

City of Scranton
American Rescue Plan Act (ARPA)
State & Local Fiscal Recovery Funds (SLFRF)

Notice of Funding Opportunity
Childcare Reimbursement for Residents that are Small Business Employees

ARPA Expenditure Category 2.11 - “Healthy Childhood Environments: Child Care”

BACKGROUND AND GENERAL INFORMATION

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion Fiscal Recovery Funds package is intended to combat the COVID-19 pandemic, including public health and economic impacts. The City of Scranton has received a total of \$68.746M to respond to the COVID-19 public health emergency and its economic impacts.

The mission of the city’s specific ARPA program is to give people access to resources, rebuild the infrastructure systems that impact their everyday lives, and foster real equitable wealth generation that targets the needs of Scranton residents. This mission statement is also accompanied by six (6) guiding principles:

1. **Recovery:** Use funds to equitably guide residents, businesses, nonprofits & local government out of the economic downturn and onto a path of financial recovery
2. **Response:** Enhance city health & emergency response capabilities
3. **Alignment:** Integrate ARPA Funds with ACT 47 Exit Plan Goals, long-term financial and tax strategies, & comprehensive economic development planning
4. **Sustainability:** Avoid one-time items and programs that incur unsustainable operational, maintenance, or other long-term legacy costs
5. **Leverage:** Tackle large infrastructure needs for a safer, healthier city
6. **Transparency:** Accountability, communication, collaboration

Scranton City Council approved ARPA funding to be made available as grants to employees of businesses that have faced economic hardship resulting from or exacerbated by the public health emergency. Below is a summary of the award funding, as well as eligibility requirements.

SUBRECIPIENT VS. BENEFICIARY

Subrecipients are entities that receive a subaward from the city to carry out a program or project on behalf of the city. Subrecipient awards will be provided through a combination of an application process and form of legal agreement/contract between the subrecipient and the city. Subrecipients must comply with the applicable requirements in the Treasury’s Uniform Guidance, including the treatment of eligible uses of funds, procurement, and reporting requirements, including audit pursuant to the Single Audit Act and 2 CFR 200, Subpart F (see below). For this program, the city of Scranton has elected to award a subrecipient to carry out this program and all questions and applications should be directed there. The subrecipient for this program is:

Scranton Area Community Foundation (SACF)

615 Jefferson Ave, Suite 102
Scranton, PA 18510
Phone: (570) 212-9044

In contrast, beneficiaries are entities that 1) receive funds or 2) receive the benefits of the funds awarded to subrecipients to carry out a program on behalf of the city. Beneficiaries are not subject to the same monitoring and reporting requirements of a subrecipient. For this program, eligible Scranton residents that make less than the 300% Federal Poverty Guideline (FGP) as determined by household size are considered eligible beneficiaries (see Table 1 below for limits based on household size and income)

Table 1: FPG LIMITS

Size of Household	1	2	3	4	5	6	7	8
300% FPG	43,740	59,160	74,580	90,000	105,420	120,840	136,260	151,680
185% FPG	26,973	36,482	45,991	55,500	65,009	74,518	84,027	93,536

SUBRECIPIENT COMPLIANCE REQUIREMENTS

Subrecipient compliance responsibilities will generally be subject to the requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal awards, 2 CFR Part 200, which include:

1. Compliance with ARPA’s eligible and restricted uses of funds, including implementation of effective controls to ensure that each expenditure of funds is an eligible use and to maintain adequate documentation to each such expenditure.
2. Implementation of internal controls and effective monitoring to ensure compliance with 2 CFR Part 200, including generally identifying direct and indirect costs and treating each cost consistently in like circumstances.
3. Maintenance of procedures for obtaining information related to beneficiaries of ARPA funds and monitoring of the implementation of such procedures.
4. Maintenance of records and financial documents for five (5) years after all funds have been expended or returned to Treasury and providing or making available such records to any authorized oversight body upon request.
5. Implementation of policies and controls that calculate, document, and record any income your organization receives from SLFRF.
6. Ensure that procurements using SLFRF funds, or payments under procurement contracts using such funds, are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR § 200.317 through 2 CFR § 200.327, as applicable.
7. If your organization expends more than \$750,000 in Federal awards during its fiscal year, submitting to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part

200, Subpart F.

8. Compliance with legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds, including ensuring that your organization does not deny benefits or services, or otherwise discriminate based on race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity).

The city may also request detailed expenditure information from subrecipients to comply with its reporting obligations. Subrecipients will be required to promptly provide any requested information to the city even after your award term may have expired. Among other things, the city may require information about the structure, objectives, and performance of the subrecipient's program and information about how many individuals/residences/households have been served.

DEFINITION OF ECONOMICALLY DISADVANTAGED

In accordance with the City's mission to offer equitable recovery and investment resources to the community, grant applications for subrecipient awards will be reviewed and prioritized based on the target populations the beneficiary or its program will serve. Higher prioritization and consideration will be given to those applications that serve the economically disadvantaged populations within the city. According to a recent median household income study by race/ethnicity, it was found that the median income for Black or African American and Hispanic or Latino households is lower than the White and Asian households located in the city. Programs and applicants that intend to serve these lower income communities may be given more consideration for funding than those that do not.

DEFINITIONS OF IMPACTED AND DISPROPORTIONATELY IMPACTED

An impacted household is a household that meets the definition of "Impacted" as defined by the Treasury which includes the following:

- Low-or-moderate income households and communities - household at or below 65% of the Area Median Income (AMI) for the County, or below 300% Federal Poverty Guidelines (FPG). For the city of Scranton, the 300% FPG limit is higher, and thus will be used for this program to allow for more residents to be eligible to apply
- Households that experienced unemployment due to the pandemic
- Households that experienced increased food or housing insecurity due to the pandemic
- Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Childcare Development Fund (CCDF) Program, or Medicaid
- Households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program

A disproportionately impacted household is a household that meets the definition of "Disproportionately Impacted" as defined by the Treasury which includes the following:

- Low-income households and communities - household at or below 40% of the Area Median Income for the County, or below 185% of the Federal Poverty Guidelines. For the city of Scranton, the 185% FPG limit is higher, and thus will be used for this program to allow for more residents to be eligible to apply
- Households that qualify for certain federal benefits which may include: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and

Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants.



Childcare Assistance for Small Business Employees Program:

Subrecipient: Scranton Area Community Foundation (SACF)

Types of Grants Available to Residents: Beneficiary Grants for both Impacted and Disproportionately Impacted Scranton residents

Grant Amounts Available: \$20,000 - \$40,000 per eligible household, per year

Total Program Funding: \$1,000,000

In accordance with Scranton City's ARPA mission, the city is making childcare assistance program funding available to support employed Scranton residents that meet the income requirements for impacted and disproportionately impacted households in Scranton. This program is designed to assist eligible households with reimbursement for childcare services to provide economic relief and support to families that need affordable childcare services. The awards will provide reimbursements for childcare upon providing evidence of receipts or proof of payment and employment. Costs for past childcare services may be eligible for reimbursement. To be eligible, past proof of payment for affordable childcare service expenses must be post March 3, 2021, and proof of employment during that same period of expenditure must be provided.

ELIGIBILITY AND REQUIRED DOCUMENTATION FOR BENEFICIARIES

The awarded subrecipient, Scranton Area Community Foundation (SACF), will be required to develop a process for verifying beneficiary income limits, residence/address, and COVID-19 impacts to confirm eligibility. SACF will also need to conduct a duplication of benefit analysis for each awarded beneficiary to confirm any alternate funding an applicant may have received to date for the same intended use or impact would not be duplicated if awarded additional funds through this program.

In general, the program must be designed to assist impacted and disproportionately impacted households. Beneficiaries that are selected for award must be up to date on all property taxes and trash fees. Below are the full eligibility requirements that all beneficiary applicants must meet for this program:

- Must be a resident of Scranton
- Household must make less than 300% FPG per household size OR provide evidence that the household meets one of the federal benefit programs listed above.
- Must provide written verification of income using the income self-certification form provided by SACF.
- Must provide valid government-issued photo identifications for all household members that contribute to household income.
- Upon award, beneficiary must provide childcare receipts and other similar forms of documentation to verify reimbursement costs and number of children served.
 - Reimbursement requests must come with evidence of employment for each request.

- Evidence may include a pay stub dated within the last 30 days or a signed/dated letter of employment.
- To be eligible for cost reimbursement, the daycare service provider must be licensed to provide service and must issue an invoice to the awarded beneficiary, to be included with the request for reimbursement.

TERMS OF GRANT AWARDS FOR BENEFICIARIES

- All costs must be expended on or before September 30, 2026.
- Grant funding will be made available on a cost reimbursement basis following the beneficiary's proof and submission of expenditures.
- All awarded beneficiaries will be required to sign a memorandum of understanding with SACF outlining key terms for timeline, reimbursement, and grant funding use.

BENEFICIARY APPLICATION PROCESS

The City of Scranton ARPA grant program applications will be available by contacting SACF at [Scranton Area Community Foundation \(safdn.org\)](https://www.scrantonpa.gov/area-community-foundation) starting August 31, 2023. Applications will be accepted on a first come, first serve basis through December 31, 2023. Late submissions will not be accepted.

The application packet must include the information listed below.

- Completed Application
- Completed list of all required documents

City and ARPA advisory staff are available to answer questions about the application requirements, eligible activities, or the funding process once the application is posted through the deadline. Please contact Christopher Hughes at chughes@scrantonpa.gov with questions. Additionally, technical assistance can be requested by emailing SACF at childcare@safdn.org.

BENEFICIARY APPLICATION REVIEW PROCESS

Eligible households will be required to submit their application and documentation through the subrecipient's predetermined processes. The Subrecipient and city staff will review beneficiary grant applications for completeness and eligibility. Applicants may be asked to revise or update their application or provide additional information as needed. Complete and eligible beneficiary applications will then be accepted for award. Awards will be conducted on a first come, first serve basis.

BENEFICIARY AGREEMENTS

All eligible beneficiaries who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct and can be used as admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

Beneficiary awards will be made in the form of a memorandum of understanding (MOU) executed between the Subrecipient and the awarded beneficiary. The grant period, scope, eligible expenditures,

and reporting requirements will be outlined in the agreement between the beneficiary applicant and respective subrecipient. All awarded funds must be expended no later than September 30, 2026. Additional information may be required at the City's discretion, based on the usage of funds.

EXIT REPORT

An Exit Report will be required at the end of each grant agreement when all grant funds have been expended. Awardees must submit the Exit Report to the Office of Community Development no later than December 31, 2026. Failure to submit an Exit Report may result in disqualification from future grant cycles.

PROGRAM CONTACT

Please contact Christopher Hughes with all inquiries regarding the City of Scranton American Rescue Plan Act Grant Program Application via email at chughes@scrantonpa.gov.