



APPLICATION REVIEW POLICY NO. 3

Childcare Expansion Grant Program

New Family Child Care Home Providers Assistant Wages Policy

Date of Policy: July 25, 2025

NOTICE: This policy is issued after the application due date to establish criteria and expectations for the inclusion of “Assistant Wages” as an eligible expense within the budgets of Applicants and Grantees that applied to the Childcare Expansion Grant Program under the *new* family childcare provider (New FCCH) application form. This policy will be posted publicly on the VHF Website for transparency and distributed to current New FCCH Grantees and Applicants with applications currently under review.

BACKGROUND:

The September 29, 2023, Notice of Funding Availability, as amended (NOFA) outlined the eligible uses of grant funding for New FCCH providers licensed for less than two years at the time of application to include operations, and/or minor repairs to the home that create a safe and healthy environment for enrolled children. The NOFA did not allow for staff wages, taxes and benefits as an eligible grant expense.

As many New FCCH Applicants have been in operation for more than one year and have been granted, or are in the process of securing, large FCCH licenses it has become apparent that these Grantees frequently need paid Assistants to prepare for and sustain a larger enrollment. In response to this need, VHF has determined that Assistant wages and corresponding mandatory benefits will be an allowable operating expense for New FCCH Grantees only when the provider is licensed as a Large FCCH or has formally initiated the licensing process to expand to a Large FCCH.

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 2 – Calendar and Funding Categories:
Funding Categories and Eligible Uses:

1. OPERATIONS

New FCCH Providers:

New FCCH providers may be eligible for a start-up grant of up to \$50,000 for operations and/or minor repair. New childcare providers are defined as, 1) holding an active license for less than 24 months, or 2) having submitted a childcare license application to the California Department of Social Service (CDSS) and anticipate receiving a childcare license by May 1, 2024.

Eligible uses of funds under this funding category include, but not limited to:

- Age-appropriate furniture to meet childcare needs
- Supplies, books, and activities to support the developmentally appropriate care and early education
- Technology and equipment - computers, internet, cell phones
- Appliances for use in childcare business
- Minor repairs/renovations, such as flooring replacement and playground upgrades

Funds must be expended, and projects completed by no later than December 31, 2026

ADOPTED POLICY

Effective the date of this Policy, Assistant compensation (wages plus mandatory employer payroll taxes) is an allowable operating expense under the Childcare Expansion Grant Program (CEGP) *only* when a New Family Childcare Home (FCCH) is licensed as a Large FCCH or has submitted an application to CDSS to become a large FCCH, **and** has hired one or more Assistants to provide care. New FCCH owners are not eligible to submit wages for their own time worked in the childcare facility.

New Provider Already Licensed as Large FCCH. Assistant wages (including employer payroll taxes and mandatory benefits) are allowable operating expenses, subject to the provider's approved grant award and standard documentation requirements in the grant agreement.

New Provider Licensed Small – Expansion to Large in Process. Assistant wages are allowable **only after the Grantee has initiated the Large licensing change** and can document that expansion steps are underway. Minimum documentation expected: (a) Large capacity application or change request filed; and (b) at least one required regulatory step scheduled or completed (e.g., Fire Marshal, large orientation, space modification).

New FCCH Grantees that plan to utilize grant funds for Assistant wages as of this updated policy, will need to provide documentation of all grant expenditures, disbursement of Assistant wages, and demonstrate compliance with local, state and federal labor laws, including but not limited to:

- Copies of payroll checks,
- Employee Timecards
- Proof of employment of Assistants

New FCCH Grantees that wish to utilize Assistant wages as part of their grant budget will need to submit a written budget modification request to their assigned Program Analyst through Submittable prior to the utilization of grant funds for wages, payroll taxes or benefits. Budget modifications are subject to review and approval by VHF prior to the utilization of funds by grantees.



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.