Child Care Stabilization Program
Frequently Asked Questions

MAIN WEBSITE: https://coronavirus.nebraska.gov
CONTACT CENTER: +1 (833) 500-8810

Program Background

1. What is the Child Care Stabilization Program?

The Child Care Stabilization Program, established by Section 2202 of the American Rescue Plan (ARP) Act signed into law on March 11, 2021, provides approximately $24 billion for child care organizations, of which approximately $140 million has been allocated to the State of Nebraska.

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. 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?

The program began accepting applications on October 25, 2021. Providers are encouraged to apply during the application period which ends November 24, 2021. 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 https://coronavirus.nebraska.gov. Please check this website periodically to see if any updates have been posted.

Applicant Eligibility

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

A provider is considered “eligible”, as defined by the ARP Act, if they have been licensed and met all applicable state and local health and safety requirements as of the date of enactment of the ARP Act which was March 11, 2021.

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 or closed due to the COVID-19 public health emergency.
How funds will be used.

6. Use of funds:

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 during the pandemic; and, (2) to the extent practicable, cover sufficient operating expenses to ensure continuous operations for the intended period of the subgrant. 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.

**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.

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.

Copayment and tuition relief, to the extent possible, for families struggling to make child care payments

Paying for financial losses incurred as of March 13, 2020 (the date of the declaration of public health emergency)

NOTE: 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 first visiting https://coronavirus.nebraska.gov and selecting the webpage for the Child Care Stabilization Grant Program.

Please note paper-based applications will not be accepted.

8. Is there an appeals process?
The application process does not include an appeals procedure; however, eligible providers 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?
The Nebraska Department of Health and Human Services may provide a second opportunity to apply for Stabilization Grants. This round of applications would be made available in early 2022 and target those who did not apply during the first application window and potentially include an expanded list of eligible providers.

10. How will funding be determined?
The amount of Stabilization Grant funding an eligible provider 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. However, if you are curious about specific components of the formula — or want to get a sense of how much funding your program may receive, please use the funding formula estimator tool.
11. Are Child Care Centers required to allocate 25% of their grant funds towards staffing costs in order to receive the full amount of the Stabilization Grant?

Yes, in order to financially support the essential staff who make up the workforce of the child care industry, Child Care Centers must use funds to pay for financial incentives that can include bonuses, benefits, premium pay, vacation and sick leave as well as recruitment and retention initiatives.

12. 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.

13. What if I can’t complete the application myself?

Third parties (such as attorneys, accountants, family members, or others available to help you) 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.**

14. 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 application contains complete and accurate information.

**Application Status**

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

Please refer to the Application User Guide at [https://coronavirus.nebraska.gov](https://coronavirus.nebraska.gov) under Child Care Stabilization Program for instructions on how to check your application status online. You will receive email notifications at various stages, including: (1) account creation; (2) application submission; (3) application decision; and, (4) fund disbursement.

16. 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 may be found at [https://coronavirus.nebraska.gov](https://coronavirus.nebraska.gov) under Child Care Stabilization Program.

17. 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.
18. 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

19. 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.

20. 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).

21. 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.

22. 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 are 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.

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

1099-G forms for calendar year 2021 will be mailed to award recipients on or before January 31, 2022. Please allow up to 5-7 business days for delivery by the U.S. Postal Service. Stabilization grant funds received in 2022 will also be considered taxable income and award recipients will be mailed a 1099-G on or before January 31, 2023.

24. 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. We also encourage you to consult your financial advisor and/or tax preparer.
Technical Assistance

25. 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. No paper applications will be accepted.

26. 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.

27. 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. Persons taking questions will answer them during the call or, in some cases, may need to call you back. Please be prepared to leave your name and contact information. Please note, for providers who need assistance in languages other than English and Spanish, interpretation will be available.

Post-Award / Fund Disbursement

28. To whom does the payment go?

The payments will go to the child care provider in the form of a check sent via the U.S. Postal Service.

29. How does the payment process work?

Providers will receive payment in the form of a check in the mail. There will be two Installments: Payment #1 will be received in November/December 2021 and Payment #2 in February/March 2022. This provides payments in two separate tax years.

Payment #1 will be triggered by the completion and final approval of the initial grant application. Payment #2 will be triggered by the completion of the grant monitoring application which will be sent out to all eligible providers via email.

30. What common issues could result in denial or reduced payment?

- Providers who operate less than 30 hours per week could see a reduction in the base amount;
- Provider is involved with licensing issues and/or corrective action plans;
- Provider is involved in a fraud case; or,
- Provider is involved in a Subsidy Compliance Action.

Public Notice

31. What information about me will be made publicly available?

The State of Nebraska will issue public grant funding reports in aggregate form. Personally identifiable information about the child care providers participating in this program will not be published.