

This case study is part of a series that documents and highlights the experiences of Child Care and Development Fund (CCDF) Lead Agencies that developed and implemented grants to stabilize child care in their service areas. This case study includes information from publicly available sources and an interview with CCDF staff who then reviewed this document for accuracy. To review the other case studies in this series, please visit this [link](#).

Background

In April 2020, Virginia created the CARES grants program to support and help child care providers remain operational during the coronavirus disease 2019 (COVID-19) pandemic. The Virginia Department of Social Services (VDSS) provided three rounds of CARES grants to Virginia’s child care providers using funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As of May 2021, Virginia awarded 10,000 grants through the first three rounds and is launching a fourth round of grants using Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding.

Virginia CARES Grants At-a-Glance

Purpose	<ul style="list-style-type: none"> CARES grants are intended to support child care providers in remaining open to provide care for children during the COVID-19 pandemic.
Timeline	<ul style="list-style-type: none"> The first round of CARES grants applications was released in April 2020 for facilities providing care or willing to provide care for children of essential personnel during April, May, and June. CARES II applications began in July 2020 for facilities providing care or willing to provide care for children in July, August, and/or September. CARES III applications began in December 2020 for providers who were open to provide care for children. CARES IV grants were announced in April 2021 for all open and eligible providers who received a previous CARES grant. Later in Spring or Summer of 2021, Virginia will make grants available to help closed programs reopen and to first-time grant applicants.
Funding	<ul style="list-style-type: none"> The first three rounds of CARES grants were established with the federal CARES Act funding. The fourth round of grants will be administered using CRRSA Act funding.
Eligible providers	<ul style="list-style-type: none"> CARES grants are available for existing licensed family day homes, voluntarily registered family day homes, licensed child day centers, religiously exempt child day centers, licensed family day systems, certified preschools, unlicensed child day programs that are approved subsidy vendors, and local ordinance-approved family day homes. Facilities must also certify that they provide care for children during at least one of the specified months identified in the application and attest that they follow COVID-19 health and safety guidelines.
Grant formula	<ul style="list-style-type: none"> Award amounts for the first two rounds were calculated by adding monthly amounts for each month during the grant period that the program was open based on the facility’s licensed or approved capacity.

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- For the third round, tiers were created based on available funding. Tiers were established for large centers (100+ capacity), smaller centers (under 100 capacity), licensed family day systems (approves about 80 family day homes), licensed family day homes (serving 5–12 children), and unlicensed family day homes (serving 4 or fewer children).

Allowable uses of grant funds

- There are no limitations on how the funds are spent. Providers are encouraged to use grant funds to maintain operations and cover expenses such as personal protective equipment and cleaning supplies.

Virginia's Experience

Planning and Decisionmaking

VDSS worked closely with state leadership throughout planning and implementation of its CARES grants. To move forward on an initiative of this size, VDSS is required to share decision memos with its administration and receive approval to get the funds appropriated. These memos are shared with the Department of Planning and Budget, which is part of the state legislature system. VDSS continues to communicate with state leadership about high-level goals, approaches, and progress, and VDSS is responsible for operationalizing decisions and feedback. VDSS collaborated with interagency partners such as the Virginia Department of Education and community partners such as Child Care Aware of Virginia and the Virginia Early Childhood Foundation on day-to-day planning and decisionmaking for the CARES grants.

Throughout the four rounds of CARES grants, Virginia has been thoughtful about continuous quality improvement in its approach. This was a brand-new initiative for VDSS, and it had to think creatively and problem solve along the way. Throughout each phase, VDSS had ongoing discussions, including with its leadership and budget team, to evaluate each step of the process and consider ways to improve. For example, to process applications and grants more efficiently, Virginia made changes to the process for disbursing funds, the grant funding formula, and the application approach to overtime (see [administration and management](#)).

Administration and Management

The CARES grant program has been a significant undertaking and required considerable staffing, time, and effort. VDSS assigned a dedicated child care team that included supervisors, administration, and licensing inspectors to implement the grants. To accommodate this, VDSS reassigned most of this team's regular duties. Virginia also partnered with a contractor to administer the CARES grants on behalf of the VDSS Division of Licensing Programs.

During the first round of CARES grants, Virginia reviewed and processed grant applications manually and hired temporary staff to support this process. In the second round of grants, VDSS decided to automate the application process. They held daily stand-up calls with their information technology team to develop an online application portal and developed a process to automatically award funding to providers that received grants in previous rounds (see [application process](#)). Together, these adjustments significantly improved the efficiency of application management.

Virginia's approach to administering the grant payments also changed over time. It decided to disburse funds through paper checks because it was the quickest way to get grants to providers. Virginia initially processed the grant payments internally, but there were challenges with the time and procedures needed for Taxpayer

Identification Number (TIN) matching. For the next round of CARES grants, VDSS contracted with a vendor to process checks so that funding could get to providers more efficiently. Virginia also made adjustments to its grant funding formula to expedite this process. For the first two rounds of grants, the formula involved adding monthly amounts based on licensed or approved capacity. Starting in the third round of grants, VDSS moved to a simplified tiered formula based on provider type and size (see [summary of Virginia CARES grants](#)).

Effective July 1, 2021, administration of child care and early education programs in Virginia will transfer to the Department of Education. VDSS is working closely with the Department of Education to support the CCDF Lead Agency's transition. Future rounds of grants to providers, including American Rescue Plan Act of 2021 (ARP Act) stabilization grant funding, will be administered by the Department of Education. VDSS and the Department of Education have been partners throughout the implementation of CARES grants, which will support continuity following the transition.

Outreach and Communication

Virginia's coordinated approach to outreach and communication with stakeholders about the CARES grants, includes the following:

- Governor's announcements—The launch of the CARES grants and subsequent rounds included an announcement and press release from the governor's office.
- Coordinated VDSS announcements—VDSS worked closely with its administration to have its grant announcements ready to go live at the time of the governor's announcements.
- Provider listservs and websites—VDSS followed announcements by posting information to its listserv for all 6,000 child care providers. All listserv notices are also cross-posted to key websites such as COVID-19 webpages and child care websites. VDSS continues to relay updates through these platforms.
- Provider webinars—VDSS and Virginia Early Childhood Foundation held webinars for providers to offer COVID-19 updates, including information about the grant opportunity.
- Coordinated messaging from licensing staff—VDSS notifies licensing staff of all provider updates so that they can echo those messages and opportunities as part of its ongoing interactions with providers.
- Ongoing communications with administration—VDSS continues to provide updates for the governor's press appearances. VDSS also shared that they are fortunate to have an advocate in First Lady Northam, who chairs the Children's Cabinet and is deeply committed to early childhood education. Throughout this process, VDSS shared daily email updates and weekly reports with her office about the grants, including talking points and information she can weave throughout her work across the state.
- Provider surveys—VDSS and community partners conducted provider surveys throughout the pandemic to gather input and information about their status, barriers and challenges, supports needed, and the grant funding.
- Language translation—VDSS performed outreach, conducted provider surveys, and translated materials into Spanish to support providers, including making the application available in Spanish. Licensing staff that work with providers who speak languages other than English also help share information and provide individualized support to help the providers apply for the grants.

Application Process

Virginia's application was made available online through the VDSS website. During early rounds of the CARES grants, the applications were submitted and processed manually. VDSS since moved to an online application

for providers to improve efficiency (see [administration and management](#)). Providers must apply for funds through the application website, or they can use the COVID-19 Virginia Resources mobile app to apply. In addition to completing the application form, providers were required to upload a copy of their current license, permit, exemption letter, or certificate of registration; a completed W-9 form; and a supporting Employer Identification Number or Social Security Number document.

Virginia also developed a process to automatically award funding to providers who received grants in previous rounds. If a provider received a CARES grant in a previous round(s) and was open and eligible, they were automatically awarded a grant in subsequent round(s) rather than having to re-apply for funds (providers also could opt out). This significantly streamlined the application process for providers as well as the processing of applications by VDSS.

Technical Assistance for Providers

VDSS hosted webinars in collaboration with the Virginia Early Childhood Foundation to share COVID-19 updates with providers, including information about the CARES grants and time for questions and answers about the opportunity. VDSS also shared FAQs to support providers with the application process and used information from its provider surveys (see [outreach and communication](#)) to inform individualized follow-up with providers. Based on survey responses, licensing staff contacted providers to address any barriers they were facing in accessing the grants. Often, they provided one-on-one support to assist providers with completing their applications and required documentation. VDSS is also targeting outreach to a small portion of eligible providers (less than 1,000) who have not received a CARES grant to ensure that those providers are aware of the opportunity and have the support they need to apply.

Transparency and Accountability

From the beginning, Virginia has been thoughtful about transparency and accountability and worked cross-functionally to ensure that the correct mechanisms and processes were in place. VDSS worked with its security team to assess security issues and ensure web and email transmittals were encrypted as well as its budgeting office to ensure proper checks and balances about roles (e.g., who is able to approve and change information) and to limit access to provider information. Virginia worked with its procurement team and its contract administrator supported contract oversight. In addition, its vendor for grant administration was required to undergo an audit. VDSS continues to work with its budget, finance, and procurement teams to ensure “all angles are covered” for integrity and accountability.

To receive grants, VDSS required providers to submit financial documents for IRS and tax purposes as well as licensing documentation (see [application process](#)). The verification process for providers comprised the documentation needed during the application process. VDSS did not require follow-up reporting from providers about the use of grant funding.

Outcomes and Lessons Learned

The CARES grant program has been very successful for Virginia. The number of providers accessing the CARES grants has steadily grown with each round. As of May 2021, more than 10,000 awards have been issued (about 2,500 in the first round, 3,000 in the second round, and 4,500 in the third round). Virginia attributes this growth to a combination of significant and ongoing outreach, improvements to the application process (i.e., moving the application online), and the readiness of more providers to re-open over time.

When the CARES grants launched in April 2020, about 55 percent of providers were open. As of April 2021, 90 percent of providers were open. Many providers shared stories about how these funds helped them avoid layoffs, purchase cleaning supplies and personal protective equipment, and continue to provide essential services in their communities. Providers are extremely grateful and appreciative of the funds. The recognition of their essential work also served as a morale boost. Virginia shared, “Child care is such an underfunded entity of our society, and so it’s been a way to boost folks that have been out there since the beginning.”

Virginia focused on continuous evaluation and improvement of its approach to enhance efficiencies and improve the process for providers. Over the course of four rounds of CARES grants, many lessons learned contributed to Virginia’s success:

- **Technology**—Virginia automated its application process and made the third round of grant applications available online, which resulted in more applications from those who were not successful in applying in previous rounds.
- **Communication**—Virginia put a great deal of thought into how to communicate with stakeholders about the grants. To help build awareness and share information, Virginia coordinated approaches and messages across many platforms and messengers.
- **Provider feedback, outreach, and support**—Virginia found that larger child care programs with more resources were able to access the grants more successfully than smaller providers such as family day homes. Virginia also learned that there is a need for business practices training for providers. Virginia gathered feedback from providers and saw great success when it reached out directly to provide one-on-one follow-up and support to providers who were not aware of the grants or reported barriers to applying. Virginia shared that a key lesson learned is to “think about ways you can think outside the box, try to reach folks, and create systems in a way you haven’t done before, and gathering provider feedback is valuable.”
- **Partnering**—After the first round of grants, Virginia partnered with a vendor to process checks to providers to get funding out quicker.
- **Staffing**—VDSS formed a dedicated team of staff and reassigned its duties to focus on grants implementation and outreach. The grants required significant time, effort, and staffing, but as Virginia describes, “It has been a tremendous lift for our staff. It is worth it.”

Would you like to know more about Virginia’s approach? Please contact the Office of Child Care Regional Office, the State Capacity Building Center’s State Systems Specialist, or the Emergency Preparedness and Disaster Response and Recovery Team member for your region to arrange a peer to peer with CCDF staff or request additional information.

