Early Education and Care Provider Capital Grant Program Information Session

FY24 Small Grant Round for For-Profit Centers

November 30, 2023

MASSACHUSETTS Department of Early Education and Care

Early Education and Care Provider Capital Grant (EECPCG)

Made possible by the MA state fiscal year 2024 (FY24) budget, which includes $15 million for capital grant improvements for early education and care.

- The EECPCG will provide grants to for-profit centers, which shall use such grant funds to develop and/or rehabilitate eligible facilities in which at least 50% of the slots in the facility shall serve low-income families who are eligible for public subsidy.

- The Department of Early Education and Care (EEC) anticipates that $7.5 million will be available for EECPCG grants during this round.

Information Session

- **EEC & CIF Zoom webinar info sessions for for-profit centers:**

  - November 30, 2023 – 11AM and 6:30PM

- **Purpose of the information session:**

  1. Discuss application process and grant conditions;

  2. Describe timeline; and

  3. Questions and Answers

Administration of the EECPCG

- EEC designated Community Economic Development Assistance Corporation (CEDAC) to administer the EECPCG Program.

- Children's Investment Fund (CIF), which is affiliated with CEDAC, provides technical assistance and financing to ECE & OST facilities across MA.

- This round will award small grants ($200K - $500K) to for-profit center-based programs

Eligible Facility

As outlined in the guidelines:

Eligible Facilities include sites that:

- Comply with M.G.L. c. 15D and all regulations and policies adopted thereunder;

- Comply with all other applicable Federal, State and Local statutes, regulations, and ordinances, including but not limited to the Americans with Disabilities Act (ADA) and the Massachusetts State Building Code (SBC), as may be amended from time to time;

- Serve at least 50% low-income families <u>as of the date of the EECPCG application</u>

Eligible Applicants

- License in good standing from EEC

- Serve at least 50% low-income families <u>as of the date of the EECPCG application</u>

- For-profit licensed Large Group and School Age Child Care Programs as defined in 606 CMR 7.00. Other entities such as family child care, municipalities, public school districts, or public colleges or universities, are not considered Eligible Organizations.

- None of the individuals at the organization can profit, in any way, from EECPCG Capital Fund assistance.

Eligible Facility (continued)

As outlined in the guidelines:

- If a building, structure, or site is leased, then the leased facilities shall have a lease term that is consistent with the scale of the capital investment, but shall not be less than 5 years;

- If a building, structure or site is or will be a municipally owned building that dedicates a single purpose space for licensed early education or out of school time programs, then the lease must be for not less than 5 years

Obligation

The grant agreement will include language regarding a Land Use Obligation that ensures continued use of the property for Large Group and/or School Age Child Care for specific term:

- For all program sites whether leased or owned: 5 years

The obligation may be released under the following condition(s):

- Upon completion of the grant term

- If a project were to be foreclosed on by a mortgage holder of a bona fide first mortgage

- With EEC's consent

- In the event of a grant recapture

Recapture (Repayment) Provisions

Compliance will be determined at the sole discretion of EEC.

- If for any reason the Grantee fails to comply with the terms and provisions of the Grant Agreement, CEDAC/CIF or EEC will recapture the grant funds according to the schedule provided in the EECPCG Guidelines.

Recapture (Repayment) Provisions

- if the Event of Default occurs on a date that is on or before the first anniversary of the Completion Deadline, 100% of the Grant proceeds shall be recaptured and repaid to Grantor;

- if the Event of Default occurs on a date that is after the 1st anniversary, but on or before the 2nd anniversary of the Completion Deadline, 80% of the Grant proceeds shall be recaptured;

- if the Event of Default occurs on or before the 3rd anniversary of the Completion Deadline, 60% of the Grant proceeds shall be recaptured;

- if the Event of Default occurs on or before the 4th anniversary of the Completion Deadline, forty percent 40% of the Grant proceeds shall be recaptured;

- if the Event of Default occurs on or before the 5th anniversary, of the Completion Deadline, 20% of the Grant proceeds shall be recaptured;

and/or

- if the Event of Default occurs after the 5th anniversary of the Completion Deadline, none of the Grant proceeds shall be subject to recapture and repayment.

FY24 Round – Key Notes

- The program is focused on projects that address health & safety, emergency repairs, and security upgrades

- Organizations whose projects are 100% complete at the time of the application cannot apply for EECPCG funding for reimbursement

- Applicants can apply for multiple sites but will be required to submit an individual application for each site.

FY24 Amount of Grant Award

EECPCG Funds are Grants that:

- Range from $200,000 and $500,000 per project

- Can fund the entire cost of a project

If applicants identify funding sources in addition to EECPCG grants to pay a portion of the project costs, they must be in place at the time of the application (January 23, 2024).

Organizations whose projects are 100% complete at the time of the application cannot apply for EECPCG funding for reimbursement.

➢ If a component of your ongoing project has already been completed, please be sure to attach invoices and details on what has been completed and when.

Project Requirements

- **Project Readiness: Ready projects are those that demonstrate they will have the ability to complete a full financial closing and start construction by March 31, 2025**

    - Any additional funding needed must be in place at the time of application (January 23)

    - Complex projects (i.e. those involving construction, HVAC replacement) need to have been already working with a real estate development team and be far along in the process in order to be competitive

Eligible Grant Uses

Category One: Capital Improvements to Outdoor Play Spaces
- Surfacing
- Play Equipment
- Site Engineering, including drainage and other site issues
- Improving Accessibility

Category Two: Improvements to Air Quality Through Investment in Heating, Ventilation and Air Conditioning (HVAC) equipment and Windows
- HVAC System Improvements or upgrades, including replacement or repair of existing components or installation of a new system.
- Particular items include the addition of air handlers to increase fresh air intake and installation, improvements to increase the Minimum Efficiency Reporting Values (MERV) filtration of existing systems, etc.
- Installation of a Dedicated Outside Air Unit/System
- Windows: repair or replacement to ensure windows are operational

Category Three: Reconfiguration of indoor spaces including classrooms, gross motor rooms, and bathrooms.
- Conversion of existing space to newly licensed space
- Installation or purchase of sinks (permanently plumbed)
- Replacing surfacing (flooring, countertops) and other hard-to-clean surfaces.
- Creation of new, or improvement to existing restrooms

Eligible Grant Uses (continued)

Category Four: **Emergency repairs that impact the health and safety of occupants including roof replacement, upgrading electrical, and life safety systems. IT upgrades will not be considered.**

- Roof repair or replacement, or other building envelope improvements
- Upgrades of fire protection system and other life safety systems (alarms, automatic doors, sprinkler installation)
- Upgrades of electrical or other building systems
- *Information technology (IT) upgrades or purchases will not be considered, including computers, tablets, software, or other technological upgrades and purchase of IT equipment. Classroom supplies and cleaning materials will also not be eligible for consideration.*

Category Five: **Physical environment modifications including accessibility or other improvements to support inclusion of children and adults with special needs**

- Mobility ramps
- Automatic Door Openers
- Elevator improvements
- Sensory and/or inclusionary classroom or outdoor play improvements

Eligible Grant Uses (continued)

Category Six: **Security enhancements to prevent and respond to potential threats, such as active shooters, including but not limited to the installation of security cameras and access control systems**

- Secure exterior doors integrated into a building-wide security system
- Dedicated entry for child care program with greeters
- Visual communication/intercom systems with external visitors
- Key fobs/keypads and other access controls for families and staff entry

Grant Timetable and Disbursement

- EECPCG funds will be disbursed after the grantee closes on the grant. The EECPCG funds will be disbursed on a reimbursement basis for expenses relating to the project incurred as of January 1, 2023.

- Grantees are fully responsible for legal costs incurred to close on EECPCG grant, typically $5,000 for the EECPCG attorney **in addition to** the expense for the applicant's counsel.

- All projects must complete a full financial closing and start construction by March 31, 2025.

- The EECPCG program will cover the expense of a construction manager to monitor construction; this expense should be included in your project budget if applicable

Development Team

All projects entailing any kind of construction must assemble an experienced and competent team to ensure the project can be successfully completed.

Depending on the project's complexity, the development team may include an architect, mechanical engineer, project attorney, and/or construction manager, who must be already engaged at the time of the application.

For example, projects that are moving walls, replacing an HVAC system, or doing major site work must have a project team that includes a construction project manager, engineer, architect, etc. to oversee the development, renovation or construction of the project and ensure the project is built to the plans.

The Application

Please review the Procurement Information document posted on COMMBUYS to determine whether your proposed project meets all the criteria.

Please complete the Application Checklist and submit with the Application. If the application is missing any of the attachments at the time it is filed with EEC, the application will be ineligible for EECPCG consideration.

EEC shall receive all grant applications by **January 23, 2024 at 11:59PM**. EEC will conduct a preliminary review to determine whether each Eligible Facility has a license in good standing with the Department and is in financial good standing with the Department.

Copies of all eligible applications will then be transmitted by EEC to CEDAC/CIF for review and evaluation.

The Application (cont'd)

- **Grant Application Due Date: January 23, 2024 - 11:59 PM**

    1. Answer all questions as completely as possible and ensure that all items on the checklist are submitted with the application, since incomplete applications will not be considered.

    2. Review the EECPCG Application Checklist.

    3. Questions after today's session are to be sent by e-mail to EECPCG@mass.gov by December 7, 2023 at 4:00 PM.

    4. EEC expects to post responses to written questions, and to the questions raised at the Information Sessions, on COMMBUYS or around December 21, 2023.

    5. Submit all application documents via email to EECPCG@mass.gov.

        » EEC will send an automated confirmation for all emails that are received. This does not indicate that the application is complete; just that it was received.

    6. We are not requiring the mailed submission of the Cover Page. Please sign it, scan it, and email it with the rest of your application on January 23.

    7. Applications received after the deadline will not be considered.

    8. For those applications that are deemed eligible, CIF will reach out to schedule a virtual meeting to review the specifics of the application.

Grant Review Score Sheet (Application)

Criteria	Maximum Points Available
1. Accurate Presentation/Documentation of Project Costs	**25**
2. Readiness and Feasibility	**25**
3. Financial Stability	**10**
4. Social Vulnerability Index (SVI) Adjustment	**7**
4. Preferences	**<u>33</u>**
TOTAL	**100**

Preferences

<u>Preference will be given to Eligible Projects that reflect:</u>

1. A balanced geographic plan that includes projects in different parts of the state, with emphasis given to the Central Massachusetts Region and Cape Cod and the Islands

2. Facilities where at least 80% of the site's enrollment (as of 1/23/24) is for low-income families receiving public subsidy.

3. Programs serving one or more of EEC's Priority Populations (homeless children, families in supportive child care (children with open DCF cases), or young parents)

4. Organizations that are a "small agency," as defined by the U.S. Small Business Administration for child and youth services with a total organizational budget of less than $15.5M.

5. Project addresses accessibility for individuals with special needs.

6. Location within a Gateway City.

Preferences

<u>Preference will be given to Eligible Projects that reflect:</u>

7. Solicitation and/or participation of businesses certified by state Supplier Diversity Office (SDO) and participants in the Supplier Diversity Program (SDP), including construction companies or development team members, as part of the project team.

8. Applications will also be scored according to the project site's Social Vulnerability Index score.

Timeline – FY24

Written questions submitted to EEC   December 7, 2023, 4PM

Answers posted on COMMBUYS   December 21, 2023

Application Deadline   January 23, 2024, 11:59PM

EEC/CIF Review   February - May 2024
(Including virtual site visits for eligible applications)

Target for Award Announcements   July 2024

Deadline for Starting Construction   March 31, 2025

Appendix A: Development Budget

	A	B	C D E F	G	H	I
1	Section 1 DEVELOPMENT BUDGET: Please indicate the costs associated with each of the following five categories for your project. Please only include hard costs (construction costs). Soft costs (consultant costs, testing, etc) should be included in the next tab, "2. Sources and Uses." Therefore, the costs listed in Tab 1 will be less than the total project costs noted in Tab 2.					
2						
3	COST OF IMPROVEMENTS	BRIEF DESCRIPTION		TOTAL COST of COMPLETED WORK As of the Date of this Application	TOTAL COST of WORK TO BE COMPLETED	Totals of ALL WORK
4	Category One: Capital Improvements to Outdoor Play Spaces					
5	Surfacing					$ -
6	Play Equipment					$ -
7	Site Engineering					$ -
8	Other:					$ -
9	Other:					$ -
10	Other:					$ -
11						
12	Category Two: Improvements to Air Quality Through Investment in Heating, Ventilation and Air Conditioning (HVAC) equipment and Windows					

< > ≡ **1. Development Budget**   2. Sources and Uses   3. Site Enrollment   +

	A	B	C	D
1	Section 2 SOURCES & USES BUDGET: List the funding sources you will seek for this project (right-hand side), as well as all costs associated with the project (left-hand side). On the left-hand side, please include all hard costs (construction) as well as soft costs (consultant costs, testing, legal, and other costs).			
2				
3	SOURCES AND USES			
4				
5	Uses	Amount	Sources	Amount
6	Hard Costs:			
7	Construction		Long Term Debt	
8	Construction Contingency (10% - 15% of hard costs)		Source 1:	
9	Bond & Permits		Source 2:	
10	Soft Costs:		Organization's Internal Equity	
11	Consultant Costs:		Federal Funds	
12	Design / Architect		Head Start	
13	Engineering Costs			
14	Project Mangement Costs		Other (specify:)	
15	Construction Management Costs		State Funds	
16	EECPCG attorney legal closing costs	$ 5,000	EECPCG Request (between $200,000 and $500,000)	
17	Organization attorney legal closing costs		Other (specify:)	
18	Environmental Testing Costs		Local Funds	
19	Hazardous Materials Testing Costs		Other (specify:)	
20	Furniture, Fixtures and Equipment		Private Funds	
21	Other:		Foundation Grants	
22	Other:		Corporate Giving	
23	Other:		Individual Giving	
24	Total Uses:	$ 5,000	Other (specify:)	
25				
26			Total Sources:	$ -

Appendix C: Slot Subsidy Data

Please fill in the following chart for the **PROJECT SITE as of the date of the application**.

Section 3 ENROLLMENT/SLOT CHARTS

Please count one slot as an individual child in these charts, even if that child attends part-time. If "total current slots" exceeds licensed capacity because of part-time children, please add a note here.

Chart 1: Project Site Enrollment as of date of the application:

Age Groups Served	Infants	Toddlers	Preschool	Out-of-School Time	Totals
1. Licensed Capacity					0
2. Current public subsidies slots (EEC + Head Start) filled					0
3. Current discounted slots filled					0
4. Current private pay slots filled					0
5. Total current slots filled (#2+#3+#4)	0	0	0	0	0
6. % of total slots on public subsidy (#2 divided by #5)		#DIV/0!		#DIV/0!	#DIV/0!

Appendix D: Eligibility for other public subsidies

Chart 2: Other Public Subsidies Site Enrollment as of the date of the application

Please fill in the following chart for children in your program who receive OTHER PUBLIC SUBSIDIES as of the date of the application but are not currently in an EEC or Head Start subsidized slot. Please count each child only once. ***Fill out this chart only if your enrollment as of the date of the application demonstrates subsidy slots representing less than 50% of total enrollment.***

Children (family) receiving another public subsidy including:

- Transitional Aid to Families with Dependent Children (TAFDC)
- Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) Benefits
- Supplemental Nutrition Assistance Program (SNAP) or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- In Section 8 housing or on the waitlist for Section 8 housing subsidy
- Low Income Home Energy Assistance Program (LIHEAP)
- MassHealth / Medicaid and/or Children's Health Insurance Program (CHIP)
- Family claiming Earned Income Tax Credit
- Homeless Families
- On the waitlist for an EEC subsidy or for Head Start

Children (family) eligible for another public subsidy	Infants	Toddlers	Preschool	Out-of-School Time	Totals
Total number of children whose familes are eligible for public subsidy and not currently receiving child care via a Contract Slot or Voucher*					0

*You must have documentation available for families receiving other public subsidies and be able to document the subsidy, if awarded the grant, and maintain on file each year for the term of the grant.

For technical assistance regarding the real estate development aspects of your project, the Children's Investment Fund team can be reached at EECPCG@childrensinvestmentfundma.org This technical assistance cannot be about specific EECPCG application questions or requirements. Those questions should be directed to EECPCG@mass.gov and must be submitted by 4:00 PM on December 7, 2023 and answers will be posted on or about December 21, 2023.