

# Mr. Ladybug Daycare

Gilroy

## Provider Profile

Michelle Contreras opened Mr. Ladybug Daycare, a Family Childcare Home (FCCH) building on her experience as a center teacher. Mr. Ladybug Daycare is located near local schools and Michelle has focused on providing a supportive home daycare that focuses on school readiness, including social development and cooperation.

**“The classroom looks amazing parents are really pleased with how all the improvements are coming along.”**

*– Michelle Contreras, grantee*

## Grant Activities

Mr. Ladybug Daycare serves young children with a focus on school readiness and older children providing after-school care. Michelle builds long-term supportive relationships with her enrolled children and families. With Transitional Kindergarten available for all four-year-olds, Mr. Ladybug Daycare has needed to shift enrollment to younger students to maintain sufficient daytime enrollment. Mr. Ladybug Daycare was awarded grant funds for construction and operations projects to add staff hours, improve facility safety and layout, and purchase additional materials to support additional enrollment and care for infants and toddlers. Michelle took steps to grow the infrastructure of her business for sustainability including investing in advertising, insurance, and setting up a more formal payroll structure for her assistant teachers.



## Use of Funds

Mr. Ladybug Daycare was awarded Childcare Expansion Program grant funds for both construction and operations projects. Grant Funds were used to support:

- **Wages for a childcare assistant to shift from part-time to full-time hours.**
- **Added pool safety measures to comply with additional licensing requirements.**
- **Outdoor renovations to level the ground, replace fencing, add shade, and improve layout for childcare use and parent entry into the childcare.**
- **New furniture, equipment and toys to support increased enrollment.**
- **Operating expenses including advertising, insurance, and professional fees to increase the capacity of the business.**

**Mr. Ladybug Daycare** (continued)

Mr. Ladybug Daycare provides a flexible resource for families, and supportive care for children across the age spectrum. With grant support Michelle was able to invest in her business to improve long-term sustainability both in physical space, and in her business tools and resources.

## Policy Issues

Access to Universal Transitional Kindergarten has the potential to benefit many children and families but draws four-year old children away from existing childcare providers. When TK or Kindergarten are offered in part-day formats these can be especially challenging for families and after-school providers that need to transport children to another location during typical work hours for parents. Childcare providers that offer after-school care end up holding a slot vacant for much of the day, reducing their revenue, that they cannot fill with a full-time child and stay within licensing ratios once school is out for the day.

## Potential Policy Actions

- **Establish partnerships between elementary schools and nearby Family Childcare Homes for referrals, curriculum coordination and transportation.**
- **Explore an additional FCCH license type that allows providers to surge care after school hours above the 14 maximum children specifically to enroll part-time school-aged children with additional assistants on site.**

**“We are teachers, nurses and therapists. I have 12-year-olds that don’t want to go anywhere else. They call me when they have nobody else to talk to. I listen and want them to know they are not alone.”**

– *Michelle Contreras, grantee*

## Lessons Learned

Mr. Ladybug Daycare has faced numerous changes over the last few years with impacts on enrollment and revenue for her business. Challenges during the COVID-19 pandemic, the implementation of statewide Transitional Kindergarten, and numerous licensing changes and updates have all required adaptation and persistence. To meet family needs and support enrollment, Mr. Ladybug Daycare continues to juggle schedules for care before and after school and even drop-in care with operating hours of 6:20 a.m. to 6:45 p.m.



[valleyhealthfoundation.org/cgp](https://valleyhealthfoundation.org/cgp)



2400 Clove Drive, San Jose, CA 95128 | 408.885.5299

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.



© 2026 Valley Health Foundation

Valley Health Foundation is an independent, community-driven 501(c)3 nonprofit organization working to support quality health and healthcare for all in Santa Clara County (Tax ID 77-0187890).