



Childcare Startup & Expansion Grant Program

Grant Guidelines | March 2025

Erie County Investing in Families



Erie County Coronavirus Fiscal Recovery Fund

2.11 Healthy Childhood Environments: Child Care

Section I. Introduction & Purpose of the Program

Introduction

The American Rescue Plan Act (ARPA) of 2021 is a federal relief package providing \$1.9 trillion in funding, program changes, and tax policies aimed at mitigating the continuing effects of the COVID-19 public health crisis. As a result of this historic legislation, Erie County is receiving a federal grant of \$52,391,502 from the Coronavirus State and Local Fiscal Recovery Fund (SLFRF).

The Erie County Gaming Revenue Authority (ECGRA) is a subrecipient of Erie County's grant award and was awarded \$2.5 million in funding by Erie County Council in 2024 to stabilize and improve the early childhood learning and daycare industry throughout Erie County. Erie County and its subgrantees must spend all grant funding by December 31, 2026. Grant funds are being deployed to help Erie County recover from the impacts of the pandemic.

About ECGRA

In 2008, ECGRA was incorporated in the Commonwealth of Pennsylvania for the purpose of creating and administering economic development grants with local share gaming revenue. ECGRA's mission is to elevate Erie County by galvanizing nonprofits and small business toward economic and community development and this is done through impact investing. This type of investing considers the social, cultural, and environmental effects of investments.

Healthy Childhood Environments: Child Care

Across Pennsylvania, parents are struggling to find safe and reliable childcare that allows them to work and support their families. As more childcare centers close, the number of facilities without access to essential services continues to grow. According to the *2024 State of Early Childhood Education* report, Pennsylvania is facing a historic shortage of early learning educators, exacerbated by unlivable wages that do not meet the cost of living. A recent report from the Jefferson Education Society found that there is a deficit of approximately 2,500 childcare slots in Erie County with shortage of 1,500 in the city of Erie alone. (<https://www.jeserie.org/uploads/GOULD%20--%20ECIPI%20Final.pdf>),

ECGRA has developed a three-pronged approach to address stabilizing and developing the childcare industry: **1.) Stabilizing the Workforce, 2.) Startup & Expansions, and 3.) New Facility Construction.** ECGRA will solicit grant applications for each of the three areas that follow an evidence-based approach to addressing Erie County's childcare industry needs.

Purpose of the Erie County Investing in Families Funding

The purpose of the federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program is to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts;
- Maintain vital public services, even amid declines in revenue resulting from the crisis; and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

Phase I - Educator Retention Awards

Before ARPA dollars can support the expansion and creation of new childcare slots across Erie County, the community needs to stabilize the industry's workforce. According to recent testimony, Erie County is experiencing historic shortages of early learning educators, exacerbated by low wages. This area of funding will solicit proposals for worker retention incentives.

Project Funding: \$1.5 million

Phase II - Incentivizing Startup & Expansions

Erie County has several facilities that are either underutilized or in need of expansion to accommodate additional slots. This area of funding will solicit proposals for renovations and expansions.

Project Funding: \$2,000,000

Phase III

New Facilities Grant

According to testimony, all of Erie County is a childcare desert. This area of funding will solicit proposals for construction of new daycare facilities.

Project Funding: \$1,500,000

Priority Areas

This program requires that grant-funded activities take place within Erie County with priority given to geographic areas and populations that have faced long-term economic challenges, disinvestment, and poverty.

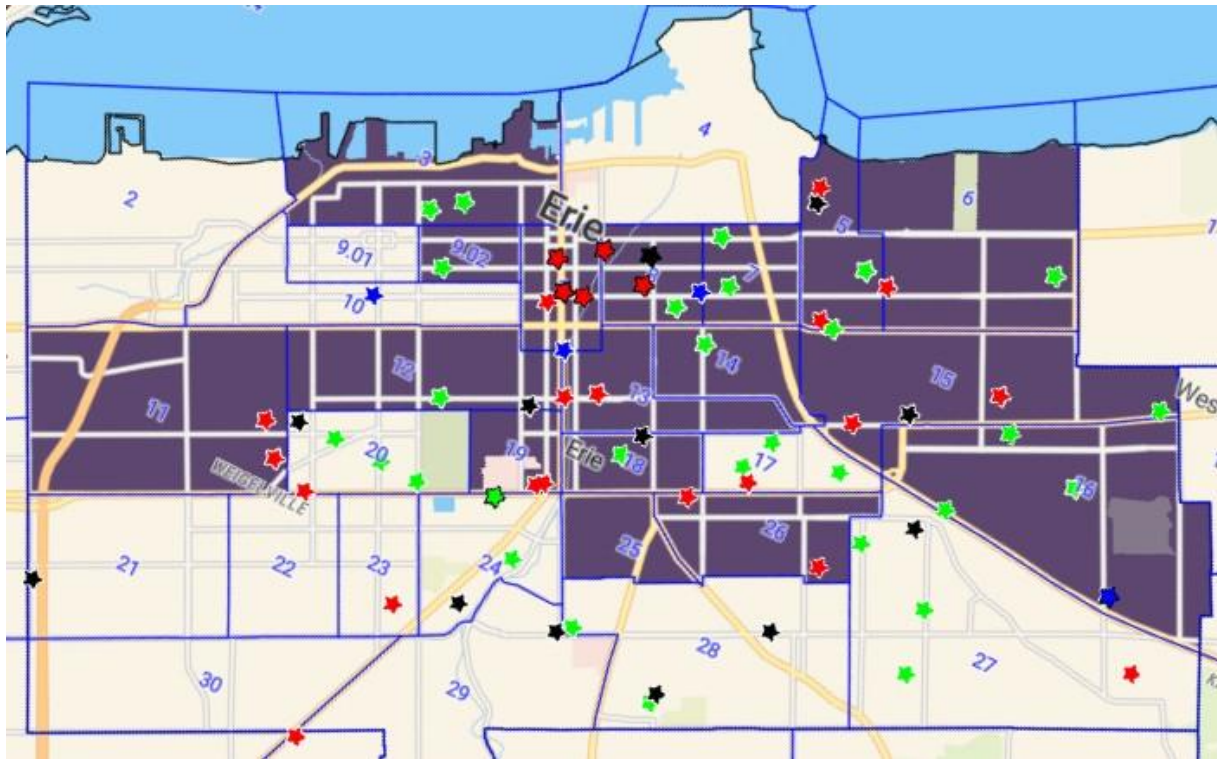
Proposals or work elements with an emphasis on federally protected classes that were disproportionately impacted during the pandemic are acceptable regardless of location.

There are four criteria to determine if projects will be considered targeting economically disadvantaged communities. Projects taking place in these geographic areas do not need justification in terms of reaching disadvantaged populations.

1. In HUD Qualified Census Tracts (QCT); (Figure 1)
2. Where primary beneficiaries earn less than 60% of median income for Erie County; (Figure 2)
3. Where 25% of the primary beneficiaries are below the federal poverty level; (Figure 3) or
4. In Erie County Census Block Groups where 50% of Households make less than \$35,000 (Figure 4)

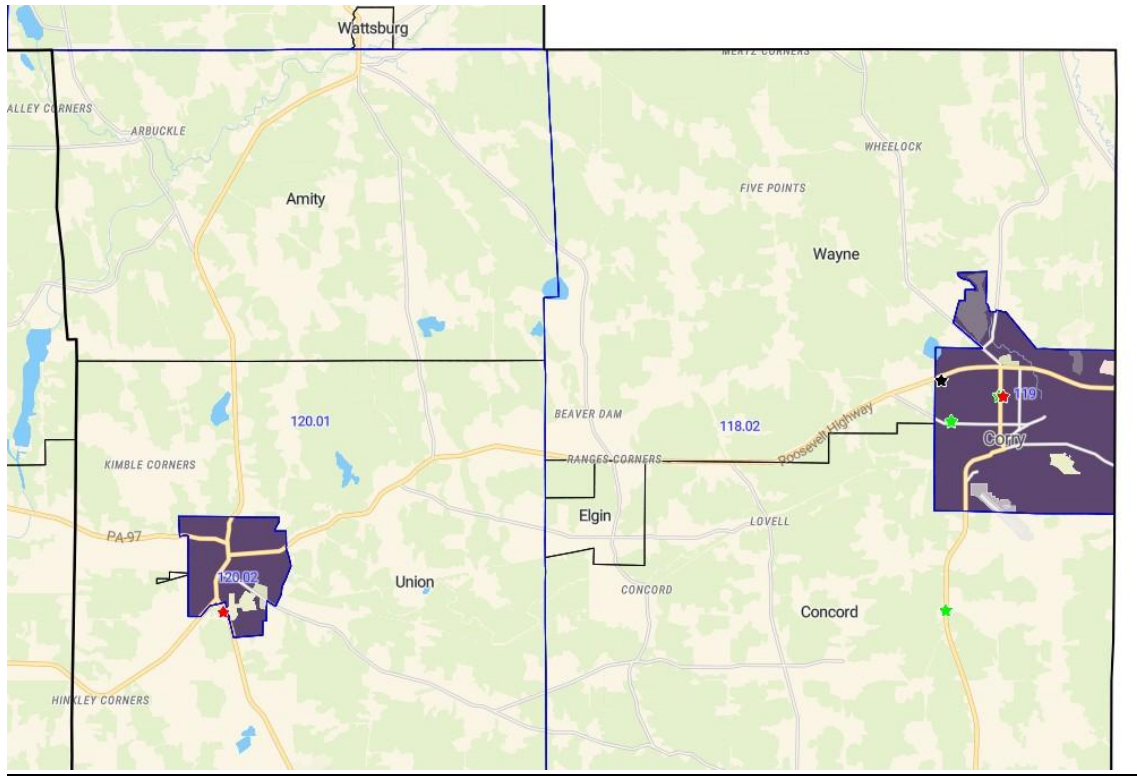
The following maps generally illustrate the location of the Census Tracts or Census Block Groups which fall into the county parameters. Projects and programs are not restricted to these locations.

Figure 1 - HUD Qualified Census Tracts (OCT) in the city of Erie (2024)



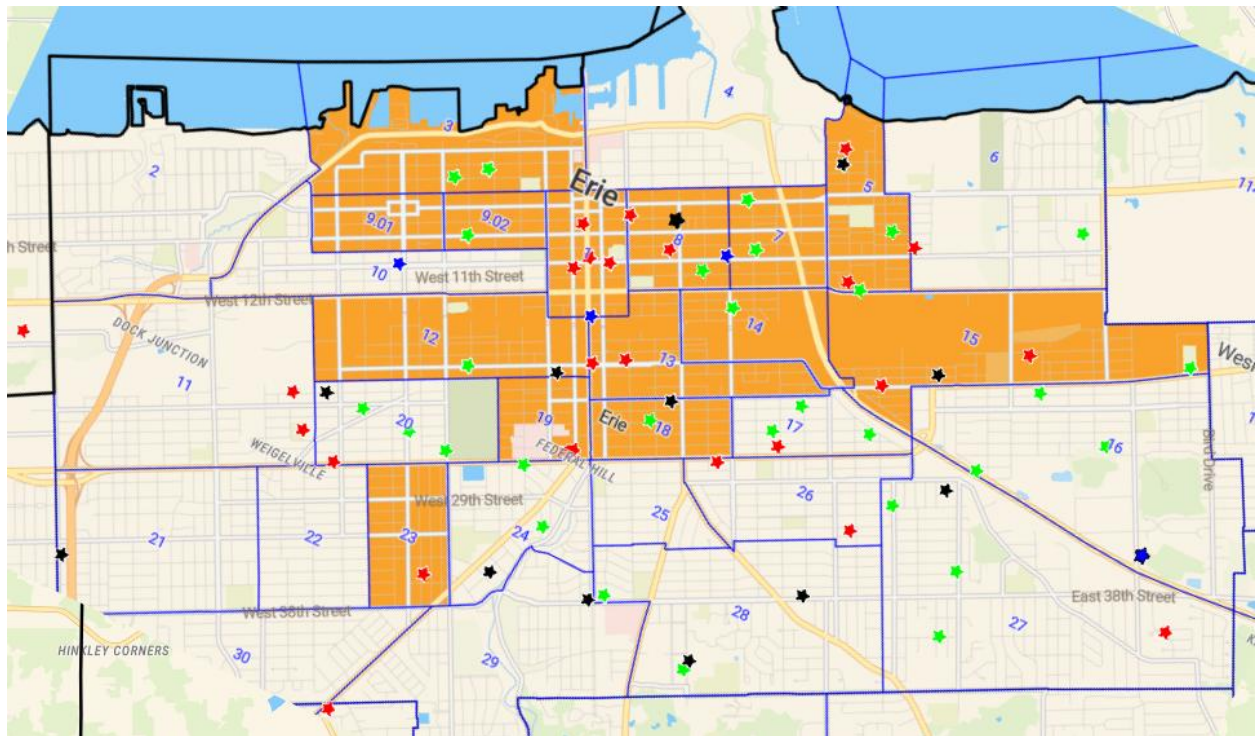
STAR 4 daycare centers represented by red stars.
STAR 3 daycare centers represented by blue stars.
STAR 2 daycare centers represented by green stars.
STAR 1 daycare centers represented by black stars.

Figure 1 - Other HUD Qualified Census Tracts (OCT) in Erie County (2024)



STAR 4 daycare centers represented by red stars.
STAR 3 daycare centers represented by blue stars.
STAR 2 daycare centers represented by green stars.
STAR 1 daycare centers represented by black stars.

Figure 2 - Erie County Census Tracts with Median Family Income less than 60%



STAR 4 daycare centers represented by red stars.
STAR 3 daycare centers represented by blue stars.
STAR 2 daycare centers represented by green stars.
STAR 1 daycare centers represented by black stars.

Figure 3 - Erie County Census Block Groups with over 25% of Families Living in Poverty

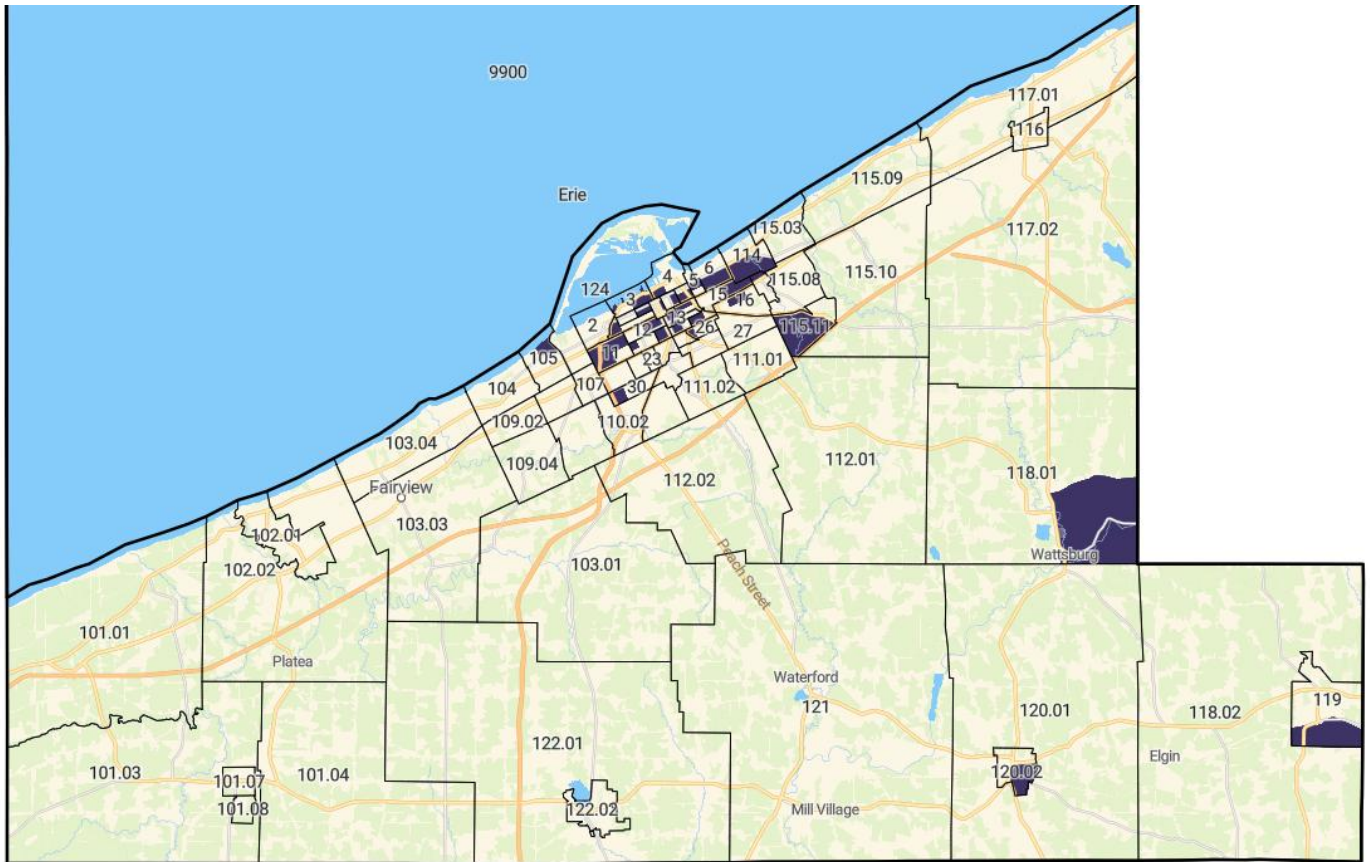
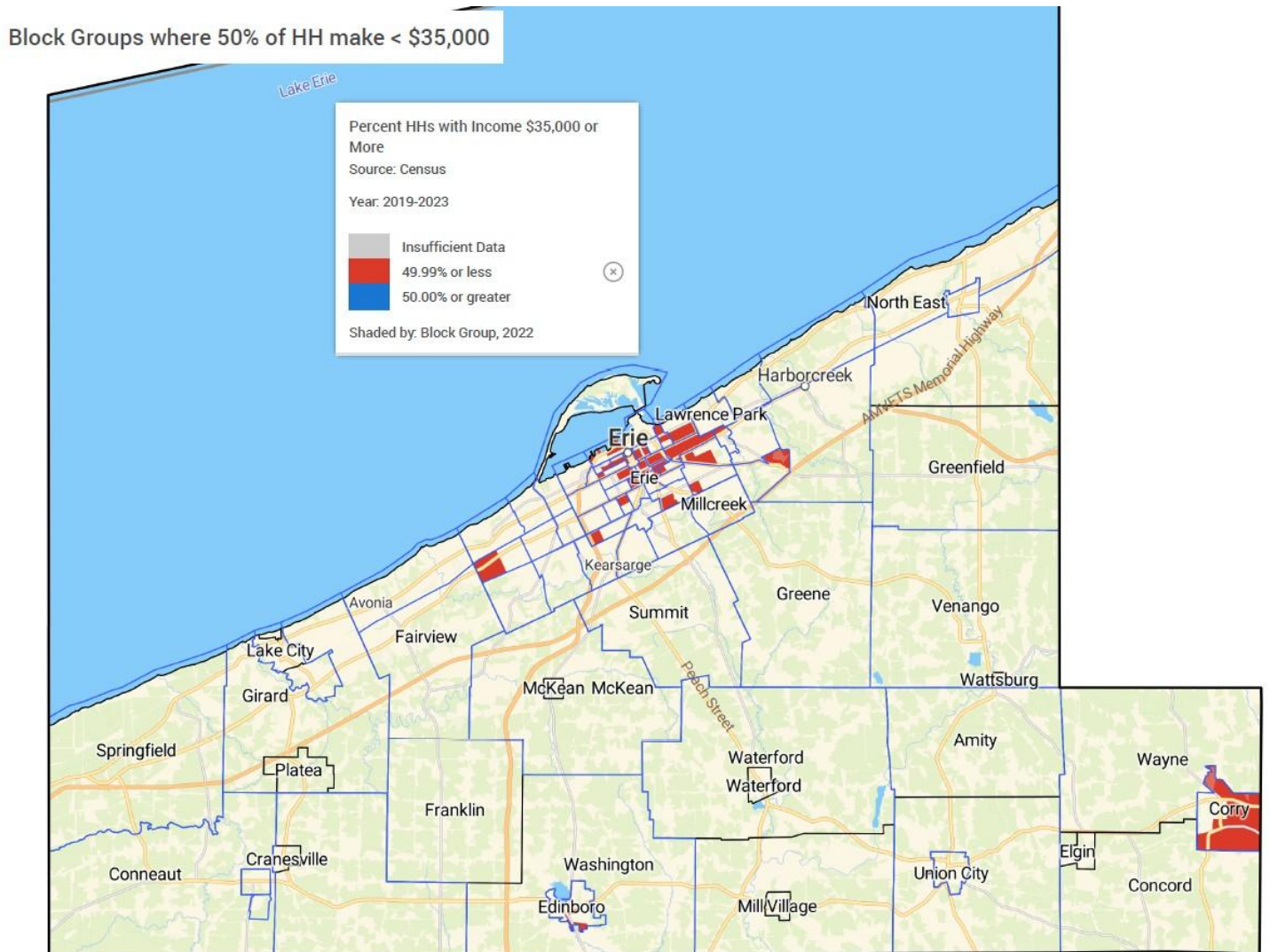


Figure 4 - Erie County Census Block Groups where 50% of Households make less than \$35,000.



Section II. Program Guidelines

Purpose

This program is designed to support Early Care and Education (ECE) programs in Erie County. The program focus is on Department of Human Services (DHS) Early Care and Education (ECE) programs serving vulnerable or at-risk populations. If there are available funds, they may be awarded to programs who have Pre-K Counts (PKC), Head Start and Head Start State Supplemental (HS & HSSP), Early Head Start (EHS), and/or Private Academic Pre-School (PDE) certification. Provider must be STAR 2, 3, or 4, or equivalent at time of application. Pre-K counts is considered STAR 4 equivalent.

Basic Applicant Eligibility and Requirements

- The provider must be designated at and meet all Keystone STARS Performance Standards associated with a STAR 2 (or higher) designation or equivalent as of July 1, 2025.
- It is expected that the provider is making a commitment to maintain the awarded STAR designation. If a provider moves down to a STAR 1 prior to payment, the provider will no longer be eligible to receive a grant.
- The provider must hold a regular Department of Human Services (DHS) Certificate of Compliance. If a provider has a Provisional Certificate of Compliance, award funds may be available upon return to a full DHS Certificate of Compliance. PKC, HS, HSSP, EHS, or PDE certification may apply and will be awarded based on available funding.
- The provider must have an agreement with Child Care Works (CCW) through the Early Learning Resource Center (ELRC). Furthermore, the provider must be willing to enroll a child who qualifies for subsidy, if space is available.
- Providers who have liens/liabilities to the commonwealth and/or federal government, including tax liabilities, filed against them (not UCC-1 filings) will not be able to receive grants and awards until those liens/liabilities are fully satisfied and the program provides the ELRC a clearance certificate issued by the Department of Revenue. Clearance certificates can be obtained at the provider's local tax office.
- Applicant must be located in Erie County
- Applicant must align proposed projects and programs with priorities and recommendations identified by Positioning Erie To Prosper and Compete (2024), Child Care Crisis in Erie testimony (2024), as well as any other relevant existing community plans.
- Other American Rescue Plan (ARPA) funding may not serve as match.
- Applicant must adhere to contemporary practices/policies with regards to diversity, equity, and inclusion and reflect the spirit and intent of Erie County's Diversity Commitment Statement (Appendix B.)

Right to Know Law

Federal funding and local share gaming revenue (State funding) is being used as a source for the program funding. As such, Erie County, the U.S. Department of the Treasury, or their authorized representatives shall have right of access to records of the grantee to conduct audits or other investigations. Grantee records including the grant application, may be subject to disclosure under Pennsylvania's Right to Know Law.

Section III. Eligibility

Eligibility Criteria

- Applicant's daycare is located in Erie County, Pennsylvania.
- Applicant is in good standing with the IRS and state and local taxing bodies.
- Applicant is in good standing with ECGRA's reporting requirements to date.
- Applicant is current on payment of any mandated workers compensation, payment of unemployment or other required employee related insurances, and real estate taxes.
- A daycare entity may submit proposals for multiple facilities.
- Applicant must either own or lease property to be improved.
- Pass through grants are not permissible.
- Eligible grant or match costs can include expenses incurred beginning 1/1/2025

Eligible Uses of Funds

- Administration costs (Maximum of 15% of grant award.)
- Materials, equipment, supplies
- Contracted services (e.g. Design)
- Personnel costs such as training and clearance checks
- Software
- Construction – **see Appendix for policy on Prevailing Wage**
- Permit fees

Ineligible Uses of Grant Funds

- Advocacy
- Conference attendance
- Debt service
- Fundraising
- Memberships/subscriptions
- Research
- Travel
- Awards
- Meals
- Flowers
- Food/drink
- Executive/Board Insurance
- Personal cell phone
- Gifts

Section IV. Budget Form & Cash Match

Each application shall be complete in its entirety in order to be eligible. It will also demonstrate the following in the form of a budget:

- Requested amount from ECGRA
- Your agency contribution in the form of cash (do not list in-kind)
- Other agency or funder contribution – include source, cash only
- Total project or programming cost – cash only
- A 1:1 cash match.

The following are generally considered cash-match contributions:

- Cash contributed by your organization
- Equipment or supplies to be purchased by your organization for project, program, or event activities
- Paying for an event brochure and/or its dissemination
- Grants from other government agencies or foundations (not gaming funds)

The following are generally considered in-kind contributions:

- Personnel time given to the project
- Person on loan from another organization
- Use of existing equipment or supplies
- Use of existing laboratory equipment or facilities
- Waived or unrecovered indirect cost amount
- Office space

Section V. Approval Process & Terms

Application Assistance

Application for ECGRA Community Assets Grants shall be completed online at <https://www.grantinterface.com/Home/Logon?urlkey=ecgra>.

Program inquiries should be directed to:

Tom Maggio
ECGRA Grants Manager
(814) 897-2694
tmaggio@ECGRA.org

Pre-approval Process

Receipt: Upon submission of the application and required supporting material, ECGRA staff, working with the ECGRA board of directors' review committee, will determine eligibility.

Review: The review committee will evaluate the application and determine if it meets the required parameters outlined by the board.

Approval: ECGRA's board of directors will receive funding recommendations from the review committee.

Notification: ECGRA will notify all applicants via email.

Post-approval Process

Following approval by the ECGRA board of directors, the executive director will issue a letter of agreement, which must be electronically signed by an officer of the organization within 30 days of the date of said letter. The agreement may detail additional requirements with which the grantee must comply, including but not limited to project audit, financial grant closeout report, maintenance of records, public relations, and any other information the board or staff deem relevant.

The grant contract agreement and any subsequent amendments will not be executed until all of the following have been resolved to the satisfaction of the executive director:

- The grantee must be in compliance with ECGRA's policies on audits relative to the submission of closeout reports on any previous contracts with ECGRA, regardless of the program or funding source.
- The grantee must provide all supplemental documentation requested by ECGRA.
- The grantee must be in compliance with IRS reporting standards.
- The grantee must be current in payment of all federal, state, and local taxes unless it has entered into an agreement satisfactory to the respective taxing authority and is fully in compliance with the terms thereof.
- The grantee must not discriminate against any employee or against any applicant for employment because of race, religion, color, handicap, national origin, age, or sex.

After the grant agreement has been fully executed and the proper documentation provided to ECGRA, the payment to the grantee will be made by check.

ECGRA will monitor the activities of the applicant and the grant contract agreement to ensure that the grantee fulfills the conditions of the grant. This may include a site visit or random audit of income and

expenses. Upon request and as required by the agreement, the grantee must furnish ECGRA with all data, reports, contracts, documents, and other information relevant to the activities of the applicant.

Contract Terms

- Grant contracts for Community Assets Grants funding shall be for a period of 12 months.
- One (1) option to extend the terms of the contract for a period of six (6) months may be granted by ECGRA. Detailed, written justification for the contract extension shall be submitted to ECGRA for review and consideration. Extensions are not automatic.
- If the funds allocated to the applicant are not expended on or before the expiration of the grant contract, including the extension period, the unused portion of funds shall be returned to ECGRA.

Closeout Requirements

- All recipients of funds are required to submit an online closeout report at <https://www.grantinterface.com/Home/Logon?urlkey=ecgra> quantifying the progress toward accomplishing approved deliverables.
- Closeout reports are due no later than 12 months after the grant agreement is signed.
- All grant recipients will be required to submit financial documentation as part of the online closeout report which includes invoices and proof of payment.
- **Non-compliance** with these requirements may prevent the grantee from obtaining funding or payment from any ECGRA grant program and/or funding from ECGRA's programmatic partners.
- If it is determined that the grantee provided any material misrepresentations or that funds were used for activities not permitted under the terms of the grant contract agreement, the grant contract agreement will be considered in default and immediate repayment will be demanded. In addition, the matter may be referred to the appropriate authorities for investigation.
- The provider must retain original documentation for all award expenditures for seven years and ensure the documented amounts match total expenditures as reported on the respective budget form. Non-compliance will result in grantee being ineligible for future grants.

ARPA Reporting Requirements

ECGRA must submit quarterly reports to Erie County. Grantees will need to furnish the following information each quarter:

1. Number of households served
2. Number of children served
3. Race, ethnicity, gender, and income level of families supported.

Section V. 2025 Grant Schedule

- June 1, 2025 – Grant application opens
- July 31, 2025 – Applications must be submitted by midnight
- July 17, 2025 – ECGRA's board of directors will make the final review and approve funding recommendations
- August 1, 2025 – last day to submit signed agreement letter
- July 31, 2026 – last day to submit a closeout report online

Appendix A. Pennsylvania Prevailing Wage Act Summary

Summary of Applicable Provisions of the

PREVAILING WAGE ACT

43 P.S. §§ 165-1 et seq

34 Pa. Code §§ 9.101 et seq

The Prevailing Wage Act (the “Act”), 43 P.S. §§ 165-1 et seq., and the various laws and regulations governing the Act apply to Public Works projects funded by the Erie County Gaming Revenue Authority (“ECGRA”). A Public Work is defined as including construction, reconstruction, demolition, alteration and/or repair work other than maintenance work, done under contract and paid for in whole or in part out of the funds of a public body where the estimated costs of the entire project exceed **\$25,000**.

ECGRA fund recipients shall require their contractor, if any, and contractors shall agree to require their subcontractors, to comply with the Act and the associated laws and regulations issued pursuant thereto.

Wage rates paid workmen employed in the Work shall not be less than the rates determined in the applicable wage rate determination by the Secretary of Labor and Industry for the Commonwealth of Pennsylvania and no workmen may be employed in the Work except in accordance with the classifications in Secretary’s determination.

The recipient of ECGRA funds shall be required to obtain the aforementioned public wage minimum rate determination prior to drafting project specifications or engaging in a contract with a contractor on a Public Work project.

Workmen employed or working in the Work shall be paid unconditionally, regardless of whether a contractual relationship exists or the nature of the contractual relationship. Payments shall be at least once a week and be the full amounts due at the time of payment, computed at the rates applicable to the time worked in the appropriate classification, without deduction or rebate, on any account, either directly or indirectly, except authorized deductions.

The contractor and each subcontractor shall post, for the entire period of construction, the wage determination decisions of the Secretary, including the effective date of changes thereof, in a prominent and easily accessible place or places at the site of the Work and at the places used by them to pay workmen their wages. The posted notice of wage rates shall comply with the requirements of the Pennsylvania Code, Title 34.

The contractor and subcontractor shall keep an accurate record showing the name, craft or classification, number of hours worked per day and the actual hourly rate of wage paid, including employee benefits, to each workman employed by him in connection with the Public Work. The record shall include deductions from each workman. The record shall be preserved for two (2) years from the date of payment and shall be open at reasonable hours to the inspection of ECGRA and to the Secretary of the Department of Labor and Industry or his authorized representatives.

Apprentices shall be limited to the numbers in accordance with a bona fide apprenticeship program registered with and approved by The Pennsylvania Apprenticeship and Training Council and only apprentices whose training and employment are in full compliance with the Apprenticeship and Training Act (43 P.S. §§ 90.1 – 90.10), as approved July 14, 1961, and the regulations issued thereto, shall be employed on the Public Work project. A workman using the tools of a craft who does not qualify as an apprentice shall be paid the rate predetermined for journeymen in that particular craft or classification.

Payment of compensation to workmen for work performed on a Public Work in a lump sum basis, or a piece work system, or a price certain for the completion of a certain amount of work, or the production of a certain result shall be deemed a violation of the Act and associated regulations, regardless of the resulting average hourly wage.

Each contractor and subcontractor shall file a statement each week and a final statement at the conclusion of the work with the recipient of ECGRA funds, under oath and in a form satisfactory to the Secretary of the Department of Labor and Industry, certifying that workmen have been paid wages pursuant to the contract and the Act, or if wages remain unpaid, to set forth the amount of wages due and owing to each workman respectively.

The provisions of the Act, and its associated regulations shall be incorporated by reference in each contract.

This document is provided solely for informational purposes only and is not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to compliance with the Prevailing Wage Act. Use of this document does not create an attorney-client relationship between the user and legal counsel to ECGRA.

Appendix B. Erie County Statement Regarding Diversity, Equity, and Inclusion

Erie County Diversity Commitment Statement

Erie County government values the power of diversity. Our goal is to develop an inclusive workforce that will uphold racial equity, support the diversity of employee experiences, and include unique perspectives. Through our commitment to inclusion and diversity, Erie County will provide repeated opportunities for training and professional development that will support on-going positive change. We affirm a zero-tolerance attitude toward any form of discrimination. We pledge to maintain our mission to promote justice and equity in the community we serve.

Defined Diversity, Equity, and Inclusion for Erie County

Diversity is simply the presence of differences. Diversity is achieved when we ensure that the county employs and engages individuals at a level that reflects the population it serves.

Equity is promoting fairness (not a one size fits all approach) providing as much as possible to support individual needs. Equity exists when current and future employees have access to opportunities necessary to satisfy essential needs and advance their well-being and achieve their full potential as a county employee.

Inclusion is creating a space where all diversities are empowered to contribute to decision making. Inclusion occurs when the structures and practices that support employees make them feel welcomed, affirmed, and respected across the county system.