



# CRECER New Mexico Application Guide

## Introduction

[CRECER New Mexico](#), made possible by the New Mexico Early Childhood Education and Care Department (NM ECECD), is a collaboration between WESST, Growing Up New Mexico, and Civitas Strategies. Our mission is to empower and elevate child care businesses throughout the state by providing a comprehensive suite of resources including training, workshops, webinars and personalized coaching in both English and Spanish. Our collaborative efforts are dedicated to fostering the growth of New Mexico’s child care sector with a focus on increasing access to high quality care delivered statewide.

As part of this initiative, NM ECECD has launched a new grant program within CRECER New Mexico. This program is designed to assist eligible child care businesses in expanding their reach and facilitating greater access to high-quality child care.

The grant application process will be conducted in two competitive application phases:



***\*To receive priority consideration, applicants are encouraged to submit applications by March 31st, 2024***

This funding will help provide children and families with greater access to high-quality care by helping child care businesses offset costs associated with improving their quality and capacity.

## About the CRECER New Mexico grant program

### Who is eligible?

This opportunity is available for child care businesses seeking to increase access to quality care, either by improving quality for the existing children in their care or by creating new child care slots. Licensed family homes, licensed family group homes, and licensed child care centers are eligible to apply for funding if they plan to make quality improvements to their child care business **on or after February 26, 2024 and before September 12, 2024. Businesses that are soon to be licensed must receive their license on or before May 31, 2024 to be considered for funding.**

Child care businesses must be **increasing the availability of high-quality child care** to be considered for funding, with preference given to applicants whose projects will positively impact infant or toddler care (0-35 months). Examples include but are not limited to:

- 1) Increasing your [FOCUS Tiered Quality Rating and Improvement System](#) rating to 4 or 5 stars;
- 2) Increasing operating hours or licensed capacity;
- 3) Increasing quality of care for children you serve through facility or equipment improvements; or
- 4) Increasing the training or qualifications for staff at your child care business.

Though applicants must demonstrate a plan that increases the availability of high-quality care, increasing Star rating and adding licensed capacity are not requirements for being considered for funding.

### What Funding Is Available?

Licensed family homes and licensed family group homes can receive up to \$10,000 and licensed child care centers can receive up to \$10,000 per classroom for a maximum award of \$10,000 per application. Child care businesses must submit a separate application for each location and/or classroom (for center-based businesses only) to be considered. Approved applicants will receive their awards in two payments, one after signing their CRECER New Mexico award agreement I and one upon completion of required reporting and award monitoring:

<b>Provider Type</b>	<b>Total Award Amount</b>	<b>Payment 1 (80%)</b>	<b>Payment 2 (20%)</b>
Licensed Family Home	Up to \$10,000	Up to \$8,000	Up to \$2,000
Licensed Family Group Home	Up to \$10,000	Up to \$8,000	Up to \$2,000
Licensed Child Care Centers	Up to \$10,000 per classroom	Up to \$8,000 per classroom	Up to \$2,000 per classroom

**Applicants can expect to receive their first payment no later than June 14, 2024.**

**Understand Allowable Use of Award Funds:**

Funding can be used toward allowable costs incurred on or after February 26, 2024 and **must be spent within 90 days of receipt**. Grants are intended to support costs associated with increasing access to quality care, including, but not limited to:

- Regular monthly rent or mortgage payment and utility bills of your secured location (down payments, security deposits, and other one-time payments associated with securing a location are not permitted);
- Indoor equipment and furnishings (e.g., cribs, changing tables, bookshelves, chairs, tables, and rugs);
- Office furnishings and equipment (e.g., desks, chairs, filing cabinets, computers, software, and printers);
- Outdoor equipment (e.g., playgrounds, shade structures, toys, balls, fencing, and infant strollers)
- Kitchen supplies (e.g., appliances, cookware, and serving items), excluding food;
- Safety supplies (e.g., fire extinguishers, smoke detectors, carbon monoxide detectors, baby gates, outlet covers, and secure entry systems);
- Education supplies/classroom materials (e.g., curriculum, books, and toys);
- Payroll, Employment & Personnel Costs (e.g. wages, and benefits for W-2 employees, including yourself, that are needed to support implementation of the grant project); and
- Minor renovations that do not meet the definition of major renovation (e.g., exterior or interior painting, lighting/plumbing/kitchen fixtures, trim work/minor carpentry, flooring replacement, and HVAC improvements).\*

\* **Construction of new facilities and major renovations are prohibited with this funding.** Applicants cannot use these grant funds to purchase or lease land, buildings, or undertake the construction of new buildings or any major renovations. A major renovation includes (1) structural changes to the foundation, roof, floor, exterior or load bearing walls of a facility, or the extension of a facility to increase its floor area; or (2) extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include a structural change.

**For more detailed information on allowable expenses, please see our Monitoring and Reporting guide at [www.crecernm.org](http://www.crecernm.org).**

# Applying for funding through CRECER New Mexico

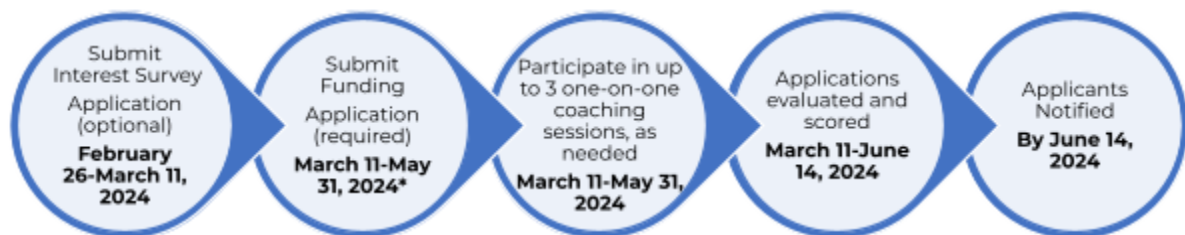
In order to be considered for funding, eligible child care businesses must complete an application outlining their project plan and proposed outcomes. The application process will occur in two phases:

1. **Interest Survey (Optional):** Applicants are invited to indicate interest in having their project plan considered for funding. Though not required for consideration, applicants are strongly encouraged to complete this preliminary application.
2. **Funding Application (Required):** Applicants will submit detailed information about their child care business, project plan, financials, and proposed outcomes of their project. Funding applications are required to be considered for funding.

Both applications will include key information about your child care business and project plan, and will also serve as your agreement to monitoring, reporting, and other statutory requirements. After funding applications have been submitted, applicants can receive up to 3 one-on-one coaching sessions with a child care business expert to help strengthen and refine their project plan if needed.

Once coaching is complete, applications will be evaluated for their project feasibility, business sustainability, and overall project outcomes. The scoring process will be competitive and these criteria will be considered in determining which applications will move forward to approval for funding.

## Grant Program Timeline:



*\*To be eligible for priority consideration, applicants are encouraged to submit their application by March 31, 2024*

**All applicants who are issued awards will be required to participate in reporting and monitoring.**

## **Preparing For Your Interest Survey**

The interest survey is designed to guide you in carefully considering key project details to make sure that you are well-organized, prepared, and positioned to move forward in the next phase of your child care business journey. This application is simple and doesn't require much preparation, however, thinking through your project details can help you provide thoughtful answers for your interest survey while giving you a jump start on your funding application. You can get started on a solid plan in two simple steps:

### **Step 1: Think about your project plan**

A key area of the application will be your project plan. The project plan will serve as an anchor for your organization and a well-crafted one will serve as a trusty guide as you invest in your business. The plan will also allow you to demonstrate your project's goals and feasibility to CRECER New Mexico.

Investing in the improvement or growth of any business, especially a child care business, involves many moving parts. However, you can simplify this process by starting with several critical questions that you can ask yourself before moving forward:

1. What are you proposing?
2. Why are you embarking on this project?
3. How will the project improve quality or provide additional high-quality child care slots?
4. Where is the project taking place?
5. Who are the staff needed that will be a key part of successful growth?
6. How much will it cost? How will you fund it?

### **Step 2: Think about your needs**

Now that you've reflected on important questions and considered key project plan elements to help you develop your plan, take a moment to think about what resources and actions will be necessary to help you achieve your goals:

1. Are you clear on what you are trying to do?
2. What are you most worried about?
3. Do you have a plan for securing additional staff or funding needed?
4. Are there supports that might help you be more successful?

CRECER New Mexico offers a number of supports for child care businesses like yours, whether you are applying for grant funding or not. You can find helpful information for your business at [www.crecernm.org](http://www.crecernm.org).

## **Submitting Your Interest Survey**

Once you've thought through your project plan, you are ready to submit your Interest Survey:

1. Visit [www.crecerm.org](http://www.crecerm.org) to access the interest survey online.\*
2. Enter general information about yourself and your business.
3. Answer the questions to demonstrate how funding would help you to reach your project goals.
4. Answer the questions to show how your project will impact children in your community.
5. Indicate the challenges you are most concerned about in implementing your project plan.\*\*
6. Submit your application

*\*Applicants in need of a paper application may contact [info@crecernm.org](mailto:info@crecernm.org) for support.*

*\*\*This information will be used to better understand community needs and to inform the development of additional tools and resources offered by CRECER New Mexico. This information will not be used to score your application.*

Once you have submitted your interest survey you will also be added to an email list to keep you updated with important information about the program.

## Preparing For Your Funding Application

Now that your interest survey has been submitted, it's time to get to work on preparing for the funding application. The funding application will build upon your interest survey (if you submitted one) and will require a more comprehensive review of your project plan, along with the submission of supporting documentation. It's important to set aside some time for thoughtful preparation of your responses.

We recommend that interested businesses prepare their business plan in advance and enter their responses into the application once they have completed. This will allow you to think through your answers thoroughly, which is especially important because **project plans will be scored**, and only businesses who ultimately develop viable project plans will be eligible to receive funding.

We recommend taking the following steps to prepare your responses:

### Step 1: Prepare your proposed project plan

The Project Plan Worksheet will help you begin your journey on the right track and outline the steps you will take as you move forward. Begin by capturing your answers to these questions. You can find the questions that you will need to answer on your funding application in the [Project Plan Worksheet](#). We recommend following that format as you develop your plan details.

As you continue to add detail to your plan, consider these **Key Project Plan Elements** to help you communicate your plan and chart out any challenges you expect to face along the way:

**Project plan overview:** Imagine your project plan serves as the blueprint for your quality improvements – it's like a step-by-step guide that helps you navigate the journey. As you write your overview, consider including details such as the type of project you are undertaking. Will this be a facility improvement or a space upgrade? Perhaps you are planning to invest in training for yourself or your staff. Will you be changing your hours or services? Make sure that you include any significant steps such as inspections or training dates that will impact your plan.

**Your business's mission statement:** Your child care business is unique, and its mission statement is what makes it stand out. Think of it as the special characteristics that make families choose your program. Whether it's a captivating Spanish immersion program, the expertise of a behavior specialist, flexible hours, or the personal touch of being family-run, this section lets you share the special features that set your business apart from the rest.

**Owner or Director experience:** When thinking about owner or director experience, be mindful that there are many different types of experience that can help you be successful in implementing your project plan. You don't need all of them, but be sure to include any child care experience, business experience, and education and certifications that showcase your readiness for this exciting venture along with the number of years for each.

**Enrollment, market, and location details** – This information will help us to understand what your current enrollment is like as well as the demand for services in your area. Be sure to include information both about demand from families, such as a waitlist, as well as demand implied by events in your area, such as a large factory opening up nearby. This information should show that there is a need in your area for what you are hoping to do with your project plan. Make sure you are also thinking about how you will fill any new or empty slots and market them to families in your area.

**Staffing needs and Hiring Plan:** If you will need to train or hire staff as part of your project, you will want to explain that here. The more you can demonstrate that you know what you need and that you have a plan to get there, the better. Hiring plans can be as simple as indicating that you plan to advertise online or search at a local job fair, but are important nonetheless. If you have any concerns that you are still thinking through, be sure to include those as well.

## **Step 2: Collect information about your business and financial status**

Next, you will want to gather information about your child care business and financial status. This information will be used to understand the key ingredients for your plan's success. The funding application will ask you to answer questions about the following aspects of your organizational and financial health:

- **Project Budget:** A clear, and well-thought-out plan will be critical for getting started, but your budget is a key piece of your project plan that will help to predict your success and sustainability in the long term. List all of the

expenses you anticipate in moving forward with your project plan. Be sure to include all sources of funding needed to support your project, as well as whether or not it has been secured, including in-kind services and donations, to provide a clear picture of your financial plans.

As you develop your [budget](#), make sure that you understand which expenses are allowable under the grant program and which are not, so that you understand in what areas you will need to secure additional funding. While categories of allowable funding were designed to provide coverage for costs associated with quality improvements, there will likely be some expenses that are not able to be covered by the funding, such as construction and major renovations. In these cases, we recommend that you take a look at the list of allowable expenses, such as staffing costs, and then use the money you would have used on staffing costs for your expenses that are not covered. You can learn more about allowable expenses in our [Frequently Asked Questions](#) and our Reporting and Monitoring Guide at [www.crecernm.org](http://www.crecernm.org).

- **Financials:** To prepare for this section, start by thinking about your [tuition rates](#). How did you determine your rates and what are they? When was the last time you adjusted them? You will also want to make sure you have a clear picture of the money you expect to have on hand over the next several months. Creating a simple 6- to 12-month [cash flow projection](#) will help you be prepared for what lies ahead. If you are expecting to be filling empty or new child care slots, be sure to account for the ramp up in enrollment.
- **Tax Returns:** You will be asked to provide the last 2 years of tax returns to help us understand the financial health of your business. For sole proprietors this is your Schedule C in your 1040 tax return. If you are not in business currently, you will need to provide your personal returns.

### **Step 3: Explain how you will measure your proposed increase in high-quality child care**

In the final section of your funding application, you'll be asked to talk through how you will measure the proposed increases in high-quality child care from implementing your project plan. You will also be asked to supply documentation in certain areas, if applicable to your plan. Here are a few things that you will be asked to provide:

- **Proposed project outcomes:** Here, you will want to describe what we can expect to see as a result of your project. How will children and families be affected by your improvements? Do you anticipate changes to your quality rating or licensed capacity? Use this section to describe what will be different after you implement your plan.
- **Child Care License:** You will be asked to provide your child care license number as part of your application. If you are not yet licensed, you will be



asked to provide a document that shows that you have secured a location such as a signed lease or purchase agreement or a utility bill.

- **Facility improvement plans:** If applicable, provide any contractors' estimates, floor plans, or construction or renovation plans. Please remember that while major construction may be a part of your project plan, those expenses are not covered by CRECER New Mexico grant funding.

Please refer to the Project Plan Worksheet to help you prepare your submission.

## Submitting Your Funding Application

Now that you've prepared your information, you are ready to enter your responses and submit your application. To complete your application, you'll need to complete the following sections:

### Step 1: General Information

This section will ask you to answer questions about your business type, contact information, and capacity and enrollment information.

### Step 2: Project Plan

This will be where you include the bulk of your project plan information that you developed in the previous section of this guide. We recommend that you prepare your responses before filling out your application to give yourself some time to think through your responses. You can see a copy of the questions that will be asked in the attached Project Plan Worksheet. As you develop your responses, be sure to highlight any impacts your plan will have on increasing access to high-quality child care in your community.

### Step 3: Project Budget and Funding

In this section, you will be asked to list how much grant funding you are applying for (up to \$10,000 per location and for centers, per classroom) and describe how these funds will be used to improve quality.

### Step 4: Financials

You'll also be asked to provide a 6 or 12 month cash flow projection for your child care business. If you do not currently maintain a cash flow, don't worry, you can use the Cash Flow Workbook provided at [www.crecernm.org](http://www.crecernm.org). As a reminder, applicants needing support will be able to work with a business coach after submitting their application and can continue to develop their cash flow projection as part of this process. Applicants will also be asked to supply copies of their last 2 years of business tax returns. If no business tax returns are available, applicants can provide personal tax returns instead. Nonprofits can provide copies of their recent IRS Form 990s.

### Step 5: Certifications, Terms, and Conditions

At this point, you'll want to read through the terms and conditions associated with applying for and receiving funding from CRECER New Mexico. Applicants must agree to all certifications, terms, and conditions to be eligible for consideration for funding.

**Note: All applications must be submitted by an authorized signatory (typically the owner or director) for the child care business for the child care business.**

## What happens after submission?

Once your application is submitted, you will be contacted by CRECER New Mexico with an update or next steps on your application. If your application indicates that you are eligible to be considered for funding, you will be contacted to schedule a brief call with a child care business coach to talk through the details of your project plan and identify areas for improvement. Applicants can receive up to 2 additional one-on-one calls for a total of 3 one-on-one sessions to continue strengthening and refining their project plan. Once coaching is complete, applications and project plans will be evaluated and receive a final score:



Businesses with well-developed plans will be invited to meet with a coach to review and/or refine their submitted business plan.



Businesses who meet the scoring threshold for funding will receive an award agreement based on their proposed project.



Businesses who do not appear ready to implement their project plan will not be granted funding. However, these applicants will have the opportunity to participate in free business coaching to assist with stabilizing and strengthening their child care business for future growth.

**Note** – The application review period will be unique to each applicant. The length of the period of your application review to a funding decision will depend on the components of your project plan, your availability and responsiveness, and the amount of additional information or coaching needed to complete a review of your project plan. All applicants will be notified of their application decision no later than June 14, 2024.

## Project Plan Scoring

Your application will be scored based on the completeness and feasibility of your business plan. Each business plan section will be scored as follows:

- **Project Plan (30/100 points):** Measuring overall feasibility of your project and impact on increasing access to high-quality child care. This should include increase, maintenance, or entry into the [FOCUS Tiered Quality Rating and](#)

[Improvement System](#), becoming a licensed child care provider, increasing capacity or enrollment at your facility, or other quality improvement measures that do not impact your star rating, such as adding a curriculum.

- **Evidence of Demand for Services (30/100 points):** This should include if your child care business has a waitlist, inquiries and interest from families, changes to the area (such as nearby child care businesses closing, new factories being opened in your area, or new housing developments being built), service offerings in comparison to competitors, proximity to competitors, or provision of high-demand services such as infant care or overnight care.
- **Project Budget (20/100 points):** Budgets should be for the completion of your quality improvement project which will be different from your operating budget. Budgets should include costs for your full project improvement plan as well as proposed funding sources and whether or not they have been secured.
- **Financials (20/100 points):** Applicants will be asked to provide a 6 to 12 month cash flow forecast for their child care business. This can be in the format typically used for your child care business or using the Cash Flow Workbook if you don't have one. As a reminder, applicants with viable project plans will have the opportunity to strengthen their plan through one-on-one business coaching after submitting their plan. Tax return information will be used to assess the overall financial health of your child care business.

## Funding, Monitoring, and Reporting

Approved applicants will receive their award in two payments. The first payment will comprise 80% of award funding. Applicants will have 90 days to spend their funds and will then need to demonstrate proof of spending (such as a receipt or paid invoice) through the monitoring process. After monitoring review and approval, applicants will receive their second payment, the remaining 20% of their award. Applicants will then be asked to complete a reporting survey outlining their quality project plan progress, impact of the CRECER New Mexico grant funds received, and the quality improvements that were made as part of the project.



### Step 1: Sign the award agreement

Applicants will receive an award agreement via DocuSign upon approval of their

application. Review the details, terms, and conditions of your agreement carefully before signing.

### **Step 2: Receiving the first payment**

Awardees will complete a W9 and Direct Deposit form unless extenuating circumstances exist in which case a check can be mailed to the business address on file using certified mail with a "receipt of funds form" which they will sign and return using the return envelope included.

Applicants will receive a portion of their funding, 80% of their total award, upon approval of their application. Applications will be reviewed and approved on a rolling basis with preference given to applications received by the March 31, 2024 priority consideration deadline. Payments will be disbursed on a rolling basis no later than June 14, 2024.

### **Step 3: Complete monitoring\***

After spending their funds, applicants will need to complete monitoring for their first payment before they will be eligible for their second payment. Monitoring will consist of submitting valid proof of allowable expenses within each of the allowable expense categories, totaling the award amount, upon request. Applicants will be invited to participate in monitoring 6-8 weeks after receiving their funds. If funds have not been fully spent, applicants may delay the monitoring process for an additional 2-4 weeks.

### **Step 4: Receive the second payment**

After complying with all monitoring requirements, applicants will be eligible for their second payment, or 20% of their total award.

### **Step 5: Complete final reporting\***

Recipients will be required to submit a final report demonstrating use of the full award amount received, project status and outcomes, and funding impacts.

**\*All award recipients will be required to comply with monitoring and reporting as a condition of receiving grant funding from CRECER New Mexico.** Failure to comply may result in the recoupment of funds or may jeopardize the ability to receive funding in the future. There will be a detailed monitoring guide to help providers prepare for the monitoring and reporting process available at [www.crecernm.org](http://www.crecernm.org).

## **Interested in applying?**

**How to tell if you are ready to grow and improve your child care business.**

There will be many child care businesses that can benefit from funding through the CRECER New Mexico grant program. However, investing in a quality improvement

project is a large undertaking and businesses should ensure they are ready to move forward with the necessary capacity, resources, and drive to attend to the process.

Before moving forward, it is important to consider a few key questions:

- ✓ Are you clear on what the process will require?
- ✓ Do you have or can you easily line up the resources that you will need to make your project plan a reality?
- ✓ Is this an appropriate time for you to invest in this project?

While no method is foolproof, there are some key indicators that a provider is ready to consider a quality improvement project for their child care business. Successful applicants will:

- Have a clear [project plan](#) and timeline;
- Have a clear staffing plan to support their plan;
- Have a comprehensive financial plan to support sustainability; and
- Demonstrate how they intend to provide increased value to the surrounding community and New Mexico child care industry through their project plan.

## What if I need help?

As a reminder, applicants will be able to meet one-on-one with a coach after submitting their funding application to work on strengthening and refining their project plan.

We understand that not all child care businesses are ready to invest in a larger quality improvement plan, but you can still access free one-on-one expert business coaching and free business resources to strengthen your child care business. Please visit [www.crecernm.org](http://www.crecernm.org) where you can sign up for coaching or browse guides and videos on a variety of child care business topics.

### Additional Resources

#### Application Resources

- [Budget and Cash Flow Template to Support your Funding Application](#)
- [FOCUS Tiered Quality Rating and Improvement System](#)
- [Frequently Asked Questions](#)
- [Project Plan to Support your Funding Application](#)
- [Webinar Schedule and Sign Up](#)
- [Toolkits/Resources](#)

#### Suggested Guides

- [Annual Business Plan](#)
- [Attracting and Retaining Staff](#)
- [Managing Enrollment](#)

- [Managing, Analyzing, and Projecting Cash Flow](#)
- [Offering Benefits](#)
- [How Does Relief Funding Affect Your Taxes?](#)
- [How to Set Rates](#)
- [Financial Recordkeeping](#)