



Childcare Economic Development Program

Grant Request for Proposal (RFP)

Minnesota Department of Employment and Economic Development

Office of Child Care and Community Services

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January 27th, 2026

To obtain this information in a different format, call: 651-259-7578

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Request for Proposals (RFP) Part 1: Overview

Office of Childcare and Community Services

This is a competitive funding opportunity through the Department of Employment and Economic Development's Office of Childcare and Community Services.

Accessible quality childcare is critical for not only strong child development, but also the economic stability of families and communities. Investing in Minnesota's communities opens doors for families, employers, businesses, and community organizations that need childcare to thrive, so their community and economy can thrive. The Office of Childcare Services supports and promotes the expansion of quality childcare statewide and accessibility to childcare for underserved communities – because Minnesota's families deserve equal access to high quality, affordable childcare and early education.

Grant Overview

- Grant Name: Child Care Economic Development Program
- <https://mn.gov/deed/business/financing-business/deed-programs/child-care/>
- Open for Applications: January 30th by 12 p.m.
- Application Due Date: March 13th by 4:00 p.m. central

The Department of Employment and Economic Development (DEED), through its Office of Childcare and Community Services, is seeking proposals from qualified responders to receive grants to be used to implement solutions to reduce the childcare shortage in the state including but not limited to funding for childcare business start-ups or expansion, retention and long-term sustainability of current child care programs, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements.

Priority will be given to projects that:

- Seek funds to make sustainable one-time investments in human and/or physical capital that results in new supply of childcare beyond this one-time funding opportunity.
- Can demonstrate the long-term sustainability of their business model.
- Are located in communities that have a documented shortage of childcare providers in the proposed project area.
- Demonstrate collaborations and/or partnering among private-sector employers, public and non-profit organizations within a specific geographic area and/or between or among proximate geographic areas.
- Can demonstrate the ability to complete the project within the grant timeline.

Unless otherwise exempted, recipients must obtain cash or in-kind contributions totaling at least 50 percent of their requested state funds. Proposal budgets must include the amount and source of matching funds. Proposals that leverage a higher percentage of non-state matching funds to state funds will be awarded more points in the proposal evaluation.

Recognizing the acute shortage of care in certain areas of the state, among certain communities in the state, and lack of available childcare outside standard business hours, projects meeting one or more of the following conditions will be prioritized and can request to receive a waiver for matching requirements from this program:

1. More than 75% of new child slots created with these funds are to serve infants and toddlers.¹
2. More than 50% of the new child slots created with these funds are for child slots available outside of standard business hours (6:00 a.m. through 6:00 p.m.)
3. The project will be located in a geographic area, such as zip code or census tract, where 30% or more children² are Black, Indigenous, and people of color (BIPOC). Tribal Nations automatically meet this requirement.
4. The project will be located in a geographic area, such as county, zip code or census tract, where at least 15% families living in poverty.³
5. The project is located in or will serve a Child Care Access Equity Area. To serve a Child Care Access Equity Area, a program must be within 20 miles in outstate Minnesota and within 5 miles in the metro counties.⁴

Interested parties may request up to \$300,000 in state funds through this RFP. To be eligible for the maximum amount the proposal must be used to expand childcare capacity at a minimum of two locations. The maximum amount a single location proposal can request is \$100,000.

If a grantee or sub-grantee is a licensed provider, they must demonstrate their license is in good standing at the time of application. If they use the funds to obtain a license, they must submit proof of their license when obtained. Non-licensed childcare providers are not eligible, unless they use the funds as part of a project that will result in a license. Match is not required from sub-grantees. The grant administration cannot be more than 10% of the total award amount

Funding will be allocated through a competitive process with a review by a committee of DEED staff and managers, and external reviewers. The Commissioner of DEED reserves the right to change the amount awarded to any selected project. Award decisions are final and not subject to appeal. If selected, you may only incur eligible expenses when the grant contract agreement is fully executed by the awardee and DEED, and the grant has reached its start date.

Applicants who operate currently licensed childcare must have a license in good standing at the time of application and for the duration of the project.

Deliverables

Grant recipients will be responsible for using grant funds to increase the number of quality childcare providers and reduce the childcare shortage in the State. Tasks and deliverables include:

- Identify a service area, client base, and target market for this project's services.
- Implement a community engagement and communications plan to raise awareness about the availability of resources your organization provides and recruit and retain participants.
- Provide services and resources to increase the supply of supply of childcare and reduce childcare shortages including but not limited to funding for childcare business start-up or expansion, retention, training, direct

¹ For Childcare Centers, infant refers to a child who is at least 6 weeks old but less than 16 months old, and toddler refers to a child who is at least 16 months old but less than 33 months old. For Family Childcare, infant refers to a child who is at least 6 weeks old but less than 12 months old, and toddler refers to a child who is at least 12 months old but less than 24 months old.

² Children refers to any person under the age of 18.

³ Families living in poverty refers to any family whose total family income falls below the U.S. Federal Poverty guidelines within service population county, city, or census tract according to the U.S. Census Bureau.

⁴ Per the Minnesota DCYF Child Development Services Unit, Minnesota census tracts that meet the criteria to be considered 'Child Care Access Equity Areas' are tracts with higher poverty rates, higher unemployment, lower homeownership rates, lower household incomes, and lower access to child care.

subsidies, or incentives to retain employees, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

- Identify how the program will be sustainable long-term and recruit staff for operations.
- Collect relevant performance outcome information including but not limited to the amount of local funds invested, the number and types of new licensed childcare slots created, the number childcare worker jobs created/retained, the number new childcare providers started, and the number of childcare providers expanded.
- Submit quarterly program reports and end of grant report.
- Submit monthly or quarterly reimbursement request along with a summary of expenses and supporting documentation.
- Actively participate in evaluation and data collection efforts that assess the impact of this initiative.
- Participate in any state-wide coordination meetings with other grantees as directed to by the State’s authorized representative.
- Create a plan for the funded projects to be sustainable long-term.

Funding Availability

2025 Laws of Minnesota, 1 Special Session, Chapter 6, Article 1, Section 2, Subd. 2, Paragraph J (1) authorizes \$1,500,000 in state fiscal year (SFY) 2026 and \$1,500,000 in SFY 2027 for grants to local communities to increase the number of quality care providers to support economic development. DEED will use approximately 5 percent of appropriated funds to administer and monitor the program.

A total of \$1,350,000 will be available for grants. A minimum of fifty percent of grant funds must go to communities located outside the seven-county metropolitan area.

Communities may request up to \$300,000 in state funds through this RFP. To be eligible for the maximum amount the proposal must be used to expand licensed childcare capacity at a minimum of two locations. The maximum amount a single location proposal can request is \$100,000.

A minimum of 50% of the funds must go to communities outside the seven-county metropolitan area (as defined under Minn. Stat. § 473.121, subdivision 2).

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant contract agreement is fully executed, and the grant has reached its effective date.

Funding	Estimate
Estimated Amount to Grant	\$1,350,000
Estimated Number of Awards	5-8
Estimated Award Maximum	\$300,000
Estimated Award Minimum	\$50,000

Match Requirement

Unless otherwise exempted, recipients must obtain cash or in-kind contributions totaling at least 50 percent of their requested state funds. Proposal budgets must include the amount and source of matching funds. Proposals that leverage a higher percentage of non-state matching funds to state funds will be awarded more points in the proposal evaluation.

Recognizing the acute shortage of care in certain areas of the state, among certain communities in the state, and lack of available childcare outside standard business hours, projects meeting one or more of the following conditions will be prioritized and can request to receive a waiver for matching requirements from this program:

1. More than 75% of new child slots created with these funds are to serve infants and toddlers.⁵
2. More than 50% of the new child slots created with these funds are for child slots available outside of standard business hours (6:00 a.m. through 6:00 p.m.)
3. The project will be located in a geographic area, such as zip code or census tract, where 30% or more children⁶ are Black, Indigenous, and people of color (BIPOC). Tribal Nations automatically meet this requirement.
4. The project will be located in a geographic area, such as county, zip code or census tract, where at least 15% families living in poverty.⁷
5. The project is located in or will serve a Child Care Access Equity Area. To serve a Child Care Access Equity Area, a program must be within 20 miles in outstate Minnesota and within 5 miles in the metro counties.⁸

Project Dates

The performance period for this grant is expected to be 12 months from the date of grant contract execution with an end date of June 30, 2027. There will not be an option to extend the end date of the grant agreement.

Eligibility

Applicants must meet the minimum requirements in order to be considered for this grant opportunity.

Eligible recipients include a: public entity, Tribal Nation, community service agency, or 501(c)(3) having experience in one or more of the following: the operation of, planning for, financing of, advocacy for, or advancement of the delivery of childcare services.

If the proposed project includes a specific site that will be remodeled or built to be used for providing childcare, you must include a letter of support from the local zoning authority that site is appropriately zoned for the facility.

Individual childcare programs, both family, special family and center-based, seeking funds to establish new operations or expand existing operations are encouraged to partner on their funding request with local or regional organizations with experience in the planning and/or financing of childcare facilities and programs. Applications with multiple funders/doners such as city, county, local businesses, education (k-12 to colleges and universities), non-profits, foundations, etc. will score higher. The lead applicant will act as the fiscal host for funding.

Applicants who operate currently licensed childcare must have a license in good standing at the time of application and for the duration of the project. If your license status has been subject to a temporary immediate suspension, suspension

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⁶ Children refers to any person under the age of 18.

⁷ Families living in poverty refers to any family whose total family income falls below the U.S. Federal Poverty guidelines within service population county, city, or census tract according to the U.S. Census Bureau.

⁸ Per the Minnesota DCYF Child Development Services Unit, Minnesota census tracts that meet the criteria to be considered 'Child Care Access Equity Areas' are tracts with higher poverty rates, higher unemployment, lower homeownership rates, lower household incomes, and lower access to child care.

or if you have current fine(s) and or correction order(s) that have not been satisfied or are not in the process of satisfying the correction order(s), you're not eligible to submit an application.

If a proposed sub-grantee is a licensed provider, they must demonstrate their license is in good standing at the time of application. If funds are used to support a project that will result in a license, they must submit proof of their license when obtained. Non-licensed childcare providers are not eligible, unless they use the funds to obtain a license. A match is not required from sub-grantees. Administrative expenses, both direct and indirect, cannot be more than 10% of the total grant award.

Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [Office of Grants Management \(OGM\) Policy 08-02: Rating Criteria for Competitive Grant Review](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities or disparities.

In awarding grants, priority must be given to communities that have a documented shortage of childcare providers in the proposed project area. The definition of documented shortages may include disparities in access to affordable, quality childcare among targeted groups, including but not limited to rural communities ⁹, low-income communities ¹⁰, Black, Indigenous, and people of color individuals (BIPOC), persons with disabilities, veterans, and women.

In addition, priority will be given to projects that:

- Seek funds to make sustainable one-time investments in human and/or physical capital that results in new supply of childcare beyond this one-time funding opportunity.
- Can demonstrate the long-term sustainability of their business model.
- Are located in communities that have a documented shortage of childcare providers in the proposed project area.
- Demonstrate collaborations and/or partnering among private-sector employers, public and non-profit organizations within a specific geographic area and/or between or among proximate geographic areas.
- Can demonstrate the ability to complete the project within the grant timeline.

Recognizing the acute shortage of care in certain areas of the state, among certain communities in the state, and lack of available childcare outside standard business hours, projects meeting one or more of the following conditions will be prioritized and can request to receive a waiver for matching requirements from this program:

1. More than 75% of new child slots created with these funds are to serve infants and toddlers.¹¹
2. More than 50% of the new child slots created with these funds are for child slots available outside of standard business hours (6:00 a.m. through 6:00 p.m.)

⁹ Rural defined as within the state of Minnesota, outside of the seven county Metro area.

¹⁰ Families living in poverty refers to any family whose total family income falls below the U.S. Federal Poverty guidelines within service population county, city, or census tract according to the U.S. Census Bureau.

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3. The project will be located in a geographic area, such as zip code or census tract, where 30% or more children¹² are Black, Indigenous, and people of color (BIPOC). Tribal Nations automatically meet this requirement.
4. The project will be located in a geographic area, such as county, zip code or census tract, where at least 15% families living in poverty.¹³
5. The project is located in or will serve a Child Care Access Equity Area. To serve a Child Care Access Equity Area, a program must be within 20 miles in outstate Minnesota and within 5 miles in the metro counties.¹⁴

Collaboration

This program encourages regional approaches to addressing childcare shortages within a community. Projects that demonstrate collaboration between public sector, philanthropy, employers, and multiple child care providers are encouraged to apply.

Selection Criteria and Weight

The review committee will be reviewing each applicant on a 100-point scale. A standardized scoring system will be used to describe how the applicant will be rated on the various criteria and used by reviewers to determine the extent to which the applicant meets the criteria.

Proposals will be reviewed, scored, and ranked by a committee composed of state and non-state officials and subject matter experts who will provide a recommendation to the Commissioner for final review and award decisions.

Scoring will be on a 100-point scale with points available in seven sections and an additional 10 bonus points available in one category.

- Executive Summary (required, not scored)
- Organizational Capacity and Relevant Experience (20 Points)
- Project Description, Design, and Methods (20 points)
- Work plan and Objectives (10 Points)
- Partnerships (10 Points)
- Performance and Evaluation (10 Points)
- Sustainability Plan (10 points)
- Budget (10 Points)
- Bonus Points (10 Bonus Points maximum possible- see criteria below)

The review committee will evaluate all eligible and complete applications received by the deadline. The Commissioner of DEED will review all committee recommendations and is responsible for award decisions. The award decisions of DEED are final and not subject to appeal. The Commissioner of DEED reserves the right to change the amount awarded to any selected project.

¹² Children refers to any person under the age of 18.

¹³ Families living in poverty refers to any family whose total family income falls below the U.S. Federal Poverty guidelines within service population county, city, or census tract according to the U.S. Census Bureau.

¹⁴ Per the Minnesota DCYF Child Development Services Unit, Minnesota census tracts that meet the criteria to be considered 'Child Care Access Equity Areas' are tracts with higher poverty rates, higher unemployment, lower homeownership rates, lower household incomes, and lower access to child care.

Questions, Technical Assistance and Information Sessions

All questions regarding this RFP must be submitted by email to CCED.DEED@state.mn.us. Questions and answers will be posted within 10 days of receipt at <https://mn.gov/deed/about/contracts/open-rfp.jsp>

All prospective applicants are encouraged to attend an information session.

11:00 am – 12:30 pm, To join the meeting from your smartphone, tablet or computer select the [Microsoft Teams meeting link](#) or use the audio only call-in number +1 651-395-7448, (Conference ID 805759145#

All webinars will be recorded, and content will be made available online at [Competitive Grants and Contracts / Minnesota Department of Employment and Economic Development](#)

For technical assistance in interpreting instructions and to submit questions, contact: Keshuna McCoy Email: CCED.DEED@state.mn.us

Questions must be submitted in writing via e-mail. For additional resources, please see the [Child Care Economic Development Program webpage](#).

Individuals with disabilities who need alternative formats can contact DEED at 651-259-7553 for assistance.

Request for Proposals (RFP) Part 2: Submission

All applications must be received no later than 4:00 p.m. Central Time, March 13th, 2026. Late applications will not be considered. The applicant will incur all costs incurred in applying to this RFP.

Applications must be submitted in PDF format via email to:

Office of Child Care and Community Services

Minnesota Department of Employment and Economic Development

Email: CCED.DEED@state.mn.us

Subject: CCED 26 – [Organization Name]

To submit a proposal, you must use the CCED RFP application packet found [here](#). The application and all required forms must be fill out in entirety, or the submission will not be considered for funding.

Application Content

You must submit the following in order for the application to be considered complete:

Proposal Content

- **Form 1: Cover Sheet**
- **Form 2: Narrative Responses**
- **Form 3: Objectives and Timeline**
- **Form 4: Budget**
- **Form 5: Partnerships Chart**

Additional Required Forms

- **Form 6: Capacity Responses**
- **Form 7: Certification that no current principals have been convicted of a felony financial crime in the last ten years**
- **Form 8: Evidence of Good Standing**
- **Form 9: Required Nonprofit Documents**
- **Form 10: Certification that the entity is not suspended or debarred by the State of Minnesota or the federal government**

Incomplete applications will be rejected and not evaluated. Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this RFP, as such materials will not be considered nor evaluated.

The Minnesota Department of Employment and Economic Development reserves the right to reject any application that does not meet these requirements.

By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

All costs incurred in responding to this RFP will be borne by the applicant.

Request For Proposals (RFP) Part 3: Application Review Process

Review Process

Funding will be allocated through a competitive process with review by a committee of state staff subject matter experts from the Department of Employment and Economic Development, the Department of Children Youth and Families and community representatives. The review committee will use the point scale provided above to evaluate all eligible and complete applications received by the deadline. Reviewers will meet and discuss the proposals and then put forth their recommendations. The Commissioner of DEED will make the final funding decisions and preliminary award notification will be provide by email. Final awards are contingent on the results of the pre-award risk assessment.

Timeline

RFP posted on the Department of Employment and Economic Development web site:	January 27th, by 12:00pm
Questions due no later than 4:00pm Central Time:	February 27 th .
Applications due no later than 4:00 pm central time:	March 13 th .
Committee begins review of applications:	March 26 th .
Selected applicants undergo pre-award risk assessment:	April
Selected grantees announced; grant contract agreement negotiations begin:	May
Work plans approved and grant begins:	May/June

Conflicts of Interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minnesota Statutes § 16B.98 Subd. 2-3](#) and [OGM Policy 08-01 Conflict of Interest in State Grant-Making Policy](#).

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice to the Department due to competing duties or loyalties
- a grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is in question or disclosed, the applicants or grantees will be notified and actions may be pursued, including but not limited to, revising the grant work plan or grantee duties to mitigate the risk, requesting the grant applicant to submit an organizational conflict of interest mitigation plan, disqualification from eligibility for the grant award, amending the grant, or termination of the grant contract agreement.

Public Data

Per [Minnesota Statutes § 13.599](#)

- Names and addresses of grant applicants and amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.
- All data created or maintained by [State agency] as part of the evaluation process (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed. For the purposes of this grant, Data will be considered public when all the grant contract agreements have been fully executed.

Pre award Risk Assessment and Financial Review

In accordance with [Minnesota Statute §16B.981](#) and [OGM Policy 08-06: Preaward Risk Assessment of Potential Grantees](#), it is required to consider a grant applicant's past performance and financial and operational capacity before awarding grants of \$50,000 or more. Granting agencies will request, review, and analyze information, including Exhibits C-H, as referenced in this RFP, as applicable.

Grant Contract Agreements

Each grantee must formally enter into a grant contract agreement. The grant contract agreement will address the conditions of the award, including implementation for the project. Grantees should read the grant contract agreement, sign, and once signed, comply with all conditions of the grant contract agreement. No work on grant activities can begin until a fully executed grant contract agreement is in place and the State's Authorized Representative has notified the Grantee that work may start. The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Accountability and Reporting Requirements

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant contract agreement have been met.

Within one year of starting your grant funded project, recipients must report to the Department of Employment and Economic Development on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional childcare provider jobs created, the number of additional childcare slots, and the amount of local funds invested.

Grant Monitoring

[Minnesota Statutes § 16B.97](#) and [Policy on Grant Monitoring](#) require the following:

- One monitoring visit during the grant period on all state grants over \$50,000
- Annual monitoring visits during the grant period on all grants over \$250,000
- Conducting a financial reconciliation of grantee’s expenditures at least once during the grant period on grants over \$50,000”

All projects will have at least one monitoring visit annually no later than two months from the conclusion of the grant end date.

Grant Payments

Per [State Policy on Grant Payments](#), reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless DEED has given the grantee a written extension.

The invoicing and payment schedule will be the following:

- Reimbursement request must be submitted with 30 days of the end of the payment period.
- The payment period must be less than 3 months and no sooner than 1 month.

Authorized Representatives

Pursuant to [Minnesota Statutes §16B.98, subd. 5 \(d\)](#), grantees must clearly post on the grantee’s website the names of, and contact information for, the grantee’s leadership and the employee or other person who directly manages and oversees a grant contract agreement on behalf of the grantee.

Contracting and Bidding Requirements

A. Municipalities

Grantees that are political subdivisions or municipalities must use these guidelines:

- A. Municipalities are required to comply with [Minnesota Statutes §471.345, Uniform Municipal Contracting Law](#).
- B. The Grantee and any subrecipients must comply with prevailing wage rules per [Minnesota Statutes §§ 177.41](#) through [177.50](#), as applicable.
- C. Municipalities and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government: [Suspended and Debarred Vendors, Minnesota Office of State Procurement](#)
- D. The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

B. Nongovernmental entities

Grantees that are nongovernmental entities must use these guidelines:

- A. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.

- B. Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids or awarded to a targeted vendor.
- C. Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.
- D. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - a. [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
 - b. [Metropolitan Council Underutilized Business Program](#)
 - c. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Directory](#)
- E. The grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- F. The grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single source bid, if applicable.
- G. Notwithstanding the above, the State may waive bidding process requirements when:
 - a. Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant; or
 - b. It is determined there is only one reasonably able and available source for such materials or services and that grantee has established a fair and reasonable price.
- H. The Grantee and any subrecipients must comply with prevailing wage rules per [Minnesota Statutes §§177.41](#) through [177.50](#), as applicable.
- I. The grantee and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government: [Suspended and Debarred Vendors, Minnesota Office of State Procurement](#)

Audits

Per [Minnesota Statutes § 16B.98 Subdivision 8](#), the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the Commissioner of Administration, the State granting agency, the State Auditor, the Attorney General, and the Legislative Auditor as appropriate. This requirement will last for a minimum of six years from the grant contract agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Grant Provisions

This funding is made available through Laws of Minnesota (2025), 1st Spec. Sess. chapter (6), article (1), section (2), subdivision (2), paragraph (j) (1-3) (k) (1-2). The purpose of this funding is to provide grants to communities to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or

improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking minority members of the legislative committees with jurisdiction over early learning and child care and economic development.

Grant contract agreement templates are available for review at: [Office of Grants Management Policies, Statutes, and Forms/Forms and FAQs tab](#)

Ineligible Expenses

Ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services and payroll taxes
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking violations and traffic violations
- Unapproved out of state transportation and travel expenses. Minnesota will be considered the home state for determining whether travel is out of state.
- Providing alcoholic beverages or a "cash bar." Specifically, funds must not be used to pay for alcohol, a cash bar, or costs associated with a cash bar (e.g., alcoholic beverages, bartenders, wait staff, security, or venue space).

Affirmative Action and Nondiscrimination

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified per [Minnesota Statutes § 363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minnesota Rules, Part [5000.3500](#).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Voter Registration

The grantee will comply with [Minnesota Statutes §201.162](#) by providing voter registration services for its employees and for the public served by the grantee.

Right of Cancellation

The State reserves the right to cancel this solicitation if it is considered to be in its best interest. The State reserves the right to negotiate modifications to the application or to reject any and all applications received as a result of this Request for Proposals. The State does not intend to award a grant contract agreement solely on the basis of any response made to this request or pay for information solicited or obtained.

Attachments

FY26 CCED Application Packet