TO: Michigan Licensed Child Care Providers

FROM: Dr. Scott M. Koenigsknecht, Deputy Superintendent P-20 System and Student Transitions

SUBJECT: Child Care Subsidy for Care for School-Age Children

Summary
Effective pay period 018 (August 16, 2020 – August 29, 2020), child care providers may bill the child care subsidy for care provided during the school day for school-age children if a child is participating in virtual education. This includes when a child is participating in a fully virtual program, virtual learning during a hybrid program, and virtual learning offered due to temporary closures.

Rationale
All children deserve safe places to learn while their families work. When children are enrolled in virtual or hybrid education, child care providers have been addressing a critical gap in families’ child care needs. This policy change provides financial support to families participating in subsidy and compensates child care providers for the services that they are providing.

Eligible children
To be eligible, a school-age child must be enrolled in a virtual education program when virtual learning is the only option in the school district. This includes when a school-age child:

- Is enrolled in a fully virtual option:
  - Because virtual learning is the only option available at their school
  - Due to a health concern of the child or family member

- Is enrolled in a hybrid program, and the child is in a child care setting on the days he or she is assigned to participate virtually because:
  - A five day a week in-person option is not available currently at their school
  - Due to a health concern of the child or family
Children enrolled in cyber school are not eligible because their typical school experience is offered remotely and not in person.

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• Is enrolled in a five day a week in-person program through their school, and virtual instruction is provided temporarily (for example, due to a COVID-19 related closure)

When to bill during the school day
Open providers may bill for eligible school-age children when they attend your program—including before school, during virtual instruction, and after school.

Effective pay period 018 (August 16, 2020 – August 29, 2020) through pay period 026 (December 6, 2020 – December 19, 2020), providers should bill for the hours that they provided care during virtual school hours. This includes the times that the child is engaged in virtual school and the breaks that occur during the regular school day, such as recess, lunch, and independent work or study time.

Since the child care subsidy for school-age children during this period will be paid by the coronavirus relief fund (CFDA #21.019), expenses must be incurred prior to December 30, 2020. This policy will be reviewed in late November and providers and families will be notified if the policy will continue with funding from the child care development block grant.

What funds are being used
As part of the nation’s COVID-19 response, Michigan was awarded funding from the U.S. Department of Treasury. The state is required to notify anyone who receives child care grants of (1) the source of the funds and (2) the possibility that recipients may be monitored to ensure funds were used properly.

Funds were awarded to the State of Michigan as federal financial assistance from the U.S. Department of Treasury. The funds were awarded under the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) https://home.treasury.gov/policy-issues/cares/state-and-local governments as the coronavirus relief fund, which was signed on March 27, 2020. The State of Michigan was awarded $3.08 billion under the coronavirus relief fund.
Coronavirus Relief Fund CFDA #: 21.019
FAIN #: SLT0040

Coronavirus relief funds are considered federal financial assistance and have been assigned a catalog of federal domestic assistance (CFDA) or assistance listing number of 21.019. Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. Sections 7501 – 7507) and the related provisions of the uniform guidance, 2 Code of Federal Regulations (CFR) Section 200.303 regarding internal controls, Section 200.330 – 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. Under the Single Audit Act, subrecipients will need to report expenditures under this program using the CFDA number 21.019. A non-federal entity that expends $750,000 or more during the non-federal entity’s fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

Any funds received under the authorizing legislation for this program expended by the eligible applicant in a manner that does not adhere to the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 or Uniform Guidance 2 CFR 200, as applicable, shall be returned to the state.

Uniform guidance for CRF use of funds:
The CARES Act requires that the payments from the coronavirus relief fund only be used to cover expenditures that:

1. are necessary expenditures incurred due to the public health emergency with respect to coronavirus disease (COVID-19)
2. are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act)
3. are incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

When to bill if a school-age child is absent during pay periods 018 through 026
If a school-age child is absent and is expected to return to care, use absence hours for the time when the child would have been in your care.

• The absence hours should reflect the days and times that a child would normally be in care and not physically in school.
  o For example, if the child is enrolled in a hybrid school option where they attend in person school Mondays, Wednesdays, and Fridays
but are in your care Tuesdays and Thursdays, you may not bill for a Monday, Wednesday, or Friday when the child is not in your care due to attending in person schooling but could bill for a Tuesday or Thursday when the child was scheduled to be in care but did not attend that day.

- Licensed providers should have a written policy to charge families for absences to bill the CDC program for absences.

**Frequently asked questions (FAQ):**

1. **Why is this policy change needed?**
   Under child care development block grant rules in a typical school year, child care providers are not allowed to bill for school age children during the school day. For the 2020-2021 school year only, the federal government provided states flexibility to waive this requirement to meet the needs of children and families during COVID-19. In Michigan, the state legislature must sign off on any child care subsidy policy change that increases program costs. The state legislature enacted the policy change through House Bill 5396 (Public Act 166 of 2020) with additional costs for pay period 018 through pay period 026 to be paid for with funding from the coronavirus relief fund.

2. **When can providers bill for care provided during the school day?**
   Effective pay period 018 through pay period 026, providers can bill if they are caring for a school-age child during the school day if the only option for the child to attend school is virtual.

3. **I have been providing care since the beginning of the school year. Can I back bill for those hours?**
   Yes. Providers may bill for these hours starting in pay period 018.

4. **How many hours are children authorized to be in care?**
   Effective Pay Period 007 (March 15 – March 28, 2020), all school-age child subsidy authorizations were increased to 90 hours biweekly. The increased authorizations will remain on the approved CDC subsidy case until the end of the child’s 12-month authorization period. At that time, the family will need to go through the redetermination process for the child care subsidy for the child to remain eligible.

   If a child has enrolled in subsidy since March 2020 and needs an increase in their authorized hours, parents or guardians can request an increase through their assigned Michigan Department of Health and Human Services (MDHHS) office.
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5. How should I document these hours in my records?
All CDC providers must keep complete and accurate records of daily time and attendance for each CDC child in care. These records must be kept for five years for audit purposes and providers must submit records to the department when requested. Providers billing for school-age children should indicate the following on their billing records “Billing for school-age child during COVID-19. Child attends (name of school)” and should retain sufficient records to document that eligibility requirements were met.

Providers should refer to the Child Development and Care Handbook for guidance on billing for regular hours and absence hours. You may also call 866-990-3227 for assistance.