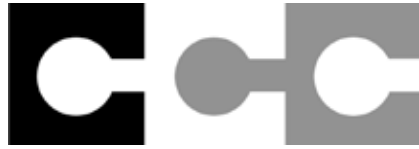


Constructing

Connections

**Resource Guide
to**

Child Care Facility Development



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**Resource Guide
to
Child Care Facility Development**

Child Action, Inc.
9961 Horn Road
Sacramento, CA 95827
(916) 369-0191
www.childaction.org

INTRODUCTION

Thank you for your interest in developing quality child care programs in Sacramento County! This guide was developed as a part of the Constructing Connections program and is designed to assist those interested in opening a child care program in Sacramento County with the tools and resources necessary to do so.

Constructing Connections Sacramento is a project of the Sacramento County Child Care Coalition through Child Action, Inc. The program is funded by the Affordable Building for Children's Development (ABCD) Constructing Connections, a program of the Low Income Invest Fund with major funding from First 5 California.



Constructing Connections Sacramento works to create a streamlined process for child care facilities financing and development that increases children and families' access to quality child care and development services. Doing so will ensure a strong local economy in the future, reduce future government spending, and produce an overall higher quality of life for members of the community. The program is designed to create and strengthen partnerships between the child care community and businesses, real estate developers, government agencies, community developers and others for the purpose of a more efficient and cost effective development of high quality child care. The program also works to integrate child care facilities development into cities and county land use planning, community development programs, zoning and permit processes, and transportation plans.

This guide is a start-up plan to help direct the building, expansion, or renovation of a child care center, from pre-planning and feasibility to opening your doors for business.

If you have any questions about information contained in this resource guide please contact:

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CHILD CARE CENTER DEVELOPMENT CHECKLIST

Planning

- Attend Licensing Orientation
- Conduct a Market and Feasibility Study
- Write a Business Plan
 - Decide on Organizational Capacity
 - Develop a Start-Up and Operating Budget

Predevelopment

- Determine Site Location
 - Contact Planning and Building Department for Requirements
- Schedule a Fire Pre-Inspection
- Obtain Pre-Development Financing
- Select an Architect
- Review and Revise Architect Drawings
- Conduct a Zoning Review
- Select a Contractor
- Obtain a Building Permit

Development

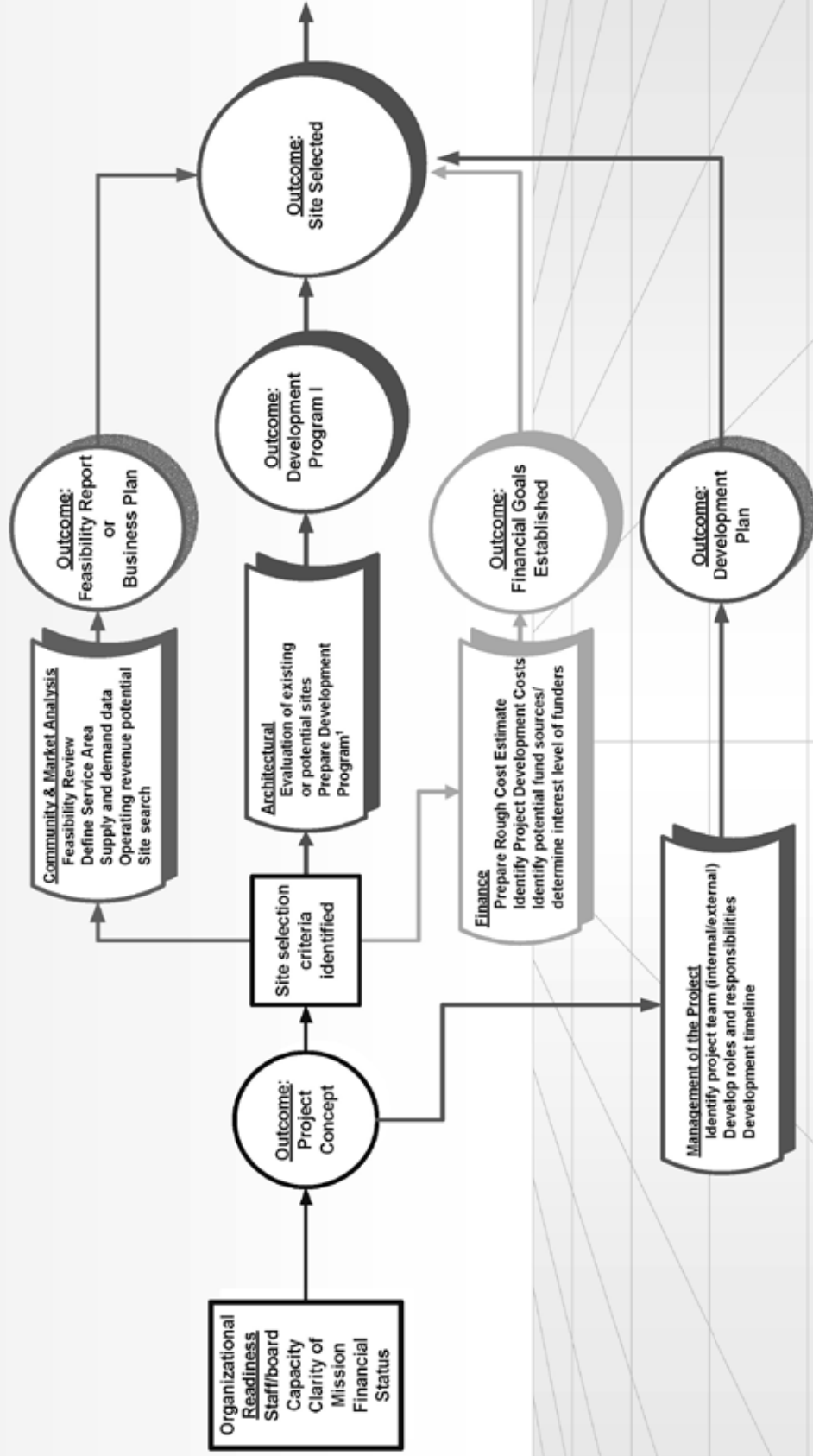
- Loan Closing
- Start Construction
- Obtain Business License and Articles of Incorporation (if needed)
- Complete Licensing Application and Submit with Fees (this process can take up to 90 days for processing)
- File With State EDD office
- Complete Component 3 of Licensing Orientation (face to face interview with Community Care Licensing)
- Begin Marketing
- Call for Building and Fire Inspection
- Obtain Certificate of Occupancy
- Licensing Inspection
- Obtain Fire Clearance
- Move In and Set Up

Start Up

- Obtain Licensing Clearance
- Open for Business

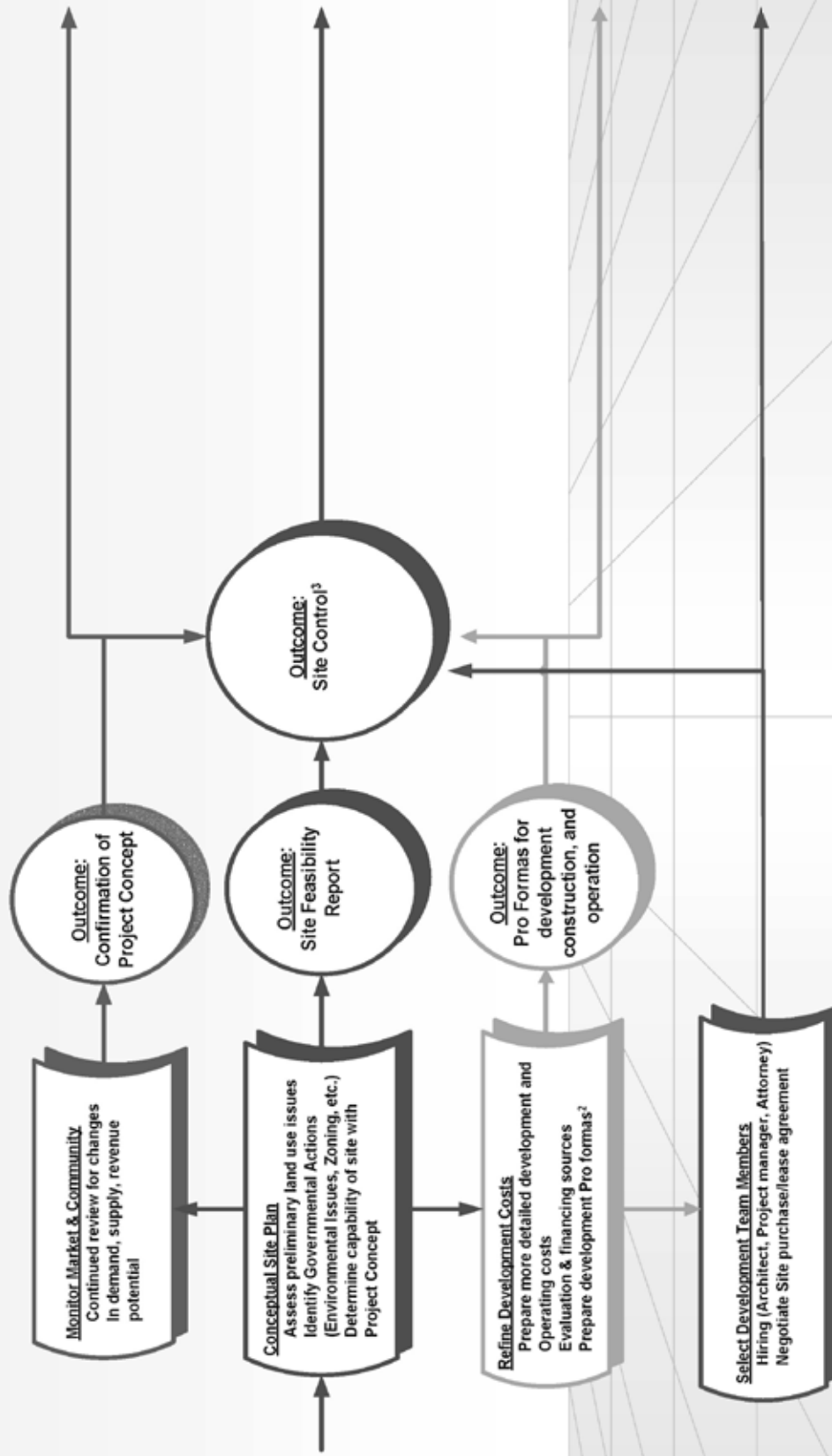
Child Care Facility Development Flow Chart

Development Concept Phase



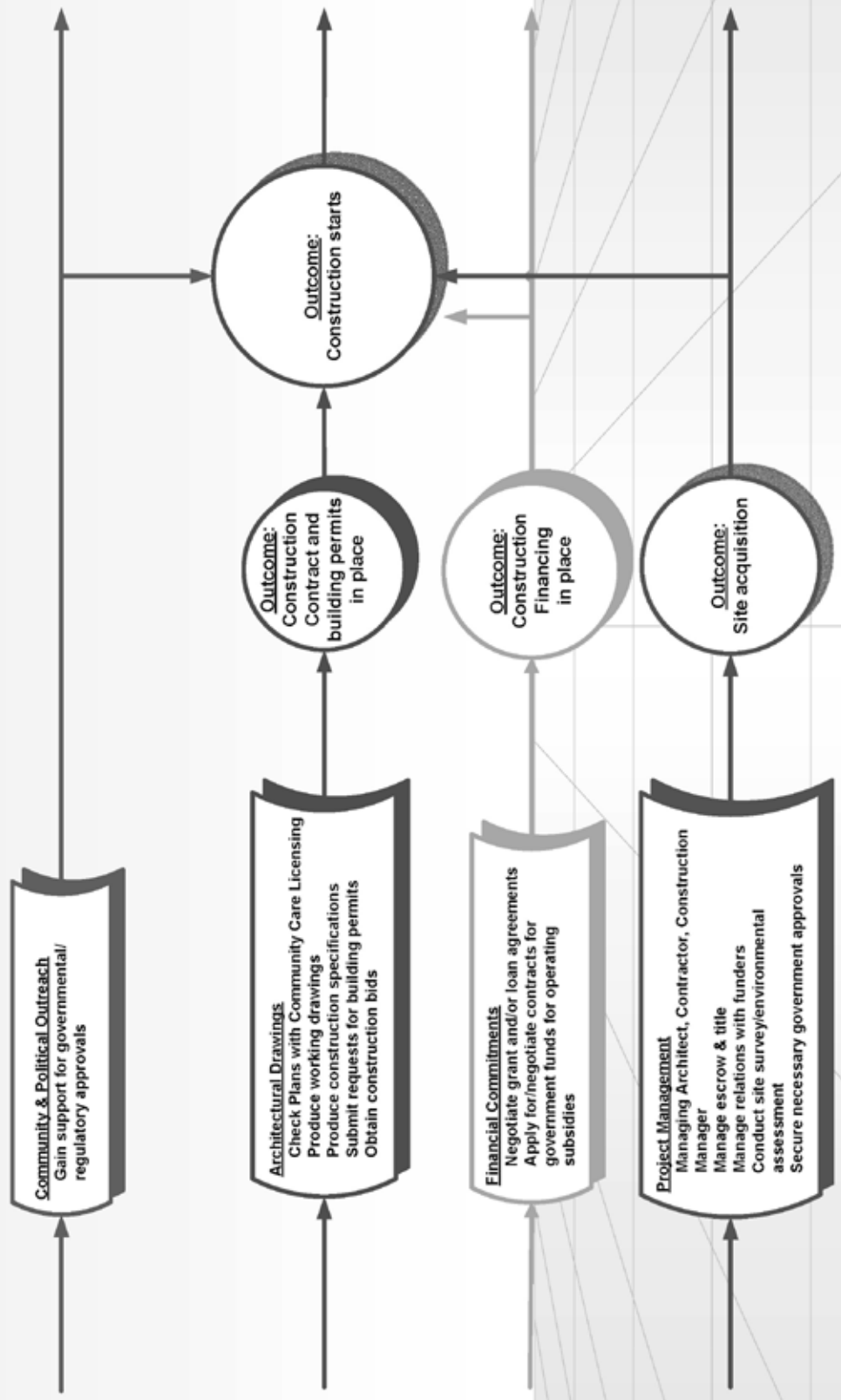
Child Care Facility Development Flow Chart

Feasibility Phase

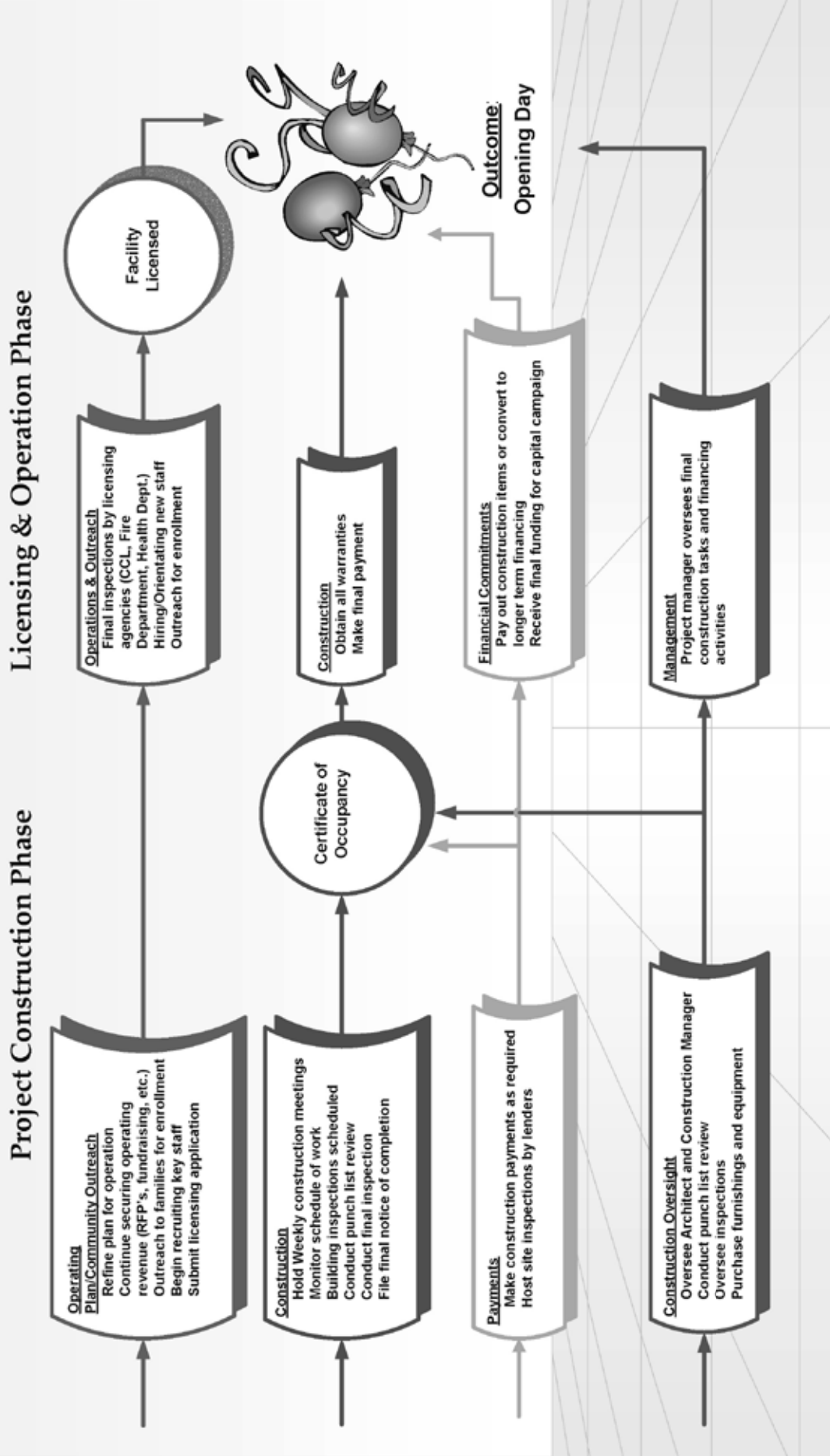


Child Care Facility Developing Flow Chart

Pre-construction Planning & Financing Phase



Child Care Facility Development Flow Chart



SELF QUIZ

Before deciding to open your own child care business, a certain level of self-reflection is necessary. Opening your own business, especially a child care business will require a large amount of financial and educational resources. A child care center also requires certain personal skills and characteristics. The following questions will allow you to assess your priorities to determine whether you are ready to open a child care center:

- ✓ Do you have the interest, experience, and education to run a small business and all of the financial, business, and economic responsibilities attached to it?
- ✓ Have you worked in a child care center or owned a family child care home in the past?
- ✓ Have you taken, or are you willing to take Early Childhood Education (ECE) classes to obtain a better understanding of child development?
- ✓ Do you like being around children all day?
- ✓ Can you communicate effectively with people of a variety of ethnic & economic backgrounds?
- ✓ Are you comfortable building partnerships with parents to discuss the progress of their children?
- ✓ Do you have experience supervising other adults?
- ✓ Are you willing to take out a loan from a financial institution to pay for the renovation and initial start up costs associated with opening a child care center?
- ✓ Have you considered the ongoing costs associated with running a business including insurance, taxes, and salaries?
- ✓ Do you have the financial security to spend a year building a clientele?

If you answered YES to these questions, you may have the necessary qualities it takes to own a successful child care business. Successful child care programs are well conceived business ventures that operate with sound business and marketing plans. Child Action, Inc. can help you evaluate and plan your child care business.



CHILD CARE NEED

Opening a child care center can be a difficult task. You may not know where to start or what type of resources you will need. Understanding child care need in your area will help you in planning for your child care center. Census and other data on the community will help you determine the need for child care within the community. The agencies listed below have demographic data available on Sacramento County:

Organization	Contact Information	Services Provided
Child Action, Inc.	9961 Horn Road Sacramento, CA 95827 (916) 369-0191 www.childaction.org	Call for an appointment to speak with the Facilities Coordinator about establishing a child care center in Sacramento County and to obtain a feasibility study for the area that you are interested in opening a child care center.
Sacramento Area Council of Governments	1415 L Street, Ste 300 Sacramento, CA 95814 (916) 321-9000 www.sacog.org	Census Information is available. Some information is free. Detailed information, along with statistical information is available for the cost of copying.
Sacramento Local Child Care and Development Planning Council	9961 Horn Road Sacramento, CA 95827 (916) 369-3344 www.sac-lpc.org	The Local Planning Council (LPC) has recently compiled data on child care need into a report: Sacramento County Child Care Plan, 2007-2012, which is available online for download on their website. The report contains an assessment of child care needs, projections of growth, and recommendations for Sacramento County through 2012.
Community Services Planning Council	909 12th Street, Ste 200 Sacramento, CA 95814 (916) 447-7063 www.communitycouncil.org	Provides community area profiles based on census information, as well as available community services. They also do population estimates and customized profiles by zip code for a fee.
Community Design Center	1705 Ocean Avenue San Francisco, CA 94112 (415) 586-1235 www.communitydesign.org	This brain trust of architects, planners, and child care developers helps nonprofit groups and organizations that plan to serve low-income families set up child care centers. They consult on construction and remodeling.
Greater Sacramento Small Business Development Center (SBDC)	1410 Ethan Way Sacramento, CA 95825 (916) 563-3210 www.sbdc.net	Helps those who wish to start a business, offering workshops on business, and counsels existing businesses regarding problems, expansion or financing.

GETTING YOUR CHILD CARE LICENSE

In California, the State Department of Social Services, Community Care Licensing Division has the responsibility of licensing child care centers. The State Department of Social Services, Community Care Licensing (River City Child Care Program), holds two orientations that you must attend prior to applying for your child care center license. The fee for orientation is \$50 per person. Contact Community Care Licensing for the most current orientation schedule and to reserve a space at orientation.

Location: 8745 Folsom Blvd.,
Suite 110-113
Sacramento, CA 95826

Hours: 8:00 am to 5:00 pm

Phone: (916) 229-4530

Email: www.cclid.ca.gov



COMPONENTS OF THE LICENSING PROCESS

Orientations	Topics Covered
Application Orientation	This is a general overview of the licensing requirements application process, the role and responsibilities of the licensing agency. The requirements to obtain clearances and permits from outside agencies will also be reviewed.
Operations and Record Keeping Orientation	This orientation is intended for both the applicant <i>and</i> the center director. It covers topics such as daily operations and accountability of the center, forms, criminal record clearances and staff qualifications and ratios.

LICENSING FEES

Licensing fees are subject to change, so contact Community Care Licensing to verify the fee schedule below:

Capacity	Application Fee	Annual Fee
1-30 Children	\$400	\$200
31-60 Children	\$800	\$400
61-75 Children	\$1,000	\$500
76-90 Children	\$1,200	\$600
91-120 Children	\$1,600	\$800
121+ Children	\$2,000	\$1,000

LICENSING REGULATIONS

The state regulations that cover a child care center are: Title 22, Division 12, Chapter 1. These regulations state all the requirements for becoming a licensed child care center. You will want to become very familiar with these requirements, as it is the sole responsibility of the director and owner to understand and follow the regulations. These regulations are available online at www.ccl.d.ca.gov.

CHILD CARE FACILITY REQUIREMENTS

Indoor Considerations

California Child Care Licensing Standards Regulations	National Association for the Education of Young Children (NAEYC) Accreditation Standards: Best Practices
Facility must be approved by the California Department of Social Services, Community Care Licensing Division	Must comply with all local licensing requirements
Facility must comply with state and local fire and building codes; all facilities must pass inspection by the local Fire Department; Staff is familiar with evacuation routes; practice evacuation procedures monthly with children	Smoke detectors, carbon monoxide detectors, alarms, and fire extinguishers are in each classroom and checked monthly with written logs; Staff is familiar with evacuation routes; practice evacuation procedures monthly with children
Minimum of 35 square feet of usable space per child; bathrooms, halls, offices, food preparation areas, and storage not included in square footage	Minimum of 35 square feet of usable space per child
1 toilet and 1 sink of appropriate height for every 15 children; separate bathroom facilities for adult staff; For the infant classroom, you will need to provide a classroom area with a changing table within arm's reach of a sink; for school age children you will need separate bathrooms for girls and boys	Toilets and hand washing are easily accessible
Drinking water available both indoors and outdoors	Drinking water is easily accessible to children
Food preparation area with a minimum of sink, hot and cold water, refrigerator, and food storage	
	Stairways are well-lit and equipped with handrails

Outdoor Considerations

California Child Care Licensing Standards Regulations	National Association for the Education of Young Children (NAEYC) Accreditation Standards: Best Practices
Minimum 75 square feet of space per child. Separate outdoor space for preschools and infant/toddlers. Enclosed by fencing a minimum of 4 feet high	Minimum 75 square feet of space per child, including: surface variety (sand, grass, hard surfaces, etc.), shade, open space, digging space, and equipment for climbing, riding, balancing, and individual play; requires fences or natural barriers
Per California Department of Health and Safety code, all new and renovated playgrounds must pass inspection by a Certified Playground Safety Inspector. A list of inspectors can be found at www.cprs.org	All pieces of playground equipment surrounded by a resilient surface of acceptable depth or by rubber mats manufactured for such use extending at least 4 feet beyond the fall zone of the piece of equipment

GETTING FINANCED FOR BUILDING OR RENOVATING YOUR CENTER

After you have determined the feasibility of opening a center in a given location, and have obtained approval for licensing and zoning, as a small business owner you will need to think about how to finance the construction or renovation of your child care center. Many providers have the assumption that they can apply for grants from the government or foundations. This assumption is partially correct, but the amount of grant money available will largely depend on the current state of the economy. Many grants are offered on a smaller level, for example to build or update playground equipment or to develop curriculum materials. These mini-grants are useful, but will not be the answer to all your small business financial needs. Building Child Care (www.buildingchildcare.org), a California Statewide Collaborative that provides information and resources for individuals interested in opening child care facilities, has developed a partial list of available grants.

Other than grants, providers can access loans through financial institutions. To make a decision about what type of loan you will need will depend on how much money you are requesting, the duration of the loan, your business' previous income, as well as your personal credit history. Talk to lenders with child care friendly loan policies and decide which option is the right one for you. Ask a lot of questions to make sure that you are clear on what you need. Building Child Care's Financial Planning Guide will help you better develop a functional budget and prepare for working with a lender. A glossary of loan financing terms is also available in the appendix of this document.

WRITING A BUSINESS PLAN

Your lender will require you to develop a business plan in order to justify financing your business. The business plan enables a clear view of your plan for the small business. The business plan is written as a detailed guide on how you plan to build, expand or renovate your business. This document needs to be concise, professional and clear.

A business plan is a blue print to run your business. It will help you develop the tools necessary to successfully operate your business, determine the best legal structure for your business, assist in obtaining small business financing, and aid in general goal setting for your business.

When writing your business plan you will want to provide as much detailed information as possible. You will also want to be as precise as you can when putting together the financial aspect of the business plan. The business plan will need to include market data to demonstrate the feasibility of the child care center; Child Action, Inc. may be able to offer assistance in preparing this data. An outline of a child care business plan is available in the appendix of this document. The Greater Sacramento Small Business Development Center (www.sbdc.net) can also provide you with assistance on writing your business plan and developing your budgets.

FINDING A LOCATION

When searching for a location you must first decide whether to have your center built or if you would prefer to convert an existing building into a center. If you choose to convert an existing building, you must determine whether you want to lease or purchase the building. Some things to consider prior to leasing include the cost and level of renovation needed to the site and the term of the lease; a seven year lease with 2 options to extend the lease would be ideal if you are planning to put a lot of time and money into renovation of the site. We recommend you have an attorney review the lease prior to signing it.

Once you find a potential location, you will need to contact a licensed architect who has experience or knowledge in building and renovating child care centers. Building Child Care offers a list of architectural referrals for the development of child care centers. If you decide on an existing building, make sure that it has enough indoor and outdoor space for the number of children that you plan to serve, and ample room to expand in the future. In addition, you will need to determine the building or land zoning code and if a use permit will be required in order to place a child care center at the site. You can get this information by contacting your local planning department.

MEETING LEGAL REGULATIONS AND LAND USE REQUIREMENTS

After you have selected a potential location, you will need to research the requirements for zoning and licensing. Your community may have regulations that prohibit child care centers in certain areas. Check your local planning department regulations for such barriers before your plans progress and you invest any money.

Zoning regulations pertain to the physical location of the facility, and the type of business that is being proposed. Each building or piece of land has been zoned by the city or county for a specific use. Depending on your building location, you may have to apply for a use permit, which is issued from a city or county planning municipality. In order to find out what zone the proposed child care center is in, you will need to call or stop in at the planning department. The planning department will inform you if there are any specific requirements to place a child care center in that location and/or if you will need to apply for a permit. They will also let you know how much it will cost for the application fee, how to complete the application process, and how long it will take. The fees are non-refundable even if you are not approved.

Once you have a zoning permit, you will need to contact the building department for a building permit. The cost of a building permit is contingent on the cost of the construction or renovation of the site. If the site was not used for a child care center prior to your purchase or lease, you will also be subject to a change of use permit for converting the site into a child care center. This often poses an issue when converting a residence into a child care center. Please contact your local building department for specifics on costs of permits.

CONDITIONAL USE PERMIT

A Conditional Use Permit is an entitlement granted by the local government at a public hearing allowing you to conduct a particular use on a specific parcel. You request a Conditional Use Permit by filing an application with the planning department in the jurisdiction in which your center will be located. The application will contain information about the proposed business (e.g., hours of operation, number of children and staff members) and site plans reflecting the location of the structure on the parcel, driveways, parking areas and play areas. The application will also contain the names and addresses of the property owners of parcels surrounding the proposed facility within a certain radius. These property owners will be notified of your application and of the public hearing date.

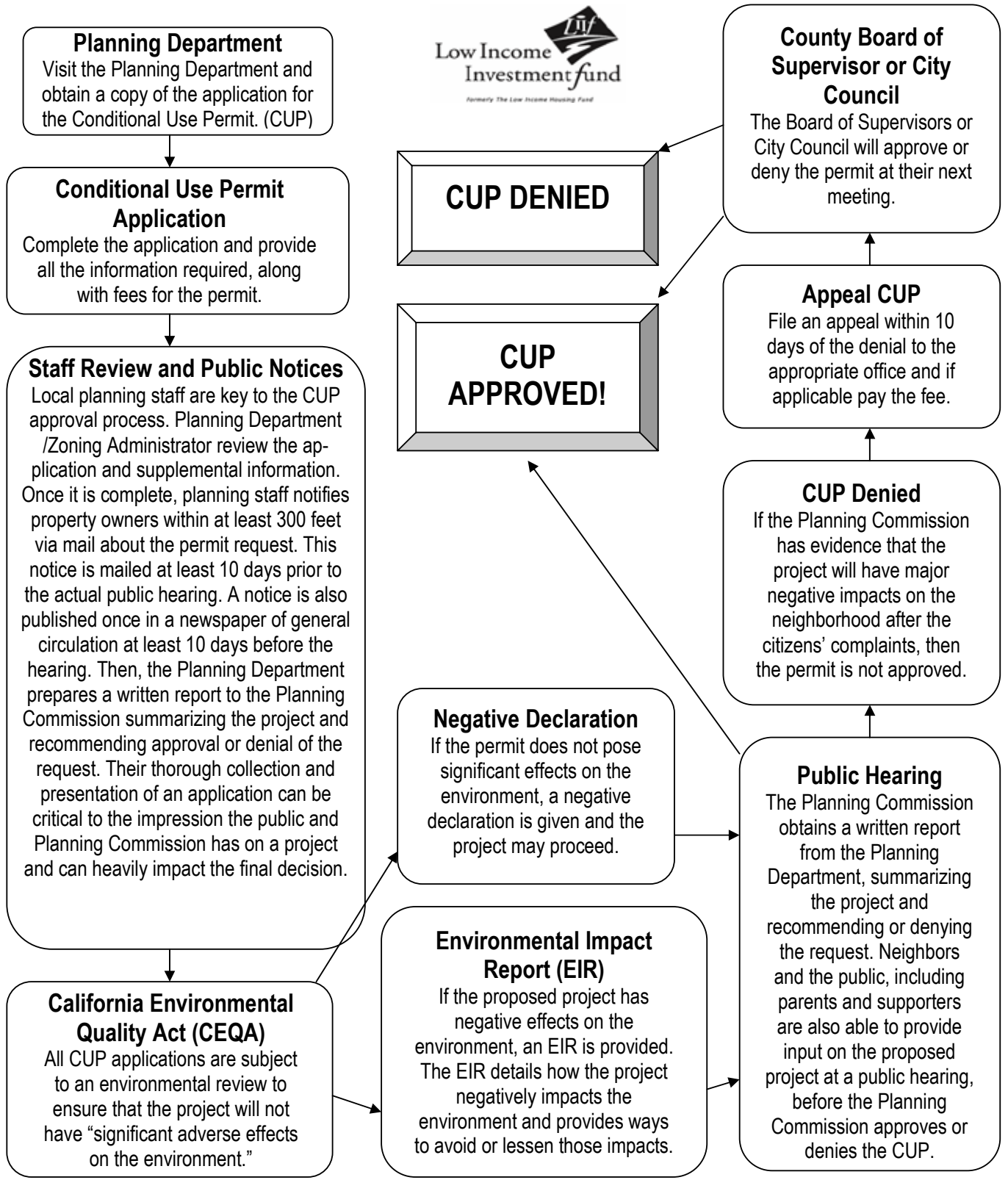
When reviewing your application, local officials evaluate the following areas:

- Compatibility with the surrounding neighborhood
- Sufficient on-site parking for staff and for parents to safely drop off and pick up children
- Adequate landscaping for buffering, play areas, shading, and aesthetics
- Proximity to transit routes

The flow chart on the following page describes the conditional use permit process.



Child Care Center Conditional Use Permit (CUP) Process



ZONING BY AREA

Jurisdiction	Permit and Zoning Requirements	Fees
<p>City of Citrus Heights Planning Department 6237 Fountain Square Drive Citrus Heights, CA 95621 (916) 725-2448 www.ci.citrus-heights.ca.us</p>	<p>Child care centers require a use permit in Residential areas and a minor use permit for most Commercial zones. Child care centers are not permitted in Auto Commercial or Commercial Recreation zones. Conditional Use Permits require notification of all property owners within a 300 foot radius of the proposed project. Use permits are approved by the Planning Commission while the Planning Director approves all minor use permits.</p>	<p>Use Permit: \$5,329 Minor Use Permit: \$3,396</p>
<p>City of Elk Grove Planning Division 8401 Laguna Palms Way Elk Grove, CA 95758 (916) 478-2265 www.egplanning.org/</p>	<p>Child care centers are permitted outright in Limited Commercial, General Commercial, Shopping Centers, Business Professional, and Industrial Office Park zones. A Conditional Use Permit is required for Residential, Commercial Open Space, Light Industrial, and Mobile Home Park Combining zones. Child care centers are not permitted in Agricultural-Residential zones. Conditional Use Permits require notification of all property owners within a 500 ft radius (1,000 for estate residential, rural residential, or Elk Grove Triangle general plan designations). With a minimum of 30 notices. Notices are also published in at least one newspaper of general circulation in the City. Neighborhood associations shall also be notified. The Planning Commission is the approving authority for Conditional Use Permits unless the permit accompanies additional entitlements which must be approved by City Council (e.g. Rezones, Community Plan Amendments, Development Agreements, and General Plan Amendments).</p>	<p>Planning Commission: \$5,223, City Council: \$6,544.</p> <p>Applicants pay only one fee, determined by the approving authority for their project.</p>
<p>City of Folsom Community Development Department 50 Natoma Street Folsom, CA 95630 (916) 355-7222 www.folsom.ca.us</p>	<p>Child care centers are permitted outright in C-2 (Central Business) and C-3 (General Commercial) zones. A Conditional Use Permit is required for C-1 (Neighborhood Commercial), BP (Business and Professional), M-1 (Light Industrial), M-2 (General Industrial), and M-L (Limited Manufacturing). Child care centers are not permitted in A-1-A (Agricultural) and OSC (Open Space and Conservation). Notification is required in newspaper and notices must be mailed to property owners within 300 feet of the project site. New construction also requires design review by the Architectural Review Commission while the Planning Commission approves the design and use.</p>	<p>Conditional Use Permit: \$4,773</p>
<p>City of Galt Planning Department 495 Industrial Drive Galt, CA 95632 (209) 366-7230 www.ci.galt.ca.us</p>	<p>Child care centers are permitted in PQ, C, HC, NC, and OP zones with site plan review and require a conditional use permit in RA and R3 areas.</p>	<p>Site Plan Review: \$260 Use Permit: \$566 + \$150</p>

ZONING BY AREA

Jurisdiction	Permit and Zoning Requirements	Fees
<p>City of Rancho Cordova Planning Department 2729 Prospect Park Dr Rancho Cordova, CA 95670 (916) 851-8750 www.cityofranhocordova.org</p>	<p>Child care centers are allowed outright in commercial zones and require a conditional use permit in industrial zones. In addition to CUP in industrial areas, Design Review is required for new buildings. Conditional Use Permits require notification of all property owners within a 500 foot radius of the proposed site. The Planning Commission is the approving authority for Conditional Use Permits while both the Planning Commission and the City Council are required to approve the Design Review.</p>	<p>Conditional Use Permit: \$7,194 Design Review: \$6,668</p>
<p>City of Sacramento Permit Counter 300 Richards Boulevard, 3rd Floor Sacramento, CA 95811 (916) 808-5656 www.cityofsacramento.org/dsd</p>	<p>Child care centers are allowed in all commercial areas with a special permit except AOS, F, and ARP-F. Child care centers are not allowed in residential, industrial, and agricultural zones.</p>	<p>For more information, applications, and zoning information, please contact the Planning Division Permit Counter.</p>
<p>County of Sacramento Planning Department 827 7th Street, Room 230 Sacramento, CA 95814 916-874-6221 www.planning.saccounty.net</p>	<p>Child care centers are allowed outright in Residential zones RD 10 through RD 40, in commercial zones MP, BP, SC, LC, and GC. A conditional use permit is required for residential zones AG 160 through RD 7, in M 1 and M 2 industrial zones, and in the TC commercial zone if incidental to hotel and motel uses. Appointments can be made for a pre-application meeting to review your preliminary proposal with staff from the Community Planning Services section prior to submittal of a formal application.</p>	<p>Conditional Use Permit: \$4,335 Planning Commission: \$7,292</p>

FIRE CLEARANCE

In order to be licensed to operate a child care center, you must obtain a fire clearance from the fire marshal. The specific fire and building requirements can be found in Title 19 of the California Administrative Code and Title 22, Division 2 of the California Health and Safety Code. It may be useful to request a fire pre-inspection. This inspection can assist you and your architect and contractor determine what, if any changes, may need to be made to the site in order to comply with local fire codes. If you would like a pre-inspection, please contact your local Fire Service Agency. There may be a fee involved with this inspection. Once you turn in your licensing application, it is recommended that you contact the local fire jurisdiction soon after to set up your final fire inspection.

SACRAMENTO AREA FIRE SERVICE AGENCIES

Fire Service Agency	Contact Information	Fees, etc.
Cosumnes Fire District	8820 Elk Grove Boulevard Elk Grove, California 95624 (916) 405-7100 www.yourcsd.com/fire	The fire clearance fee is \$231 and is made up of an inspection fee of \$107 and a \$124 plan check review fee. A \$50 non-mandatory pre-inspection is an additional offered service.
Courtland Fire District	11751 Riverside Avenue Courtland, CA 95615 (916) 775-1210	Please contact the fire district for more information.
Delta Fire District	350 Main Street Rio Vista, CA 94571 (707) 374-2233	Please contact the fire district for more information.
Folsom Fire Department	535 Glenn Drive Folsom, CA 95630 (916) 984-2280 or (916) 491-1257 www.folsom.ca.us/depts/fire	Pre-inspections are available. Please contact the fire department for more information.
Herald Fire District	12746 Ivy Road Herald, CA 95638 (209) 748-2322	Please contact the fire district for more information.
Isleton Fire District	P.O. Box 716 Isleton, CA 95641 (916) 777-7776	Please contact the fire district for more information.
Sacramento City Fire District	1231 I Street Suite 401 Sacramento, CA 95814 (916) 264-5260 www.sacfire.org	Fire permit fees are calculated by the amount of children that the center is licensed for. The fire clearance fee for 15-50 children is \$137. For 50-99 children the fee is \$186. For 100 or more children the fee is \$210.
Sacramento Metropolitan Fire District	3012 Gold Canal Drive Rancho Cordova, CA 95670 (916) 942-3300 www.smfd.ca.gov	The fire clearance fee for existing building receiving tenant improvements is \$140.25 plus \$0.03 per square foot. The fee for new construction is \$140.25 plus \$0.07 per square foot. A \$50 non-mandatory pre-inspection is an additional offered service.
Walnut Grove Fire District	13900 Leary Road Walnut Grove, CA 95690 (916) 776-1214	Please contact the fire department for more information.

CONSTRUCTION OR RENOVATION OF YOUR SITE

Once a site is leased or purchased and a site plan approved, you are ready to research contractors to construct or renovate your site. It's best if you solicit at least three bids from licensed contractors before selecting someone to hire. Once you select a bid, check the contractor's license, references, qualifications, and insurance. Finally, negotiate a contract that includes a scope of work, a work schedule, a payment schedule, a cancellation policy, and agreement about what happens if there are cost overruns or delays. Also, specify a payment type, either lump sum or guaranteed maximum price. For more information on selecting a contractor or obtaining information on a contractor's license, please contact the Contractor's State Licensing Board at www.cslb.ca.gov or by calling 1-800-321-CSLB (2752).

BUSINESS LICENSES

Child care centers need a county or city business license in order to operate. This is a general license that grants you the right to legally operating a business within a certain city and/or county jurisdiction. Fees are typically low and these kinds of licenses are easy to obtain, though application procedures may vary.

To obtain a business license:

- Have your business paperwork in order, including any fictitious name certificates and your Employer Identification Number (EIN).
- Contact your city or county administrative offices to determine the kind of license you need and obtain necessary application paperwork.
- Complete the application and file it, along with a fee, with the appropriate government office. (Most often, this must be done in person).
- Be sure to file renewals. Once granted, local business licenses usually must be renewed (and renewal fees paid) annually.



INSURANCE REQUIREMENTS FOR EMPLOYEES

All child care centers are required by law to carry insurance on their employees. Employee Insurance Includes: Unemployment Insurance, State Disability Insurance, Workers' Compensation and Social Security. Please consult with a tax professional to review the specific requirements.

Insurance Type	Description
Disability Insurance	Most California employers with one or more employees must provide state disability insurance to all employees. Some exceptions are state employees, public school employees, other governmental entities, and individuals who file religious exemption certificates. The employee pays into this system through payroll deduction.
Employee Insurance	Employers are required to register with the Employment Tax office of the California Employment Development Department (EDD).
Social Security	Insures retirement benefits through Social Security Program for all employees;
Unemployment Insurance	With few exceptions, all California employers are covered under state and federal unemployment insurance laws. Employers whose total wages paid during any calendar quarter are \$100 or less are excluded. The employer pays into this system based on employee's wages.
Workers' Compensation Insurance	All California employers are required to provide workers' compensation for their employees. Certain notices and forms must be provided to employees at the time of hire and at the time of an injury. The employer pays into this system based on employee's wages.

CHILD CARE CENTER INSURANCE REQUIREMENTS

Although Licensing does not require you to have insurance, they strongly suggest you carry it. You must check with your landlord, if you are renting, to see if they require you to have insurance as part of the rental agreement. Also check with your funding sources; generally you will need insurance if you are funded in part by the government or by foundations. Purchasing insurance will be money well spent for the peace of mind it will bring you. Below are some types of insurance policies that are available for you to purchase:

Insurance Type	Description
Automobile Insurance	Covers children you transport in the car/van;
Fidelity Insurance	Protects against embezzlement or theft by employees;
Fire Legal Liability	Covers the portion of the building you occupy from a fire you started due to neglect;
General Liability Insurance	Covers accidental injuries where the provider is found negligent. Comprehensive general liability includes bodily injury, damage to property, medical emergency, and legal costs.
Health and Accident Insurance for Children	"No fault insurance" that covers all accidental injuries;
Personal Liability	Covers business liability, tort liability, and personal injury;
Property Insurance	Building fire insurance provides cash value of property (real estate).

PERSONNEL

Once a date for completion of construction is determined, you will need to hire staff. Begin advertising for staff at least 60 days in advance of your anticipated start date by contacting college placement offices, vocational high schools, the state licensing office, Child Action, Inc., and the local employment agency. You should also place job advertisements in the paper and post them on job boards at local community colleges. Include the job title, a brief job description, required qualifications, application deadline, resume request, your telephone number, address and name on the job advertisement. Once you receive responses, you should review applications, conduct interviews, contact references, and notify all candidates of your decisions. Remember that all staff and volunteers that come in contact with children on a regular basis must obtain a criminal background clearance, health screening, and a Tuberculosis (TB) clearance prior to their start date.

MARKETING YOUR PROGRAM

Approximately 3 months prior to your program's scheduled opening, you should begin developing your marketing plan. It is important to note that any and all advertising for your child care center must include a licensing number and can not be distributed prior to receiving your child care center license without noting that the center license is pending and is not currently licensed according to Title 22 Regulations. Devise an effective plan to promote your services and message. This plan will depend on your community and the type of organization you are promoting, but will most likely include a number of different techniques, such as word of mouth networking, creating a distinctive logo, distributing business cards, flyers, signs and brochures, participating in community events, seeking free media coverage, offering on-site workshops and lectures, listing your program in the yellow pages, hosting an open house, and making a good first impression.

Start by creating a unique message that clearly and concisely describes what is special about your child care business. Make sure you know what parents look for and need from child care services in your community, and design your child care program and marketing efforts to cater to those needs. In your marketing material include your program's name, address, license number, hours of operation, ages of children served, contact information, your unique message, and expected opening date. Finally, once you have your child care license, make sure that your program is registered with Child Action, Inc. so they may refer parents in need of care to any child care spaces you have available.

PROGRAM START UP

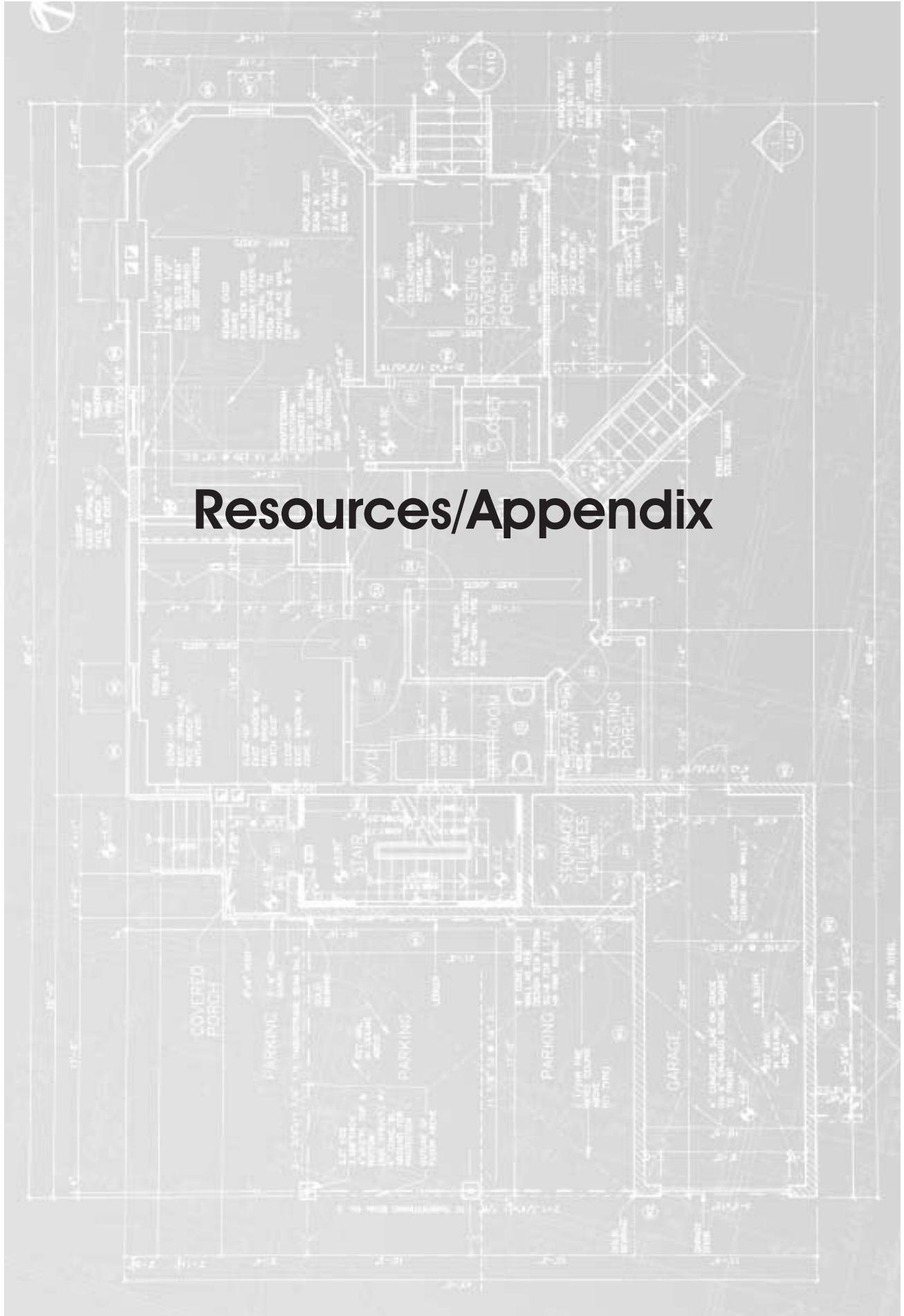
Once the center is constructed or renovated, you will need to equip the classroom with appropriate furniture and curriculum specific materials. Make sure the timing of this step correlates with the timeline established for developing and opening the facility. Remember to develop a plan for receiving, installing, maintaining, and taking inventory of all supplies and equipment. The appendix has additional information on purchasing material and equipment.

When you open your doors, be prepared to take time to build up your capacity. Try to start up in either summer, early fall (August/September) or January, because these are the times of year when parents are most likely to make changes in care arrangements since they correlate with breaks in the school schedule. Create parent/provider contracts in order to lay out in advance all expectations and responsibilities for both you and the parents whose children are enrolled in your child care program.

Program sustainability must be continually worked on. Maintain your image and publicity even after the facility is up and running. For example, bring business cards with you whenever you go out with the children, make T-shirts for the children to wear on field trips, join your local chamber of commerce, and make sure your services are well known throughout the community.

Maintain relationships with banks and other organizations that you have obtained start up funding from and build new relationships with funders consistently, even when you don't need money. It is important to stay aware of all funding opportunities. You may want to establish an operating reserves budget so that you are prepared for unexpected expenses and cash flow inconsistencies. Be realistic about the fees you charge and adjust them over time as your expenses change, but always give parents advance warning of these changes. Above all, balance your service obligations with your business obligations. If you don't attend to the business matters of your child care program you won't be able to provide high quality services.

Resources/Appendix



OUTLINE OF A CHILD CARE BUSINESS PLAN

Cover Sheet: Presentation matters. The cover sheet should represent the quality of the document produced, and should be professional looking. This section will include:

- Name, address and phone number of the business;
- Name of the person who prepared the plan, date (month and year);
- Logo (if applicable);
- Names, addresses and phone numbers of key contacts (include business owner and plan preparer, if applicable).

Table Of Contents: Single-paged document that is a road map for the entire business plan.

Executive Summary: This section will include a summary of the business including the goals and objectives. This section should be written last in order to make sure that all information has been reviewed and is correct. Your reader should have a clear idea of the business after reading this section. The executive summary is the key element to the business plan and is usually read first by any financial lender. The executive summary includes:

- Description of business (how many children will be served, legal structure, business history, program services);
- Description of finances: How much money you will need, future revenue projections, reason for requesting the loan, amount requested, and the time frame for payback;
- Description of the strengths and goals of the business (including vision and mission statement).

Market/Feasibility Analysis: Your market analysis should describe the target market, potential locations, population demographics, level of income, and potential growth. You will want to include the current research in the area, which outlines services and levels of government support. You will want to include:

- Definition of geographical boundaries of the area proposed for business;
- Current and/or future population statistics
- Analysis of the existing supply of child care (includes average number of vacancies, licensed slots, waiting lists, average cost, and number of subsidized programs);
- Description of level of income and average age of population;
- Available services in the community (other child care facilities, schools, family services, etc).

Program Summary: The program summary outlines your proposed program and the surrounding community that you are planning to serve. The program summary will include:

- A description of the business: Program services, ages of children served, how the program exceeds the minimum expectations, policies and procedures, projections of the future, vision and mission, and philosophy;
- Plan for daily activities;
- The skills and experience of the management and senior staff;
- Organization of the business and description of the positions for staff;
- Company goals;
- Marketing plan for enrollment;
- Enrollment capacity;
- Legal structure definition.

Marketing Plan: The marketing plan will outline how you plan to “sell” your business and its services to your community. This will describe your strategy on initial and continuous enrollment, as well as operation of your child care center. You will want to include your financial outlook for the start-up plan. The need for additional funds should be included here along with a reasonable time frame of when the child care center will open. Some items to include are:

- A unique message developed for your facility that pinpoints what your facility has to offer to the community;
- Timetable for when the center will be open for business;
- Start-up budget, including sources of funds;
- Advertising plan;
- Documentation of capability of operating the program;
- Requests for funds and time frame to pay them back.

Operations Plan: This section will describe the way the program is run on a day-to-day basis. You will want to include an organizational chart and employee job descriptions, as well as any training, benefits, or retention plans. Items to include in this section are:

- Organizational chart, including staff schedules and staff meetings;
- Job descriptions, including hiring policies and procedures and plan for staff recruitment, both internally and externally;
- Pay and benefits structure;
- Operating control structure, identification (if any) of Board of Directors, Director, Supervisors etc. Identify meeting schedule and members (if applicable);
- Loss prevention (insurance policies);
- Timetable for opening child care center.

Financial Operation: This is a crucial part of your business plan. Most investors will read this section after the executive summary and they will read it carefully and thoroughly. The level of detail lets the investors know how much “homework” the organization has truly done and gives a realistic view of the profitability of the business. You may want to hire an accountant. Items to include:

- Project description, including facility location and design description (square footage, number of bathrooms, etc.);
- Project timetable (for any land acquisition, building, renovations, and/or expansions);
- Project costs (land, building and start-up costs);
- Start-up and operating budget;
- Operating capital and overhead needs;
- Application for loan;
- Specific requests for funds and payback time frame;
- Monthly projections for the first three years and a yearly projection;
- Cash flow statement;
- Break-even analysis;
- Balance sheet.

Supporting Documents: Some of the documents that you want to provide along with your business plan are:

- Organizational chart
- Resumes
- Financial statements
- Service information
- Industry statistics
- Competitor information
- Feasibility study
- Land/Lease agreement
- Tax returns for the past three years
- Personal financial statements (all banks have these)
- Licenses and all other legal documents
- Reference letters
- Copy of curriculum

Other Financial Tools:

- Operating income ratio
- Full time equivalent report
- Accounts receivable aging report
- Current ratio

ACCREDITATION

Accreditation can assure parents that a center has gone beyond licensing requirements and is concerned about quality. Center licensing is concerned with health and safety, requirements for teacher preparation, the ratio of children to adults, and the square footage of indoor and outdoor space. Accreditation examines these areas in much more detail, using specific criteria selected by national organizations.

National Association for the Education of Young Children

The purpose of the National Academy of Early Childhood Programs is to improve the quality of care and education provided for the young children attending group care programs. The academy offers professional development resources and administers a voluntary, national accreditation system for early childhood programs.

The accreditation process involves three steps:

1. A self-study by program personnel and families to determine how well the program meets the academy standards.
2. A validation visit conducted by trained validators who make an on-site visit to check the accuracy of the program description.
3. An accreditation decision by the Commission members who audit the staff reviews and consider the unique characteristic of the program.

The criteria covers:

- Interaction among teachers and children
- Curriculum goals, planned activities and routines
- Relationships among teachers and families
- Staff qualifications and professional development
- Administration, policies, and record keeping
- Staffing, group size and staff/child ratios
- Physical environment-indoors and outdoors
- Health and safety
- Nutrition and food services
- Evaluation and assessment

Adapted from Accreditation Criteria & Procedures of the National Association for the Education of Young Children, 1998.

For more information contact:

National Academy of
Early Childhood Programs-NAEYC
1509 16th Street, N.W.
Washington, DC 20036
(800) 424-2460 ext. 11360
www.naeyc.org

ADDITIONAL TRAINING

Training is an indicator of quality child care. To help you in finding out how to obtain additional training for yourself and your staff, we have listed a few resources.

Universities

California State University Sacramento Child Development Office (916) 278-7192 www.edweb.csus.edu/departments	CSUS offers undergraduate and graduate degrees in Child Development. Course work meets requirements for Children’s Center Permits.
National University Admissions (800) 628-8648 or (916) 855-4100 www.nu.edu	National University offers undergraduate and graduate degrees leading to teaching credentials
Pacific Oaks Continuing Education, Online 5 Westmoreland Place Pasadena, CA 91103 (800) 613-0300 www.pacificoaks.edu	Pacific Oaks offers courses online for the B.A. and M.A. degrees in Human Development with specialization in Early Childhood Education. For information on online courses email: distanceinfo@pacificoaks.edu

Los Rios Community College District

Community colleges offer certificates and AA degrees in Early Childhood Education. The course work meets the requirements for both private and publicly-funded Early Childhood programs.

American River College Early Childhood Education (916) 484-8902 www.arc.losrios.edu	Cosumnes River College Early Childhood Education (916) 691-7226 www.crc.losrios.edu	Sacramento City College Early Childhood Education (916) 558-2401 www.scc.losrios.edu	Folsom Lake College Early Childhood Education (916) 608-6500 www.flc.losrios.edu/
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COMMUNITY AND PROFESSIONAL RESOURCES

- Child Action, Inc.
916/369-0191
www.childaction.org
- California Preschool Instructional Network (CPIN)
www.sonoma.edu/cihs/cpin
CPIN provides professional development and technical assistance to preschool teachers to ensure preschool children are ready for school.
- Educator Conference and Resources Training Workshops
Resource Coordinator
510/237-5834
Call to be put on their mailing list to receive information on current workshops and training.
- The Program for Infant Toddler Caregivers (PITC)
180 Harbor Drive, Suite 112
Sausalito, CA 94965
415/289-2300
www.pitc.org
PITC offers o-site training and technical assistance in caring for infants and toddlers.

COMMUNITY AND PROFESSIONAL RESOURCES (continued)

- Quality Child Care Collaborative (QCCC)
916/369-0191
www.childaction.org
The Quality Child Care Collaborative offers information and resources to help child care centers and family child care homes provide quality child care programs for our children.
- The Non-Profit Resource Center
Sacramento Public Library
828 I Street, 2nd Floor
Sacramento, CA 95814
916/264-2772
www.nonprofitresourcectr.org
The Resource Center offers workshops, seminars, over 1,200 books and information on management and fundraising for nonprofit organizations.

CHILD DEVELOPMENT GRANT PROGRAM

The Child Development Grant Program is administered by the California Student Aid Commission. The program is designed for students who are attending California public or private, two-year or four-year, post-secondary educational institutions, and pursuing a permit to teach or supervise in the field of child care and development.

The Commission grants awards for up to 100 new participants each academic year. Selected recipients attending a two-year post-secondary institution are eligible to receive up to \$1,000 each academic year, and recipients attending a four-year university are eligible to receive up to \$2,000 each academic year.

The grant may be renewed for a maximum of one additional year if the recipient maintains: satisfactory academic progress, financial need, and intent to pursue the approved course of study leading to a Child Development Permit issued by the California Commission on Teacher Credentialing. Grant recipients must agree to provide one full year of service in a licensed child care center for every year they receive grant funding. To meet eligibility requirements, an applicant must:

- Be a U.S. citizen or eligible noncitizen.
- Be a legal resident of California
- Maintain at least halftime enrollment in a Commission on Teacher Credentialing approved course of study leading to a Child Development permit.
- Maintain no less than halftime enrollment and satisfactory academic progress as defined by the post-secondary educational institution.
- Commit to maintaining one year of full-time employment, as defined by the employing agency, in a licensed child care center in California for each year grant assistance was received. Participants must annually provide the Commission with evidence of compliance.
- Meet federal Selective Service filing requirements.

For more information contact:

California Student Aid Commission
Attn: Child Development Grant Program
P.O. Box 419029
Rancho Cordova, CA 95741-9029
(916) 526-8276

SCHOLARSHIPS AND AWARDS

There are currently several scholarships and awards available to eligible providers and teachers of young children.

- **Sacramento Valley Association for the Education of Young Children (SVAEYC)**
Offers free registrations to the California AEYC Conference and the Legislative Symposium (number and amount of grants at the discretion of the board). Must be member of SVAEYC. For more information call SVAEYC at 916/486-7750.
- **Child Development Consortium**
www.childdevelopment.org
This website provides information about a variety of statewide programs geared towards ECE workers. Programs include: Community college reimbursement, career incentive programs, covering child development permit fees, and professional growth advisors.
- **Sacramento CARES**
The Comprehensive Approaches to Raising Educational Standards (CARES) Program is designed to provide training and support to caregivers along the entire continuum of care, from family, friend and neighbor (FFN) caregivers to teachers with advanced degrees. The program encourages retention of caregivers in the field, and provides cash incentives or resources to further educational attainment. For program eligibility and/or an application, please call Child Action, Inc at 916/369-0191.
- **Child Action, Inc.**
Child Action, Inc. offers rebates to licensed child care centers and family child care home providers for authorized health and safety training. Call (916) 369-0191 for more information.

CHILD CARE RELATED WEBSITES

Bureau of Labor Statistics

www.bls.gov

The principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics

California Association for the Education of Young Children

www.caeyc.org

A professional organization that offers a number of valuable services and excellent opportunities for early childhood educators to get together and exchange ideas

California First 5 Commission

www.cafc.ca.gov

An organization designed to provide all children prenatal to five years of age with a comprehensive, integrated system of early childhood development services. Through the integration of health care, quality child care, parent education and effective intervention programs for families at risk, children and their parents and caregivers are provided with the tools necessary to foster secure, healthy and loving attachments.

Center for the Child Care Workforce

www.ccw.org

A research organization whose mission is to improve the quality of early care and education for all children by promoting policy, research and organizing that ensure the early care and education workforce is well-educated, receives better compensation and a voice in their workplace.

Child Care Aware

www.childcareaware.org

Child Care Aware is a non-profit initiative committed to helping parents find the best information on locating quality child care and child care resources in their community by raising visibility for local child care resource and referral agencies nationwide, and by connecting parents with the local agencies best equipped to serve their needs.

Child Care Bureau

www.acf.dhhs.gov/programs/ccb

The Child Care Bureau, Office of Family Assistance, supports low-income working families through child care financial assistance and promotes children's learning by improving the quality of early care and education and afterschool programs.

Child Care Law Center

www.childcarelaw.org

A free legal service program for family child care homes, child care centers, parents and R & R agencies. Services include updated information on public policy and legislation on child care issues. They have information and publications on contracts with parents, tenant/landlord relationships, and The Americans with Disabilities Act, among many others.

Child Development Policy Institute

www.cdpi.org

A nonprofit, non-partisan agency concerned with child care and development issues. CDPI has one of the few paid lobbyists for the child care field.

Children's Defense Fund

www.childrensdefense.org

The Children's Defense Fund's Leave No Child Behind® mission is to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

Child Welfare Information Gateway

www.childwelfare.gov

Child Welfare Information Gateway provides access to information and resources to help protect children and strengthen families. A service of the Children's Bureau, Administration for Children and Families, U.S. Department of Health and Human Services.

The Finance Project

www.financeproject.org

A specialized non-profit research, consulting, technical assistance and training firm for public and private sector leaders nationwide. They help leaders make smart investment decisions, develop sound financing strategies, and build solid partnerships that benefit children, families and communities.

National Association for the Education of Young Children

www.naeyc.org

NAEYC's mission is to serve and act on behalf of the needs, rights and well-being of all young children with primary focus on the provision of educational and developmental services and resources.

National Black Child Development Institute

www.nbcdi.org

The National Black Child Development Institute (NBCDI), a nonprofit organization, has provided and supported programs, workshops, and resources for African American children, their parents and communities. Through hands-on service and community-outreach programs, NBCDI initiates positive change for the health, welfare, and educational needs of all African American children.

National Center for Children in Poverty

www.nccp.org

The National Center for Children in Poverty identifies and promotes strategies that prevent child poverty and improve the lives of low income children and families.

National Head Start Association

www.nhsa.org

A private not-for-profit membership organization dedicated to meeting the needs of Head Start children and their families by advocating for policies that strengthen services to Head Start children and their families; by providing extensive training and professional development to Head Start staff; and by developing and disseminating research, information, and resources that enrich Head Start program delivery.

Zero to Three

www.zerotothree.org

A national, nonprofit, multidisciplinary organization that advances their mission to support the healthy development and well-being of infants, toddlers and their families by informing, educating and supporting adults who influence the lives of infants and toddlers.

CHILD CARE FOOD PROGRAMS

This program provides reimbursements for food and food preparation costs. Child Care centers and family child care homes that care for a majority of subsidized children are eligible for the Food Program.

- **California Department of Education: Nutrition Services Division**
1430 N Street, Suite 1500
Sacramento, CA 95814
(916) 445-0850

EQUIPMENT

This state agency allows the sale of surplus office, kitchen and children's equipment to the public. State merchandise is available for sale Monday through Friday from 9:00 am to 4:00 pm.

- **State Department of General Services: Surplus Property Warehouse**
1700 National Drive
Sacramento, CA 95834
(916) 928-4630

HUMAN RESOURCES INFORMATION

- **California Association of Employers, Sacramento Region**
P.O. Box 41466
Sacramento, CA 95841-0466
(916) 921-1312
www.employers.org
Child care associations provide referrals, workshops, newsletters, education and advocacy for their members.
- **Associations for the Education of Young Children (AEYC)**
National AEYC (800) 424-2460
California AEYC (916)486-7750
Sacramento Valley AEYC evaughan@fcusd.k12.ca.us
- **California School-Age Consortium**
(415) 957-9775
www.calsac.org
The California School-age Consortium (CSAC) promotes high quality school-age care through training, support, advocacy and networking. Membership includes professionals from public and private and after-school programs.
- **National School-Age Care Alliance**
1137 Washington Street
Boston, MA 02124
(617) 298-5012
www.NSACA.org
The National School-Age Care Alliance sets standards and promotes accreditation for programs serving only school-age children.
- **Infant/Toddler Consortium**
5236 Claremont Avenue
Oakland, CA 94618
(510) 658-9189
www.infanttoddlerconsortium.org
The Infant Toddler Consortium is a statewide grassroots organization working to support and promote quality care for infants and toddlers statewide through multilingual caregiver training, public education and advocacy. The Consortium provides specialized training opportunities for infant and toddler caregivers in multiple languages, forums for encouraging the professional development of caregivers, and platforms to educate the public and advocate for young children and their families.

- **Northern California High/Scope Educators**
600 North River Street
Ypsilanti, MI 48198-2898, USA
(734) 485-2000
www.highscope.org
High/Scope Educational Research Foundation is an independent nonprofit research, development, training, and public advocacy organization.
- **Professional Association of Childhood Educators (PACE)**
Administrative Offices (800) 924-2460
114 Sansome Street, Suite 300
San Francisco, CA 94104
www.pacenet.org
Pace is a nonprofit, tax exempt organization established in 1995 to advance the professionalism of child care providers. It is a statewide organization which serves all categories of licensed care regarding legislative issues, and offers networking opportunities for providers.

CHILD AND FAMILY ADVOCACY

- **Parent Voices**
9961 Horn Road
Sacramento, CA 95827
(916) 369- 3387
www.parentvoices.org
Parent Voices is a parent-led grassroots organization fighting to make quality child care affordable and accessible to all families.
- **Child Care Advocate, State of California**
Northern Region (916) 229-4279
National website: www.childcareadvocate.org
Assists in disputes, helps arbitrate licensing questions and provides information to child care providers.
- **Children's Defense Fund (CDF), National Headquarters**
25 E Street, NW
Washington D.C. 20001
(202) 628-8787
State Office:
101 Broadway, Second Floor
Oakland, CA 94607
(510) 663-3224
www.childrensdefense.org
The goal is to educate the nation about the needs of children and encourage preventive investment in children. CDF gathers data and disseminates information on key issues affecting children as well as provides information, technical assistance and support to a network of state and local leaders.
- **Children Now**
1212 Broadway, 5th Floor
Oakland, CA 94612
(510) 763-2444
www.childrennow.org
This is a nonpartisan, independent voice for children working to translate the nation's commitment to children and families into action.
- **National Child Care Information Center**
243 Church Street, NW Second Floor
Vienna, VA 22180
(800) 616-2242
www.nccic.org
This website lists Early Childhood Workforce Resource links.

NEWSLETTERS

Subscriptions rates vary. Some subscriptions are free. Call for rates and membership information.

- **CDF Reports**
Published by Children's Defense Fund
(202) 628-8787
www.childrensdefense.org
- **Cal Sac Connection**
Published by the
California School-Age Consortium
(415) 957-9775
www.calsac.org
- **California Child Care Health Program**
Published by University of California at San Francisco (UCSF)
(800) 333-3212, (510) 839-1195
www.ucsfchildcarehealth.org
- **Action Alliance For Children**
Children's Advocate News Magazine
A bimonthly news magazine that covers public policy issues affecting children and families in California.
(510) 444-7136
www.4children.org
- **High/Scope Resource**
(734) 485-2000
E-mail: info@highscope.org
www.highscope.org
- **Horizons**
Published by California SIDS Program
(916) 266-7437 or (800) 369-SIDS (7437)
www.californiasids.com
- **Legal Update**
Published by the Child Care Law Center
(415) 394-7144
E-mail: info@childcarelaw.org
www.childcarelaw.org
- **Networker**
Published by WarmLine Family for families with special needs children and loved ones. Mostly related to children ages 0-3.
Resource Center
(916) 922-9276
E-mail: warmline@warmlinefrc.org
www.warmlinefrc.org
- **On The Capitol Doorstep**
Updates on legislation and public policy
(916) 442-5431
E-mail: otcd@otcdkids.com
www.otcdkids.com
- **School-Age Notes**
A national resource for caregivers of school-age children.
(615) 279-0700
www.afterschoolcatalog.com

MAGAZINES

Subscriptions rates vary. Some subscriptions are free. Call for rates and membership information.

- **Child Care Information Exchange**
The Director's Magazine
(800) 221-2864
www.ccie.com
- **Young Children**
Published by the National Association for the Education for Young Children
(800) 424-2460
www.naeyc.org

BOOKS ON ADMINISTRATION

Child Action, Inc.'s Resource Library has a Professional Development Section. We have a large selection of books to choose from, or you may access our website at www.childaction.org to see a complete list of materials including books and videos of what is available. For more information on membership in the Child Action, Inc.'s Resource Library call (916) 369-0191.

CURRICULUM CATALOGS

A+ The Report Card www.reportcard.net	(800) 804-0021	Lakeshore Learning www.lakeshorelearning.com	(800) 421-5354
ABC School Supply, Inc. www.abcschoolsupply.com	(800) 669-4222	Landscapes Structures, Inc. www.playlsi.com	(888) 438-6574
The Brain Store www.thebrainstore.com	(800) 325-4769	Morrison School Supplies, Inc. www.morrisonschoolsupplies.com	(800) 950-4567
Childcraft www.childcraft.com	(800) 631-5652	Multicultural Distributing Center National Association for the Education of Young Children www.naeyc.org	(800) 537-4357
Childswor/Childsplay www.guidancechannel.com	(800) 962-1141	Play With A Purpose www.gophersport.com	(800) 424-2460
Constructive Playthings www.constplay.com	(800) 448-4115	Redleaf Press www.readleafpress.org	(800) 533-0446
Creative Communications www.creativecommunications.com	(800) 325-9414	School-Age Notes www.schoolagenotes.com	(800) 423-8309
Educators Outlet www.educatorsoutlet.com	(800) 315-2212	Teaching Strategies www.TeachingStrategies.com	(615) 279-0700
GW School Supply www.gwschool.com	(800) 234-1065	Turn The Page Press www.turnthepage.com	(800) 637-3652
Gryphon House www.ghbooks.com	(800) 638-0928		(800) 959-5549
Kaplan www.kaplanco.com	(800) 334-2014		

GLOSSARY OF EARLY CARE AND EDUCATION TERMS

- **Accreditation:** A process through which child care programs voluntarily meet specific standards to receive endorsement from a professional agency. Some organizations that offer accreditation for child care are:
 - National Association for the Education of Young Children (NAEYC)
 - National Accreditation Commission for Early Care and Education Programs (NAC)
 - National After School Association (NAA)
 - National Association of Family Child Care (NAFCC)
- **Age Groupings:**
 - Infant - a child from birth to 12 months in age
 - Toddler - a child from 13 to 36 months in age
 - Preschooler - a child between the ages of three and five
 - School Aged - Care for a child in first grade, or the time he/she enters school, through fifteen years of age. Programs for school-age children occur after the school day ends.
 - Mixed ages - placing children who are at least one year apart in age into the same child care group
- **Alternative Payment (AP) program:** A program run by a local government agency or nonprofit organization that has contracted with the CDE to provide payments to a child care provider selected by an eligible parent (Education Code, Section 8208).
- **CalWORKs:** California Work Opportunity and Responsibility to Kids, a program that replaced California's Aid to Families with Dependent Children (AFDC) program. CalWORKs, established by California statute in 1997, is California's TANF program. It provides cash assistance and work support services including child care to low income families with children.
- **Capacity:** The total number of children that may be in care at one time in a child care program.
- **Child Care:** General term encompassing all types of care for children ages 0-13.
- **Comprehensive Approaches to Raising Educational Standards (CARES):** The Comprehensive Approaches to Raising Education Standards (CARES) program provides stipends to child care providers to continue their education and stay up to date on best practices in caring for children. The focus is on professional development and retention.
- **CDD:** Child Development Division (of CDE)
- **CDE:** California Department of Education, sometimes referred to as the State Department of Education. Serves as the administrative agency for all state child care finding and CalWORKs child care Stages 2 and 3.
- **Centralized Eligibility List (CEL):** A list of families who are eligible for subsidized child care programs in Sacramento County. This list is made available to multiple subsidized child care programs who will contact a family when they have subsidized child care spaces available. The list is maintained by Child Action, Inc.
- **Child care and development programs:** Programs that offer a full range of services for children from infancy through age 12, for any part of a day, by a public or private agency, in centers and family child care homes (Education Code, Section 8208).
- **Child care center:** Any child care facility of any capacity, other than a family child care home, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting (CCR, Title 22, Section 101152).
- **Child care license:** A written authorization from the DSS or a county to operate a child care center or family child care home and to provide care and supervision (CCR, Title 22, Section 10152).
- **Community Care Licensing (CCL):** State Department of Social Services (DSS) division that licenses and monitors child care facilities. The local office is the River City Regional Office at 8745 Folsom Boulevard, Suite 200, Sacramento. Phone number is (916) 229-4530.
- **DSS:** California Department of Social Services. Serves as the administrative agency for CalWORKs Stage 1 child care funding
- **Early Care and Education:** Encompasses child care and development systems for children ages 0-5.
- **ECE:** Early Childhood Education, a course of collegiate study with a focus on early childhood development and education for children ages 0-8.
- **Eligible children:** Children who are currently eligible for state subsidized child care and development services (Education Code, Section 8263).

- **Family Child Care:** Care for children in the child care provider's home, licensed for eight or fourteen children by the County Department of Health and Human Services.
- **Head Start:** A federal program for low-income families that serves primarily 3 and 4 year olds part day and part year.
- **License-exempt child care provider / FFN – Family, Friend and Neighbor:** A person 18 years of age or older who provides child care to a minor and is not required to hold a child care license (Health and Safety Code Section 1596.792).
- **Licensed child care:** Child care programs operated in homes or in facilities that fall within the regulatory system of a state or community and comply with those regulations. Many states have different levels of regulatory requirements and use different terms to refer to these levels (e.g., licensing, certification, registration).
- **On-site child care:** Child care programs that occur in facilities where parents are on the premises. For example, a child care center at the parents' place of employment.
- **Pre-Kindergarten (pre-k):** Programs designed for children who are ages 3-5 with early education experiences to prepare them for school. Programs are also referred to as preschool and/or nursery school programs.
- **Preschool programs:** Programs that provide care for children ages 3-5. Normally they operate for three to four hours per day, and from two to five days a week.
- **Professional development:** In the child care field, the term refers to opportunities for child care providers to receive ongoing training to increase their preparation and skill to care for children. These include mentoring programs, credentialing programs, in-service training, and degree programs.
- **Quality Child Care:** These programs or providers offer engaging, appropriate activities in settings that facilitate healthy growth and development, and prepare children for or promote their success in school.
- **Regional Market Rate (RMR):** Measures the child care rates charged by the provider and paid by the consumers in a specific geographic location. The rate that is used to calculate the reimbursement to providers who serve children who have AP vouchers.
- **Resource and Referral (R&R):** A program run by a public or private agency to provide parents with information and assistance in locating child care (Education Code, Section 8208). The Sacramento County R&R agency is Child Action, Inc.
- **Staff/child ratio (adult child ratio):** The number of qualified caregivers caring for a specified number of children in a child care program. Required ratios vary depending on the ages and abilities of the children in care.
- **State Median Income (SMI):** Determined by the US Department of Commerce, Bureau of the Census and the California Department of Finance's Demographic Research Unit, the SMI is used as part of the formula to determine a family's qualification for subsidized child care. To qualify, a family of four must not exceed 75% of the SMI.
- **Standard Reimbursement Rate (SRR):** The per-child maximum payment rate established by the CDE that is used to calculate the amount of a contract earned by subsidized child care centers for service to one preschool-age child. The SRR is adjusted by several factors to account for increased costs to serve infants, toddlers, and children with special needs (Education Code, Section 8265.5).
- **State preschool program:** A part-day educational program for low income or otherwise disadvantaged pre-kindergarten-age children (Education Code, Section 8208).
- **Subsidized child care:** A child care service that is partially funded by public or charitable funds to decrease the cost to parents.
- **TANF:** Temporary Assistance to Needy Families, which replaced the federal Aid to Families with Dependent Children (AFDC) program in 1996, is a federal funding stream that provides block grants of aid to enable states to provide time-limited cash assistance and work support services to low income families with children. A portion of TANF funding may be used for child care services to low income families.
- **Vouchers:** Documents used in subsidized assistance to families using center-based, family child care or legal/unregulated care. States often have different definitions regarding the exact nature of vouchers, and sometimes refer to them as certificates. Also identified as a subsidized space by the Department of Human Services for TANF clients.

GLOSSARY OF LOAN FINANCING TERMS

- **Amortization:** The period of time on which the repayment of loan principal and interest is based. Sometimes loans may have different amortization schedules and terms. There are three basic ways to repay a loan: (a) in equal installments, each containing a blend of principal and interest; (b) in varying but regular payments which result from paying off principal plus interest on the amount actually borrowed; and (c) in very irregular principal payments often incorporating a larger final payment (see Balloon Payment).
- **Balloon Payment:** The final payment of a loan that has a longer amortization period than term. For example, if a monthly payment is based on a period of 10 years, but the actual term is 5 years, a large payment (roughly half of the loan amount) is due with the final payment at the end of 5 years.
- **Bridge Loan:** Short-term loan made in anticipation of long-term funding or financing
- **Building Reserve:** A capital improvement reserve fund. Money set aside to pay for facilities upkeep: where the amounts can be large, the ultimate need a certainty, but where the exact timing is uncertain. These are often big-ticket items, like replacing the roof, which are difficult to accommodate in a single year's budget.
- **Collateral:** The property a borrower pledges to a Lender to secure repayment of the loan. Collateral could include: a lien on your house, equipment from your business, or a bank account. If the borrower defaults, the lender has the legal right to seize the collateral and sell it to pay off the loan.
- **Contingency Costs:** A portion of the construction costs set aside to cover unexpected "hard" costs.
- **Debt:** Money, goods or services that one party is obligated to pay another in accordance with an expressed or implied agreement
- **Debt Service Coverage or Debt Coverage Ratio:** A calculation a Lender uses to determine ability to repay a loan. This calculation is typically expressed as a ratio. Most Lenders have minimum debt service coverage requirements ranging from 1.05: 1.00 (i.e. the net income must be projected to be 5% in excess of the loan payment) to 1.25: 1.00 (i.e. the net income must be projected to be 25% in excess of the loan payment).
- **Debt Service Coverage or Debt Coverage Ratio (DSC / DCR):** Net Income (after all expenses excluding debt service) = 1.10 : 1.00
- **Default:** Failure to pay a debt or meet an obligation
- **Equity:** Represents the difference between an asset's market value and the amount of debt or other liabilities. In terms of child care centers, equity that is provided through internal assets, savings, grants, individual donors, collaborative resources and other sources can be used to assist in funding some of the facilities' development costs. It is best to use equity funding for the planning and predevelopment stages of developing child care facilities, while debt (loan financing) is more fitting for the real estate acquisition and construction costs incurred during the development stage.
- **Fees:** Charges by a Lender for making the loan. Fees can include a range of costs.
- **Forgivable loan:** A loan made with the understanding that if the borrower meets certain requirements, repayment of the loan will not be required
- **Guarantee:** A promise by one party to pay a debt or perform an obligation contracted by another if the original party fails to pay or perform according to a contract. Loan guarantee, or loan insurance programs are designed to make certain loans less risky for lenders, such as loans for community economic development projects and for small businesses like child care.
- **Hard Costs:** The direct costs to construct a building or structure, otherwise known as "bricks and mortar" costs, including acquisition of property, construction, equipment, etc
- **Hidden Costs:** Less visible costs associated with the facilities development process, such as staff and board time and attention.
- **Interest:** The cost of using loaned money, usually expressed as an annual percentage that a Lender charges a borrower for the use of the principal over time.

- **Interest Rate:** The amount a Lender will charge for the use of their funds. Interest rates vary greatly from loan to loan and are frequently tied to industry measures such as Prime Rate. For example, if Prime Rate is 4.75%, then a “Prime Plus Two Percent” rate would mean a loan with a 6.75% interest rate.
- **Leasehold Improvements:** Renovations to leased space to suit the renter’s needs. These may be paid for either by the landlord or the tenant.
- **Lien:** A claim a Lender may place on property in return for making a loan. If a borrower is unable to make loan payments as agreed, it gives the Lender the right to try and collect repayment of the loan through selling the borrower’s property. If the lien is placed on real property such as a house, this lien is often referred to a “Mortgage” or a “Trust Deed.”
- **Line of Credit:** A set amount of money available for the Borrower to borrow as needed. The borrowed amounts are then paid back in installments determined by the Lender. A line of credit is distinct from a loan because after the money is paid back a borrower can access it and use it again, which makes it similar to a credit card.
- **Loan:** Transaction wherein a Lender allows a Borrower the use of a sum of money for a specified period of time at a specified rate of interest
- **Loan Amount:** The amount of a loan is determined by how much the Borrower needs to complete the project and the Lender’s assessment of the Borrower’s ability to repay. Some Lenders may have minimum and maximum loan amounts.
- **Loan-to-Value Ratio:** The ratio of money a Lender is willing to loan relative to the appraised value of the property or other security
- **Mortgage:** Security instrument by which the Borrower (mortgagor) gives the Lender (mortgagee) a lien on property as security for the repayment of a loan
- **Operating Reserves:** Funds set aside annually to be used to offset possible operating losses due to unexpectedly low revenues or unusually high expenses.
- **Points:** An up front fee a Lender may charge for a loan, expressed as a percentage of the loan amount. “One point” equals one percentage of the loan amount. Thus, one point on a \$10,000 loan is \$100 ($\$10,000 \times .01$).
- **Prime Rate:** The rate, as announced from time to time by commercial banks, as the prime rate. (See Interest Rate).
- **Principal:** The original amount of money borrowed, and the amount that the Borrower must pay back, not including interest.
- **Soft Costs:** Expenses, other than hard costs, incurred in developing a real estate project, including legal and lending fees, architectural and design fees, permits, etc.
- **Term:** The agreed upon period of time for which a loan is made. A loan provided for 10 years has “a 10 year term.”

GLOSSARY OF PLANNING AND LAND USE TERMS

- **Accessory Use:** An activity or structure that is incidental to the main use of a site.
- **Building Envelope:** The space remaining on a site for structures after all building setback, height limit, and bulk requirements have been met.
- **Capital Improvement Program:** A timetable for the installation of permanent public structures, facilities, roads, and other improvements based upon budget projections
- **CEQA:** The California Environmental Quality Act (see Public Resources Code section 21000). CEQA requires that private and public projects' potential adverse effects upon the environment be reviewed by decision-makers.
- **Charter City:** A city which has been incorporated under its own charter rather than under the general laws of the state. Charter cities have broader powers than do general law cities.
- **Cluster Development:** Development which is clustered in a portion of a site, leaving the remainder in open-space. The amount of development allowed equals the amount that would have otherwise been allowed on the entire site
- **Community Plan:** A portion of the local general plan that focuses on a particular area or community within the city or county. Community plans supplement the contents of the general plan.
- **Conditional Use Permit (CUP):** A permit authorizing a use not routinely allowed on a particular site, subject to a public hearing. If approval is granted, the developer must meet certain conditions to harmonize the project with its surroundings.
- **Dedication:** A grant of private land to a public agency for public use. Dedications are often used to obtain roads and parkland needed to serve a project.
- **Density Bonus:** An increase in the allowable number of residences granted by the city or county in return for the project's providing low- or moderate-income housing.
- **Density Averaging (or Transfer):** The density of development on a portion of a site is allowed to exceed usual limits provided that the overall density of the site does not do so. Density increases in one area are offset by a corresponding decrease in allowable density in another part of the site.
- **Design Review Committee:** A group appointed by the city council to consider the design and aesthetics of development within all or a portion of the community.
- **Development Agreement:** A binding contract between a developer and a city or county establishing the conditions under which a particular development may occur. The local government "freezes" the regulations applicable to the site for an agreed upon period of time.
- **Development Fees:** Fees charged as a precondition to construction or development approval. The most common are: (1) impact fees (such as parkland acquisition fees, school facilities fees, or street construction fees) related to funding public improvements necessitated in part or in whole by the development; (2) connection fees (such as water fees) to cover the cost of installing public services to the development; (3) permit fees (such as building permits or grading permits) for the administrative costs of processing development plans; and, (4) application fees (rezoning, variance, etc.) for the administrative costs of reviewing and hearing development proposals.
- **Downzone:** A change of zoning to a more restrictive zone (for example, from multi-family residential to single-family residential).
- **EIR:** Environmental Impact Report. A detailed review of a proposed project, its potential adverse impacts upon the environment, measures that may avoid or reduce those impacts, and alternatives to the project.
- **Easement:** The right to use property owned by another for a specific purpose. Power line easements are a common example.
- **Eminent Domain:** The right of a government to appropriate private property for public use, usually with compensation to the owner

- **Final Map Subdivision (also, tract map or major subdivision):** Land divisions creating 5 or more lots. They are generally subject to stricter standards than parcel maps. Requirements may include road improvements, the construction of drainage and sewer facilities, park land dedications, and more.
- **Floor Area Ratio (FAR):** A measure of development intensity. FAR is the ratio of the floor area of a building to the area of its site. For instance, both a two-story building that covers an entire lot and a four-story building that covers 1/2 of a lot have FARs of 2.
- **General Plan:** A compendium of city or county policies regarding its long-term development, in the form of maps and accompanying text. The General Plan is a legal document required of each local agency by the State of California. The General Plan may also be called a “City Plan,” “Comprehensive Plan,” or “Master Plan.”
- **Growth Management:** The use by a community of a wide range of techniques in combination to determine the amount, type, and rate of development desired by the community and to channel that growth into designated areas.
- **Impact Fees:** See Development Fees.
- **Infrastructure:** A general term for public and quasi-public utilities and facilities such as roads, bridges, sewer plants, water lines, power lines, fire stations, etc.
- **Initial Study:** An analysis of a project’s potential environmental effects and their relative significance. An initial study is preliminary to deciding whether to prepare a negative declaration or an EIR.
- **Inverse Condemnation:** The illegal removal of property value through excessive government regulation. Legal advice should be sought before proceeding in cases of potential inverse condemnation.
- **LAFCO:** The Cortese/Knox Act (see Government Code section 56000) establishes a Local Agency Formation Commission in each county. A LAFCO is made up of elected officials from the county, cities, and, in some cases, special districts. It administers the state law governing city incorporation and annexation proposals.
- **Mitigation Measure:** The California Environmental Quality Act requires that when an environmental impact or potential impact will occur, measures must be proposed that will eliminate, avoid, rectify, compensate for or reduce that effect.
- **Moratorium:** A halt to new development or the issuance of permits. Moratoria are often imposed while a new general plan or zoning ordinance is written or when sewer or water facilities are inadequate to serve additional development. (See Government Code section 65858)
- **Negative Declaration:** A negative declaration is written when a project is subject to CEQA, but will not have a significant effect upon the environment. The negative declaration describes why the project will not have a significant effect and may propose measures that avoid all possible effects.
- **Nonconforming Use:** A land use which does not meet current zoning requirements.
- **Overlay Zone:** A zone which is superimposed upon other zoning. Overlay zones are used in areas which need special protection (as in a historic preservation district) or have special problems (such as steep slopes or flooding). Development of land subject to an overlay must comply with the regulations of both zones.
- **Parcel Map:** A minor subdivision resulting in fewer than 5 lots.
- **Planned Unit Development (PUD):** Land use zoning which allows the adoption of a set of development standards that are specific to a particular project. PUD zones usually do not contain detailed development standards; those are established during the process of considering proposals and adopted by ordinance upon project approval.
- **Referendum:** A voter challenge to legislative action taken by a city council or county board of supervisors. If enough voters’ signatures are filed before the legislative action becomes final, the council or board must either rescind its decision or call an election on the issue. The California Constitution guarantees the public’s power of referendum.
- **School Impact Fees:** Fees imposed on new developments to offset their impacts on area schools.

- **Setback:** The minimum distance required by zoning to be maintained between two structures or between a structure and a property line.
- **Specific Plan:** A plan addressing land use distribution, open space availability, infrastructure, and infrastructure financing for a portion of the community. Specific plans put the provisions of the local general plan into action (see Government Code section 65450).
- **Sphere of Influence:** A plan for the “probable physical boundary and service area of a local agency” as approved by the LAFCO. It identifies the area available to a city for future annexation. However, unless another arrangement has been made, the city has no actual authority over land outside its city limits.
- **Spot Zoning:** The zoning of an isolated parcel in a manner which is inconsistent or incompatible with surrounding zoning or land uses, particularly if done to favor a particular landowner. A conditional use permit is not a spot zone.
- **Strip Development:** Commercial and high-density residential development located adjacent to major streets. This type of development is characterized by its shallow depth, street-oriented layout, lack of unified design theme, and numerous points of street access. It impedes smooth traffic flow.
- **Tentative Map:** The map or drawing illustrating a subdivision proposal. The city or county will conditionally approve or deny the proposed subdivision based upon the design depicted on the tentative map.
- **Transportation Systems Management (TSM):** A program coordinating many forms of transportation (car, bus, carpool, rapid transit, bicycle, etc.) in order to distribute the traffic impacts of new development. Instead of emphasizing road expansion or construction, TSM examines methods of increasing road efficiency.
- **Variance:** A limited waiver from the requirements of the zoning ordinance. Variance requests are subject to public hearing and may only be granted under special circumstances.
- **Zoning:** Local codes regulating the use and development of property. The zoning ordinance divides the city or county into land use districts or “zones” illustrated on zoning maps, and specifies the allowable uses within each such zone. It establishes development standards such as minimum lot size, maximum structure height, building setbacks, and yard size.