



DEVELOPING A CHILD DAY CARE CENTER

The Child Care Solutions Inc. has developed this guide to assist you in opening and operating a high quality child day care center.

Developing a child day care center can be exciting and challenging. Because caring for children is a big responsibility, the New York State Office of Children and Family Services – Division of Child Care Services (NYS OCFS - DCCS) has developed regulations to protect children and promote high quality child care and early education.

What Is A Child Day Care Center? Care is provided for children in a group setting, separate from a residence. Children are cared for in groups according to their age and the number of adult caregivers. Child day care centers serving infants and toddlers and/or operating more than 3 hours per day, must be licensed by the NYS OCFS – DCCS. Licensed child day care centers must meet minimum requirements for health, safety, nutrition, and children’s programming. The director and child care staff must meet specific educational qualifications and work experience requirements. The Director must have a Bachelor’s Degree and several years of experience working with children and supervising staff. See the Staff Qualifications section of the regulations.

NOTE: Programs operated by a public or private school, on the school premises, for children 3 years of age or older are exempt from NYS OCFS Licensing requirements.

IS THIS THE BEST DECISION FOR YOU OR YOUR AGENCY?

Before you invest a great deal of time, energy and money, think about your reasons for wanting to start a child day care center.

Ask yourself or your agency:

What experience do I/we have in operating a business?

Do I/we have the money and/or assets to begin and operate a new business?

Does the business plan match the needs in the community?

What position(s) am I/we qualified to fill, if any?

Will I/we need to hire consultants to assist us with this process?

Does your agency mission include the care and/or education of children?

Do I/we enjoy working with children on a daily basis?

Do I/we have the money to carry the business through the first year of operation?

Be prepared to invest or raise enough money to cover your expenses until your business is well known in the community.

Successful business people all have similar skills and qualities; they are good problem solvers, risk takers, are very organized, take the initiative, and are willing to work hard. If you, or someone in your agency has these skills then you have a chance to succeed.

You may not have all the skills and experience needed to succeed in starting a business. Child Care Solutions and other community resources will you get started, or you can take classes on developing your own business (see the Business Resources section in this booklet).

GETTING STARTED: IMPORTANT FIRST STEPS

- 1** Complete the orientation session online for a child care center: <https://ocfs.ny.gov/main/childcare/techreq.asp>. You can request an application packet once you have completed the orientation session. You can download or obtain a copy of the regulations from the local NYS OCFS office:

Call or write: The NYS OCFS Syracuse Regional Office
100 S. Salina Street, Suite 350
Syracuse, N.Y. 13202
(315) 423-1202
<https://www.ocfs.ny.gov>

- 2** Review the regulations and the application packet. Think about whether you have the skills and abilities needed to operate a child day care center. Determine what, if any, additional assistance you may need to develop a plan.
- 3** Determine the “need” for your proposed child care center. See the section on assessing the need for new programs in this booklet.
- 4** Explore the legal options for operating a non-profit vs. for-profit business. Consult with an attorney or business specialist to decide if you should be incorporated or operate as a sole proprietor. See the *Legal Options* section in this booklet.
- 5** Develop a business plan. Conduct a marketing analysis of existing child care programs in your proposed area. Develop projected start-up and operating budgets. Begin pursuing additional sources of funding.

IDENTIFYING AN APPROPRIATE LOCATION OR FACILITY

You might have heard the expression, “Location – Location – Location!” Like any other business, the location of your proposed child care center is important to developing and maintaining a profitable business.

Some important things to consider when deciding upon a location are:

- The number of child care programs in a 2-5 mile radius,
- Visibility of the proposed center. Can the building be seen from the road? Will you need additional signs or aggressive advertising to attract customers to the center?
- Proximity to local elementary schools and busing policies of those schools,
- Proximity to any corporate sponsors or large employers,
- Traffic patterns and flow of traffic around the location,
- Rule out environmental or other health and safety hazards which would prevent your center from opening,
- Direct access to space for outdoor play,
- The stability of the area. Is it growing, declining or changing in any way?
- And, what are the zoning requirements or restrictions?

Once you have a business plan, established your legal entity, and have found a location or building site, we suggest you submit your application, in order to request a review of the building or renovation plans by the NYS OCFS Fire Safety Representative. The address is listed on page 2 of the NYS application packet and in the *Business Resources* section of this booklet. NYS staff will review the schematic plans and conduct a preliminary inspection of an existing building. This review will help you to determine whether the proposed plans will meet the NYS child care and building code requirements for a licensed child day care center. You can always withdraw your application or change your space at a later time if the center does not meet regulations and NYS building codes without costly repairs.

NOTE: This is an important step as it will help you to avoid costly modifications and renovations to your building before it is ready to open. You must have NYS approval of the building, application, and other program policies prior to opening the child care center.

See the: *NYS Building Requirements for Licensed Child Care Centers* insert.

ASSESSING THE NEED FOR CHILD CARE SERVICES

Once you have plans for your proposed facility, you can begin to assess the need for a new child care center. This is necessary if you intend to apply for grants or business loans. It is also crucial for attracting customers and operating a profitable business.

Obtain demographic information about potential customers:

- Number of working families in the community/neighborhood,
- Number of working families with children 0-6 years,
- Number of working families with children 7-12 years,
- Number of recent marriages,
- Birth rate statistics or projections,
- Number of new home starts,
- And, the income distribution of families by community/neighborhood.

See the *Business Resources* section and *Data Resources* inserts in this booklet, or look in the Yellow pages to gather this information.

Collect information about potential competitors:

There are several ways to obtain a listing of existing child care centers:

- Visit Child Care Solutions - Child Care Options data base on line at: <https://childcaresolutionscny.org> ,
- Visit the NYS OCFS child day care data base listing on line at: <https://ocfs.ny.gov>,
- And, look up listings on the internet and social media for “child care,” “preschools,” and/or “nursery schools.”

Once you receive a listing, figure out if there are any gaps in services. How many centers serve children 8 weeks – 12 years? What hours do they operate? Is there a waiting list? Do they provide transportation or other special services?

DEVELOPING A BUSINESS PLAN

Your business plan will evolve as you follow the steps needed to develop your center. It may be necessary to put your plan in writing, especially if you decide to apply for grants or pursue business loans. There are agencies and programs that can assist you to develop your plan. See the *Business Resources* section of this booklet.

Develop a “name” for your center. You may need to file a “Doing Business As” (DBA), or incorporation to preserve this name. Your name will help attract customers to your center.

Briefly describe your business: location, services offered, key partners or stakeholders, and if applicable, history of your agency. If an individual, sole proprietorship, briefly describe your background and qualifications. Include letters of support or promissory notes if you will have investors.

Describe your customers, the demand for your center, and the services you will provide.

Identify a “market niche.” What makes your center unique or different? This is especially important if you plan to open a center in close to others.

Draft some marketing or advertising strategies.

Develop a start-up and 3 year operating budget (see the next page of budget tips).

Determine the amount of money you will need to raise or borrow, and what the money will be spent on.

List any collateral available to secure the loan.

Determine the amount of money you or your organization will contribute. Submit copies of the most recent audit of your agency’s finances. If a sole proprietorship, include your most recent federal tax return and/or credit history.

WHAT YOU SHOULD KNOW ABOUT LEGAL STATUS

For-Profit

VS

Non-Profit

May be incorporated, sole proprietorship, or a partnership.

Owners, officers, and partners may be personally liable.

Offers greater individual control.

May take in less or more money than it spends.

Must operate in a competent and business-like way to be successful.

Opportunities for small business loans, economic development funds, and sometimes venture capital investments.

Business status prohibits the receipt of charitable gifts from individuals or foundations, or United Way.

Eligible for some government funds.

May return income to the center for improvement or expansion of the program.

May distribute profits to investors.

Assets subject to public trust. May distribute assets to investors upon dissolution of the company.

Pays taxes, and claims deductions. Tax-exempt.

MUST be incorporated.

Board of Directors may have personal liability.

Board of Directors makes policy and operational decisions and supervises the Director's performance.

Same.

Same.

Some start-up funds available, but it is difficult to raise the money needed. May borrow from banks with equity or other collateral.

May receive charitable gifts if there is a charitable registration and 501C3 status.

Eligible for all governmental funds to child care programs.

MUST return income to the center.

Cannot distribute profits to investors.

Assets subject to public trust. MUST distribute assets to another non-profit upon dissolution of the corporation.

NOTE: If incorporating as a non-profit or for-profit business, you must submit your incorporation papers with your application to NYS OCFS for review and approval.

DEVELOPING A START-UP BUDGET

Itemize your start-up costs:

Include all the costs for the building development; environmental assessment, construction or renovations, permits and inspections, fixtures and building equipment, and consultant's costs.

Include liability and property insurance expenses beginning from the time you own the building or property.

Include legal expenses.

Include initial advertising expenses.

Include at least 3 months personnel expenses for the Director and Administrative staff prior to opening. Include personnel expenses for other staff one month before opening.

Include classroom supplies and equipment. Supplies might be toys, soap, paper towels, etc. Any one object over \$500, or anything that will last more than one year is considered to be equipment. Below is a sample formula with minimal estimates for determining classroom equipment costs:

Infants (6 weeks – 18 months): \$1,516.00 per infant child to be served. For example:
8 infants X \$1,516.00 per child = \$12,128.00)

Toddlers (18 – 36 months): \$939.00 per child.

Preschool (3-5 years): \$802.00 per child.

School-Age (6-12 years): \$532.00 per child.

Include expenses for initial training and orientation of staff.

Have a plan for the unexpected expenses (additional building costs).

If applying for grant funding, consider the time frame for submission and receipt of funds in your business plan. If awarded a grant, you may not receive the funds until 18 months after you submit the grant request.

DEVELOPING AN OPERATING BUDGET

Operating Budget Tips:

Develop a three-year operating budget. Factor inflation and cost of living increases into your operating and personnel expenses.

Personnel costs should make up 85% of your operating budget. Contact Child Care Solutions to request a copy of the most recent *Salary and Benefits Survey*.

Project additional sources of revenue other than parent fees. In the first year of business you may not enroll up to the center's capacity. Figure enrollment for the first year between 60-80%.

To estimate revenue from parent fees: Contact Child Care Solutions may provide a *Supply Report*, for a fee per zip code. The Onondaga County Department of Social Services (DSS) maintains information about "market rates" for child care. This is the rate that DSS reimburses licensed child care programs for low-income families receiving subsidies or public assistance.

Determine the revenue needed to cover at least 6 months of your initial operation.

If financing your start-up and initial operation with a loan, include revenue to cover loan payments and interest on the loan.

Estimate your monthly cash flow and expenses as follows:

$$\begin{aligned} & \text{Total cash (money in the bank in the 1}^{\text{st}} \text{ month of business)} \\ & + \underline{\text{Expected revenue from tuition/parent fees}} \\ & = \text{Total receipts and cash} \\ & - \underline{\text{Disbursements/expenses for 1 month (rent, utilities, loan payments,} \\ & \quad \text{personnel costs, food, supplies, etc)}} \\ & = \text{Ending Cash Balance (1}^{\text{st}} \text{ month)} \end{aligned}$$

Remember the cardinal rule of operating a business - *Do not run out of money!*



Child Care Solutions was founded in 1975 as the *Child Care Council of Onondaga County*, to coordinate, assist and strengthen child care services in our community. We provide information and resources to parents, providers, employers, and community leaders who seek solutions to their child care needs. Child Care Solutions is a not-for-profit organization committed to making child care work for this community.

Information and Training:

Child Care Options Data Base.

Child Care Supply Reports may be available for a fee.

Salary and Benefits Survey: salary ranges and benefits for local child care centers.

Professional Development/Training: call to request or go online to view quarterly training catalog.

Career Development: receive a Child Development Associate Credential (CDA) or begin working on your Early Childhood degree at the Council.

Child Care News and Updates:

Receive our *Connections* newsletter. Hear about changes in regulations, new funding initiatives, and other important child care news.

Become a Child Care Solutions member.

Technical Assistance and Consultation:

Health Care Consultant Services

Infant Toddler Consultant Services

Nutrition Consultant Services

More in-depth consultation is available on a “fee-for-service” basis.

BUSINESS RESOURCES

For Information About:

Contact:

NYS Regulations for Child Day Care Centers Application Packet Pre-site Approval

Serve an 18 county region including:
Broome, Cayuga, Chenango, Cortland,
Herkimer, Jefferson, Lewis, Madison, Oneida,
Onondaga, Oswego, St. Lawrence, Tioga, and
Tompkins.

NYS Office of Children and Family Services
Division of Child Care Services
100 S. Salina Street Suite 350
Syracuse, N.Y. 13202
(315) 423-1202
OR <https://ocfs.ny.gov>

NYS Regulations for Child Day Care Centers Technical Assistance and Consultation Training and Career Development Supply Data

Child Care Solutions
6724 N Thompson Road
Syracuse, N.Y. 13211
(315) 446-1220
www.childcaresolutionscny.org

Certificate of Incorporation

Department of State
Division of Corporations
41 State Street
Albany, N.Y. 12231
(518) 473-2492

Review/Approval of Incorporation Papers for Center Application

NYS OCFS – Legal Department
Riverview Center – 6th Floor
40 North Pearl Street
Albany, N.Y. 12243

Business Certificate or Permit (required in some municipalities)

County, Village, or City Clerk's Office

“Doing Business As” (DBA) Certificate

Permit Assistance Kit

Office of Business Permits & Regulatory Assistance
1-800-342-3464
www.gorr.state.ny.us

Developing A Business Plan Educational Programs

WISE – Women Igniting Spirit of
Entrepreneurship
201 S. Salina Street
Syracuse, N.Y. 13202
(315) 214-4596
Wisecenter.org

Greater Syracuse Chamber of Commerce
572 S. Salina Street
Syracuse, N.Y. 13202
(315) 470-1800
www.syracusechamber.com

Small Business Development Center
Onondaga Community College
Mulroy Hall
4926 Onondaga Road
Syracuse, N.Y. 13215-2099
(315) 498-6070
www.onondagabdc.org

Certificate of Occupancy For newly built, renovated or Unoccupied buildings	Local Codes Enforcement Officer Town Offices and/or Local Fire Department
Zoning Approval	Village, Town, or City Zoning Board
Health/Food Permit Required for all licensed child care centers and registered school-age programs.	Onondaga County Health Department Department of Environmental Health 421 Montgomery Street Syracuse, N.Y. 13202 (315) 435-6617
Americans With Disabilities Act (ADA) Facility and Program Guidelines	ADA Information Line U.S. Department of Justice 1-800-514-0301 www.usdoj.gov
Economic Development Tax Incentives Grants/Loans	Metropolitan Development Association of Syracuse and Central New York, Inc. 1900 State Tower Bldg Syracuse, N.Y. 13202 (315) 422-8284
Employment: Personnel Taxes and Benefits	
Federal ID # Social Security Labor/Employer Taxes Advanced Earned Income Credit	Internal Revenue Service (IRS) 1-800-829-3676
Employer Taxes and Insurance:	
NYS Insurance Fund Worker's Comp Insurance NYS Disability Insurance	https://ww3.nysif.com/ 1-888-875-5790 customerservice@nysif.com
Worker's Compensation Board (employer responsibilities or claims)	http://www.wcb.ny.gov/ 935 James Street, Syracuse, NY 13203 1-877-632-4996
Unemployment Insurance & Taxes	Call a local insurance broker or NYS Insurance Fund
Disability Benefits & Paid Family Leave	Worker's Compensation Board or Insurance Fund
NYS Department of Taxation and Finance	https://www.tax.ny.gov/bus/doingbus/hire.htm#sdi 518-485-6654
NYS Department of Labor – Syracuse Office Employer Responsibilities Labor Standards and Wages Statistics Parents in the Workforce	https://dol.ny.gov/ (315) 428-4057

SUMMARY OF NYS OCFS BUILDING REQUIREMENTS FOR LICENSED CHILD DAY CARE CENTERS

The following are *minimal requirements* set by the NYS Office of Children and Family Services – Bureau of Early Childhood Services (NYS OCFS - BECS) for licensed child day care centers. This information was compiled from Sections 3, 4, and 5 of the NYS OCFS Day Care Center Regulations Part 418. Additional requirements are listed in the Uniform Fire Prevention laws and the NY state and local municipality building code laws.

Minimum Square Feet of Space: Programs must provide well-proportioned rooms with a minimum of 35 square feet of space per child for children ages 3-12 years. Children less than 3 years of age need additional space, approximately 55 square feet of space per child, to allow for separate spaces for sleeping, eating, and playing. Infants and toddlers need an environment that allows for each child to roll, creep, and crawl safely. The following spaces may NOT be used in the calculation when figuring the 35 or 55 square feet requirement per child: hallways, bathrooms, kitchens, storage spaces, gross motor rooms/gyms, staff lounges, and offices. Children must be in separate spaces according to age groupings. Additional space must be provided to store each child's garments and personal belongings separately.

Measure the available space per child from any fixed furnishings or wall, to the next available wall or furnishing. Corridors and adequate exits are needed from each room so that groups of children can move about within the building, without passing through other rooms.

Large Motor/Gross Motor Play Space: The program must provide space on a daily basis for large motor activity, quiet activities, outdoor play, and other appropriate activities. The program must provide readily accessible outdoor play space adequate for active play. A minimum of 75 square feet per child is recommended for indoor gross motor and outdoor play spaces. Separate areas must be provided by age grouping for gross motor or outdoor play. If only one space is available, you might arrange play during scheduled times so that age groups are not combined (NYS allows children to be in these mixed age groupings: 0-35 months/3-5 years/6-12 years).

Bathrooms and sinks: The space must include 1 toilet and 1 sink for every group of 15 children. The toilet facilities must be separate from the play space, in a properly ventilated room, with hot/cold running water, and private stalls or other provisions for privacy. Sinks used for hand washing or diapering must be separate from those used for food preparation. When designing a diapering area in infant or toddler spaces, should be close to the bathroom, and keep supervision of children in mind (diapering areas should provide a clear view of the room). When providing night care, a sanitary shower or tub must also be available.

Environmental Hazards: The program must submit certification that the building and surrounding premises are free from environmental hazards. If the building was constructed prior to 1950, there may be lead, asbestos, or other possible hazards. Buildings located near or adjacent to dry cleaners, gas stations, automotive shops, etc. may not be appropriate for child care. If water is supplied through a private well or spring, the water must be tested and approved by an appropriate agency. Radon testing is required in certain villages and townships in N.Y. state.

Heating and Ventilation: All spaces must be well-lighted and well-ventilated. Heating and ventilating equipment must be adequate for the protection of children's health (fresh outside air circulation, appropriate temperature settings, and fire safe construction or location). The temperature in all rooms occupied by children must be at least 68 degrees. Windows must be screened. Radiators, pipes, and some other heating units must be covered to reduce burn hazards to children. Fire-rated enclosures are necessary for some furnaces and/or boilers.

Safety: Concrete floors and supporting poles must be covered with appropriate materials; rugs, absorbent tiles, foam, etc.

If glass in outside windows is less than 32 inches above the floor level, the windows must be of safety grade or protected by window guards.

Where child care is provided above the first floor, windows must be of safety grade and protected by barriers or other locking devices.

At all times, the program must have at least one working telephone that is immediately accessible to for parent phone calls and in the event of an emergency.

Fire Prevention: PRIOR TO OPENING, the building must be inspected and approved by a NYS OCFS Fire Safety and Licensing Representative. The inspection will review the fire detection/alarm system, fire exits, type of building construction, and the size, height and occupancy of the building or program space. Licensed child care centers must have and maintain an internal fire, heat, smoke detection system that is appropriate for the size and type of building. The system must automatically relay a message to the local fire and emergency officials in an emergency.

Sanitation: All buildings, premises, outdoor play space, and all equipment and furnishings must be safe and suitable for the care and comfort of children. If you share indoor or outdoor space with the public or other groups, consider how staff will maintain the safety and cleanliness of all spaces.

Trash, garbage, and other combustible materials may not be stored in the furnace room or in areas accessible to children. Trash disposal containers should not be stored in outdoor play areas.

Once you have submitted your application, the building will be inspected by the NYS OCFS Fire Safety Representative. Call or write as soon as possible to request this inspection if NYS staff do not contact you. NYS staff will review the diagrams and building system inspections for the program (heating, local fire, alarm/detection, etc). This review will help you to determine whether the proposed plans will meet the NYS child care and building code requirements for a licensed child day care center.

NOTE: The inspection should take place as soon as possible so you are able to assess/determine if costly or time consuming repairs or renovations are needed to meet the NYS OCFS regulations or NYS Fire Prevention and Building Code requirements for a Day Care Center.

DATA RESOURCES

Number of Children Who Need Child Care Population Demographics

C.N.Y. Regional Planning & Development
Board
126 N. Salina Street
100 Clinton Square – Suite #200
Syracuse, N.Y. 13202
(315) 422-8276
www.cnyrpdb.org

Local School District Office
(check the yellow pages)

Center for American Progress' Child Care
Dessert Interactive Map
<https://childcaredeserts.org/?state=NY>

NYS Department of Education
School District Profiles
89 Washington Avenue
Albany, N.Y. 12234
(518) 474-7965
www.nysed.gov

New York State Data Center
(518) 474-6005

New York State Department of Health
Bureau of Vital Statistics (Birth Statistics)
(518) 474-3069
www.health.state.ny.us

New York State Department of Labor
Research & Statistics
450 S. Salina Street
Syracuse, N.Y. 13202
(315) 479-3390
www.labor.state.ny.us
www.bls.gov

NYS Kids Count
Annie E. Casey Foundation
701 St. Paul Street
Baltimore, MD 21202
(410) 547-6600
www.aecf.org

Syracuse Onondaga County Planning Agency
Mulroy Civic Center – 11th Floor
Syracuse, N.Y. 13202
(315) 435-2439
www.ongov.net/Planning

U.S. Census Bureau
Population Division's Statistical Information
Office
(310) 457-2422
www.census.gov

United Way of CNY
P.O. Box 2129
Syracuse, N.Y. 13220
(315) 428-2211
www.unitedway-cny.org



ADDITIONAL RESOURCES

Market Rates for Child Care Income Eligibility Guidelines for Subsidies

Onondaga County Department of Social Services
Mulroy Civic Center – 4th Floor
Syracuse, N.Y. 13202
(315) 435-5683

Affordability and Poverty Index

Children's Defense Fund
25 E. Street NW
Washington, DC 20001
(202) 662-3547
www.childrensdefense.org

NEW YORK OFFICE:
Children's Defense Fund
119 Washington Avenue – 3rd Floor
Albany, N.Y. 12210
(518) 449-2830

National Center for Children in Poverty
Columbia School of Public Health
154 Haven Avenue
New York, N.Y. 10032
(212) 304-7100
www.nccp@columbia.edu

Professional Organizations and Resources

Educational Resources Information Clearinghouse (ERIC) – Early Childhood Education
University of Illinois at Urbana Champaign
Children's Research Center
51 Gerty Drive
Champaign, IL 61820-7469
(217) 333-1386
1-800-583-4135
www.ericcece.org

National Association for the Education of Young Children
1509 16th Street, NW
Washington, DC 20036
1-800-424-2460
www.naeyc.org

National Child Care Information Center
Division of U.S. Dept. of Health & Human Services
Administration for Children and Family Svces
243 Church Street, NW – 2nd Floor
Vienna, VA 22180
1-800-616-2242
www.nccic.org

* See a directory of additional child care and early education web sites on line