply, prioritize essential workers and meet the other eligibility requirements of the grant. In fact, the need for child care for essential workers currently exceeds the available child care capacity.

10. How long is the grant period? Will a child care provider need to reapply to continue receiving the grant?

Selected applicants will receive an award on a month-to-month basis. The purpose of these grants is to respond to emergencies, so the distribution of grants could shift depending on needs and response to the pandemic. Applicants who apply and receive a grant one month will be eligible and required to apply to receive the grant for another month through a streamlined application process. Applicants who apply and don't receive an award in one month may reapply to receive a grant in a succeeding month.

11. How does a program apply for a grant?

Child Care Aware of Minnesota will develop an application and grant process. Eligible child care providers can access the [application](#) and learn more about the process on [Child Care Aware's website](#).

12. How long will it take after a provider applies to receive a grant?

The goal is to get the first round of grant dollars out the door by mid-April; the grant process will repeat in May and June as funding is available or until the peacetime emergency has ended, whichever is first.

13. If child care providers filled out the survey to inform the state they are willing to provide care for essential workers, does this mean that they will receive or have already applied for the grant?

No, completing [this survey](#) is not part of the application process and filling it out does not mean providers applied for or will receive a grant. However, it will be used to help identify open providers. Completing the survey allows providers to share with Child Care Aware of Minnesota, the Children's Cabinet and Department of Human Services that they are open and willing to serve essential workers, so those agencies can share the information with parents and guardians who need child care. To apply for a grant, providers will have to fill out an [application](#).

14. Do child care providers have to be participating in Parent Aware to receive a grant?

No, participation in Parent Aware is not required to receive this grant.

15. Do child care providers have to use [Develop, Minnesota's Quality Improvement & Registry Tool](#), to apply for a grant?

No.

16. Do child care providers have to accept child care assistance or Early Learning Scholarships to be eligible?

No, whether or not providers accept child care assistance or Early Learning Scholarships does not impact their eligibility for a grant, including if providers are receiving payments based on the modifications of absent-day requirements for these programs due to the peacetime emergency (see Question 23 for details about these temporary policy changes).

17. Are school-based programs eligible to apply?

At this time, school-based programs are eligible if they are a child care center licensed under [Minnesota Rules, Chapter 9503](#), or are a tribally licensed child care program, and meet the other grant requirements detailed in question 3.

18. Do child care providers have to operate at their full licensed capacity to receive a grant?

No, providers do not have to operate at their full licensed capacity to receive a grant. In fact, implementing health and safety recommendations to prevent the spread of COVID-19 may limit the ability to operate at full licensed capacity for some providers.

19. Are there other financial supports available to child care providers?

Yes. The Minnesota Department of Education has waived the absent-day policy in the Early Learning Scholarship Program, and enabled concurrent payment to a provider that needs to temporarily close and a replacement provider selected by the scholarship recipient's family. See page 16 of this [guidance document from the Department of Education](#) for additional information.

The Child Care Assistance Program will pay for additional absent days when families request an exemption, will pay a provider that needs to temporarily close for at least one month, can authorize payment to a second provider when one temporarily closes, is extending provider renewals and is working to modify policies for additional flexibility.

There are also private organizations offering grants to child care providers during the peacetime emergency. The [Minnesota Initiative Foundations](#) is offering grants to child care programs in Greater Minnesota and [Think Small](#) is offering grants to eligible licensed family child care programs in the seven-county metropolitan area.

Child care providers may also be eligible for business loans, including the [Federal Small Business Administration COVID 19 Disaster Loans](#). The federal Coronavirus Aid, Response and Economic Security Act has provisions that expand the [Small Business Administration's Economic Injury Disaster Loans](#) and the [new Paycheck Protection Program](#), for which providers may be eligible. [SBA Resource Partners](#) are available to help with no-cost, one-on-one business counseling regarding COVID-19.

20. Where can the latest information and resources be found for child care providers and families during the peacetime emergency?

Please visit mn.gov/childcare.

21. How does the Stay At Home order affect child care operations?

The governor's [Executive Order](#) expressly encouraged child care providers to remain open to provide child care services to the critical sectors until the Stay At Home order period ends. The department's guidance encourages open child care providers to provide care for children of all essential workers in the governor's Stay at Home order and requests prioritization (described in more detail [here](#)):

- Tier 1 (age 0 to 5)
- Other essential workers (age 0 to 5), and
- Children of essential workers, including school-age.

Schools are directed to provide school-age care to district-enrolled 5- to 12-year-olds for parents and guardians in Tier 1 critical sectors. If they cannot do so, schools are asked to work with child care providers to identify and contract for this care.

There is nothing in the order that specifically prohibits a family from taking their child to child care; if a private child care provider wants to continue caring for children of workers in non-critical sectors, the Executive Order does not expressly prohibit that; however, this is not keeping with the overall message and spirit of the governor's Stay At Home order and the need to keep child care providers open for emergency workers. This means many families previously enrolled in a child care program may no longer attend that program during the period of the Stay At Home order.