



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

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To: Approved Preschool Special Education Programs Licensed by the New York State Office of Children and Family Services or New York City Department of Health and Mental Hygiene  
District Superintendents  
Superintendents of Schools  
Public School Administrators  
Directors of Special Education  
Directors of Pupil Personnel Services  
Chairpersons of Committees on Preschool Special Education  
Administrators of State-Administered Prekindergarten Programs  
Organizations, Parents and Individuals Concerned with Special Education

From: Phyllis Morris

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Subject: Child Care Stabilization Grant Revenue

The New York State Office of Children and Family Services (OCFS) is accepting applications from the [Child Care Stabilization Grant](#) made available through the federal American Rescue Plan Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. The Child Care Stabilization Grant represents an unprecedented opportunity and investment to effectively stabilize the child care sector. The Child Care Stabilization Grant is in recognition that programs may have incurred financial losses to continue to provide services during the pandemic and may have incurred additional expenses in response to the COVID-19 public health emergency that are not reimbursed by other funding mechanisms. The application instructions and description of what the funds can be used for are available at the [OCFS Child Care Stabilization Grant webpage](#) and approved preschool special education programs that are licensed/registered by OCFS or Article 47 day care centers permitted by the New York City Department of Health and Mental Hygiene (DOHMH) may be eligible to apply. **The deadline for applications to be accepted by OCFS is November 30<sup>th</sup>, 2021 at 11:59 p.m.**

As the Child Care Stabilization Grant funding is meant to supplement, not supplant, other federal, state, and local public funds, revenue received from this grant is considered off-setting revenue for the calculation of tuition rates. This means that the Child Care Stabilization Grant is not intended to cover expenses funded either through authorized tuition rates or other third-party revenue sources. Rather, the grant is intended to cover expenses that revenue from authorized tuition rates do not fully fund, provided that the expense is eligible under the Child Care Stabilization Grant requirements. Child Care Stabilization Grant revenue used to fund additional expenses which are not funded through authorized tuition rates or other third-party revenue sources will not result in an adverse impact to the program's authorized tuition rate. Should Child Care Stabilization Grant off-setting revenue result in a reduction to the program's authorized tuition rate upon reconciliation in the rate year in which the grant funds were recognized, programs will be held harmless from this impact in future years' tuition rates. Specially, Chapter 56 of the Laws of 2021 directs the New York State Education Department (NYSED) to hold harmless tuition rates in subsequent school years to reflect the impact of extraordinary federal revenue received in the prior year. This means that any potential adverse impact of the Child Care Stabilization Grant to tuition rates would be limited to the year the revenue was reported and not carried forward into future authorized tuition rates.

In regard to the treatment of Child Care Stabilization Grant revenue for financial reporting, the grant revenue should be reported to align with the corresponding eligible expenses funded by the grant as reported on Consolidated Fiscal Report (CFR) Schedule CFR-1 Account Code 22040 Federal Grants. Child Care Stabilization Grant revenue received after the fiscal year in which the expenses were incurred should be reported on the CFR of the year the expense was incurred as a reconciling item to the provider's certified financial statements.

We hope this information is helpful and encourage programs to visit the [OCFS Child Care Stabilization Grant webpage](#) for more information on the grant.