



APPLICATION REVIEW POLICY NO. 1 Childcare Expansion Grant Program

Family Child Care Home Providers Limits on Owner Salary

Date of Policy: March 27, 2024

NOTICE: This policy is issued after the application due date to establish criteria and expectations for the inclusion of “Owner Salary” as an eligible expense within the budgets submitted for the Childcare Expansion Grant Program. This policy will be posted publicly on the VHF Website for transparency with applicants and grantees.

BACKGROUND:

The September 29, 2023, Notice of Funding Availability, as amended (NOFA) outlined the eligible uses of grant funding for operational support, including additional childcare staff to support the increased capacity or enrollment. This allowed for staff and owner salary/wages, taxes and benefits.

In the course of application reviews and submitted budgets among Family Childcare Home (FCCH) applicants, it became apparent that the requested budgets for the owner salary varied significantly across applications. For consistency throughout the program, VHF has determined that an owner salary maximum is necessary that is relative to the maximum annual grant award.

The following changes, additions, and/or clarifications will be posted to the [Childcare Expansion Grant Program website](#) to be available for public review with the NOFA. These posted changes shall align with the requirements in the NOFA. In case of a conflict between requirements in the NOFA and this Policy, this Policy shall govern. All requirements set forth in the applicable portions in the NOFA remain valid unless otherwise specified under this or other publicly posted Policies. The balance of the NOFA remains unchanged.

PRIOR NOFA GUIDANCE:

As outlined in Section 7 - Established FCCH Provider Operations Application Guidelines:

- "Maximum Limits:
 - o Small FCCH (8 or less children) may be eligible for up to \$75,000 per year, based on the number of childcare capacity and/or enrollment increases, for a total amount not to exceed \$150,000.
 - o Large FCCH (14 or less children) may be eligible for up to \$100,000 per year, based on the number of childcare capacity and/or enrollment increases, for a total amount not to exceed \$200,000." (page 21)

Attachment 5:

- The Family Childcare Operations Application, Proposed 2-Year Budget instructions and worksheet defined the owner's salary as "income the owner expects to pay themselves each year".

ADOPTED POLICY

Owner's Salary is an allowable expense under the Childcare Expansion Grant Program to support existing Family Childcare Home (FCCH) Providers to support the expansion and safe operation of childcare. Owners are typically responsible for the direct care of enrolled children and often the only full-time worker in an FCCH.

Consistent with the maximum allowable grant awards for Operations grantees (\$75,000 small FCCH, \$100,000 large FCCH), the owner salary may not exceed \$35,000 per year within the requested budget. Applicants that submitted a higher owner's salary will be allowed to submit a revised budget during the application review process for consideration by VHF staff.

This policy is specific to existing FCCH applicants. Owner's salary or other wages are not an eligible expense for New FCCH applicants.

This limit to the owner's salary as an allowable expense is not meant to reflect a standard of wages or income for owners or any childcare workers. These funds are meant to supplement other sources of income for childcare owners including collection of tuition/fees. The Childcare Expansion Grant Program aims to support licensed childcare providers by addressing either construction or operational needs to result in an increase in

childcare capacity in Santa Clara County, the budgeted funds for this program are not meant to reflect the full cost to provide high-quality childcare by skilled childcare workers.

Grantees that are selected for operational funding will be expected to provide documentation of all grant expenditures, including disbursement of owner's salary, including but not limited to:

- Copies of payroll checks,
- Bank statements demonstrating transfer of funds from the childcare business to the owner.



The Childcare Expansion Grant Program is funded by the County of Santa Clara Through the Federal Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act.