



CABINET FOR HEALTH AND FAMILY SERVICES
Department for Community Based Services
Division of Child Care

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Kentucky Stabilization Grants from the American Rescue Plan

\$446,561,055 Dedicated to Stabilization Grants

Plan for Dispersement:

- Nine stabilization payments to child care programs throughout Kentucky beginning in October 2021 when the CRRSA payments run out.
- Payments would be made quarterly for October 2021, January 2022, April 2022, July 2022, October 2022, January 2023, April 2023, July 2023, and October 2023.
- \$49.6 Million would be reserved for each grant period for the programs that apply for each funding round. The cut-off date for application would be 30 days prior to the beginning of the funding month. The per-child amount will be determined 15 days after the application period ends.
- Grants would be offered to programs opened by **the federal cut-off date of March 11, 2021**. Rolling application dates are mandatory through the American Rescue Plan bill in order to allow programs to move up to a new tier at any time. Also, if a program that was open by March 11, 2021 but NOT a part of the All-STARS program, they have the ability to opt in at any point in time.
- Payments would be made on a tiered reimbursement system to provide higher reimbursement to centers who pay their employees more or to encourage an increase of pay to child care providers in the field. If providers are not currently using the pay scale they apply for, 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.

- 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 2022 and July 2023 payments.

Tiered Reimbursement System:

- Tier 1 (highest pay rate based on capacity with an additional 20% funding):
 - Starting pay for every employee in program at \$13/hour or higher
- Tier 2 (medium pay rate based on capacity with an additional 10% funding):
 - Starting pay for every employee in program at \$10/hour or higher
- Tier 3 (introductory pay rate based on program capacity):
 - Meets minimum labor cabinet requirements
 - Meets minimum child care regulatory requirements
 - Participates in the All-STARS program

Allowable Expenditures:

- 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.
- The grants can cover new, existing, or ongoing costs, or reimbursement for qualified expenses incurred since the beginning of the public health emergency.

Eligibility Requirements for Child Care Programs

- Child care programs must have been open and serving children by March 11, 2021 (licensed, certified, or registered providers).
- Licensed and certified child care programs must participate in the All-STAR program in order to receive stabilization grants.
- Child care programs must be eligible to accept children on the Child Care Assistance Program in order to receive funding from the American Rescue Plan.
- Child care providers receiving the American Rescue Plan funds must sign a contract with the state outlining the requirements of the funding and must fill out the federally mandated form regarding estimated income.
- Child care providers receiving the American Rescue Plan funds must complete a monthly data sheet and send it to the contract agency by the 5th 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.