



# COLORADO

## Department of Early Childhood

# Emerging and Expanding Child Care Grant Program Business Rules

December 2022

The Emerging and Expanding Child Care Grant Program (E & E program) was created for the purpose of expanding access and availability of licensed child care throughout Colorado and especially in areas where there are [child care deserts](#).

Funding for the Emerging and Expanding Child Care Grant (E & E) is administered through the Colorado Department of Early Childhood as authorized through Colorado Senate Bill 22-213, which is funded by Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan (ARP), which aims to support families and invest in long-term growth and opportunity. Federal requirements and compliance will apply.

Eligible programs that may apply include:

1. Currently open and operating licensed programs, serving children birth to five, with a permanent or provisional license which are expanding their current licensed capacity, OR;
2. An applicant actively pursuing a child care license through the Colorado Department of Early Childhood to increase overall capacity or to increase the number of infant/toddler slots, OR;
3. Programs that opened between November 1, 2021, to the date of application that have eligible expenses incurred on or after July 1, 2022, per [C.R.S.26.5-3-803](#).

Once a program's application is deemed eligible for the E & E program, funding is provided through reimbursing eligible expenses for costs, services and materials.

The E & E program authorizes the awards ranging from \$3,000 to \$200,000 for licensed programs and those who are actively pursuing a child care license. Requests over \$50,000 will be available to child care centers only due to increased capacity requirements. Details are outlined further in this document. ALL applicants must be increasing their capacity to serve children ages birth to five to be eligible. All of the eligible applicants' grant funding must be expended by September 30, 2024. The new license type must be obtained no later than December 30, 2024, or the program may be required to return the funding to the CDEC.

Child care Licensing specialists and Early Childhood Councils will provide support at the local level including offering consultation to prospective programs on how to become licensed, and assisting existing child care programs to expand their licensed capacity. The amount requested needs to

reflect how the project/purchases will support the new slots. Grant requests need to delineate what is needed to meet licensing health and safety requirements.

“Program” refers to both licensed programs and those seeking a license that are family child care homes or child care centers serving children birth to five. **Existing programs that are under the adverse licensing process must meet the licensing process requirements before a grant application could be eligible for funding.**

## Initial and Ongoing Licensed Program Eligibility Criteria

ALL applicants (for any dollar amount) must meet the following requirements in order to be eligible for the Emerging and Expanding Child Care Grant:

### Applicants applying for a child care license

1. Minimum 18 years of age (Licensing)
2. Apply for a permanent or provisional child care license to serve children between the ages of birth and five years old in the State of Colorado. (Licensing)
3. Engage in the [Colorado Shines Quality Rating and Improvement System](#) within the requirements laid out by their Early Childhood Council.
4. Agree to sign a memorandum of understanding with your local Early Childhood Council.
5. Submit an application for the Emerging and Expanding Child Care Grant.

### Applicants with an existing child care license

1. Hold a current, permanent or provisional child care license.
2. Serve children between the ages of 6 weeks and five years.
3. Engage in the [Colorado Shines Quality Rating and Improvement System](#) within the requirements laid out by their Early Childhood Council
4. Agree to sign a memorandum of understanding with your local Early Childhood Council.
5. Submit an application for the Emerging and Expanding Child Care Grant.

If a program received E & E funding previously, the program can apply for funding again provided that the program is applying for slots that were not funded previously with E & E dollars.

Programs that will be submitted for adverse action cannot be awarded the grant until the case is presented to the Licensing Compliance Review team (LCRT). If the group determines no action and once the minutes are approved, the program is eligible for the grant. If the LCRT team determines probation is warranted, the program will not be eligible for the Emerging and Expanding grant until they have successfully completed probation and have been issued a permanent license.

## E & E Applicant Funding Ranges

To qualify for an E & E grant, programs must submit an application to request funds for their project. A complete application includes a full explanation of the project, a budget, and related documentation that supports the budget request and overall project. The related documentation

must include how the program will address the needs based on the increase in the number of children. A Licensing Consultation Guide will be completed after the application is submitted.

Family Child Care Home License Types	Funding Range
3 under 2 OR Infant/Toddler Home	\$3,000-\$25,000
New Family Child Care Home OR Experienced OR Large OR Dual Infant/Toddler Home	\$3,000-\$50,000
Center Slots	Funding Range
Up to 19 full-time slots or no new infant toddler slots added	\$3,000-\$50,000
20 slots+ full-time, at least 5 new infant/toddler	\$3,000-\$100,000
40 slots+ full-time, at least 10 new infant/toddler	\$3,000-\$200,000

## Allowable Uses of Grant Funding

Programs that choose to apply for the Emerging and Expanding Child Care Grant must explain how the proposed project will assist with increasing the number of child care slots for children birth to age five in Colorado. Allowable costs include any costs associated with the expansion of child care capacity within a Colorado community, especially those that are in desert, rural, or underserved areas of the State. Programs must provide a detailed explanation of their project in the designated sections of the application as well as provide [a budget](#) completed on the available [template](#) accessible through the grant application. If additional funding outside of the E and E request is being provided to support the expansion of slots, please provide that detail in the designated spaces in the [budget template](#). Programs will prepare [a budget](#) of the project within the following budget categories (note that in the budget template, the Professional Development and Learning/Classroom Materials are considered one category):

- 1) **Coaching** - Includes costs associated with coaching services provided by the [Early Childhood Council](#) needed to support the expansion of an existing program or the opening of a new program.
- 2) **Professional Development** - Includes costs associated with training/course work needed to support the expansion or new program. Allowable costs include: tuition, books and associated fees as well as substitute costs, mental health consultants, child care health consultants or other coaching support needed specific to the expansion or program opening and approved by the Early Childhood Council.
- 3) **Learning/Classroom Materials (and fees, other)** - Includes costs associated with any educational materials, curriculum, Personal Protective Equipment, cleaning supplies, etc. needed to support the expansion or new program. This category would additionally include

any fees (licensing, background checks, inspections, etc) or technology needs that are associated with the expansion or new program. Any other costs that are not associated with the other categories should be listed here within the budget template. This does NOT include costs related to blueprints, licensure for contractors, and the cost of bonding or taxes and this list is not exhaustive of prohibited costs. For individual purchases that are over \$5,000, the program must submit at least two bids. This includes if the purchase is a complete room package, furniture, appliances, etc.

4) **Capital Improvements** - includes costs associated with the expansion or new program that are more permanent such as construction, flooring, etc. Capital includes both major and minor renovations or improvements. At least two bids are required to obtain funding for capital improvements. All capital improvement requests will go through a review committee. Construction must be completed by September 30, 2024. The program needs to be open and operating no later than December 30, 2024. The E & E grant may not cover the entire cost of the project, especially if the majority of the project benefits non-E&E slots and/or is an improvement that is not required by licensing. Early Childhood Councils - **Do not** reimburse programs for the final payment until the final walk through and, if appropriate, the final inspection certifies that the work is up to code. Additionally, this payment should go directly to the program as the final payment should only be made once the program is satisfied with the work.

**Budget Requirements:** The budget must include the *entire* cost of the project, even if the E & E funding will not cover the entire cost of the project. Programs may be required to demonstrate that outside funding is secured to cover the costs that may not be eligible for E & E funding. Because E & E is a reimbursement grant, the CDEC team may require documentation that outside funding is secured to cover the full cost of the project. The budget narrative must be *explicit* as to how the line item will support the additional slots. For example, if additional staff are required by licensing to be able to operate at the capacity increase, the budget needs to reflect the professional development and other costs related to employing and training these individuals to provide high quality care to the additional children served, even if the E & E budget is not covering these costs/services.

**Narrative/Documentation Requirements:** The narrative of the E & E application must not only describe the materials, capital improvements, coaching, and professional development support needed, it needs to describe the anticipated time frame of hiring the additional staff needed to increase the number of children served in the program. Family child care homes pursuing a 3 under 2 license or an infant/toddler license need to describe the professional development they had or will pursue to support the additional infants and/or toddlers. Family child care homes pursuing additional capacity need to describe their plan on recruiting new families and the hiring of an additional person if serving nine children under five is part of their business plan.

#### **Applicants planning on using the grant for capital expenditures**

Programs receiving E & E program grants are responsible for ensuring all zoning, permitting, construction, inspection, and licensing requirements are met for their local jurisdiction. Programs

must ensure that all work is in compliance with all local public health, fire, and safety regulations and that all work is completed to their satisfaction **before** contractors and or vendors are paid.

For capital expenditures the program must submit at least two bids for the work being completed with their application for anything over \$5,000. Programs must use fair and equitable procurement processes while soliciting contractors and vendors. When possible, programs must prioritize selecting businesses that are owned by women and/or minorities for purchases made with grant funds. The program is responsible for ensuring that contractors and vendors pay prevailing wages for purchases made with grant funds.

Early Childhood Councils will reimburse programs directly for eligible expenses/costs. Final reimbursements will be made once all documentation is received, e.g. final walk through, sign-off by local government inspection requirements, etc.

## Grant Application Review, Eligibility Determination, and Next Steps

Program applicants need to work with their Licensing Specialist and their Early Childhood Council prior to submitting an E & E application. There is no way to save an incomplete application so programs need to have the information and documentation ready.

### Completing the Application

Programs applying for the Emerging and Expanding grant will log into the [provider portal](#), and then select the **Available Grants** tab. This will take the applicant to the grant application for the Emerging and Expanding Child Care grant. Parts of the application require uploading documentation. Documentation may include project bids, pictures, a narrative, business plans, licensing/insurance/bonding, etc. If an applicant rents or leases their space, a **letter of support from their landlord is required**. This is to be sure that any changes being proposed are acceptable to the owner.

The applicant will need to submit a budget template that supports the amount of funding requested. The template is provided within the application for download; Once completed, the applicant will upload the file within the application. **NOTE: Applicants are encouraged to work with their Early Childhood Council before submitting a budget.**

A complete E & E grant application includes:

1. Grant application
2. Complete and descriptive [budget](#)
3. Documentation supporting the budget request

## Business Process for Grant Distribution and Tracking

The Emerging and Expanding Grant is a collaborative effort to support the availability of child care. Licensing specialists and Early Childhood Councils are vital in their support of child care programs in the application and implementation of the E & E Grant. To illustrate this collaboration, the support provided by licensing specialists and Early Childhood Councils is described. It is strongly encouraged that licensing specialists and Early Childhood Councils communicate directly with each other when a

program expresses interest in the grant so everyone has the same foundation of information from the beginning. The E & E Program Manager is here to support the licensing specialists and Early Childhood Councils in navigating the grant application process and the follow up support that programs need upon being eligible for E & E funding.

## Licensing Specialists

Licensing specialists will complete a review of the grant application within five (5) days of application's submission. The Licensing Specialist is reviewing the application for:

1. Licensing status and flagging programs that are submitted for adverse action
  - a. Determining if the program has applied for and paid the appropriate fee to either open or change their license
  - b. If a program is in the adverse licensing process, please send an email to the E & E Grant Manager ([emily.wengrovius@state.co.us](mailto:emily.wengrovius@state.co.us)) and note this in Salesforce on the E & E application
2. Confirming that the grant application is for additional slots that were not funded previously by the E & E program. If a program used E & E funding for a room to be changed to a different age group and then applies to change the room back to the previous licensed age group or a different licensed age group, this program's application is not eligible for E & E funding.
3. Feasibility - this is done by reviewing the Project Description to ensure the request aligns with licensing requirements and the description indicates an increase of the facility's capacities.
4. Licensing Consultation Guide - when the Licensing Consultation Guide is complete, the Licensing Specialist will check box that this is complete and add into the Licensing Notes the date it was completed in the Salesforce E & E application.
5. Confirming the Change of Capacity application or the new license application is received and noted in Salesforce.

If the program has not applied for the license type that is necessary to support the number of slots that are added, the Licensing Specialist will reach out to the program to determine when the licensing application or change request and fee will be submitted. Licensing specialists will document this conversation in the notes field of E & E application in Salesforce.

**The Licensing Consultation Guide-** The Licensing Specialist will complete a Consultation Guide with the program and review the items listed in the guides for Family Child Care Homes or Child Care Centers in order to determine if the Family Child Care Home or Child Care Center can be licensed. The Licensing Consultation Guide includes regulations that are required for the indoor and outdoor space requirements.

Zoning, fire and health approvals are not required to be eligible for the grant. If the Licensing Specialist has concerns that the zoning department will not issue an approval for the capacity increase, consult your supervisor.

The program will initial the text box on the Licensing Consultation Guide to indicate they are working with the local zoning, fire, and health departments (when applicable) to obtain approvals. The

Licensing Consultation Guide is reviewed and signed by the program to verify the items were discussed.

**Changing the Application Status to “Under Review”** Once the Licensing Specialist determines whether or not a program may be eligible for E & E funding, they will change the E & E Application Status to “Under Review”. The “Under Review” status means:

- The program *could* be eligible for funding, even if the Consultation Guide is not completed. The note added in Salesforce needs to indicate where the program is in the process of obtaining a new license.
- The program *is not* eligible for funding because they are unable to add additional slots for children birth to five. The note added in Salesforce needs to state why the program is not eligible for E & E funding from a licensing perspective.

If a program is not eligible for E & E funding because they cannot increase the number of slots, there needs to be a conversation with the program letting them know why they are not eligible. Only the E & E Program Manager or the E & E Review team at the Colorado Department of Early Childhood can change the application status to anything other than “Under Review”. Licensing Specialists do not make final E & E application eligibility decisions.

### Early Childhood Councils

At the beginning of the E & E grant application process, Early Childhood Councils support the program in building a budget and guiding the program on obtaining the documentation necessary to support the budget request. After an E & E application is deemed “eligible” for funding, the Early Childhood Councils and the program enter into a Memorandum of Understanding (MOU), which describes expectations of the program and the Early Childhood Council. After executing an MOU, the Early Childhood Councils oversee the reimbursement to the program for approved materials and services. If the materials are purchased through ecConnect, the Early Childhood Council may pay ecConnect vendors directly.

Completion of the capital project includes:

- The completed project is permitted, fully inspected and approved according to the local governing jurisdiction, where applicable, and;
- The program is satisfied with the project and has paid or has authorized payment to the contractor for work provided, and;
- All documentation such as contractor license, contractor insurance certificate, permits and final inspection reports have been provided to the Early Childhood Council.

## Colorado Department of Early Childhood Guidance on Reimbursement of Expenses

Early Childhood Councils will follow their organizations fiscal policies on reimbursing expenses incurred for this grant. The Colorado Department of Early Childhood (CDEC) recommends that Early Childhood Councils reimburse grantees directly for work completed by licensed contractors. In the



event a Early Childhood Council's policies allow for paying contractors directly, the CDEC recommends these payments are sent to the program to forward on to any contractors/service programs that completed work. Final reimbursement/contractor payment will be made only after completion of the project.

## Reviewing the Application

The E & E Grant Manager and/or their designee will review the submitted E & E application when [this form](#) is submitted by the Licensing Specialist/ECC to determine the appropriate next step. If the E & E application is incomplete or if additional information is required, E & E Grant Manager or their designee will email the Licensing Specialist and the Early Childhood Council requesting the information needed to make an eligibility determination.

## E & E Grant Application Status Determinations

Only the E & E Grant Manager or their designee can change E & E grant application statuses to ineligible, withdrawn, or eligible.

**Ineligible grant applications-** If it is determined that an application is ineligible for funding, the E & E Program Manager will reach out to the Early Childhood Council and the Licensing Specialist to request that they inform the program. After this is complete, the status in Salesforce is changed to "ineligible" by the E & E Program Manager or their designee. Salesforce notes need to be added as to why the application is ineligible for funding and the subsequent communication/steps made.

**Withdrawal of a grant application-** Programs can request, in writing, that their E & E application be withdrawn. This needs to be requested prior to an eligibility determination or before any E & E funding is expended. There are circumstances where a program may be requested to withdraw their application and the reasoning behind this request is documented in Salesforce. The CDEC or their designee reserves the right to request that funding/materials be returned if an application is withdrawn after being determined eligible.

**Eligible grant applications** - If a program is eligible for funding, the E & E Program Manager will compose an email to the Licensing Specialist and the Early Childhood Council informing them of the eligibility of the funding. This email includes the total award amount, the amount awarded in Coaching, Capital, and Learning Materials/Professional Development. If there are restrictions to what the funding can be used on, this is noted in the email.

Once the grant application status is "eligible", a Memorandum of Understanding (MOU) is generated for the program to sign. Once the program signs, the state Licensing Supervisor will receive an email with the PDF MOU to sign. The MOU should be signed and sent back to the Early Childhood Council within 3-5 business days.

## Requests for a Change in the Use of Funding After Approval

Any change in the use of funding that is not included on the approved budget needs to be approved by the E & E Program Manager or their designee *prior* to spending the funding impacted by this



request. Requests to change the use of funding need to include how this change will support the application and why this change is necessary. Any change in the nature of the project is subject to the same requirements of the original budget and narrative. The CDEC reserves the right to request more information and to not reimburse costs that were not pre-approved.

## Questions, Comments, Suggestions

If you have questions, comments, or suggestions, please contact Emily Wengrovius at [emily.wengrovius@state.co.us](mailto:emily.wengrovius@state.co.us) or 720-202-3316