

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

**Notice of Funding Opportunity**  
**Childcare Service Provider Wage Boost Program**

**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 beneficiaries are childcare service providers that are located within the city's impacted and disproportionately impacted areas and are licensed to provide service to families located within those areas.

**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 on the basis of 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 beneficiaries (individuals/residences/households/organizations) 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

As childcare service providers serve the general community, the city will use the Treasury’s accepted definition and process for identifying impacted and disproportionately impacted communities. To define impacted areas within the city, the median income for the community has been compared to the 300% Federal Poverty Guidelines (FPG) limit for a household size of three (3). Areas where the median income is equal to or less than this value will be defined as “impacted.” Similarly, to define disproportionately impacted areas within the city, the median income for the community has been compared to the 185% Federal Poverty Guidelines (FPG) limit for a household size of three (3). Areas where the median income is equal to or less than this value, or areas that fall within established Qualified Census Tracts (QCT) will be defined as “disproportionately impacted.” See Table 1 below for household of three (3) income limits that were used to generate the city’s impact map for this program.

Table 1: FPG LIMITS (2023 Values)

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



### Wage Boost Grant for Childcare Service Providers:

**Subrecipient:** Scranton Area Community Foundation (SACF)

**Types of Grants Available:** Beneficiary reimbursement grants for service providers

**Grant Amounts Available:** \$50,000 per eligible childcare service provider

**Total Program Funding:** \$1,000,000

In accordance with Scranton City’s ARPA mission, the city is offering childcare service provider wage boost grant funding available to support operational and licensed childcare service providers located

within impacted and disproportionately impacted areas within the city. Treasury agrees that challenges accessing or affording childcare have been widespread during the pandemic, affecting many jurisdictions and populations across the country. Disruptions to early care and childcare services similarly have had broad impacts and result in negative impacts for both young children and their parents. This program is designed to assist eligible childcare service providers with funding to help bolster, support, and preserve their existing programs in the form of a wage boost grant. This grant will allow these service providers to help retain or hire new employees at competitive rates to meet the demands the pandemic has created on the residents within Scranton. If awarded, the service provider will be able to submit reimbursement requests to SACF to cover cost increases associated with either 1) increasing the hourly wage rates of existing employees, or 2) hiring new employees to meet increased childcare demands. The program is established to reimburse the first-year wage boost costs at 100% and the second-year wage boost costs at 50%, but only up to the grant cap amount of \$50,000.

## **ELIGIBILITY AND REQUIRED DOCUMENTATION FOR BENEFICIARIES**

The awarded subrecipient, Scranton Area Community Foundation (SACF), will be required to develop a process for verifying childcare service provider eligibility (Beneficiary). They 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, this program is designed to assist childcare service providers located within, and providing service to, impacted and disproportionately impacted areas within the city. Below are the full eligibility requirements and required documentation that all beneficiary applicants must meet for this program:

- Must be a childcare service provider located within the city in either an impacted or disproportionately impacted area per the map located here: [2023 APRA Disproportionately Impacted Communities \(arcgis.com\)](#)
- Must provide evidence of an operating address.
- Must provide evidence of a current license to provide service.
- Must have been providing similar service for at least (6) six months at the time of application.
- Must provide a W9 and proof of insurance.
- Must complete and submit a Wage Boost worksheet.
- Must complete and submit a duplication of benefit worksheet.
- Must be registered and in good standing with the city, and current with local taxes and trash fees
- Upon award, beneficiary must provide proof of payroll and similar forms of documentation to verify reimbursement costs.

## **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 allowable 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](mailto:chughes@scrantonpa.gov) with questions. Additionally, technical assistance can be requested by emailing SACF at [childcare@safdn.org](mailto:childcare@safdn.org).

## **BENEFICIARY APPLICATION REVIEW PROCESS**

Eligible childcare service providers 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](mailto:chughes@scrantonpa.gov).