

**RESOLUTION**

**ROCK COUNTY BOARD OF SUPERVISORS**

Supervisor RJ Sutterlin & Supervisor  
Bill Wilson  
INITIATED BY



7/27/2023  
DATE DRAFTED

**Reallocation American Rescue Plan Act (ARPA) Funding from Small Business and Nonprofit Grant Program to Childcare Grant Program**

**WHEREAS**, the County Board of Supervisors adopted Resolution 21-7A-283 on July 8, 2021 to create an American Rescue Plan Act (ARPA) Small Business and Nonprofit Grant Program and allocated \$5 million in ARPA funds; and

**WHEREAS**, the program has been utilized, but will have excess funding in an amount up to \$3 million; and

**WHEREAS**, an equally important issue facing the County’s business community and its COVID-related recovery efforts is childcare access and affordability; and

**WHEREAS**, family and group childcare program capacities, operations and staffing have been negatively impacted by the pandemic; and

**WHEREAS**, the average annual childcare cost for infant care in the State of Wisconsin is nearly 50% more than the average in-state tuition for a typical four-year college; and

**WHEREAS**, based on national data, the existing supply of childcare slots and the demand for those same positions indicates there is a sizable gap in Rock County; and

**WHEREAS**, early childhood education is critical building block to developing, as well as enhancing, a quality workforce; and

**WHEREAS**, addressing childcare needs is a tool that can be deployed to increase labor force participation, which is an important foundation for buildings and sustaining a vibrant economy; and

**NOW THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors, duly assembled this 10th day of August, 2023, authorizes the reallocation of \$1.5 million of ARPA funds from the Small Business and Nonprofit Grant Program to a new Childcare Grant Program.

**BE IT FURTHER RESOLVED**, grants will be made available to certified and licensed family and group childcare programs, as well as childcare day camps.

**BE IT FURTHER RESOLVED**, eligibility criteria for this Childcare Grant Program includes:

- Must have been a certified and/or licensed childcare provider, as determined and regulated by the Wisconsin Department of Children and Families (DCF), by March 14, 2020;
- Must generate less than \$1.5 million in annual childcare program income and/or revenue;
- Must have at least one (1) full-time staff (e.g. owner/operator, employee, support staff, etc.), but not more than 40 (full-time equivalent) staff;
- Must be participating in DCF’s YoungStar program, as evidenced by a signed contract, and have at least a Two-Star rating ;
- Must be enrolled with the Wisconsin Early Childhood Education Shared Services Network (WEESN);
- Must not be delinquent on any outstanding taxes owed; and current with all applicable county, state and/or federal childcare regulations, per DCF.

~~**BE IT FURTHER RESOLVED**, grants will be capped at the following levels for certified and/or licensed childcare programs that meet the above eligibility criteria; and eligible applicants will only be allowed to receive one grant award from this Childcare Grant Program:~~

- Up to \$15,000 for Day Camps
- Up to \$30,000 for Family Providers
- Up to \$60,000 for Group Providers

**BE IT FURTHER RESOLVED**, the funds allocated for the Childcare Grant Program will be paid out over a period ending on December 31, 2026, or until the allocated funds of \$1.5 million are expended, whichever occurs sooner, with payments made quarterly. The total grant amount for each provider will not exceed a maximum subsidy of \$100 per eligible child served, per month, for the duration of the program, and shall not exceed \$300 per eligible child served per quarter, with the following additional caps based on the type of provider:

- Up to \$15,000 for Day Camps
- Up to \$30,000 for Family Providers
- Up to \$60,000 for Group Providers

**BE IT FURTHER RESOLVED**, eligibility for the grant will be based on the number of children served, considering only children with at least one parent or guardian that is a resident of Rock County. The grant amount for each childcare provider shall be calculated as follows:

- Determine the total number of children served.
- Identify the number of children with at least one parent or guardian who is a resident of Rock County.
- Calculate the quarterly grant amount based on the \$100 monthly cap, multiplied by the number of eligible children served, for a total of three months.

**BE IT FURTHER RESOLVED**, if a childcare provider serves children whose parents or guardians are not from Rock County, the grant amount will be reduced proportionally. This reduction will be calculated by identifying the number of ineligible children served and subtracting the corresponding amount from the total grant.

Example: A provider serving 20 children, with 15 eligible children (parents from Rock county) and 5 ineligible children (parents not from Rock County), would receive a grant amount of (15 eligible children X \$100 per child x 3 months) = \$4,500 per quarter, for the duration of the program.

**BE IT FURTHER RESOLVED**, the Childcare Grant Program shall sunset on December 31, 2026, or when the allocated funds of \$1.5 million are expended, whichever occurs sooner.

**BE IT FURTHER RESOLVED**, grant proceeds may be applied, in accordance with DCF guidelines and funding formula recommendations, to any of the following uses:

- Early childhood staff education / training stipends and tuition assistance;
- Early childhood staff wage enhancements and related retention / recruitment premiums;
- Expanding and enhancing existing childcare program capacities;
- Extending after-hour childcare program offerings;
- Increasing current childcare program YoungStar Quality Rating(s);
- Enhancing and/or improving a childcare program's onsite, physical and/or tangible amenities;
- Developing collaborative and innovative, employer-and-provider childcare slots and/or programming;
- Serving as match funding for other grant sources that directly address the childcare access and affordability issues within the Rock County market; and
- Serving as a contribution and/or a portion of the applicant's capital stack to secure commercial lending (i.e. term loans and lines of credit) for operational and facility-related needs.

**BE IT FURTHER RESOLVED**, County staff are directed to develop an online applicant portal, similar to what exists for the County's Small Business and Nonprofit Grant Program; and contract with

the Wisconsin Early Childhood Education Association (WECA) to review applicants; to approve grant awards; to provide program compliance and oversight; and to prepare program reports; and

**BE IT FURTHER RESOLVED**, WECA will be encouraged to direct and connect applicants with other forms of COVID-related financial and technical assistance, including but not limited to: WEESN, the Arrowhead Library System's Small Business Kits, the UW Small Business Development Center and other local organizations that provide business consulting services.

**BE IT FURTHER RESOLVED**, the budget be amended as follows:

<b>Account</b>	<b>Budget</b>	<b>Increase (Decrease)</b>	<b>Amended Budget</b>
Source of Funds			
19-1980-2901-64320 Small Business/Nonprofit Grants	\$5,000,000	(\$1,500,000)	\$3,500,000
Use of Funds			
19-1980-3601-64320 Childcare Grants	-0-	<u>\$1,500,000</u> <u>\$1,300,000</u>	<u>\$1,500,000</u> <u>\$1,300,000</u>
19-1980-3601-63110 Administration	-0-	<u>\$200,000</u>	<u>\$200,000</u>

FISCAL NOTE:

This is an eligible use of ARPA funds and sufficient funds remain in the Small Business and Nonprofit Grant allocation to reallocate to a Childcare Grant program.

Sherry Oja  
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to §§ 59.01 & 59.51, Wis. Stats. As an amendment to the adopted 2022 County Budget, this Resolution requires a 2/3 vote of the entire membership of the County Board pursuant to § 65.90(5)(a), Wis. Stats.

Richard Greenlee  
Corporation Counsel

ADMINISTRATIVE NOTE:

This is an eligible use of funds under ARPA. As a significant issue affecting families, the workforce, and economic development generally, using ARPA funds to address childcare issues (whether through this and/or some other approaches) seems like a defensible use of some of the County's remaining ARPA allocation.

Josh Smith  
County Administrator

Committee Action

Planning & Development Committee

Planning & Development Committee recommended this resolution for approval by a unanimous voice vote. Supervisor Stevens was absent.

Finance Committee

Finance Committee amended *Use of Funds* unanimously, updating *Childcare Grants* to \$1,300,000 and adding *Administration* of \$200,000. The amended resolution was recommended for approval by unanimous voice vote.