

The City of Seattle and King County's Best Starts for Kids are pleased to announce two funding opportunities: the Child Care Retention Payment for all eligible child care staff who work in King County, and Stabilization Grants for Washington State Department of Children, Youth and Families (DCYF)-licensed child care businesses in Seattle.

## FAQs for Child Care Retention Payments

### 1. What is the purpose of the Child Care Retention Payment?

The City of Seattle received \$2.4 million from the JumpStart 14500-Payroll Expense Tax, and King County has allocated \$5 million from the Best Starts for Kids Levy to provide one-time retention bonus payments for workers in all DCYF-licensed child care centers, family child care programs, or school-age programs within King County limits. Funding from the Seattle JumpStart Payroll Tax will also be used to support a stabilization grant for qualifying Seattle providers (see additional FAQ section below).

### 2. Who is eligible to apply for the Child Care Retention Payment?

All child care staff working with children aged birth to 12 in a DCYF-licensed child care center, family child care program, or school-age program within King County limits are eligible to receive a retention payment.

**Application for these funds must be submitted by the employer.** In the case of family child care providers, this is the licensee. Businesses receiving these funds will be responsible for passing it on to their eligible employees. Employers are only obligated to deliver payment to employees still on payroll at the time that payments are received.

More eligibility details:

- All child care staff working full-time or part-time who are on payroll on the date of application and who work onsite in a DCYF-licensed child care center, family child care program, or school-age program located within the boundaries of King County are eligible to receive a retention payment.
- The employee must work in a child care facility located within the boundaries of King County; they do not need to be a King County resident.
- Programs outside of King County are not eligible for this funding opportunity.
- License-exempt providers and family, friend, and neighbor (FFN) caregivers operating within King County are not eligible.

### 3. I'm a family child care provider who works directly with children at my DCYF licensed facility. Can I apply for this retention payment for myself?

Yes. You do not need to have hired employees. If your DCYF licensed business is located within the boundaries of King County, you may count yourself as an eligible worker.

**4. As a licensed family child care or center-based provider, do I have to be open and serving children to qualify for this payment?**

Yes, you must be currently open and accepting children.

**5. What are the payment amounts?**

Each child care worker will receive the same amount, regardless of full-time or part-time status. The total amount awarded for recognition pay per licensed child care worker will depend on the total number of eligible employees identified by applicants.

**6. Are these payments competitive?**

No, payments are not competitive. All child care staff meeting the eligibility criteria will receive the same payment.

**7. Is a provider required to serve families accessing the Working Connections Child Care state subsidy or enrolled in the Child Care Assistance Program (CCAP) to be eligible?**

No. Any DCYF-licensed child care provider within King County limits can apply, whether or not they receive Working Connections Child Care (WCCC) or Child Care Assistance Program (CCAP) subsidies.

**8. Is a provider required to be enrolled in Early Achievers?**

No. Any DCYF-licensed child care provider within King County limits can apply.

**9. What can these funds be used for?**

To receive funds, providers will be required to sign an agreement with King County at the time of application. Funds must be paid directly to their eligible employees. ***Providers will be required to keep records regarding the use of the funds and to provide the records to King County if requested.***

This retention pay carries no restrictions regarding how employees can use the funds.

**10. Will the payments be given in full?**

The full grant amount will be awarded up front, after the application is approved. Providers will be paid by EFT or check to the mailing address listed on the grant application.

**11. When do I have to pass these funds to my staff?**

Pay must be distributed to employees by the next two payroll periods following the receipt of funds by the provider, preferably by December 30, 2022.

**12. If I am an agency that has multiple licensed child care sites in King County, do I need to submit separate applications for each site?**

Yes. Programs will list their business name and DCYF license ID # as part of the application. Each application must have a unique DCYF license ID number. Businesses located within Seattle city limits will also be eligible to receive a stabilization grant.

**13. What documentation will I need to submit?**

After notification of award, you will need to submit a Washington State business license (UBI number) or DCYF child care license. You will also need to complete and sign a W-9 form.

**14. Are the payment funds taxable?**

These payments are considered income. For purposes of taxes, grants should be treated similarly to other income received by your business.

Providers can hold back up to 15% of the funds allotted to cover business expenses of passing on these funds to their employees for any related taxes and/or administrative fees. The remaining balance must be passed directly to your employees via the program's payroll system (not as gift cards or other non-payroll compensation). Please note that any payroll withholdings may further reduce final compensation amounts to individual employees.

For example, if your agency claimed 20 people on your application, and you received \$5,000, your agency is allowed to hold back up to 15% (in this example, that would be \$750) to cover any taxes or administrative costs of passing this onto your employee's paycheck. This means that you are obligated to pass on at least \$4,250 to your 20 claimed employees.

Seek advice from a professional tax consultant on your specific business implications.

**15. Do providers need to save and submit receipts associated with this payment?**

The Internal Revenue Service requires businesses to keep financial records for seven years. You may be asked to provide records about use of these funds to King County.

**16. Is there a deadline to apply for this payment?**

Yes. The deadline to apply is June 27, 2022, **by 11:59 pm Pacific Daylight Time.**

**17. How does a provider apply for the payment?**

On June 13, 2022, child care providers located in King County will receive an email with the link to the application. The provider will click on the link to the grant application, where they will answer a few short questions including business name, address, and provider license ID number.

The grant application will be available online in English, Amharic, Spanish, Simplified Chinese, and Somali, and Vietnamese.

**18. What if a provider needs help filling out the application?**

Contact your Early Achievers Coach for assistance. If you do not know who your Coach is or do not have an Early Achievers Coach, please call the Child Care Resources provider line at 1-800-446-1114.

**19. How and when will a provider receive a payment?**

Final award announcements will be made at the end of July. All providers will be notified of the award status via email. Providers will be paid by direct deposit or check to the mailing address listed on the application. Payments made to providers will be sent out between August 1 – October 31, 2022.

**20. What if an employee leaves my program after the application was submitted?**

If staff who were counted as eligible on the application are no longer employed at your child care site, and this represents 25% or less of the number of staff you identified as eligible, the program must disperse, equally, the full retention payment amount amongst the eligible employees currently employed.

If more than 25% of the number of staff you reported as eligible no longer work at your program, your award amount will need to be recalculated and you must contact [DEELfunding@seattle.gov](mailto:DEELfunding@seattle.gov).

## FAQs for Seattle Stabilization Grants

**1. What is the purpose of the City of Seattle Stabilization Grants?**

In addition to direct staff payments, the Department of Education and Early Learning (DEEL) is also releasing a flexible-spending business stabilization grant to licensed child care providers in Seattle to support their child care business as the pandemic continues to impact this sector. The amount of these grants will be based on the site's licensed capacity.

**2. Who is eligible for the Stabilization Grant?**

DCYF licensed home-based and center-based child care providers and school-age providers located within Seattle city limits are eligible. License-exempt providers and family, friend, and neighbor (FFN) caregivers operating within King County are not eligible.

**3. As a licensed family child care or center-based provider, do I have to be open and serving children to qualify for this payment?**

Yes, you must be currently open and accepting children.

**4. How much is the grant?**

The award amount is non-competitive and will be calculated based on licensed capacity.

**5. What can these funds be used for?**

Eligible activities must support stabilizing the child care industry and cannot be duplicated with previous federal funds. This stabilization grant, unlike the Retention Payment, can be but **is not required** to be passed onto the agency's staff. Examples of approved uses include mental health supports for children and child care employees, health and nutrition activities, vaccination access, personal protective equipment, cleaning or sanitizing supplies and services, training related to health/safety practices, increased labor standards (such as health care,

retirement contributions, family-level wages to support recruitment and retention), payroll (salary, benefits), or co-payment or tuition waivers for enrolled families. The funds can be used for more than one purpose that benefits the program.

**6. What is the application process to receive this grant?**

There is one application for both the Child Care Retention Payments and the Seattle Provider Stabilization Grant. Providers with multiple licensed sites must apply for each site with a unique DCYF license identification number. Please fill out the application completely, including if the program is located within the Seattle city limits, and licensed capacity acknowledgement that these funds will only be used for eligible activities (see question 5).

**7. Is this grant taxable?**

These payments are considered income. For purposes of taxes, grants should be treated similarly to other income received by your business. Seek advice from a professional tax consultant on your specific business implications.

Providers can hold back up to 15% of the funds for any related taxes and/or administrative fees allotted to cover business expenses.

**8. How will I know if I'm eligible?**

Once you fill out the application form, DEEL and CCR will verify that your program is located within Seattle city limits and that your licensed capacity matches DCYF records. You will receive an award notification letter if you are eligible for the stabilization grant.

**9. Will I receive the Stabilization Grant separately from the Retention Payment?**

No, you will receive a single payment. Your award notification will specify the amounts that you will be receiving. Final award announcements will be made at the end of July. All providers will be notified of the award status via email. Providers will be paid by direct deposit or check to the mailing address listed on the application. Payments made to providers will be sent out between August 1 – October 31, 2022.