

Pennsylvania Office of Child Development and Early Learning
Bureau of Early Learning Policy and Professional Development

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Subject: 2024-25 Child Care Start Up and Expansion Grants

To: All Department of Human Services (DHS) Certified Child Care Providers; Early Learning Resource Centers (ELRCs); federal Head Start Providers, federal Early Head Start Providers, Pennsylvania Department of Education (PDE) Private Licensed Academic Nursery School Programs, and The Office of Child Development and Early Learning (OCDEL) Early Learning Resource Center Program Representatives

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PURPOSE

To announce the 2024-25 Child Care Start Up and Expansion Grants, a one-time opportunity for eligible child care providers and other eligible early learning programs that intend to expand their current operation, establish a new program, or become a certified child care provider within specific regions of the commonwealth.

BACKGROUND

The CCDF final rule emphasizes funding for grants and contracts that enhance child care availability in geographically underserved areas, support infant and toddler care, and increase availability of services to children with disabilities. In 2022, The Office of Child Development and Early Learning (OCDEL) received a three-year Preschool Development Birth Through Five Renewal Grant (PDG-R) from the U.S. Department of Health and Human Services. As part of the PDG-R \$16 million award, OCDEL has established Child Care Start Up and Expansion Grants in the 2024-25 state fiscal year. The intent of the grant program is to expand the availability of licensed child care in geographically underserved regions of the state to support families across the Commonwealth and meet the needs identified in the CCDF final rule by expanding services in these communities. Although insufficient child care availability is a statewide issue, a 2024 analysis completed by the Penn State Institute of State and Regional Affairs (ISRA) recommended that resources should be directed to Early Learning Resource Center (ELRC) regions 1, 2, 3, 6, 8, 9 and 10. This grant is paid directly to eligible entities through ELRCs, on behalf of OCDEL.

DISCUSSION

Provider Eligibility Requirements

To be eligible for a grant, a provider must be located in one of the selected ELRC regions (1, 2, 3, 6, 8, 9, or 10) and meet the following requirements both as of Monday, December 2, 2024, and at the time the Grant payment is issued by the ELRC:

- 1) The provider holds at least one of the following:
 - A **regular** Certificate of Compliance issued by OCDEL.
 - A **provisional** Certificate of Compliance issued by OCDEL for initially opening for operation. *Providers on a provisional Certificate of Compliance due to a negative sanction or other disciplinary action issued by OCDEL are not eligible.
 - An active private academic nursery school license issued by the Pennsylvania Department of Education (PDE).
 - A current federal Head Start and/or Early Head Start grantee within the Commonwealth.
- 2) For providers in Keystone STARS, Pennsylvania’s Quality Rating and Improvement System (QRIS), their current Keystone STARS designation cannot be in a suspended status.
- 3) The provider does not have an open referral to the Office of Attorney General (OAG) or an ongoing repayment plan with an ELRC for fund recoupment associated with ARPA Stabilization Grants, Workforce Support Grants 1.0, Workforce Support Grants 2.0, and/or 2023-24 CQI Awards.
- 4) The provider does not owe any liens to or have outstanding liabilities with the commonwealth.

Providers who meet the above eligibility criteria as of Monday, December 2, 2024, but fail to meet the above criteria at the time of payment by the ELRC will be considered ineligible.

Intent of the Child Care Start Up and Expansion Grant

The intent of the grant is to expand the availability of child care opportunities in geographically underserved regions of the state. As a reminder, grant activities must take place in one of the seven ELRC regions identified in the ‘Background’ subsection (ELRCs 1, 2, 3, 6, 8, 9, and 10).

Some activities may require a provider contact OCDEL – Bureau of Certification Services to seek an increase in licensed capacity or an initial provisional Certificate of Compliance. Any certification requirements are outside the purview of the grant opportunity and the responsibility of the eligible provider.

Grant Types and Amounts

Type 1 – Conversion Grant: Applies to the following eligible providers in ELRC regions 1, 2, 3, 6, 8, 9, and 10:

- Eligible Head Start, Early Head Start, and Private Academic Licensed Nursery Schools who are interested in becoming a Department of Human Services (DHS) certified child care program to (1) serve new populations and/or (2) extend their services beyond the school year/day.
- Eligible DHS-certified family child care homes and group child care homes who are interested in converting to a new provider type and increasing their overall licensed capacity.

Examples of allowable activities under Type 1 – Conversion Grants include, but are not limited to, the following:

- An eligible family child care home in ELRC 8 intends to convert to a group child care home.
- An eligible private academic nursery school in ELRC 1 intends to become a DHS-certified child care center to serve toddlers and provide after-school care.
- An eligible federal Head Start grantee in ELRC 2 intends to become a DHS-certified child care center to serve families eligible for the Child Care Works (CCW) program beyond Head Start hours.

Type 1 Conversion Grant Maximum Amounts		
Current Provider Type	Converting to DHS Certified Group Child Care Home	Converting to DHS Certified Child Care Center
DHS Certified Family Child Care Home	\$20,000	\$40,000
DHS Certified Group Child Care Home		\$40,000
Early Head Start / Head Start		\$30,000
Private Academic Nursery School		\$30,000

Type 2 – Expansion Grant: Applies to the following eligible providers in ELRC regions 1, 2, 3, 6, 8, 9, and 10:

- Eligible DHS-certified child care providers interested in increasing their DHS licensed capacity within their existing program location.
- Eligible DHS-certified child programs interested in increasing their enrollment to meet their current DHS licensed capacity by reopening classrooms, hiring additional staff, making program improvements, etc.
- Eligible DHS-certified child programs interested in extending their hours of operation to serve additional families at an existing location.

Examples of allowable activities under Type 2 – Expansion Grants include, but are not limited to, the following:

- An eligible DHS-certified child care center in ELRC 6 with a licensed capacity of 40 is working to increase their licensed capacity to 80 by adding two new preschool classrooms.
- An eligible DHS-certified child care center in ELRC 10 intends to reopen classrooms that were closed due to the COVID-19 pandemic but are included in the program’s current licensed capacity.
- An eligible DHS-certified family child home in ELRC 8 intends to offer non-traditional child care beyond their normal operating hours. Non-traditional child care refers to care between the hours of 6:00 pm and 6:00 am on weekdays and any time on weekends.

Type 2 Expansion Grant Maximum Amounts	
Provider Type	Maximum Grant Amount
DHS Certified Family Child Care Home	\$10,000
DHS Certified Group Child Care Home	\$25,000
DHS Certified Child Care Center	\$50,000

Type 3 – Start Up Grant: Applies to the following eligible providers in ELRC regions 1, 2, 3, 6, 8, 9, and 10:

- Current DHS-certified child care providers interested in establishing a new program in their ELRC region while continuing operations at their current program location.

Examples of allowable activities under Type 3 – Start Up Grant include, but are not limited to, the following:

- In addition to operating their current DHS certified child care center in Lawrence County (ELRC 3), an eligible provider intends to open a new program in Southern Butler County (ELRC 3).
- In addition to operating their current DHS certified group child care home in Erie (ELRC 1), an eligible provider intends to open a second group child care home across town (ELRC 1).

Type 3 Start Up Grant Maximum Amounts			
Eligible Providers	Maximum Grant Amount		
	New Certified Family Child Care Home	New Certified Group Child Care Home	New Certified Child Care Center
DHS-certified child care providers opening a new certified program while maintaining operation at an existing location.	\$15,000	\$40,000	\$75,000

Please note, the charts above indicate the maximum amount an eligible provider can request by grant type. Eligible providers may apply for smaller grant amounts below the maximum limits if they choose.

Eligible Expenses

Eligible providers can use grant funds for eligible expenses in six grant categories. Examples of eligible expenses in each category are provided below, but do not reflect an exhaustive list. The exception is the sixth

category (Personnel Costs) in which there are only three allowable expenses. **Grant funds can be applied to eligible expenses incurred from July 1, 2024, to May 30, 2025.**

- **Indoor Health and Safety Equipment**

- First aid items.
- Smoke and carbon monoxide detectors.
- Hand washing stations.
- Diaper changing stations.
- Child safety equipment including gates, cabinet locks, door knob covers.
- Cameras to monitor new classroom(s).
- Mobility aides.

- **Outdoor Health and Safety Equipment**

- Age-appropriate playground equipment.
- Evacuation cribs.
- Strollers or buggies.
- Playground surface improvements.
- Fencing.
- Shade sails and prefabricated shade solutions.
- Adaptive playground equipment.

- **Minor Renovations***

- Flooring and ceiling upgrades.
- Interior partition construction or removal (non-load-bearing walls only).
- Drywall repair and painting.
- Door or window replacement.
- Adding insulation to an unfinished space.
- Adding a sink or lavatory to an area where plumbing is already available.
- Addition of wheelchair ramp.
- ADA compliant restrooms.
- Facility kitchen upgrades.

*Major building construction or structural changes are **not** eligible expenses.

- **Materials and Equipment**

- Curriculum materials.
- Toys, consumables, and craft supplies.
- Sleeping equipment for children.
- Classroom furniture (chairs, desks).
- Multi-lingual classroom materials.
- Communication and/or translation devices.
- Overnight supplies and equipment for non-traditional care.

- **Business Practice Purchases**

- Upgrades to client management software.
- Administrative costs for enrolling new families.
- Permits, zoning variance fees, etc.

- **Personnel Costs: Limited to \$5,000 per grant and limited to the following three expenses:**

- Sign on bonuses for new staff.
- Clearance checks for new staff.
- CPR and first aid training for new staff.

Providers should refer to [the Child Care Start Up and Expansion Grant Additional Information and Frequently Asked Questions \(FAQ\)](#) for further information on allowable expenses.

Ineligible Expenses

Grant funds cannot be used for any of the following expenses. Although the list is not exhaustive, it is provided for general guidance.

- Purchase of land, construction, and/or major renovations.
- Purchase of gift cards, gift certificates, travel checks, and/or any other comparable legal tender.
- Purchase of alcohol.
- Purchase of vehicles.

- Payment toward staff entertainment, including amusement, diversion, and/or social activities or any costs directly associated with such activities (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) that are not professional development-related events.
- Purchase of any second-hand (used) items, including but not limited to, those from individuals, yard sales, and auctions.
- Federally approved and/or corporate indirect cost rates assessed to affiliated programs.
- Salary increases and bonuses for current staff and/or those who work solely in programs such as PA Pre-K Counts, Head Start Supplemental Assistance Program, and Infant Toddler Contracted Slots.

Application Support and Submission Information

Eligible providers are encouraged to contact their ELRC with questions about the application process. ELRCs can provide support by answering questions or addressing concerns; however, to remain impartial, ELRCs cannot provide further guidance once a completed application is submitted for review.

To apply for this grant opportunity, eligible providers must complete the [Child Care Start-Up and Expansion Grant Application](#). As part of the application process, providers are required to submit a Requested Budget using [Appendix A: Budget](#).

Providers must submit applications to their ELRC and can refer to the [2024-25 Child Care Start Up Grants ELRC Submission Information](#) for details. The selected ELRCs will accept applications from December 5, 2024, through January 31, 2025. ELRCs will score the applications as they are received but hold all applications for final funding decisions until after the application period ends on January 31, 2025. Applications received after January 31, 2025, will be considered ineligible. **Funding for this grant opportunity is limited and not all grant applications may be funded.**

Each eligible provider location can apply for **one** grant. Legal entities operating multiple locations can apply for one grant for each of their eligible locations. Head Start and Early Head Start grantees with multiple locations can apply for one Type 1 Conversion Grant for each eligible location.

Application Review

Applications will be reviewed and scored by the respective ELRCs as they are received. Scoring is based on a 100-point rubric with an opportunity to receive five Bonus Points. However, the maximum total points a program can earn is 100. The Scoring sections and maximum point total for each are described below:

- Section 1: Provider Information (10 points awarded)
- Section 2: Service Area (20 Points Maximum)
- Section 3: Grant Details (10 Points Maximum)
- Section 4: Project Overview (40 Points Maximum)
- Section 5: Budget (20 Points Maximum)
- Section 6: Bonus Points (5 Points Maximum)

Additional information on each Scoring section and further instructions can be found in the [Child Care Start Up and Expansion Grant Application](#).

Applications must receive a minimum score of 70 to be considered for funding by an ELRC. Depending on the number of applications received by an ELRC, demand may exceed available funding.

Approved Applications and Grant Agreements

If an application is approved for grant funding, the provider will receive a Grant Agreement packet from their ELRC. This packet will detail the approved grant amount and the Grant Requirements and Conditions (Rider 2) the provider must follow throughout the grant period. Providers are responsible for reading, signing, and returning the Grant Agreement to their ELRC no later than February 28, 2025. They should only sign the Grant Agreement after agreeing to all information contained in the packet. Grant payments will be issued by the ELRC upon receipt of signed Grant Agreements.

Revised Budgets and Grant Agreement Amendments

Providers may discover that they wish to make changes to their approved Requested Budget once they begin spending grant funds. There are two changes which will require providers submit a Revised Budget to their ELRC for approval; they are:

- Requesting an increase in their overall grant funding (up to the maximum grant amount), and/or
- Seeking to purchase new item(s) or services not included in their approved Requested Budget, where the estimated cost of the new line item(s) exceeds \$1,000.

Providers should wait to purchase any items not listed in their approved Requested Budget until they receive the approved Revised Budget from their ELRC.

Additionally, the ELRC may, in certain instances, ask a provider to submit a Revised Budget for other reasons not outlined above in order to offer additional support.

Providers will submit a Revised Budget using [Appendix A: Budget](#) and indicate the requested changes in the *Revised Budget* column. Providers must submit a Revised Budget no later than May 30, 2025. If the Revised Budget includes a request for additional grant funding and is approved, the ELRC will issue and send to the provider the following:

- Grant Agreement Amendment (Rider 3) and
- Copy of [Appendix A: Budget](#) to indicate Revised Budget was approved by the ELRC.

The provider must sign and return the Grant Agreement Amendment to their ELRC before the Revised Budget takes effect.

Final Expenditure Report

Providers are required to submit a Final Expenditure Report (FER) using [Appendix A: Budget](#) to their ELRC beginning May 1, 2025, but no later than June 13, 2025. The FER will detail how providers expended their grant funds as well as indicate any unspent funds they will be returning to the ELRC. Using [Appendix A: Budget](#), providers will complete the *Actual Spent/FER* column and sign and return to their ELRC. ELRC's will review the submitted [Appendix A: Budget](#), specifically the *Actual Spent/FER* and if approved, sign and date.

Grant Application Denials

If a grant application is denied by an ELRC, the provider will receive a Denial Letter from the ELRC. The letter will explain the reason an application was denied, and the process for submitting an appeal. Applications that were submitted and denied for not meeting the required qualification score will be kept in ELRC records and may be reconsidered if grant funding remains or additional funding becomes available.

Timeline and Important Dates

The following timeline reflects important dates for eligible providers to consider regarding the grant opportunity.

- **December 5, 2024 – January 31, 2025:** Eligible providers can complete a 2024-25 Child Care Start Up & Expansion Grant Application. ELRCs will score applications on a rolling basis.
- **February 3, 2025 – February 21, 2025:** ELRCs select approved Grant Applications to be funded, and issue Grant Agreement packets to eligible providers.
- **February 3, 2025 – February 28, 2025:** Approved providers must submit a signed and completed Grant Agreement to the respective ELRC.
- **February 3, 2025 – March 7, 2025:** ELRCs issue grant funding to approved providers who have submitted a signed and completed Grant Agreement.
- **February 3, 2025 – May 30, 2025:** Approved providers expend funds on allowable expenses.

- **February 3, 2025 – May 30, 2025:** Approved providers can submit Revised Budgets using **Appendix A: Budget** to the ELRC.
- **May 1, 2025 – June 13, 2025:** Approved providers must submit an FER using **Appendix A: Budget** to the ELRC and return any unspent funds.

NEXT STEPS

1. Refer to [Child Care Start Up and Expansion Grant FAQ and Additional Information for Providers](#) for additional requirements and clarifications.
2. Beginning on **December 5, 2023**, submit Child Care Start Up and Expansion Grant applications to their ELRC.
3. Follow the additional steps detailed in the **Timeline and Important Dates** section.
4. Contact their regional ELRC with any questions.