



OPERATING A STRONG FAMILY CHILD CARE BUSINESS

Training Module One



**A publication of the
California Child Care Resource & Referral Network**



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California Child Care Resource & Referral Network

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C A L I F O R N I A



Child Care Initiative Project

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C A L I F O R N I A



Child Care Initiative Project

TRAINING GUIDE OVERVIEW

The Module Training Guide has four sections, which correspond to the Child Care Initiative Project (CCIP) Training Module Outline:

1. Introduction
2. Feasibility
3. Steps to Becoming Licensed
4. Business Plan Development

Each section includes:

- Workshops about specific topics

Each workshop includes the following components:

- Learning outcomes
- Key talking points
- Activities
- Handouts
- References

The handouts include frequent references to the:

- California Early Childhood Educator Competencies
<http://www.cde.ca.gov/sp/cd/re/documents/ececompetencies2011.pdf>
or
<http://www.cde.ca.gov/sp/cd/re/ececomps.asp>
- California Community Care Licensing Title 22, Division 12, Chapter 3 Policies and Procedures for family child care homes
<http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>





OPERATING A STRONG FAMILY CHILD CARE BUSINESS

Training Module One



INTRODUCTION

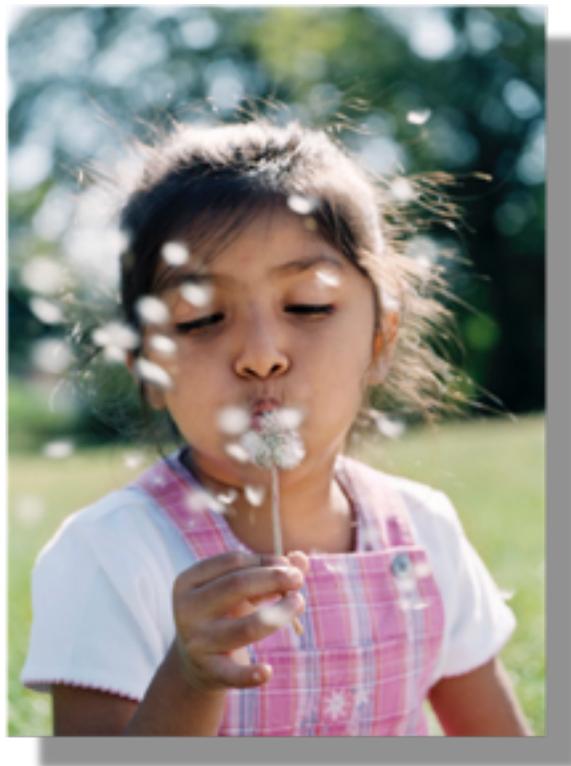
Section 1

Module 1

SECTION ONE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Introduction



Section 1.1 California Early Learning & Development Systems

Learning Outcomes

After completing each activity, participants will be able to:

Activity 1

- Define California's Early Learning and Development System
- Name the system components
- Summarize the function and purpose of the system and each component

Activity 2

- Explain how the components relate to one another

Activity 3

- Identify and locate system resources
- Discuss how the system can support family child care providers and the learning and development of children in their care

Handouts

1. CA Early learning & development system
2. Connecting Components of the system

Key Points

- The California Early Learning and Development System (“the system”) is the vision of the California Department of Education for early childhood education and professional development in the field.
- The system has five components:
 1. Learning and Development Foundations
 2. Curriculum Frameworks
 3. Program Guidelines
 4. Desired Results Assessment System
 5. Professional Development
- High quality early childhood care and education is key to optimal child development and early learning.
- Experiences that support early learning contribute to children’s preparation for kindergarten, and subsequent school success.
- Family child care providers are early childhood educators. The interactions, environment, and daily routines experienced by the children in their care have a significant impact on learning and development.
- The system provides guidance and support to early childhood educators as they develop and operate high quality early learning programs and environments that enable children to thrive.
- Each component of the system focuses on specific areas of support. Together, they make up a comprehensive network of resources and services that address various aspects and elements of high quality early learning programs.

Activity #1

Learning Outcomes

- Define California’s Early Learning and Development System
- Name the components of the system
- Summarize the function and purpose of the system and the components

Materials Needed

Handout 1: CA Early Learning and Development System

Methodology: Practice, discussion

Preparation

Make copies of Handout 1. Laminate the diagram on the first page and cut out each of the areas of the California Early Learning and Development System. For the second page, separate the descriptions of the components. Distribute the areas and descriptions.

Activity

In pairs, ask participants to match the areas to the descriptions

Reconvene the large group.

Explain that each area is a component of the California Early Learning and Development System. Ask the pairs to discuss which area they believe is at the center of the system and discuss why.

Quiz the participants by posing questions about the system, the components and the descriptions.

- *What are the components of the system?*
- *What is at the center of the system?*
- *What component describes knowledge, skills, etc.?*
- *What is the purpose of the Program Guidelines?*
- *What impact does this system have on you as a family child care provider?*

Conclude the discussion by reviewing the Key Talking Points and components of the system.

Key Points

- The California Early Learning and Development System is CDE’s vision for early childhood education and professional development.
- The system provides guidance and support to early childhood educators as they develop and operate high quality early learning programs and environments that enable children.

Activity #2

Learning Outcomes

Understand how the components of the CA Early Learning and Development System relate to one another

Materials Needed

Handout 1: CA Early Learning and Development System (first page)
Handout 2: Connecting the Components of the System
CA Department of Education publications (Foundations, Frameworks, Guidelines, etc.)

Methodology: Lecture, discussion

Preparation

Display CA DOE publications

Activity

Distribute Handouts 1 & 2

Refer to the display as you review the Key Talking Points (invite the participants to browse during breaks).

Call attention to Handouts 1 and 2. Point out that the system provides recommendations, strategies, tools, and learning opportunities.

Use Handout 2 to help guide a discussion. Ask participants to reflect and consider the big picture:

- *Why is it important to have (...) and for (...) to be part of the system? How are they connected? How do they complement each other? Can you give an example to illustrate this?*
- *What makes the system comprehensive?*
- *What resources or services will be most useful to you as a family child care provider?*

Key Points

- The components of California's Early Learning and Development System focus on specific areas of support.
- The CA's Early Learning and Development System has five components:
 1. Learning and Development Foundations
 2. Curriculum Frameworks
 3. Program Guidelines
 4. Desired Results Assessment System
 5. Professional Development
- The system is a comprehensive network that addresses various aspects of high quality early learning programs.

Activity #3

Learning Outcomes

Understand how the CA Early Learning and Development System can support family child care providers and the learning and development of the children in their care.

Materials Needed

Handout 1: CA Early Learning and Development System
Handout 2: Connecting the Components of the System

Methodology: Lecture, reading, reflection, discussion

Activity

Distribute Handouts 1 and 2.

Tell participants:

The CA Early Learning and Development system provides guidance and support to early childhood educators in their efforts to create and operate high quality early learning programs and environments that allow children to thrive.

Ask participants to review the handouts and reflect on the content. Encourage them to think about what they are reading in the context of their role as educators.

Have an informal conversation with the participants. Encourage them to illustrate their opinions and ideas with examples. Emphasize that there are no right or wrong ideas or opinions.

Ask participants:

- *Which aspects of the system do you see yourself participating in?*
- *How can the system help you succeed as a family child care provider?*

Key Points

- High quality early childhood care and education is key to optimal child development and early learning.
- Experiences that support early learning contribute to children's school readiness and success.
- Family child care providers are early childhood educators.
- The experiences, the environment, and the interactions that frame and define a provider's daily routines have an impact on children's learning and development.

HANDOUT #1: CA EARLY LEARNING & DEVELOPMENT SYSTEM



<http://www.cde.ca.gov/sp/cd/re/documents/psfrmwkp303.pdf>

HANDOUT #1: CA EARLY LEARNING & DEVELOPMENT SYSTEM

Program Guidelines and Resources

Provide recommendations on how to create programs for infants, toddlers, and preschool children

Curriculum Frameworks

Offer teaching strategies, ways to interact with children and families, and guidance in setting up high quality environments

Learning and Development Foundations

Describe knowledge, skills, behavior, and competencies that typically developing children will be able to demonstrate

Professional Development

Includes opportunities for early childhood educators to learn more about the system and its areas of support, enhance their knowledge and skills, and access resources

Desired Results Assessment System

Provides tools that early childhood educators can use to observe individual children, assess and document their learning, and plan programs

A complete description and explanation of the components of the CA Early Learning and Development System can be found in Chapter 2 of the California Preschool Curriculum Framework, Volume 1 at <http://www.cde.ca.gov/sp/cd/re/documents/psframeworkkv1.pdf>, and in Chapter 5 of the Guidelines for Early Learning in Child Care Home Settings at <http://www.cde.ca.gov/sp/cd/re/documents/elguidelineshome.pdf>



HANDOUT #2: CONNECTING COMPONENTS OF THE SYSTEM





HANDOUT #2: CONNECTING THE COMPONENTS OF THE SYSTEM

To adapt successfully in group settings, children need to form trusting relationships with adults and children outside their family. Young children need guidance and many opportunities to learn how to make and keep friends. They must be able to understand other children’s views, and they need to practice the give-and-take required in friendships.

(Guidelines for Early Learning in Child Care Home Settings)

Some strategies that support children as they learn and develop skills in interacting with peers include:

- Observe the level of social interaction skills that each child brings to the group.
- Model effective and respectful interaction
- Incorporate materials that promote and encourage peer play.

(Preschool Curriculum Framework)

At around 48 months of age children interact with peers and participate in simple sequences of pretend play.

For example, a child may leap into the air pretending to fly and other children do the same thing; or she may say to another child, “I’ll be the tiger!” when they are playing outside.

(Preschool Learning Foundations)

Workshops on related topics (e.g., observation, children interactions, setting up learning environments, child development) offered by local entities, such as Resource & Referral agencies through the Child Care Initiative Project, the California Preschool Instructional Network (CPIN), or the family child care networks

Family Child Care Environment Rating Scale©

Module 1

SECTION ONE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Introduction



Section 1.2 California Children & Families

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Identify some characteristics of children and families in California.
- Explain why appreciation for the diversity of children and families in California is important when starting and developing a family child care business.

Handouts

3. CA Zero-to-five population facts
4. CA Kindergarten population ethnicity (1996-2009)

Key Points

- Children in California are culturally diverse, speak many languages, possess different abilities, and come from varying socioeconomic backgrounds.
- More than 10 percent of children under age five in California have a disability or special need that affects the way they play and learn.
- The achievement gap impacts a large number of children from low-income families, one-third of children from middle-income homes and one-fourth of those from upper-middle-income homes.
- Children benefit from inclusive environments and curricula that are attuned to their learning strengths and needs.
- Working parents in CA use more home-based child care than their counterparts in other states.

Activity #1

Learning Outcomes

- Identify some characteristics of children and families in California
- Explain the importance of understanding the diversity of children and families in California when starting a family child care business.

Materials Needed

Handout 3: CA Zero-to-Five Population Facts
Handout 4: CA Kindergarten Population Ethnicity (1996-2009)
Sticky notes, two different colors (2" x 2" or similar)
Pens or pencils

Methodology: Reading, reflection, teaching others, discussion

Preparation

Make several poster-size copies of Handouts 3 and 4. Post them on the wall. Provide sticky notes in two different colors to the participants, along with pens or pencils. One color will represent something participants didn't know and the other one, factors that are most influential when it comes to child care services.

Activity

Invite participants to walk around, look at the posters, and have them place one of each colored sticky notes on the posters.

After a few minutes, have the participants sit down and look at where most of the post-it's were placed. Then invite a few participants to share their findings with the larger group.

Pose the question: Why is it important to take into consideration the diversity of children and families in California when starting a family child care business?

Using the participant's answers as a starting point, facilitate a discussion that includes and connects the Key Talking Points.

Conclude the discussion by reviewing the Key Talking Points and components of the system.

Key Points

- Children in CA are culturally diverse, speak many languages besides English, possess different abilities, and come from diverse socioeconomic backgrounds.
- More than 10% of children under age five in CA have a disability or special need that affects the way they play and learn.
- The disparity in academic performance between groups of students is due to a lack of important pre-literacy skills as they enter school.
- The achievement gap impacts a large number of children from low-income families, one-third of children from middle-income homes and one-fourth of those from upper-middle-income homes.
- Children benefit from inclusive environments and curricula that are attuned to their learning strengths and needs.

Activity #1

Key Points

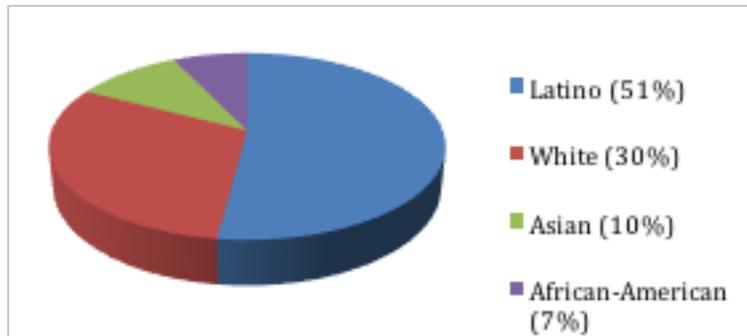
- Working parents in CA use more home-based care than their counterparts in other states.

HANDOUT #3 : CA ZERO-TO-FIVE POPULATION FACTS

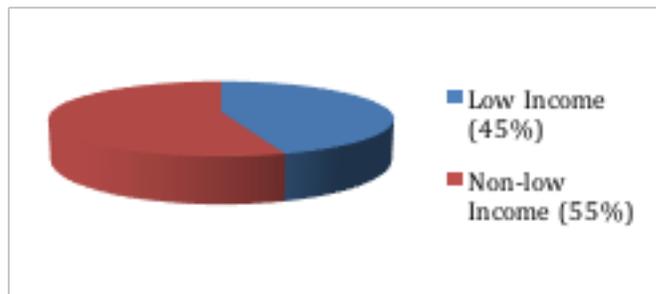
2007 - Over one-third (38%) of California’s zero-to-five population live in families where languages other than English are spoken (the study question was, “where the most knowledgeable adult does not speak English well”).



2008 - California’s zero-to-five population is ethnically and racially diverse: 51% Latino, 30% White, 10% Asian and 7% African American.



2009 - Almost half (45%) of the zero-to-five population in California live in families who experience significant financial hardship.



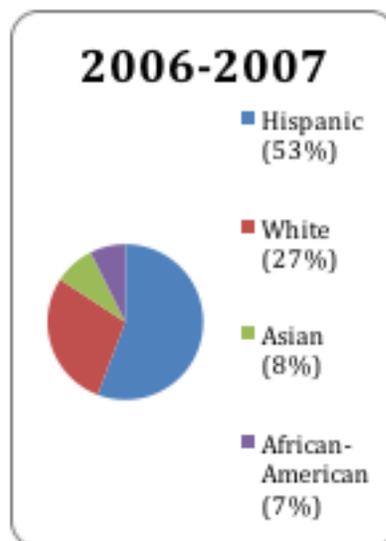
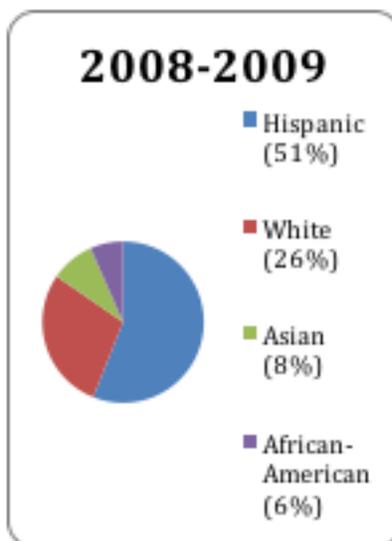
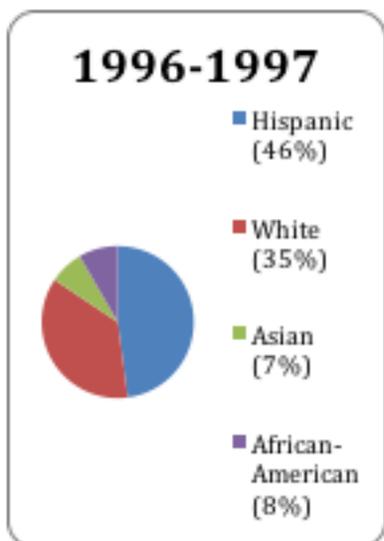
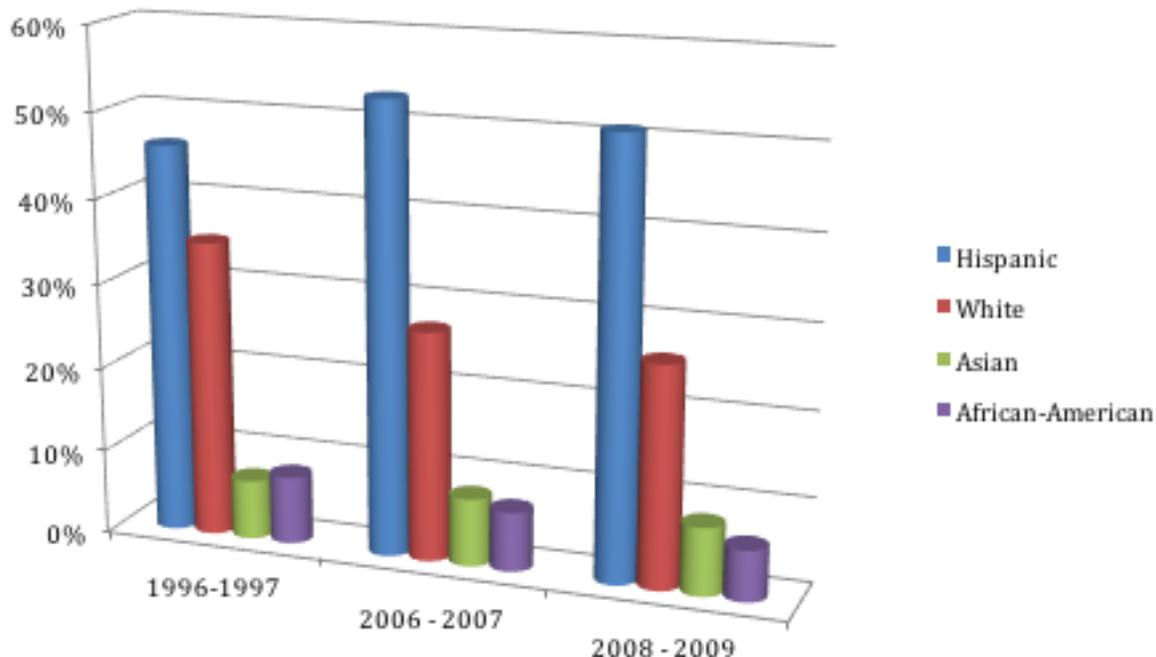
More than 10 percent of children under age five in California have a disability or special need that affects their ability to play and learn

<http://www.cde.ca.gov/sp/cd/ce/documents/airmetanalysis.pdf>

The data source for the charts is the California Report Card 2010 by Children Now:

http://www.childrennow.org/uploads/documents/reportcard_2010.pdf

HANDOUT #4 : CA KINDERGARTEN POPULATION ETHNICITY (1996-2009)



The data source for these charts is the Guidelines for Early Learning in Child Care Home Settings.
<http://www.cde.ca.gov/sp/cd/re/documents/elguidelineshome.pdf>



OPERATING A STRONG FAMILY CHILD CARE BUSINESS

Training Module One



F E A S I B I L I T Y

Section 2

Module 1

SECTION TWO



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Feasibility



Section 2.1 Personal & Financial Assessment

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Identify and discuss personal and financial issues before starting a family child care business.

Activity 2

- Examine the impact that personal and financial factors may have on starting and sustaining a family child care business.

Handouts

5. Areas to explore when starting a family child care business

Key Points

- Family child care provides a business opportunity that can lead to a rewarding career in the field of early childhood education.
- Assessing the feasibility of starting a family child care business is a critical step that prospective providers should take in order to make an informed decision before embarking in the licensing process.
- Exploring areas that impact the feasibility of operating a family child care business can help individuals determine whether or not it makes sense to open a family child care home. It can also determine the viability and ongoing success of the business.
- It is beneficial for prospective and current providers to consider whether or not operating a family child care business is a good “fit.” If family child care is not a suitable vocation for a particular individual, in all likelihood it will have a negative impact on the long term sustainability of the business.

Activity #1

Learning Outcomes

Identify and discuss personal and financial issues before starting a family child care business.

Materials Needed

Handout 5: Areas to Explore Before Starting a Family Child Care Business

Methodology: Reflection, discussion

Activity

Distribute Handout 5 and review the Key Talking Points.

Start a discussion by asking participants to share their thoughts about the statement. Then, facilitate further discussion drawing on the participants' comments.

- *What caught your attention?*
- *What is the gist of the statement you just heard?*
- *What areas would you consider as a prospective provider?*
- *What areas would you consider as an established provider?*
- *Why is it important to reflect on these issues?*

Ask participants to individually identify an area they believe will be a personal challenge and to think of some possible solutions and resources they may be able to use as a support to resolve the problem.

Then have participants identify an area they believe will be one of strength for them and suggest that they consider additional benefits that come with that area of strength.

Finally, ask participants to share their answers with their closest seating partner.

Key Points

- Family child care provides a business opportunity that can lead to a rewarding career in the field of early childhood education.
- Assessing the feasibility of starting a family child care business is a critical step that prospective providers should take in order to make an informed decision before embarking in the licensing process.
- Exploring areas that impact the feasibility of operating a family child care business can help individuals determine whether it makes sense to open a family child care home. It can also determine the viability and ongoing success of the business.

Activity #2

Learning Outcomes

Examine the impact that personal and financial factors may have on starting and sustaining a family child care business.

Materials Needed

Handout 5: Areas to Explore Before Starting a Family Child Care Business

Methodology: Reflection, discussion

Activity

Pose the question: What are some potential consequences of starting a family child care business?

Ask a few participants to share their thoughts with the whole group.

Then divide the participants into smaller groups. Group prospective providers and current providers separately.

Distribute Handout 5 for the participants to read. Ask everyone to think about and discuss the potential impact of not taking this into consideration when starting a family child care business.

Pose sample starter questions to get conversations going:

- *What would happen if you got licensed and did not have any customers for two months?*
- *Are you willing to go to classes/workshops to learn and stay current with information in Early Childhood Education field?*
- *What would happen to the children in your care and their families, if you found out after a few months that family child care is not what you expected and you decided to close your business?*

Conclude by asking group members to share highlights from their conversations.

Key Points

- It is beneficial for prospective and current providers to consider whether or not operating a family child care business is a good “fit.” If family child care is not a suitable vocation for a particular individual, in all likelihood it will have a negative impact on the long term sustainability of the business.



HANDOUT #5: AREAS TO EXPLORE WHEN STARTING A FAMILY CHILD CARE BUSINESS

Provider

- Reasons for wanting to be a licensed family child care provider
- Ability and desire to work with children
- Understanding of what operating a family child care program entails and commitment to the business
- The roles of the provider: caregiver, teacher, family partner, program administrator, business owner
- The provider's temperament, personality, disposition, and health
- Interest in professional development

Provider's Family

- What do the other people in the household think and are they supportive?
- Has there been a discussion about the impact this will have on partners/children/family members/others in the household?
- What boundaries will need to be set to respect the needs and/or wants of all household members?
- Regulations about residents in the home

Provider's Home

- Deed and property restrictions (are there limitations set by homeowner covenants, insurance providers or a landlord)?
- Home as personal and business space—what rooms will be used by the family child care program and why? How will those who live in the home (both adults and children) feel about sharing?
- Home size, layout, availability and suitability of indoor and outdoor space

Financial Circumstances

- Startup costs
- Home repairs and/or remodeling prior to opening the business
- Sustainability while building up the clientele
- Licensing fees

Provider's Community

- Local, county and city ordinances
- Neighbors' concerns (e.g., noise, parking, traffic, property values...)

For technical assistance and information on the areas listed in this handout, consult with the local Child Care Resource and Referral (R&R) agency or local Child Care Planning Council (LPC) in your area.

R&R Directory: <http://www.rrnetwork.org/rr-in-every-county/parents/find-child-care-in-california-1.html>

CA LPC Directory: <http://www.cde.ca.gov/sp/cd/re/lpc.asp>

Module 1

SECTION TWO



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Feasibility



Section 2.2 Market Research

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Define “market research”
- Name the elements of market research
- Illustrate the elements of market research

Activity 2

- Explain and illustrate the connection between market research and the viability and sustainability of a family child care business

Activity 3

- Explain how local child care resource and referral agencies can be a market research resource for family child care providers.

Handouts

6. Market Research - Definition/Elements
7. Market Research - Rationale
8. Market Research - Scenario

Key Points

- Market research is instrumental in determining the feasibility of a business idea, shaping the services to be provided, and developing business sustainability.
- Market research involves gathering information about the market for:
 - the business (potential clients),
 - prices (fees for similar services by similar businesses), and
 - competition (those who provide similar services).
- Information about similar businesses in the area (type, number, geographic location, services they provide) can help prospective providers determine whether opening a family child care business is a viable project.
- Information about potential clientele (population, geographic location, needs and desires, and overall demographics) can help shape business ideas and bridge existing gaps in a community.
- The information gathered through market research can help prospective providers focus resources effectively and develop services to meet the needs and desires of specific groups of clients (e.g., infant/toddler care, non-traditional hours of care, after-school care, and care for children with special needs).
- Market research information about how similar businesses in the area operate, as well as general demographic and socio-economic trends are factors to consider when determining realistic, sustaining fees for services.
- Periodic market research can help existing providers become aware of, and assess changes in market need and size, price, and competition. Based on that knowledge, a plan can be designed that includes services to be offered and business practices (e.g., ages of children in care, schedule, rates, program activities, policies and practices) that are in tune with the current demand for services.
- Other family child care providers in the area can be competitors or valued colleagues. Family child care providers in the same area can offer distinct “niche” services that complement one another.

Activity #1

Learning Outcomes

- Define the concept of market research
- Name the elements of market research
- Illustrate the elements of market research

Materials Needed

Handout 6: Market Research - Definition/Elements
Scissors, paperclips

Methodology: Lecture, practice, teaching others, discussion

Preparation

Make copies of Handout 6. Cut out the boxes of information. Mix up the pieces of each sheet and clip them together in a bundle.

Activity

Present the Key Talking Points (see all Key Talking Points for Section 2.2, previous page).

Explain that other family child care providers in the area can be competitors or valued colleagues (see Key Talking Points); for example, a provider who specializes in infant/toddler care may have a neighbor down the street who provides care for preschoolers only. These providers can refer families that they can't serve to one another.

Give each participant a bundle from Handout 6. Ask them to read what they received and instruct them to pair the cards according to their understanding of market research. Each participant can talk about and compare their findings with a partner.

Restate the definition and elements of market research.

Ask participants to think of examples that explain what market research involves (e.g. finding out if there is a need for infant care in the area).

Key Points

- Market research involves gathering information about the market for the business, prices, and competition.
- Information about similar businesses in the area can help prospective providers determine whether a family child care business would be a viable project.
- Information about potential clientele can help shape business ideas and bridge existing gaps in a community.
- The information gathered through market research can help prospective providers focus resources effectively and develop services to meet the needs and desires of specific groups of clients.
- Market research information about how similar businesses in the area operate, as well as general demographic and socio-economic trends, can be factors to consider when determining realistic, sustaining fees for services.

Activity #1

Key Points

- Other family child care providers in the area can be either competitors or valued colleagues.
- Family child care providers in the same area can offer distinct “niche” services that complement one another.

Activity #2

Learning Outcomes

Explain and illustrate the connection between market research and the viability and sustainability of a family child care business

Materials Needed

Handout 7: Market Research - Rationale

Handout 8: Market Research - Scenario

Methodology: Lecture, teaching others, discussion

Activity

Review the Key Talking Points and the concept of “Supply and Demand” as it applies to providers (e.g. if most families in a community need infant/toddler care, but few slots exist, then the demand and value for that type of care increases).

Give each participant a copy of Handout 7. Ask volunteers to take turns reading a bullet to the group as they go down the list. As a large group, or in partners, brainstorm examples of how these concepts apply to a potential or existing family child care business.

Ask participants about what caught their attention and why; discuss the information as a large group.

Distribute Handout 8 and explain the content. Have the participants in small groups read the scenario and the questions, reflect on both, and then have a discussion about the feasibility and viability of Maria Lopez’ business idea. Suggest the following questions as conversation starters:

- What do you think of Maria Lopez’ business idea?
- Are her business plans viable? Why/why not?
- What advice would you give to Maria Lopez?
- What do you think would make her business more likely to be successful?

Open up the discussion to compare and contrast ideas and thoughts.

Key Points

- Market research is instrumental in determining the feasibility of a business idea, shaping the services to be provided, and developing business sustainability.

Activity #3

Learning Outcomes

Explain how local child care resource and referral agencies can assist with market research

Materials Needed

California Child Care Portfolio – County Page

Methodology: Lecture, discussion

Activity

In a large group, brainstorm what types of resources would be useful to a family child care provider. During the same discussion, have participants share the importance of being referred to clients and how it is beneficial to their business.

Describe what resource and referral agencies do and what role they play in communities.

Provide examples and discuss the kind of market information that a local R&R can share that would be helpful to prospective providers. Provide a copy of the appropriate county page from the most recent California Child Care Portfolio (www.rrnetwork.org).

Advise participants of other resources in the community that have information useful to family child care providers (e.g., Community Care Licensing, family resource centers, public health agencies, home visiting programs).

Supply contact information for the local resource and referral agency.

Key Points

- Periodic market research can help existing providers become aware of, and assess changes in market need and size, price, and competition. Based on that knowledge, a plan can be designed that includes services to be offered and business practices that are in tune with the current demand for services (e.g., ages of children in care, schedule, rates, program activities, policies and practices).



HANDOUT #6 : MARKET RESEARCH - DEFINITION/ELEMENTS

Market research refers to the process of gathering information about the market (potential clients), price (fees for similar services by similar businesses) and the “competition” (those who are providing similar services).

Market research gathers information about market	Market research gathers information about potential clients
Market research gathers information about price	Market research gathers information about fees for similar services by similar businesses
Market research gathers information about competition	Market research gathers information about who is providing similar services



HANDOUT #7: MARKET RESEARCH - RATIONALE

Information gathered through market research can be instrumental in the following areas:

- Determining whether opening a family child care business is a viable endeavor
- Shaping business ideas and bridging existing gaps in a community
- Meeting the needs of potential clients
- Establishing realistic, sustaining fees for services
- Learning about and assessing changes in the market regarding needs, size, price, and competition
- Designing a business plan that is in tune with the current demand for services

The U.S. Small Business Administration website offers tips and steps for individuals who are interested in starting their own business. For more information about Market Research, visit <http://www.sba.gov/content/do-your-market-research>

All statistics regarding State and county licensed child care facilities can be obtained by visiting the Child Care Licensing Division (CCLD) licensing statistics webpage <http://www.cclld.ca.gov/PG833.htm>

**HANDOUT #8: MARKET RESEARCH - SCENARIO**

Maria Lopez wants to start a family child care business. She plans to provide care for infants because she loves babies. Her idea is to operate her business Monday through Friday, from 9:00am to 5:00pm, since she has two children of her own and needs to take them to school every day. Maria Lopez has many friends in the area; most of them have children who go to school with her son and daughter. Her neighborhood is close to the local airport, which is a major employer in the area. The airport has an on-site child care center. Most families in Maria Lopez's neighborhood are dual income families.

Questions to Ponder When Doing Market Research:

- *How essential are your services in the community?*
- *Who are your potential clients? Which families need child care?*
- *What are the needs of your potential clients? (schedule, children's ages, etc.)*
- *What areas within your market are declining or growing?*
- *What is the current size and geographic spread of your potential clients?*
- *Who are your competitors and where are they located? Can you offer services that they don't provide?*
- *Is there a need for subsidized child care slots in your community? Would you be interested in working with some families who receive assistance paying for child care from the government?*

Module 1

SECTION TWO



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Feasibility



Section 2.3 Establishing Rates & Fees

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Define terminology: rates, fees
- Give examples of rates and fees that apply to family child care businesses

Activity 2

- Explain what to consider when setting rates and fees
- Discuss the impact that rates and fees may have on business viability, sustainability, and profitability

Activity 3

- Understand strategies to use when talking with parents about rates and fees
- Explain the value of the strategies when talking with families about rates and fees

Handouts

9. Rates and fees - Considerations
10. Rates and fees - Strategies

Establishing Rates & Fees

Key Points

- A provider needs to earn enough to meet and sustain the needs of the family child care business (which includes making sure the owner earns wages).
- Exceedingly high rates and fees will price most potential clients out of the market. Very low rates and fees may lead some families to question the quality of the services provided or the ability of the provider to remain open.
- Potential clients are more likely to agree with and accept a provider's rates if the amount is comparable to similar services available in the community; if they find the services valuable; if the services are greatly needed and hard to substitute; and if they seem reasonable.
- Utilizing certain business practices with all clients (including family and friends), such as written contracts, can facilitate dealing with money issues.
- Talking about value (what clients get) is more effective than talking about price (what clients pay).
- Incorporating additional fees when calculating regular rates is more effective and simpler than charging additional fees.
- Raising rates annually in September (when school traditionally begins) works better than in April (when taxes are due) or November/December/January (when many families are paying for holiday spending).

Activity #1

Learning Outcomes

- Define terminology: rates, fees
- Give examples of rates and fees that apply to a family child care businesses

Materials Needed

Plain white paper and markers

Methodology: Teaching Others

Activity

Read the definitions of rate and fee to the group. Give each participant a sheet of paper, ask them to create two signs, one that reads “Rate” another that reads “Fee.” Ask participants to lift up the sign that matches the examples you read aloud.

Examples:

- *The chair massage is \$15/ hour.*
- *I cancelled my appointment so they charged me \$25*
- *To get registered for the course I paid \$50*
- *Each week I pay my personal trainer \$100*
- *My medical copay is \$35*
- *Our gardener charges \$20/hour*
- *I paid \$60 extra for an extended warranty*

Have a general conversation with the participants. Then, shift the focus to family child care business.

Invite participants to think of examples of specific fees and rates that are relevant to operating a family child care business.

Offer possible suggestions to get the conversation going:

- Rates: \$ per week for infant care; \$ per month for before and after school care; \$ per hour for late pick-up; \$ per week for transportation; \$ discounts for additional sibling(s) in care.
- Fees: Initial enrollment, late payment

Key Points

- **Rate:** The amount of money charged per unit, e.g. per hour or per week, for a service
- **Fee:** A payment for professional services. A charge made by an business, e.g. for diapers, late pick up
- A provider needs to earn enough to meet and sustain the needs of the family child care business (which includes making sure the owner earns wages).

Activity #2

Learning Outcomes

- Explain what to consider when establishing rates and fees
- Discuss the impact that rates and fees may have on business viability, sustainability, and profitability

Materials Needed

Handout 9: Rates and Fees – Considerations

Methodology: Discussion

Activity

Distribute Handout 9 and facilitate a discussion incorporating the Key Talking Points and information on Handout 9. Start the conversation with the following opening statement:

Maria Lopez is deciding how much to charge families for her services as a licensed family child care provider. She thinks \$1000/month per child is a reasonable amount. Will this work? Why? Why not? What does it depend on?

Incorporate scenarios that may impact the feasibility of her plan. For example: What if...

- *She is the sole wage earner in her household?*
- *There are other sources of income in the household?*
- *Monthly household expenses are \$5,000?*
- *She will be working 12-hour days, M-F?*
- *The going rate for similar services is \$600/month?*
- *The going rate for similar services is \$1,500/month?*
- *The average family in her neighborhood has two young children?*
- *There are many families with young children in her neighborhood with minimum wage incomes?*
- *She wants to make sure she has two weeks of paid vacation each year?*

Key Points

- Providers need to charge enough to meet and sustain the needs of the business, including earning wages.
- Families are more likely to accept rates that are comparable to similar services in the community. Their willingness to accept rates will be based on whether or not the services provided are perceived to be valuable; needed; unique; and reasonable.
- Exceedingly high rates and fees will price most families out of the market.
- Exceedingly low rates and fees may lead some to question the quality of the services provided.

Activity #3

Learning Outcomes

Understand, give examples and explain the value of strategies to use when talking with families about rates and fees

Materials Needed

Large poster paper and markers
Handout 10: Rates and Fees – Strategies

Methodology: Reading, teaching others, discussion

Activity

Brainstorm with the large group common problems family child care providers may face when collecting rates and fees from families. Compile the list on large poster paper.

After you have compiled a list of 5-6 items on another sheet of poster paper, ask the group to share strategies to handle collection problems.

Distribute Handout 10 and ask participants to read it. (Keep a copy for yourself)

Then ask the participants to go over the information with a seat partner. Ask why these strategies make sense and compare them to the ones the group created.

Facilitate a discussion with the large group that incorporates the ideas and thoughts generated in the smaller groups. Compare notes.

Encourage the participants to approach the discussion from a provider's perspective and a family's perspective, and to share examples that illustrate their thoughts and ideas, drawing on their own experiences where possible.



HANDOUT #9: RATES AND FEES - CONSIDERATIONS

Decision	Considerations
How much to charge	<ul style="list-style-type: none">• Desired net income• Going rates*• Ability of families to pay• Including paid vacation time• Paying according to slot rather than attendance
How often to charge	<ul style="list-style-type: none">• Monthly, bi-weekly, weekly, daily, hourly, as needed
What services to provide	<ul style="list-style-type: none">• Regular hours• Before/after school care• Evening or weekend care• Infant/toddler care• Substitutes, or referrals to potential substitutes• Provider paid/unpaid vacation• Paid/unpaid child absences due to illness or vacation• Transportation of children

*It is illegal for competitors to discuss rates among themselves!
Doing so can lead to price fixing, which is in violation of the federal antitrust law.

For more information about price fixing and collecting information about other people's rates, read Chapter Nine of Tom Copeland's book *Family Child Care Marketing Guide*.



HANDOUT #10: RATES AND FEES - STRATEGIES

Did you know that...?

- Utilizing certain business practices with all clients (including family and friends), such as written contracts, can facilitate dealing with money issues?
 - Talking about value (what clients get) is more effective than talking about price (what clients pay)?
 - Incorporating additional fees when calculating regular rates is preferable to charging additional fees.
- Raising rates annually in September (when school traditionally begins) works better than in April (when taxes are due) or November/December/January (when many families are paying for holiday spending).

For more information about how to set rates and talking with families about rates, read Chapter Eight of Tom Copeland's book *Family Child Care Marketing Guide*.

Module 1

SECTION TWO



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Feasibility



Section 2.4 Local County or City Ordinances

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Define “ordinance”
- Give examples of city ordinances

Activity 2

- Describe common tenant issues related to starting/operating a family child care business
- Understand tenants’ rights related to the use of rental properties as small family child care homes

Activity 3

- Understand California Health & Safety Code regulations pertaining to the zoning of small family child care homes
- Understand California Title 22 regulations regarding alterations to existing buildings or grounds

Handouts

11. Property Regulations - CA Health & Safety code
12. Tenant Issues & Rights
13. Scenarios
14. Licensing regulations - Alterations
15. Zoning - California health & safety code

Key Points

- Ordinances are laws and regulations enacted by governmental authorities.
- A city ordinance is a rule or law enacted by a city government.
- City ordinances vary across the State.
- City ordinances can be found online on a city’s official website in the municipal code.
- Family child care businesses are expected to comply with all current ordinances that apply to them.
- The use of a single-family residence as a small family day care home is considered a residential use of property for the purposes of all local ordinances.
- Local jurisdictions may not impose business license fees or taxes on the operation of a small family day care home.
- Common tenant issues related to starting/operating a family child care business are about consent, rent increases, eviction, security deposits, and communication.
- Zoning ordinances divide a town, city, village, or county into separate residential, commercial, and industrial districts. The goal is to maintain the desirable characteristics of each type of setting.
- Before making alterations or additions to a family child care home or grounds, a family child care licensee must notify Community Care Licensing of the proposed changes and make sure that the changes comply with current ordinances (See Handout 14).

Activity #1

Learning Outcomes

- Define “ordinance”
- Give examples of city ordinances

Materials Needed

None

Methodology: Discussion

Activity

Pose the question: What comes to mind when you hear the word “ordinance”?

As a group, define what an ordinance is, incorporating the participants’ responses and the key talking points.

Then, explain that ordinances vary from city to city. Illustrate this by telling participants the city you are coming from and giving an example of a city ordinance (*e.g., All stores in San Francisco shall provide only recyclable paper bags, and/or compostable plastic bags, and/or reusable bags as checkout bags to customers.*)

Invite participants to think of ordinances that may apply in their cities and share them with the group. Suggest areas that are usually governed by ordinances to facilitate the conversation: landlord/tenant, building/alterations permits, garbage, parking, billboards, zoning, landscaping, recycling, hazardous materials, noise, etc.

Key Points

- Ordinances are laws and regulations enacted by governmental authorities
- A city ordinance is a rule or law enacted by a city government.
- City ordinances are different throughout the State.
- City ordinances can be found online on a city’s official website, in the municipal code.
- Family child care businesses must comply with all applicable city ordinances.

Activity #2

Learning Outcomes

- Describe common tenant issues related to starting/operating a family child care business
- Understand tenants' rights related to the use of rental properties as small family child care homes

Materials Needed

Handout 11: Property Regulations – California Health & Safety Code
Handout 12: Tenant Issues and Rights
Handout 13: Scenarios

Methodology: Reading, teaching others, discussion

Activity

Distribute Handout 13; ask for volunteers to read each scenario as the group follows along.

Distribute Handouts 11 and 12.

Ask participants to work in pairs or small groups to discuss the scenarios and compare what happened with the information found in Handouts 11 and 12.

Point out that they can compare the information by pairing the numbers in parentheses (i.e., (1) and (1)).

Discussion

Open up the discussion to the large group.

- *What landlord/tenant issues did you discover in your conversations?*
- *What did you learn about tenant's rights?*

Key Points

- The use of a single-family residence as a small family day care home is considered a residential use of property for the purposes of all local ordinances.
- Common tenant issues related to starting/operating a family child care business are about consent, rent increases, eviction, security deposits, and communication.

Activity #3

Learning Outcomes

- Understand California Health & Safety Code regulations pertaining to the zoning of small family child care homes
- Understand California Title 22 regulations regarding alterations to existing buildings or grounds

Materials Needed

Handout 14: Licensing Regulations – Alterations

Handout 15: CA Health & Safety Code/Zoning

Methodology: Teaching Others

Activity

Pose the following questions and invite participants to provide answers. Turn the answers into a conversation that incorporates the key talking points and the information in Handouts 14 and 15.

- *What are zoning ordinances?*
- *What are some examples of commercial, residential, and industrial zones?*
- *How are residential zones different from commercial zones?*
- *You operate a licensed family child care business and want to convert your garage into a play room for the children. Can you do it? Why? Why not?*
- *Can cities charge providers business license fees or additional taxes when they decide to open a small family day care home?*

Use the information shared in the conversation to illustrate the key talking points.

Key Points

- Zoning ordinances divide a town, city, village, or county into separate residential, commercial, and industrial districts. The goal is to maintain the desirable characteristics of each type of setting.
- Prior to making alterations or additions to a family child care home or grounds, the licensee must notify Community Care Licensing of the proposed changes and make sure that the changes comply with current ordinances (see Handout 14).



HANDOUT #11: PROPERTY REGULATIONS - CA HEALTH & SAFETY CODE

REGULATION		HIGHLIGHT
1597.40.(b)	(3)	It is not legal to forbid or restrict the leasing or mortgaging of real property for use as a family day care home for children.
1597.40.(d)(1)	(1)	Prospective family child care providers who reside in a rental property must provide 30 days' written notice to the landlord or owner of the rental property prior to starting to operate.
1597.40.(d) (4)	(7)	Landlords or property owners may require the family day care home provider to pay an increased security deposit for operation of the family day care home, as long as the total security deposit charged does not exceed the maximum allowable under existing law.
1597.44(d)	(5)	A provider that operates a small family child care home in a rental property must obtain the written consent of the property owner prior to providing care for more than six and up to eight children.

Further details and complete text about the regulations mentioned in Handout 11 can be found in Chapter 3.6 of the CA Health & Safety Code, Section 1597.40 at http://www.leginfo.ca.gov/.html/hsc_table_of_contents.html

HANDOUT #12: TENANT ISSUES & RIGHTS

ISSUE	TENANT RIGHT
Eviction	(4) It is illegal for a landlord to evict a tenant if the only reason is having or planning to start a family child care home.
Rent Increase	A landlord may not charge more rent just because it is a FCCH. Rent increases must follow the state and local rent control laws.
Security Deposit	(8) A landlord may charge a family child care provider a deposit equivalent to up to two months' rent (if place is unfurnished) or up to three months' rent (if the place is furnished).
	(7) A landlord must notify a family child care provider of an increase in security deposit ahead of time (at least 30 days if renting month-to-month).
	(7) A landlord may not increase a security deposit if there is a lease (longer than one month) until the lease is renewed.
Operation	(3) Homeowners' associations may not bar individuals from starting or operating a family child care home.
Communication	(6) All requests from a landlord and all the responses from the tenant regarding eviction or rent raises should be put in writing. All correspondence and notices should be saved. (2)

Further details and complete text about the regulations mentioned in Handout 12 can be found in the document prepared by the Child Care Law Center Legal issues for family child care providers in *California: Housing and property* at <http://www.childcarelaw.org/docs/housingandproperty.pdf>



HANDOUT #13: SCENARIOS

Carla Padilla has been living in a rented house for the past five years. Last month she decided to open a licensed family child care business, so she told the landlord about her plans (1). A week later, and without any other warning, the landlord came over to her house and announced (2) that he was no longer able to rent the house to her (3), and told her that she would have to move at the end of the month (4).

Marie Ivanova operates a small licensed family child care business in her rented apartment. She is currently caring for six preschoolers but is planning to take care of two school-age children to maximize the legal capacity of her family child care program. Last week, she told her landlord and he gave her his consent to do so (5). The following week, Marie received a letter indicating that her rent and security deposit were going to be increased (6) as soon as the number of children in her care goes from six to eight (7).

Susan Oh just moved to a new apartment, where she is now operating her licensed family child care business. She had to pay a security deposit equivalent to two months' rent (8). Last week she learned from her neighbor, who moved into an identical apartment at the same time she did, that their monthly rents are not the same. In fact, the rent Susan pays is \$200 more! (9) Susan is not happy about this. Is there anything she can do about this situation?



HANDOUT #14: LICENSING REGULATIONS - ALTERATIONS

SECTION

REGULATION

102416.3 Alterations to existing building or grounds

102416.3 (a)

Prior to making alterations or additions to a family child care home or grounds, the licensee shall notify the Department of the proposed changes, including, but not limited to, the following:

1. Conversion of a garage (either attached or detached) into a “child care” room.
2. Room additions to the family child care home.
3. Installation of in-ground or above-ground swimming pools, spas, fish ponds, decorative water feature, fountains or other bodies of water.
4. Construction of exterior decks or porches.
5. Construction of play equipment including swing sets/climbing structures.
6. Any change from an area of the family child care home previously identified as “off limits” to an area where care and supervision will be provided to children in care.

102416.3 (b)

The licensee shall provide the Department with a copy of an inspection report when an inspection is required by the local building inspector as a result of the alteration, addition or construction.

Department of Social Services. Manual of Policies and Procedures, Community Care Licensing Division, Family Child Care Homes, Title 22, Division 12, Chapter 3

http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/FCCHREGS_SP.pdf



HANDOUT #15: ZONING - CALIFORNIA HEALTH & SAFETY CODE

REGULATION

1597.45.(a)

The use of single-family residence as a small family day care home shall be considered a residential use of property for the purposes of all local ordinances.

1597.45.(b)

No local jurisdiction shall impose any business license, fee, or tax for the privilege of operating a small family day care home.

HIGHLIGHT

Further details and complete text about the regulations mentioned in Handout 15 can be found in the document prepared by the Child Care Law Center, *Legal issues for family child care providers in California: Housing and property* at <http://www.childcarelaw.org/docs/housingandproperty.pdf>

Module 1

SECTION TWO



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Feasibility



Section 2.5 Title 22 Requirements to Consider

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Understand the basic Title 22, Division 12, Chapter 3 requirements and qualifications that apply to licensing family child care homes
- Explain the connection between these requirements and the feasibility of starting a family child care business

Activity 2

- Understand the Title 22, Division 12, Chapter 3 areas that have continuing requirements when operating a family child care business

Handouts

16. Family child care home licensing applicant requirements and qualifications
17. Family child care home residence and resident requirements
18. Family child care home license applicant, residence, and residents
19. Areas with continuing requirements
20. Continuing requirements word search

Key Points

- The requirements and regulations that govern licensed family child care homes in California are determined by the State’s Health and Human Services Agency, Department of Social Services, Community Care Licensing Division (CCLD).
- Any person 18 years of age or over may apply for a license regardless of age, gender, race, religion, color, political affiliation, national origin, disabilities, marital status, actual or perceived sexual orientation, or ancestry.
- “Family Day Care” or “Family Child Care” means regularly provided care, protection and supervision of children, in the caregiver’s own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away.
- “Home” is defined as the place one remains when not called elsewhere for labor or other special or temporary purpose, and to which he or she returns in seasons of repose.
- A Family Child Care Home reflects a home-like environment where non-medical care and supervision is provided to children for periods of less than 24 hours.

Activity #1

Learning Outcomes

- Understand the basic Title 22, Division 12, Chapter 3 requirements and qualifications prior to licensing
- Explain the connection between these requirements and the feasibility of starting a family child care business

Materials Needed

Paper and pens on the tables

Handout 16: Applicant Requirements and Qualifications

Handout 17: Residence and Residents in the Home

Handout 18: Applicant, Residence, and Residents

Methodology: Lecture, practice by doing, discussion

Activity

Distribute Handouts 16 and 17 only.

Allow time for participants to read the content and reflect on it with a partner discussing why each regulation is important and what potential problem could arise without it.

Review the Key Talking Points, and ask participants to share some of their discussion with the larger group.

Distribute Handout 18 and ask participants to complete the sentences based on what they read.

Ask volunteers to read their answers.

Emphasize the requirements and introduce the key talking points.

Then, ask questions, such as:

- *Do you think any of these requirements could affect the feasibility of starting a family child care business? Why? How? Can you give some examples?*

Key Points

- Any person 18 years of age or over may apply for a license.
- A Family Child Care Home reflects a home-like environment where non-medical care and supervision is provided for periods of less than 24 hours.
- The requirements that apply to licensed family child care homes in CA are determined by the State's Health and Human Services Agency, Department of Social Services, Community Care Licensing Division.

Activity #2

Learning Outcomes

Understand Title 22, Division 12, Chapter 3 areas that have continuing requirements when operating a family child care business.

Materials Needed

Pens, pencils or highlighters
Handout 19: Areas with Continuing Requirements
Handout 20: Continuing Requirements Word Search

Methodology: Practice by doing

Preparation

Place pencils, pens or highlighters on tables.

Activity

Distribute Handout 20 only.

Explain that the Word Search contains 11 aspects of a family child care business that are regulated by Community Care Licensing.

Invite participants (individually or with others) to take a few minutes to find the words and circle or highlight them.

Ask volunteers to name the areas out loud until the list is complete

Distribute Handout 19 and go over the areas listed with the group.

ACTIVITY

Activity #2

							R								
							E						P		
							P						E		
							O		R	E	C	O	R	D	S
A			A	L	T	E	R	A	T	I	O	N	S		M
D							T		C				O		O
M		I	M	M	U	N	I	Z	A	T	I	O	N	S	K
I							N		P		R		N		I
S	T	A	F	F	I	N	G	R	A	T	I	O	E		N
S									C		G		L		G
I									I		H				
O	P	E	R	A	T	I	O	N	T		T				
N									Y		S				



HANDOUT #16 : FAMILY CHILD CARE HOME LICENSING APPLICANT REQUIREMENTS AND QUALIFICATIONS

All licensed operators must:

- Be at least 18 years of age
- Live in the home
- Obtain a criminal record clearance
- Have a Tuberculosis (TB) clearance
- Complete Pediatric Health & Safety training (15 hours) obtained from an Emergency Medical Services (EMSA) approved curriculum, a waived curriculum (e.g., American Heart Association, American Red Cross), or from an accredited college/university to include:
 - Preventive Health Practices
 - Pediatric CPR certification
 - Pediatric First Aid certification

Individuals applying for a large family child care home license must show proof of one year experience as a small family child care home licensee or as a teacher or director of a licensed Child Care Center.

Provider Requirements can be found at: <http://cclid.ca.gov/res/pdf/ProviderRequirementsFCCH.pdf>



HANDOUT #17: FAMILY CHILD CARE HOME RESIDENCE AND RESIDENT REQUIREMENTS

RESIDENCE

REGULATION

HIGHLIGHT

102352(f)(1)

“Family Day Care” or “Family Child Care” means regularly provided care, protection and supervision of children, in the caregiver’s own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away.

102352(h)(1)

“Home” ... is the place where one remains when not called elsewhere for labor or other special or temporary purpose, and to which he or she returns in seasons of repose.

RESIDENTS

REGULATION

HIGHLIGHT

102370

All adults must be fingerprinted and must obtain a California criminal background clearance or exemption.

102369 (9)

All adults must provide evidence of a current tuberculosis clearance, not more than one year prior to or seven days after initial presence in the home.

All adults (persons who are 18 years of age or older. **102352 (a)(1)**) must be identified and included in the application form (name, middle name, last name, relationship to the applicant).

Further details and complete text about the highlighted regulations found in Handout 6 can be found in the Manual of Policies and Procedures, COMMUNITY CARE LICENSING DIVISION, FAMILY CHILD CARE HOMES, Title 22, Division 12, Chapter 3 at <http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>



HANDOUT #18 : FAMILY CHILD CARE HOME LICENSE APPLICANT, RESIDENCE, AND RESIDENTS

“Family Child Care” means _____, protection and supervision of children, in _____, for periods of less than _____.

All adults must be _____ and obtain a California _____ or exemption.

Applicants must be at least _____ of age and must live _____. They must also obtain _____. In addition, applicants must have a _____ test and complete _____ hours of _____ training obtained from an Emergency Medical Services (EMSA) approved curriculum, waived curriculum (e.g., American Heart Association, American Red Cross), or from an accredited college/university.

All adults must provide _____, not more than one year prior to or seven days after initial presence in the home.

Individuals applying for a _____ family child care home must show proof of _____ or _____.



HANDOUT #19: AREAS WITH CONTINUING REQUIREMENTS

<u>REGULATION</u>	<u>AREA</u>
102416	<u>Personnel</u>
102416.1	<u>Records</u>
102416.2	<u>Reporting</u>
102416.3	<u>Alterations</u> to existing building or grounds
102416.5	<u>Staffing ratio</u> and <u>capacity</u>
102417	<u>Operation</u> of the family child care home
102418	<u>Immunizations</u>
102419	<u>Admission</u> procedure and parental and authorized representative rights
102423	Personal <u>rights</u>
102424	<u>Smoking</u> prohibition

Further details and complete text about the highlighted regulations found in Handout 6 can be found in the Manual of Policies and Procedures, COMMUNITY CARE LICENSING DIVISION, FAMILY CHILD CARE HOMES, Title 22, Division 12, Chapter 3 at <http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>



HANDOUT #20: CONTINUING REQUIREMENTS WORD SEARCH

E	H	K	B	D	O	U	R	A	G	I	N	D	C	L	I
N	G	D	L	N	Y	G	E	C	J	X	D	T	P	J	E
Z	S	E	C	G	U	B	P	I	M	L	O	B	E	J	L
W	H	A	B	J	L	R	O	G	R	E	C	O	R	D	S
A	N	M	A	L	T	E	R	A	T	I	O	N	S	G	M
D	U	G	N	K	A	D	T	S	C	A	H	I	O	U	O
M	Y	I	M	M	U	N	I	Z	A	T	I	O	N	S	K
I	G	N	I	F	T	A	N	H	P	E	R	U	N	E	I
S	T	A	F	F	I	N	G	R	A	T	I	O	E	S	N
S	H	E	S	U	S	G	I	J	C	E	G	S	L	U	G
I	B	J	E	S	U	S	D	A	I	F	H	S	E	A	Y
O	P	E	R	A	T	I	O	N	T	S	T	H	L	D	K
N	O	K	N	I	H	B	V	U	Y	E	S	S	T	A	E
W	E	R	T	Y	U	I	O	P	L	K	J	H	G	F	D
S	A	Z	X	C	V	B	N	M	O	F	E	I	F	K	U

1	5	9
2	6	10
3	7	11
4	8	



OPERATING A STRONG FAMILY CHILD CARE BUSINESS

Training Module One



STEPS TO BECOMING LICENSED

Section 3

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Steps to Becoming Licensed



Section 3.1 Orientation

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Describe the Orientation in the context of the licensing process
- Name two Orientation options
- Understand whom to contact to sign up for an Orientation
- Understand the fees associated with completing an Orientation

Activity 2

- Describe how to register for online Orientation
- Locate website with instructions to register for online Orientation

Activity 3

- Describe how to register for the face-to-face Orientation
- Locate website with instructions to register for the face-to-face Orientation

Handouts

21. Licensing orientation
22. Outline orientation
23. Face-to-face orientation

Key Points

- The first step to becoming a licensed Family Child Care Home provider is to complete a Community Care Licensing Orientation.
- There are two ways to complete the Orientation: face-to-face and online.
- Face-to-face group Orientations are scheduled on a regular basis in different parts of California.
- To sign up for an Orientation, individuals must contact a local State Licensing Agency. The Regional Offices Directory shows what counties each Child Care Licensing office covers.
- The fee for the face-to-face Orientation is \$25 and is non-refundable.
- The fee for the online Orientation is \$25, plus a processing fee of \$5 (for a total of \$30), and must be paid by using either a credit card or a debit card with a Visa© or MasterCard© logo on it.
- In order to access the Orientation online, the computer being used must meet certain system requirements.
- Individuals who want to complete the Orientation online need to follow the registration instructions provided.
- Individuals will only have access to the online Orientation for **30** days, so they must complete the training and print their certificate within **30** days of registration.

Activity #1

Learning Outcomes

- Describe the Orientation in the context of the licensing process
- Name the two Orientation options
- Understand whom to contact to sign up for an orientation
- Understand the fees associated with attending an Orientation

Materials Needed

Handout 21: Licensing Orientation (poster size)

Methodology: Teaching Others

Preparation

Make and display one or two poster-size copies of Handout 21.

Activity

Ask participants to look at the poster.

Pose the question: Based on what you see on the poster, what can you tell the group about the Licensing Orientation?

Facilitate a conversation that covers all the information in Handout 21. Draw from the participants' answers and introduce information if it does not come up in conversation.

Reinforce the information provided by asking questions, such as:

- *How much does it cost to sign-up for an Orientation? Will you get your money back if you do not attend?*
- *What are the two Orientation options?*
- *Whom should you contact to learn about the Orientation schedule in your area?*
- *How is the Orientation part of the licensing process?*

Key Points

- The first step to becoming licensed is to complete a Community Care Licensing Orientation.
- There are two ways to complete the Orientation: face-to-face and online.
- Face-to-face group Orientations are scheduled on a regular basis in different parts of California.
- To sign up for an Orientation, individuals must contact a local State Licensing Agency. The Regional Offices Directory shows what counties each Child Care Licensing office covers.
- The fee for the face-to-face Orientation is \$25 and is non-refundable.
- The fee for the online Orientation is \$25, plus a processing fee of \$5 (for a total of \$30), and must be paid by using either a credit card or a debit card with a Visa© or MasterCard© logo on it.

Activity #2

Learning Outcomes

- Describe how to register for the online Orientation
- Locate website with instructions to register for the online Orientation

Materials Needed

Laptop & projector
Handout 22: Online Orientation

Methodology: Audio-visual, discussion

Preparation

Distribute Handout 22; display the image of Handout 22 (projector).

Activity

Explain that you will be going over the necessary steps and considerations that relate to registering for the online Orientation.

Direct participants to the bottom of the page where the source of the information to be covered is listed, so the participants can write it down for future reference.

Click on the links and review the information they address.

Invite participants to ask questions as the information is covered, and emphasize the key talking points.

Reinforce the information presented by asking volunteers to summarize what they learned, point out specifics that they found useful, or to share how the content applies to their own situation.

Key Points

- In order to access the Orientation online, the computer used must meet certain system requirements.
- Individuals who want to complete the Orientation online must follow registration instructions.
- Individuals will only have access to the online Orientation for **30** days.
- Individuals must complete the training and print their certificate within **30** days of registration.

Activity #3

Learning Outcomes

- Describe how to register for the face-to-face Orientation
- Locate website with instructions to register for the online Orientation

Materials Needed

Laptop
Projector
Handout 23: Face-to-Face Orientation

Methodology: Audio-visual, discussion

Preparation

Make copies and distribute Handout 23 and set up the laptop/projector with Handout 23 displayed.

Activity

Explain that you will be going over the necessary steps and talk about considerations that relate to registering for the face-to-face Orientation.

Direct participants to the bottom of the page where the source of the information to be covered is listed, so the participants can write it down for future reference.

Identify which counties are represented in the group, click on their links, and review the information they address. Find similarities and differences among counties.

Invite participants to ask questions as the information is covered, and emphasize the key talking points.

Reinforce the information presented by asking volunteers to summarize what they learned, point out specifics that they found useful, or to share how the content applies to their own situation.

Key Points

- Payment must be made with a personal check, cashier's check, or money order only, and must be completed in advance.
- Prior to attending an Orientation, individuals will need to download and print the *Family Child Care Home Regulation Highlights* and all of the forms contained in the *Application and Instructions for a Family Child Care Home License (LIC 279A)*.



HANDOUT #21: LICENSING ORIENTATION





- CCIP Training
- Module 1: Operating a strong family child care business
- Section 3.1: Orientation
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HANDOUT #22 : ONLINE ORIENTATION

Family Child Care Home Online Orientation

PREREQUISITES

Computer System Requirements

Registration Instructions

FAMILY CHILD CARE HOMES

Fee = \$25, plus a processing fee of \$5 (for a total of \$30)

Payable by using either a credit card, or a debit card with a Visa© or MasterCard© logo on it.

Register for the Family Child Care Home Online Orientation

NOTE: You will only have access to the online Orientation for 30 days. Please complete the training within 30 days of registration.

The complete Community Care Licensing page can be accessed at <http://www.cclld.ca.gov/PG2685.htm>



HANDOUT #23 : FACE-TO-FACE ORIENTATION

In Person Orientations

If you plan to operate a Family Child Care Home in the following counties, the Orientation, application, and licensing process will take place in a contracting county licensing office.

Del Norte (Only online Orientations are available)

Inyo County Schedule

Sacramento County Schedule

For all other counties, the Orientation, application, and licensing process for Family Child Care Homes, will take place in the following state licensing offices:

Central Coast Regional Office, Santa Barbara

San Luis Obispo, Santa Barbara, and Ventura

Chico Regional Office, Chico

Butte, Colusa, Del Norte, Glenn, Humboldt, Lassen, Modoc, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, and Yuba

Rohnert Park Local Unit, Rohnert Park

Lake, Mendocino, Napa, Solano, and Sonoma

Fresno Regional Office, Fresno

Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Stanislaus, and Tulare

Inland Empire Regional Office, Riverside

Riverside and San Bernardino

Los Angeles East Regional Office, Monterey Park

Los Angeles Northwest Regional Office, Culver City

Mission Valley Regional Office, San Diego

San Diego and Imperial



HANDOUT #23 : FACE-TO-FACE ORIENTATION

In Person Orientations

Orange County Regional Office, Orange
Orange

Bay Area Regional Office, Oakland
Alameda and Contra Costa

Peninsula Regional Office, San Bruno
Marin, San Francisco, and San Mateo

River City Regional Office, Sacramento
Alpine, Amador, Calaveras, El Dorado, Nevada, Placer, Sacramento, San Joaquin, Tuolumne, and Yolo

San Jose Regional Office, San Jose
Monterey, San Benito, Santa Clara, and Santa Cruz

Note: Prior to attending an Orientation, individuals need to download and print the Family Child Care Home Regulation Highlights and all of the forms contained in the Application and Instructions for a Family Child Care Home License (LIC 279A).

The Community Care Licensing page with all information about the In Person Orientations may be accessed at <http://www.ccl.d.ca.gov/PG2918.htm>

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS **Steps to Becoming Licensed**



Section 3.2 **Application**

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Understand areas of information required in the licensing application
- Locate the link to the application form and instructions to complete it

Activity 2

- Understand key information that must be certified on the application

Handouts

25. Licensing Application - Information
26. Licensing Application - Certification
27. Licensing Regulations - Application

Key Points

- Applicants must certify that they have funds to maintain the level of service required by law in a Family Child Care Home.
- Applicants must certify that they have a State Fire Marshal-approved fire extinguisher (rated 2A, 10B: C) and a smoke detector in operating condition.
- Applicants who reside in a rented facility must certify that the owner/landlord has been properly notified (small family child care home) or they have written consent from the owner/landlord (if applying or expanding for a large family child care home).
- Applicants must certify that they understand the requirements to report known or suspected child abuse as mandated reporters.
- Applicants sign the application under penalty of perjury.

Activity #1

Learning Outcomes

- Understand in the contents of the licensing application
- Locate the link to the application form and instructions

Materials Needed

Laptop & projector
Handout 25: Licensing Application - Information

Methodology: Audio-visual, discussion

Preparation

Distribute Handout 25 and display it on a projector.

Activity

Direct participants to the bottom of the page where the source of the information to be covered is listed, so the participants have it for future reference.

Engage the participants in a conversation regarding the contents of the licensed family child care provider application.

Ask questions that encourage them to list, match, and reflect on the information provided in Handout 25. For example:

- *What kind of information does a person need to provide when filling out the licensing application?*
- *What are some specific areas of information listed in the licensing application form?*
- *Question 10 asks for information about “other adults in the home.” Whom would that include in your household?*
- *Do applicants need to provide an email address?*

Key Points

- The licensing application requests information about:
 - Type of application
 - Contact information (address, phone)
 - List of counties where applicant has lived (during the past 2 years)
 - Directions to the family child care home
 - Other adults in the home (including background checks)
 - Children currently living in the home

Activity #2

Learning Outcomes

Understand key information that must be certified on the application

Materials Needed

Laptop & projector

Handout 22: Online Orientation

Methodology: Audio-visual, discussion

Preparation

Make copies of Handouts 26 and 27, and set up the laptop/projector.

Distribute Handout 26 and project the corresponding section of the LIC279 form.

Activity

Direct participants to the bottom of the page where the source of the information to be covered is listed, so participants have it for future reference.

Engage the participants in a conversation that covers the areas of information that all applicants are required to certify when they fill out the application to become a licensed family child care provider.

Ask questions that encourage them to reflect on the information provided in Handout 26. For example:

- *What are applicants certifying when they sign form LIC279?*
- *What is some information that applicants must certify in order to become licensed family child care providers?*

Distribute Handout 27 and inform participants that the information that is required in the LIC279 form comes from the Community Care Licensing Manual of Policies and Procedures, sections 102369 (a) and (b).

Key Points

- Applicants must certify that they have funds to maintain the level of service required by law in a Family Child Care Home.
- Applicants must certify that they have a State Fire Marshal-approved fire extinguisher (rated 2A, 10B: C) and a smoke detector in operating condition.
- Landlords, and all property owners, must be properly notified (small family child care home) or provide written consent for renters (if applying or expanding for a large family child care home).
- Applicants must certify that they understand the requirements to report known or suspected child abuse as mandated reporters.
- Applicants sign the application under penalty of perjury.

HANDOUT #25: LICENSING APPLICATION - INFORMATION

TYPE OF APPLICATION	Purpose: new license, capacity change, location change, or information update
APPLICANT(S)	The person(s) who will be responsible for providing child care
HOME ADDRESS	The location of the home where the applicant lives and wants to provide care
PHONE NUMBER	The primary home phone number
LIST OF ADDITIONAL COUNTIES	Counties where the applicant has lived during the past two years
MAILING ADDRESS	The applicant's mailing address
EMAIL ADDRESS	This information is optional
DIRECTION(S) TO HOME	A sketch or map that provides directions to the applicant's home
LICENSE OR CERTIFICATION STATUS	Any license or certification issued to any of the applicant(s) for providing care
OTHER ADULTS IN THE HOME	All persons 18 or older (other than the applicant) who live in the home, including family members, boarders, or other relatives
CURRENT CHILDREN IN THE HOME	The name, date of birth, sex, and relationship of each child living in the home
TYPE OF LICENSE (CAPACITY)	The number of children that the applicant(s) will serve (small or large capacity), the age range, and days and/or hours of operation

Application and instructions can be accessed at <http://www.dss.cahwnet.gov/Forms/English/LIC279.pdf>



- CCIP Training
- Module 1: Operating a strong family child care business
- Section 3.2: Application
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HANDOUT #26: LICENSING APPLICATION - CERTIFICATION

APPLICANT/LICENSEE RESPONSIBILITY

I/We certify that:

- A. I/We live in the home to be licensed.
- B. I/We have funds to maintain the level of service required by law in a Family Child Care Home.
- C. I/We have both a State Fire Marshal approved fire extinguisher (rated 2A, 10B: C) and a smoke detector in operating condition.
- D. I/We shall stay current and in compliance with the laws and regulations governing standards for Family Child Care Homes.
- E. I/We shall obtain approval from the licensing agency before making changes in our license capacity, or to our home.
- F. I/We shall notify the licensing agency when we want to discontinue our license.
- G. I/We have informed the property owner, if leased or rented, that we will be operating a Family Child Care Home on the premises. The owner/landlord has been sent the Property Owner/Landlord Notification (LIC 9151).
- H. I/We have written consent from the property owner, if leased or rented, when I plan to expand my Small Family Child Care Home capacity from 6 to 8 children, or to expand my Large Family Child Care Home capacity from 12 to 14 children. Property Owner/Landlord Consent Form (LIC 9149).
- I. I/We understand the requirements to report known or suspected child abuse (LIC 9108).

Application and instructions can be accessed at <http://www.dss.cahwnet.gov/Forms/English/LIC279.pdf>



HANDOUT #27: LICENSING REGULATIONS - APPLICATION

An excerpt from the Department of Social Services.
Manual of Policies and Procedures, Community Care Licensing Division, Family Child Care Homes,
Title 22, Division 12, Chapter 3 <http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>

Sections 102369 (a) and (b): APPLICATION FOR INITIAL LICENSE

- a. To apply for a license to operate a family child care home, an applicant shall file a written application with the Department, on forms provided or approved by the Department.
- b. The applicant shall provide all of the following information at the time of submission of the application:
 1. Name, address, telephone number and confirmation that the applicant is 18 years of age or over.
 2. Age and number of children to whom care will be provided.
 3. Name and age of every person residing in the home where care is to be provided.
 4. A statement that the applicant will comply with all regulations and laws governing family child care homes.
 5. When applying for a license as a large family child care home, substantiation that the provider has at least one year of experience as a regulated small family child care home operator; or one year of experience as an administrator or director of, or as a teacher at, a licensed child care center.
 - A.** Waiver of this requirement shall be considered by the director upon finding that the applicant has sufficient qualifying experience.
 6. A brief statement confirming that the applicant is financially secure to operate a family child care home for children. The Department shall not require any other specific or detailed financial disclosure.
 7. Evidence that the small family child care home contains a fire extinguisher and smoke detector device which meet standards established by the State Fire Marshal under Section 1597.45(d) of the Health and Safety Code or evidence that the large family child care home meets the standards established by the State Fire Marshal under Section 1597.46(d) of the Health and Safety Code.
 8. Pursuant to Section 102370(a), the fingerprints of any applicant for a family day care home license, and the following adults:
 - A.** Any person, other than a child, residing in the facility.
 - B.** Any person who provides care and supervision to the children.

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Steps to Becoming Licensed



Section 3.3 Fingerprints

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Locate and understand basic information about fingerprinting requirements when applying to become a licensed family child care provider

Activity 2

- Explain fingerprinting in the context of the background check process

Handouts

28. The background check
29. Licensing regulations - Fingerprints

Key Points

- Prior to the Department of Social Services issuing a license, the applicant(s) and all adults residing in the home need to obtain a California criminal record clearance or exemption and clear checks of the Child Abuse Central Index in California, and the FBI.
- All individuals subject to a criminal record review need to be fingerprinted and sign a Criminal Record Statement under penalty of perjury.
- In certain instances, some individuals may be exempt from the requirement to submit fingerprints: volunteers, students, third-party retained contractors, medical professionals, health agency employees, and attendants or facilitators for a child with a developmental disability (California Health & Safety Code, Section 1522). Providers, however, may enforce more stringent requirements for their sites.
- The Department of Justice provides the Caregiver Background Check Bureau (CBCB) with notification of any subsequent child abuse reports after the initial background check.

Activity #1

Learning Outcomes

Locate and understand basic information about fingerprinting requirements when applying to become a licensed family child care provider

Materials Needed

Laptop & projector
Handout 29: Licensing Regulations – Fingerprints

Methodology: Lecture, audio-visual, discussion

Preparation

Set up the laptop/projector so that Handout 29 is displayed overhead. Distribute Handout 29 to each participant.

Activity

Review the Key Talking Points with the participants (large group).

Direct participants to the bottom of the page, the source of the information, so the participants have it for future reference. Identify the source.

Use the projector to show p.16 of the Community Care Licensing Manual of Policies and Procedures. Then, review pp. 17 and 18. Without going into much detail, go over Sections 102370 (a)(b)(c).

Ask questions to encourage the participants to reflect on the information being presented and to think about how it relates to them. For example:

- *Who needs to be fingerprinted? How is an adult defined?*
- *Who may be exempt from submitting fingerprints?*
- *Are all volunteers and students exempt from being fingerprinted? Why? Why not?*
- *What are individuals declaring when they sign LIC508?*

Key Points

- All individuals subject to a criminal record review need to sign a Criminal Record Statement under penalty of perjury. (LIC508)
- Prior to issuing a license, the DSS requires the applicant and all adults residing in the home to be fingerprinted and obtain a CA criminal record clearance or exemption, and clear checks of the Child Abuse Central Index in CA, and the FBI.
- In certain instances, some individuals may be exempt from the requirement to submit fingerprints (CA H&S Code, Section 1522). Providers, may be more stringent.

Activity #2

Learning Outcomes

Explain fingerprinting in the context of the background check process

Materials Needed

Handout 28: The Background Check

Methodology: Reading, teaching others

Activity

Distribute Handout 28 and ask each participant to review the chart.

Invite participants to talk with a neighbor about their understanding of the process.

Encourage participants to think of questions about the fingerprinting process that are not clear.

Expand the conversation to include the whole group, and ask for volunteers to explain their understanding of the process.

When questions arise, turn to the participants to explore the answers first.

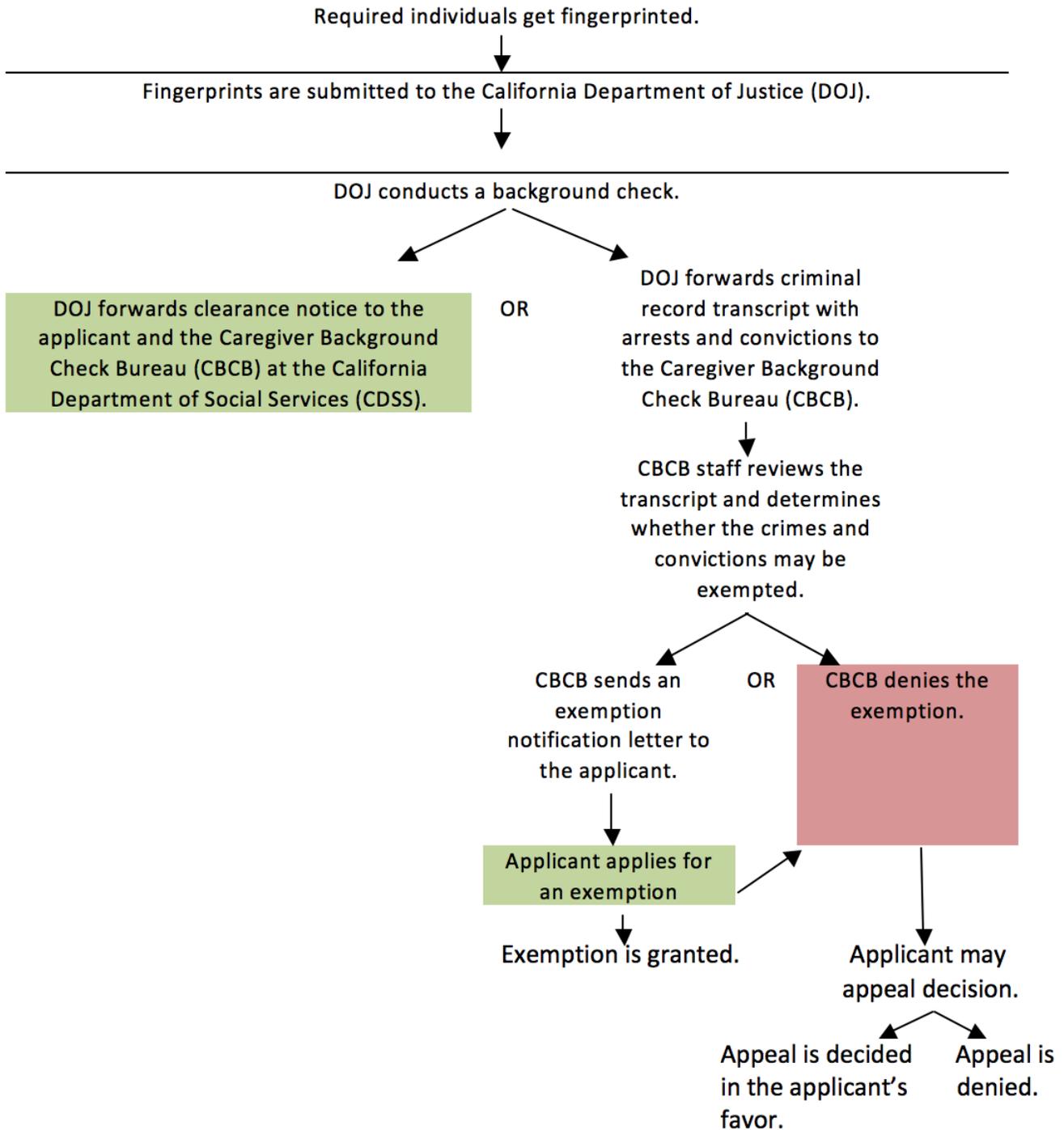
Incorporate the key talking points into the conversations if participants do not bring them up.

Key Points

- The Department of Justice provides the Caregiver Background Check Bureau (CBCB) with notification of any subsequent child abuse reports after the initial background check.



HANDOUT #28: THE BACKGROUND CHECK



Detailed information about the background check process can be accessed at:
<http://www.cclld.ca.gov/PG404.htm>



HANDOUT #29: LICENSING REGULATIONS - FINGERPRINTS

Excerpts from: Department of Social Services. *Manual of Policies and Procedures, Community Care Licensing Division, Family Child Care Homes, Title 22, Division 12, Chapter 3*
<http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>

LIC508 form is at <http://www.dss.cahwnet.gov/cdssweb/entres/forms/English/LIC508.PDF>
 FAQ about fingerprinting can be accessed at <http://www.ccl.d.ca.gov/res/pdf/FAQ-CBCB2.pdf>

SECTION REGULATION

102370 (a) Criminal Record Clearance

102370 (b) Criminal Record Clearance

102370 (c) Criminal Record Clearance (LIC508 form)

102370.1 Criminal Record Exemptions

102370 CRIMINAL RECORD CLEARANCE 102370

- a. Prior to the Department issuing a license, the applicant(s) and all adults residing in the home shall obtain a California criminal record clearance or exemption.

1. **Section 1596.871(a)(5)** of the Health and Safety Code states in part:

An applicant and any person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice, for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described in subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Health and Safety Code Section 1596.885. The department may also suspend the license pending an administrative hearing pursuant to Health and Safety Code Section 1596.886.

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS **Steps to Becoming Licensed**



Section 3.4 **Emergency Plan**

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Locate basic emergency plan information that needs to be submitted when applying to become a licensed family child care provider
- Describe the purpose of submitting basic emergency plan information when applying for a family child care license

Handouts

30. Emergency plan

Emergency Plan

Key Points

- Prior to the Department of Social Services (DSS) issuing a license, the applicant must submit a plan that describes how potential emergencies will be handled and identifies resources in case of an emergency.
- Providers are responsible for making sure that emergency plan information is updated and kept visible.

Activity #1

Learning Outcomes

- Locate basic emergency plan information that needs to be submitted when applying to become a licensed family child care provider
- Describe the purpose of submitting basic emergency plan information when applying for a family child care license

Materials Needed

Laptop & projector
Handout 30: Emergency Plan

Methodology: Lecture, audio-visual, discussion

Preparation

Distribute Handout 30 and set up the laptop/projector.

Activity

Direct participants to the bottom of the page, so the participants have it for future reference. Identify the source as LIC610A.

Facilitate a discussion that encourages participants to reflect on the information provided, as well as their own experience related to that information. For example:

- *Would you be able to give clear directions to your home during an emergency?*
- *Do you know where the Fire Dept., paramedics, Red Cross, nearest hospital, police, Poison Control, Office of Emergency Services, ambulance, and child protective services nearest you are located? Do you have their phone numbers handy?*
- *Have you called to inform these entities that their contact information has been included in your evacuation plan?*
- *How would you evacuate your house in case of an emergency? Where would you go? Are you expected at that relocation site?*

Key Points

- Prior to the Department of Social Services issuing a license, the applicant must submit a plan that describes how potential emergencies will be handled and identifies resources in case of an emergency.
- Once they are licensed, providers are responsible for making sure that the emergency plan information is updated and kept visible.

HANDOUT #30: EMERGENCY PLAN

SECTION OF FORM LIC610A	PURPOSE
LIFE THREATENING EMERGENCIES	Indicates the provider’s phone number and how to get to the provider’s home.
EMERGENCY NAMES AND TELEPHONE NUMBERS	Identifies other emergency resources that the provider may need, such as the Fire Dept., paramedics, Red Cross, nearest hospital, police, Poison Control, Office of Emergency Services, ambulance, child protective services.
FACILITY EVACUATION	Identifies the quickest exiting routes from each room and a safe gathering location.
TEMPORARY RELOCATION SITE	Identifies where to go if moving to a safe location is necessary.
UTILITY SHUT OFF	Indicates where the electric, gas, and water valves are and the phone numbers of the electric, gas, and water companies.
EQUIPMENT LOCATION	Indicates the locations of the fire extinguisher, the fire alarm, and the smoke and carbon monoxide detectors.
OTHER EMERGENCY EQUIPMENT	Identifies the location of the first aid kit, blankets, food and water, radio, etc.

LIC610A and instructions can be accessed at <http://www.dss.cahwnet.gov/Forms/English/LIC610A.PDF>

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Steps to Becoming Licensed



Section 3.5 Floor Plan

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Understand what specific floor plan information has to be submitted when applying to become a licensed family child care provider

Handouts

31. Facility Sketch

Key Points

- Prior to the Department of Social Services issuing a license, the applicant must submit a drawing of the facility that includes a floor plan of the home and a sketch of the yard.
- The home floor plan must include labels for all rooms (kitchen, bathroom, etc.); identify off-limits areas; locate gas, electric, and water valves; and show all emergency door and window exits.
- The sketch of the yard must show all buildings in the yard (home, garage, storage), walks, driveways, play areas, fences, and gates; identify off-limits areas; and show potential hazardous areas (pools, garbage storage, animal pens, etc.).

Activity #1

Learning Outcomes

Understand what specific floor plan information has to be submitted when applying to become a licensed family child care provider

Materials Needed

Pens, regular and colored pencils, markers, and erasers

Handout 31: Facility Sketch

Methodology: Lecture, practice, discussion

Preparation

Place pens, colored pencils, markers and erasers on tables for participants.

Activity

Distribute Handout 31 and review the Key Talking Points.

Point to the link for form LIC999A, so they have it for future reference.

Key Points

- Prior to DSS issuing a license, the applicant must submit a drawing of the facility that includes a floor plan of the home and a sketch of the yard.
- The home floor plan must include labels for all rooms (kitchen, bathroom, etc.); off-limits areas; gas, electric, and water valves; and all emergency door and window exits.
- The sketch of the yard must show all buildings (home, garage, storage), walks, driveways, play areas, fences, and gates; off-limits areas; and potential hazardous areas (pools, garbage storage, animal pens).



HANDOUT #30: EMERGENCY PLAN

- The floor plan of the home must label rooms (kitchen, bathroom, etc.); identify off-limits areas; locate gas, electric, and water valves; and show all emergency door and window exits.
- The sketch of the yard must show all buildings in the yard (home, garage, storage), walks, driveways, play areas, fences, and gates; identify off-limits areas; and show potential hazardous areas (pools, garbage storage, animal pens, etc.).

Form LIC999A can be accessed at <http://www.dss.cahwnet.gov/Forms/English/LIC999A.PDF>

Module **1**

SECTION THREE



OPERATING A STRONG FAMILY CHILD CARE BUSINESS Steps to Becoming Licensed



Section 3.6 Pre-Licensing Visit

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Explain the purpose of the pre-licensing visit
- Identify what will be included in the pre-licensing visit
- Identify what Community Care Licensing Division program analysts are looking for

Handouts

32. Pre-licensing visit
33. Licensing regulations – Pre-licensing visit

Pre-Licensing Visit

Key Points

- Pre-licensing visits are conducted prior to licensure to ensure that facilities meet licensing requirements.
- Prior to scheduling a pre-licensing visit, applicants must complete, sign, and mail a check list form to the licensing agency indicating that the home is ready for inspection.
- Pre-licensing visits are made by appointment and conducted by Community Care Licensing Division (CCLD) program analysts.

Activity #1

Learning Outcomes

- Explain the purpose of the pre-licensing visit
- Identify what will be included during the pre-licensing visit
- Identify what the Community Care Licensing Division program analysts are looking for

Materials Needed

Handout 32: Pre-Licensing Visit

Methodology: Discussion

Activity

Distribute Handout 32 and point to the link to form LIC9217, so that participants have it for future reference.

Facilitate a discussion that reviews the information provided, incorporating the key talking points, making remarks, and asking open-ended questions that elicit the participants' ideas, understanding, and additional questions about the pre-licensing visit. For example:

- *What do you think a pre-licensing visit is?*
- *What is the purpose of the pre-licensing visit?*
- *Who conducts pre-licensing visits?*
- *Can you name three areas that the pre-licensing visit addresses? (Have the participants identify as many areas as possible from Handout 32).*
- *What are some areas that address safety?*
- *Where can you find information about the pre-licensing visit readiness guide?*
- *What are some items that need to be fenced?*
- *What needs to happen with firearms, weapons, and ammunition?*
- *Can baby walkers, jumpers and bouncers be used in a licensed family child care home?*

Encourage participants to talk discuss and compare answers before sharing them with the group.

Key Points

- Pre-licensing visits are conducted prior to licensure to ensure that facilities meet licensing requirements.
- Prior to scheduling a pre-licensing visit, applicants must complete, sign, and mail a check list form to the licensing agency indicating that the home is ready for inspection.
- Pre-licensing visits are made by appointment and conducted by licensing program analysts.

HANDOUT #32: PRE-LICENSING VISIT

PRE-LICENSING READINESS CHECKLIST - FAMILY CHILD CARE HOME

- All adults living in the home have received a California clearance or exemption.
- Home is neat and clean.
- All fireplaces, woodstoves, and/or heaters are screened to prevent access by children.
- Home has a fully charged fire extinguisher which is at least a 2A:10BC.
- Home has a working smoke alarm.
- Home has a working telephone.
- All poisons are locked.
- Hazardous materials are kept out of the reach of children (inaccessible)
- All firearms and any other weapons are not loaded and are locked up. Ammunition is stored and locked away separately from firearms.
- Outdoor play area is free from defects or dangerous conditions. Play equipment is securely anchored according to manufacturer directions.
- Outdoor play area is fenced.
- All bodies of water are fenced and off limits.
- Toys and playthings are safe, clean, and appropriate for the age of the children.
- Baby walkers, bouncers, jumpers, and similar items are kept inaccessible.
- A copy of the deed or property tax statement, or if renting or leasing, a copy of the lease or rental agreement, is available at the home.

LIC917 can be accessed at <http://www.dss.cahwnet.gov/forms/english/LIC9217.pdf>



HANDOUT #33: LICENSING REGULATIONS – PRE-LICENSING VISIT

An excerpt from: Department of Social Services.

Manual of Policies and Procedures, Community Care Licensing Division, Family Child Care Homes,
 Title 22, Division 12, Chapter 3 <http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>

SECTION	REGULATION
102392(a)	SITE VISITS (Stated under Health and Safety Code Section 1597.55(a))

Every family day care home shall be subject to unannounced visits by the department as provided in this section. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

- a. The department shall conduct an announced site visit prior to the initial licensing of the applicant.
- b. The department shall conduct an annual unannounced visit to a facility when a licensee is on probation



OPERATING A STRONG FAMILY CHILD CARE BUSINESS

Training Module One



BUSINESS PLAN DEVELOPMENT

Section 4

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS Business Plan Development



Section 4.1 Financial Aspects

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.1 Financial Aspects



Section 4.1.1 Start-up Costs

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Identify start-up costs associated with starting a family child care business
- Describe how start-up costs may impact the feasibility of starting a family child care business

Handouts

34. Start-up costs

Start-up Costs

Key Points

- Opening a family child care business requires some upfront expenses. These expenses are referred to as start-up costs.
- Identifying, analyzing, and evaluating start-up costs are key steps in the development of a business plan.
- Start-up costs may have an impact on the feasibility of starting a business.

Activity #1

Learning Outcomes

- Identify start-up costs associated with starting a family child care business
- Describe how start-up costs may impact the feasibility of starting a family child care business

Materials Needed

Handout 34: Start-up Costs

Methodology: Reflection, Lecture, Discussion

Activity

Pose the following question to get a conversation started:

Have you ever organized an event that required some upfront spending? What? (e.g., a wedding, a party, etc.)

Review the Key Talking Points.

Pose the following question to link the previous conversation to the topic at hand:

What are some start-up costs associated with opening a family child care business?

Distribute Handout 34 and continue the discussion incorporating the information provided.

Provide the amounts where they are known and ask participants to estimate the costs that would be unique to their homes.

Turn the conversation to the importance of thinking about start-up costs when determining the feasibility of starting a family child care business. Using Handout 34 as a reference, bring up scenarios that illustrate the key talking point. For example:

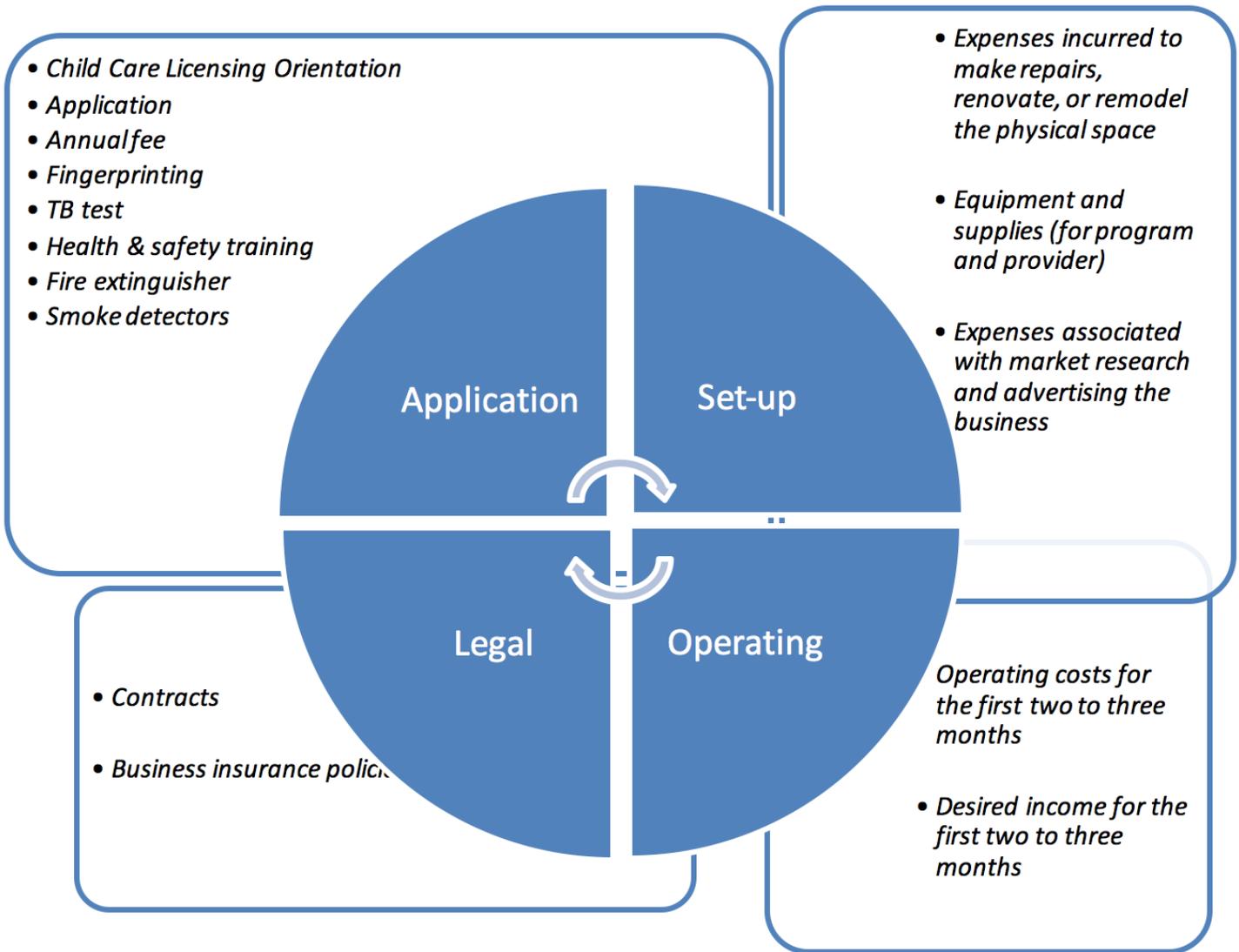
- *What would happen if...?*
- *Imagine that...*
- *How will you pay your bills if business is slow?*

Key Points

- Opening a family child care business requires some upfront expenses. These expenses are referred to as start-up costs.
- Identifying, analyzing, and evaluating start-up costs are key steps in the development of a business plan.
- Start-up costs may have an impact on the feasibility of starting a business.



HANDOUT #34: START-UP COSTS



Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.1 Financial Aspects



Section 4.1.2

Operating Budget

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Describe what an operating budget is
- Explain the reason for having an operating budget as part of the business plan

Activity 2

- Define and use basic terminology associated with operating budgets

Activity 3

- Identify typical expenses associated with operating a family child care business

Handouts

35. Operating budget - Scenario
36. Operating budget - Terminology
37. Operating budget - Typical operating expenses

Key Points

- The operating budget of a business is a prediction of all the expected revenues and expenses of that business over the course of a year (12 months).
- The operating budget of a business is part of the business plan.
- In order for a business to be successful, the operating budget needs to project a profit (money left over after paying all the expenses).
- A cash flow budget is needed to predict whether monthly bills can be paid. The goal is to have a positive cash flow on a monthly basis (more income than expenses).
- A business may be profitable but have cash flow problems (i.e., not enough income available to pay the expenses in a timely manner).
- Quarterly cash flow projections should be compared against actual quarterly income and expense summaries to determine if the budget needs to be adjusted for the next year.

Activity #1

Learning Outcomes

- Describe what an operating budget is
- Explain the purpose of having an operating budget as part of the business plan

Materials Needed

Paper and pens
Handout 35: Operating Budget - Scenario

Methodology: Practice, discussion

Preparation

Place paper and pens out for participants.

Activity

Distribute Handout 35. Explain that the activity is based on a scenario. Ask for a volunteer to read the scenario and the task to the group.

Invite participants to think about the task at hand, either individually or with someone else, and jot down some suggestions.

Ask participants to share their suggestions with the group. Note facts, concepts, ideas, and suggestions that have to do with **planning** (e.g., how many guests, location, what type of food), **income** (e.g., free event, cover charge, voluntary contributions), and **expenses** (e.g., venue, decorations, food, flowers, gifts).

Relate answers to the definition of “operating budget”: the prediction of all the expected revenues and expenses of a business over the course of a year (12 months).

Why is having an operating budget important?

Emphasize that predicting revenue and expenses is key to planning the operation of a successful business.

Incorporate the key talking points into the discussion.

Key Points

- The operating budget of a business is part of the business plan.
- In order for a business to be successful, the operating budget needs to project a profit (money left over after paying all the expenses).
- The operating budget of a business is a prediction of all the expected revenues and expenses of that business over the course of a year (12 months).

Activity #2

Learning Outcomes

Understand and define basic terminology associated with operating budgets

Materials Needed

Handout 36: Operating Budget - Terminology

Methodology: Teaching others, discussion

Preparation

Place paper and pens out for participants.

Activity

Distribute Handout 36. Ask participants to read the handout; go over the terms listed and encourage volunteers to read aloud the answers to each of these questions:

What is an operating budget? Revenues/income? Expenses? Profit? Cash flow? A cash flow budget?

In pairs or small groups, ask participants to think of simple examples that illustrate the terms described in Handout 36. Give an example or two to get the conversations started:

- **Profit:** *I bought a used car (paid \$1,500); fixed it (cost \$500); and sold it (for \$2,500). My profit was \$500 (altogether spent \$2,000, but still had \$500 afterwards).*
- **Cash flow:** *In January, I collected \$500 in membership dues for my club (revenue/income). Also in January, I had to pay \$200 to the person who helped us coordinate our annual meeting plus \$50 to rent our meeting space (expenses).*
- **Negative cash flow (Refer to key talking point):** *Last year I made an overall profit of \$1,000. However, I did not anticipate that I would have to travel out of state in March. The extra expense (which I hadn't calculated in my operating budget) threw my budget off for the month and I had to borrow money from a friend to make up the shortfall.*

Open the discussion to the larger group and relate their examples to the definitions.

Key Points

- A business may be profitable but have cash flow problems (i.e., not enough income available to pay the expenses in a timely manner).
- A cash flow budget is needed to predict whether monthly bills can be paid. The goal is to have a positive cash flow on a monthly basis (more income than expenses).
- Quarterly cash flow projections should be compared against actual quarterly income and expense summaries to determine if the budget needs to be adjusted for the next year.

Activity #3

Learning Outcomes

Identify typical expenses associated with operating a family child care business

Materials Needed

Pens and paper
Handout 37: Operating Budget - Typical Operating Expenses

Methodology: Practice

Preparation

Set out pens and paper

Activity

Distribute Handout 37

Individually, in pairs or in small groups, ask participants to reflect on and make a list of expenses that they think will be a part of operating a family child care business.

Invite the participants to share their lists and, together, generate a master list.

Distribute Handout 37 and, together, analyze and compare the two lists.

Reinforce the idea that in order to develop an accurate operating budget, it is critical to identify and anticipate as many expenses as possible, even if they seem minor.

Explain that some of the operating costs may be tax deductible, which will help offset their expenses.



HANDOUT #35: OPERATING BUDGET - SCENARIO

MY SISTER'S BIRTHDAY PARTY

Dear friend,

I am in charge of planning, coordinating, and hosting a big birthday party for my sister but I do not know how to go about doing it.

The party is four weeks from today. Can you help me plan the event?

Thank you in advance for your tips and advice!

Sincerely,

S.O.S

What tips can you come up with for S.O.S.?



HANDOUT #36: OPERATING BUDGET - TERMINOLOGY

<u>TERM</u>	<u>DEFINITION</u>
OPERATING BUDGET	A prediction of all the expected revenues and expenses of a business over the course of a year (12 months)
REVENUE/INCOME	The amount of money that comes into the business
EXPENSES	The amount of money that leaves the business
PROFIT	The total amount of money that is left over after subtracting expenses from revenue
CASH FLOW	The amount of money that is moving (flowing) in and out of the business within a time period
CASH FLOW BUDGET	The same as an operating budget but broken up into shorter periods of time

For more information about operating budgets, refer to the book *Business Administration Scale for Family Child Care* by Teri Talan and P. Jorde Bloom, pp. 14-15.



HANDOUT #37: OPERATING BUDGET – TYPICAL OPERATING EXPENSES

- Advertising
- Association Dues (e.g. local family child care organization, NAEYC)
- Bank service charges
- Food and drinks provided to children
- Furniture and equipment
- Liability insurance
- Licensing fees
- Office supplies
- Other supplies (e.g. books, art materials, diapers, sunscreen)
- Professional services (e.g. attorney and/or accountant fees)
- Professional development activities (e.g. conferences, workshops)
- Professional resources (e.g. curriculum books, reference books)
- Repairs (i.e. specific repairs for child care program furnishings or fixtures)
- Salaries and wages
- Special events, such as gatherings with families
- Taxes
- Utilities (e.g. a second phone line)
- Field trips

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.1 Financial Aspects



Section 4.1.3 Taxes

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Understand basic information and find resources about taxes related to operating a family child care business

Handouts

38. Taxes

Key Points

- Family child care operators are self-employed and must file state and federal tax returns every year.
- Tax laws and regulations about child care change periodically, so it may be advantageous to hire an expert in this area for advice and tax preparation. This expense, if anticipated, should be part of the operating budget of the business.
- Family child care tax experts are able to identify, maximize, and apply allowable deductions, which can result in favorable tax returns.
- Having an effective record keeping system in place is essential. Family child care operators need to be able to provide all the information that a tax expert needs to prepare an accurate tax return.
- Tracking, collecting, labeling, saving, and organizing detailed records of all the business transactions (income and expenses) is time consuming, but keeping current with these tasks saves a lot of time and effort during tax season.
- For tax purposes, experts recommend keeping business and personal records separate. For example, a provider should have a business checking account and operate under a business name rather than using a personal account for both family and business purposes.
- Local child care resource & referral programs often ask tax experts to provide workshops for family child care providers about current tax laws and regulations.

Activity #1

Learning Outcomes

Understand basic information and find resources about taxes related to operating a family child care business

Materials Needed

Handout 38: Taxes

Methodology: Discussion

Activity

Pose the following questions to engage participants in a conversation that elicits basic information about taxes, related to operating a family child care business:

- *What is a major difference in the employment status of an individual who works for a company and an individual who is licensed to operate a small family child care home? (relates to filing taxes as an employee vs. self-employed)*
- *Would you build an extra room in your home or would you have someone else build it for you? Why? Why not? (relates to having expertise in current laws and regulations, tax preparation)*
- *Would you give your boss access to your personal checking account for business purposes? Why? Why not? (relates to keeping business and personal matters separate)*
- *You want to find out how much money you spent last year on home repairs, and furniture for your home. How would you do this? (relates to the importance of effective record keeping for tax purposes)*

Distribute Handout 38 and emphasize the Key Talking Points (on the previous page and Handout 38).

Point out that local child care resource and referral (R&R) programs often offer tax workshops and resources for individuals who want to get started or already operate a family child care business.

HANDOUT #38: TAXES

- Family child care operators are **self-employed** and must file state and federal **tax returns** every year.
- **Tax laws and regulations about child care change periodically**, so it may be advantageous to contract the services of an expert in this area for advice and tax preparation. This expense, if anticipated, should be part of the operating budget of the business.
- Family child care tax experts are able to identify, maximize, and apply **allowable deductions**, which may lead to a favorable tax return.
- Having an **effective record keeping system** in place is essential to be able to provide all the information and the documentation that a tax professional may need to prepare an accurate tax return.
- Tracking, collecting, labeling, saving, and organizing detailed records of all the business transactions (income and expenses) may be time consuming, but keeping current with these tasks saves time and effort during tax season.
- For tax purposes, experts recommend keeping business and personal records separate. For example, a provider should have a business checking account and operate under a business name.
- Local resource and referral (R&R) programs often offer **tax workshops and resources** for individuals who want to get started or already operate a family child care business.

Contact information for R&R programs in every county in California can be accessed at www.rnetwork.org. For more detailed information about taxes related to family child care, refer to the book *Family Child Care Record-Keeping Guide, Eighth edition*, by Tom Copeland, pp. 5-26.

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development



Section 4.2

Legal Aspects

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.2 Legal Aspects



Section 4.2.1 Insurance

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Know what the four types of business insurance are
- Define the purpose of each type of business insurance

Activity 2

- Know where to find and explain the insurance requirements for family child care homes found in the Community Care Licensing Division regulations

Handouts

- 39. Types of business insurance
- 40. Licensing regulations - Insurance

Key Points

- Business insurance helps to protect against operational losses. There are four types of business insurance: liability, property, automobile, and workers compensation.
- The California Department of Social Services, Community Care Licensing Division (CCLD), regulates the type and amount of insurance that Family Child Care Home operators must carry, and any alternatives.
- Per CCLD regulations, licensees operating a family child care home must carry a liability insurance policy in the aggregate annual amount of \$300,000; or have a bond in that amount, or keep affidavits on file signed by the parents of the children enrolled in the program acknowledging that they have been informed that the provider does not carry liability insurance.
- Ordinarily, when a licensee operates a family child care business in a rented property, the owner of the property or the homeowners' association may not provide coverage for losses arising out of, or in connection with, the operation of that family child care home.

Activity #1

Learning Outcomes

- Know what the four types of business insurance are
- Define the purpose of each type of business insurance

Materials Needed

Handout 39: Types of Business Insurance

Methodology: Discussion

Activity

Distribute Handout 39 and ask participants to read the handout carefully.

Engage participants in a discussion about the different types of business insurance by asking open-ended questions. For example:

- *What is the purpose of business insurance?*
- *How many types of business insurance are there?*
- *What are the four types of business insurance?*
- *What is the purpose of liability insurance? Property insurance?*
- *What type of business insurance may cover injuries and damages suffered in a car accident while the provider's car is being used for business purposes?*
- *What is workers' compensation insurance?*

Go over the information in Handout 39 to reiterate the types of business insurance and their purposes.

Key Points

- Business insurance helps to protect against operational losses. There are four types of business insurance: liability, property, automobile, and workers compensation.

Activity #2

Learning Outcomes

Know where to find and understand the basic insurance requirements for family child care homes

Materials Needed

Handout 40: Licensing Regulations - Insurance

Methodology: Lecture

Activity

Review the Key Talking Points.

Quiz participants on the information they just heard. For example:

- *Is it mandatory for licensees to carry a liability insurance policy?*
- *What options do licensees have when it comes to liability insurance?*
- *When do licensees need to have signed affidavits on file? Who needs to sign them?*

Distribute Handout 40. Explain to participants that they can find more detailed information about insurance regulations in section 102417 (m) of the manual of policies and procedures. Point to the website address at the bottom of the handout.

Key Points

- The California Department of Social Services, Community Care Licensing Division (CCLD), regulates the type and amount of insurance that Family Child Care Home operators must carry, and any alternatives.
- Per CCLD regulations, licensees operating a family child care home must carry a liability insurance policy in the aggregate annual amount of \$300,000; or have a bond in that amount, or keep affidavits on file signed by the parents of the children enrolled in the program acknowledging that they have been informed that the provider does not carry liability insurance.
- Ordinarily, when a licensee operates a family child care business in a rented property, the owner of the property or the homeowners' association may not provide coverage for losses arising out of, or in connection with, the operation of that family child care home.



HANDOUT #39: TYPES OF BUSINESS INSURANCE

Business insurance protects businesses against operational losses.

TYPE OF INSURANCE

PURPOSE

LIABILITY

Protects a company or business owner in the event of a formal lawsuit or other third-party claim.

PROPERTY

May offer coverage for the cost of all property used in the business (e.g., equipment, furniture, appliances, toys, etc.) and the loss of business income if the business is shut down (e.g., fire, water, etc.)

AUTOMOBILE

May cover injuries and damages suffered in a car accident while the provider's car is being used for business purposes.

WORKERS' COMPENSATION

Provides coverage for the medical expenses of any employee who suffers injury while working for the provider.

For more detailed information about taxes related to family child care, refer to the book *Family Child Care Legal & Insurance Guide* by Tom Copeland, Chapter 9.



HANDOUT #40 : LICENSING REGULATIONS - INSURANCE

The following is an excerpt from:

Department of Social Services. *Manual of Policies and Procedures, Community Care Licensing Division, Family Child Care Homes, Title 22, Division 12, Chapter 3*

<http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/fccman.pdf>

SECTION

REGULATION

102417 (m)

Operation of a Family Child Care Home

(m) The licensee or registrant shall maintain one of the following:

- 1.** Liability insurance kept in force covering injury to clients and guests in the amount of at least one hundred thousand dollars (\$100,000) per occurrence and three hundred thousand dollars (\$300,000) in the total annual aggregate, sustained on account of the negligence of the licensee or its employees.
- 2.** A bond in the aggregate amount of three hundred thousand dollars (\$300,000).
- 3.** A file of affidavits signed by each parent with a child enrolled in the home. The affidavit shall state that the parent has been informed that the family child care home does not carry liability insurance or a bond according to standards established by the state.
 - A.** If the provider does not own the premises used as the family child care home, the affidavit shall also state that the parent has been informed that the liability insurance, if any, of the owner of the property or the homeowners' association, as appropriate, may not provide coverage for losses arising out of, or in connection with, the operation of the family child care home, except to the extent that the losses are caused by, or result from, an act or omission by the owner of the property or the homeowners' association, for which the owner of the property or the homeowners' association would otherwise be liable under the law.
 - B.** These affidavits shall be on a form provided by the Department and shall be reviewed at each licensing inspection.
 - C.** For purposes of Sections 102417(m) and (n), "homeowners' association" is an association of a common interest development, as defined in Section 1351 of the Civil Code.

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.2 Legal Aspects



Section 4.2.2 Liability

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Be aware of areas that may be covered by liability insurance

Handouts

41. Liability insurance

Key Points

- Providers protect themselves and their family child care businesses when they secure business liability insurance.
- Health insurance, homeowners insurance, renters insurance, car insurance, or life insurance do not protect providers against the risks that they take on once they begin caring for children.
- Liability insurance, depending on the terms of the policy, can protect providers against potential claims related to bodily injury, personal injury, and any professional actions taken by the provider that may result in allegations or accusations.

Activity #1

Learning Outcomes

Be aware of areas that may be covered by liability insurance

Materials Needed

Handout 41: Liability Insurance

Long rope 7-10 feet

Methodology: Lecture, discussion, exercise

Activity

Ask all of the participants to come to the front of the room and stand behind a rope. Read the following statements and ask volunteers to step over the rope if the statement applies to them. After each statement ask participants who stepped over the rope to share any thoughts relating to the statement made.

- *I have been in a car accident and it was my fault*
- *I am afraid of a child being hurt on “my watch”*
- *I have been injured on a job*
- *I know someone who has been sued*
- *I’m prepared for disaster and emergency situations*
- *I understand the laws that protect me as a business owner*

Distribute Handout 41.

Engage participants in a discussion that includes questions and answers; incorporates the key talking points; provides examples; and allows for sharing of opinions.

- *What are some areas that liability insurance may cover?*
- *What are examples of bodily injury? Personal injury?*
- *Do you think it is important to carry liability insurance for your business? Why? Why not? What are some determining factors that would influence your decision?*
- *What are pros and cons of carrying liability insurance?*
- *What other options do providers have if they choose not to carry liability insurance for their business?*

Conclude by reviewing the information listed in Handout 41.

Key Points

- Health insurance, homeowners insurance, renters insurance, car insurance, or life insurance do not protect providers against risks assumed once they begin caring for children.
- Liability insurance, depending on the terms of the policy, can protect providers against potential claims related to bodily injury, personal injury, and any professional actions taken by the provider that may result in allegations or accusations.

HANDOUT #41: LIABILITY INSURANCE

TYPE OF LIABILITY INSURANCE

POTENTIAL CLAIM COVERAGE (depending on the policy)

GENERAL

- Bodily injury (e.g., food illnesses, dispensing medication, allegations of corporal punishment, injuries suffered when children are outside of the home or on field trips, actions of any paid employees and unpaid helpers in the program that cause injury to children)
- Personal injury (e.g., wrongful discharge, kidnapping, libel or slander, wrongful detention, invasion of privacy, malicious prosecution)

PROFESSIONAL

- Actions that the provider takes as a professional responsible for the children (e.g., accusations that the provider failed to properly supervise the children in care whether or not the provider was at fault).

OTHER (ADDITIONAL)

- Allegations of sexual misconduct and physical abuse
- Medical expenses
- Legal defense

For more detailed information about liability insurance coverage for family child care businesses, refer to the book *Family Child Care Legal & Insurance Guide* by Tom Copeland, Chapter 8.

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.2 Legal Aspects



Section 4.2.3 Contracts

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Define what a contract is

Activity 2

- Name and describe the key elements of a contract

Activity 3

- Explain the difference between contracts and policies

Handouts

- 42. Contracts - Definition
- 43. Contracts vs. policies

Key Points

- A contract is a voluntary, deliberate, agreement, enforceable by law, with specific terms between two or more competent persons or entities that creates legal obligations to do or not do a particular thing or things.
- A contract is used to communicate clearly, facilitate communication, set business-like expectations for the clients, and avoid misunderstandings.
- Contracts may be written or verbal. Verbal contracts are more difficult to enforce than written contracts.
- Contracts and policies are not the same thing. Contracts are legally enforceable; policies are not. They should be separate documents.
- Contracts address issues of time and money.

Activity #1

Learning Outcomes

Define what a contract is

Materials Needed

Handout 42: Contracts – Definition

Methodology: Teaching others

Preparation

Make copies of Handout 42 and cut along the dotted lines to separate.

Distribute the strips randomly among the participants.

Activity

Ask the participants to read the definitions, paying attention to the words that stand out for them.

Have each participant define what a contract is for the person on either side of them, based on what they read.

Ask the pairs to find the common language in their definitions.

Together, as a large group, create a master definition that includes all the attributes stated in the various definitions.

Refer to the key talking points for guidance.

Key Points

- A contract is a voluntary, deliberate, agreement, enforceable by law, with specific terms between two or more competent persons or entities, which creates legal obligations to do or not do a particular thing or things.

Activity #2

Learning Outcomes

Name the key elements of a contract

Materials Needed

Paper and pens

Methodology: Practice, Discussion

Preparation

Place paper and pens out for the participants to use.

Activity

Start the activity with a brief reflection about the participants' experiences with contracts. Pose the following general question:

- *What has your experience been with contracts?*

Share the following scenario with the participants:

You operate a family child care home. Your neighbor is now working the evening shift and would like you to take care of her daughter while she is at work. She does not know how long she will need your services. You have agreed to do it but want to have a basic, written contract in place ahead of time. What would you include in it?

Ask participants to develop a list including the basic elements of contract, either individually or in small groups.

Facilitate a discussion that allows participants to share their work and explore the key elements of a contract. Explain what the elements are and give examples.

- *Who are the parties involved in your agreement? (**Parties involved:** name, contact, information)*
- *What does your contract say about when you will be providing the service? (**Hours of operation:** start date, business hours)*
- *How does your contract address payment for the services to be rendered? (**Terms of payment:** various rates of pay that apply)*
- *Does your contract include any **termination procedures** (trial period, last payment, notices)? Explain.*
- *Who will sign your contract? (**Signatures:** all the parties involved)*

Activity #3

Learning Outcomes

Explain the difference between contracts and policies

Materials Needed

Handout 43: Contracts vs. Policies
Larger poster paper and markers

Methodology: Lecture, Discussion, Practice

Activity

Distribute Handout 43.
Review the Key Talking Points.

Engage the group in a discussion that points out the differences between contracts and policies. Ask questions to help guide the conversation. For example:

- *Which of the two documents is legally binding? What does this mean?*
- *What is the difference between an agreement and an informative document? Which is which (contracts, policies)?*
- *"In my program, I serve meals family style." Would you include this statement in your contract or in your policies? Why?*
- *What are some examples of terms and conditions related to money that you would include in a contract? (e.g., rate of pay, when to pay, payment method, late pick-up fee)*

Practice

Place participants in small groups of 3-4. Give each group one of the topics below and ask them to create either a contract or policies to share with families in their child care program.

- *Drop-Off and Pick-Up Policies*
- *Cancellation of Services Contract*
- *Child Illness Policies*
- *Enrollment Contract*
- *Breastfeeding Policies*
- *Payment Contract*

Give group time to share with the larger group. Be sure to encourage discussion and reinforce Key Points.

Key Points

- A contract is used to communicate clearly, facilitate communication, set business-like expectations for the clients, and avoid misunderstandings.
- Contracts and policies are not the same thing. Contracts are legally enforceable; policies are not. They should be separate documents. They complement each other but serve different functions.



HANDOUT #42: CONTRACTS – DEFINITION

A contract is...

An agreement with specific terms between two or more persons or entities in which there is a promise to do something in return for a valuable benefit known as consideration

<http://legal-dictionary.thefreedictionary.com/contract>

An agreement between two or more entities which creates a legal obligation to do or not do a particular thing

<http://www.unh.edu/purchasing/policy/contracting/12-005.htm>

An agreement creating obligations enforceable by law

<http://www.law.cornell.edu/wex/contract>

A voluntary, deliberate, and legally binding agreement between two or more competent parties

<http://www.businessdictionary.com/definition/contract.html#ixzz2PW3gT8c>

An agreement between two or more entities which creates a legal obligation to do or not do a particular thing or things

<http://www.unitedafa.org/contract/education/about/default.aspx>

An agreement between two or more parties, especially one that is written and enforceable by law.

<http://www.thefreedictionary.com/contract>

A contract is a voluntary, deliberate, agreement, enforceable by law, with specific terms between two or more competent persons or entities, which creates legal obligations to do or not do a particular thing or things.



HANDOUT #43: CONTRACTS VS. POLICIES

A CONTRACT

- Is a legally binding document.
- Can be legally enforced in court.
- Represents an agreement between people.
- States the terms of an agreement.
- Must be signed by the adults involved.
- Addresses terms and conditions related to time and money.

A POLICIES DOCUMENT

- Is not a legally binding document.
- Cannot be legally enforced in court.
- Is an informative document and does not constitute an agreement.
- States rules and regulations.
- Does not require any signatures.

For more detailed information about contracts in family child care, refer to the book *Family Child Care Contracts and Policies*, 3rd edition, by Tom Copeland.

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS Business Plan Development



Section 4.3 Marketing

Module 1

SECTION FOUR



OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.3 Marketing



Section 4.3.1

Interviewing Prospective Families

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Describe the purpose of interviewing prospective families
- Understand and explain strategies for interviewing prospective families

Handouts

44. Interviewing prospective families

Interviewing Prospective Families

Key Points

- Marketing is the process of communicating the value of a product or service to customers.
- Interviewing prospective families allows providers to market their business by promoting the benefits of their program.
- Providers interview families to determine whether they are a good match for the provider's program.
- Interviews are opportunities for prospective clients to determine whether a provider's program is a good match for them.

Activity #1

Learning Outcomes

- Describe the purpose of interviewing prospective families
- Understand and explain strategies for interviewing prospective families

Materials Needed

Handout 44: Interviewing Prospective Families
Index Cards and Pens

Methodology: Lecture, discussion, practice

Activity

Distribute Handout 44 to use as a reference.

Engage participants in a general discussion about interviews. Pose the following questions:

- *Have you ever been interviewed?*
- *Have you ever interviewed anyone?*

Encourage them to share highlights, first impressions, what worked or did not work, and why, etc.

Focus the discussion by asking questions that relate to the key talking points and Handout 44. Incorporate the information if it does not come up in conversation.

- *Interviewing prospective families is a way to market a family child care business. Do you know why?*
- *What is the purpose of interviewing families?*
- *How can interviews help providers market their business and promote the benefits of their program?*
- *What are some strategies that may contribute to the success of a provider/prospective client interview? What needs to happen? (Relate answers to the information on Handout 44)*

Practice

Using the index cards have each participant write a question they believe would be good to ask when interviewing perspective families. Collect all the questions, then randomly select questions to pose to participants. Connect participants answers to ideas in handout 44

Key Points

- Marketing is the process of communicating the value of a product or service to customers.
- Interviewing prospective families allow providers to market their business.
- Providers interview families to determine whether they are a good match for their program
- Interviews are opportunities for prospective clients to determine whether the provider's program is a good match for them.

HANDOUT #44: INTERVIEWING PROSPECTIVE FAMILIES

PREPARE

- Set up the home environment, indoors and outdoors
- Identify the program’s philosophy
- Be clear about program policies and procedures
- Think about ways to promote the benefits of the program (i.e, identify strengths)
- Organize paperwork (e.g., forms, documentation, certificates)
- Set aside enough time for the interview
- Inform the prospective client about the date, time, and approximate length of the interview

SET THE TONE DIALOGUE OBSERVE, LISTEN AND BE PRESENT

- Inform the prospective client about how long the interview can be expected to last
- Review:
 - terms of the contract & policies
- Describe and explain:
 - program routine and activities
 - expectations of parents
 - philosophy and values
- Discuss:
 - provider training, education, and experience
 - client’s expectations and values as a parent
- Allow time for questions and answers (write down prospective client’s answers)
- Offer a tour of the home

REFLECT

- Overall impression of the interview
- Timeliness
- Tone
- Engagement
- Interest
- Level of respect
- Comfort level
- Expectations
- Values
- Goodness of fit

Additional tips about interviewing prospective clients can be found at <http://www.tomcopelandblog.com/parent-interview-tips.html>

Module 1

SECTION FOUR

OPERATING A STRONG FAMILY CHILD CARE BUSINESS
Business Plan Development
Section 4.3 Marketing



Section 4.3.2 Visits

Learning Outcomes

After each activity, participants will be able to:

Activity 1

- Describe prospective family visits in the context of marketing their business
- Identify factors that may influence families' decisions to enroll their children in a program

Handouts

45. Visits

Key Points

- Families visit programs to find out if they are a good match for their family and child(ren). Providers can be prepared for a family’s visit if they are aware of what the family may be looking for and the questions they may ask.
- Visits by prospective families are good opportunities for providers to market their businesses because they can promote the benefits and strengths of their programs. A lot of thought should be given to the provider’s presentation of herself, her services, her home and to appearances—is the provider’s voice mail recording both professional and welcoming? How do the outside and the inside of the home look? Is there evidence that the environment is suitable for children? Are the provider’s family members prepared to be supportive and to act as good hosts when families telephone and visit?
- Families are encouraged to visit several programs and interview providers before making a final decision. Two visits can be useful; for both the provider and the family, to explore the suitability of the “fit.” The first visit without child(ren) allows the adults to focus on what the provider is offering and what the family is looking for. Time for questions and adult conversation without interruptions is important when it comes to choosing child care and choosing clients. If the first visit suggests compatibility in terms of the needs of both parties, the second visit with the child (ren) can be scheduled. When children are present the focus needs to be on their needs. Parents want to see how providers respond to and interact with their children. Providers can make sure they are giving their undivided attention to the children when they don’t have to answer questions about their rates, schedule and other business matters.
- Each family is different. Many factors that impact a family’s decision to enroll a child in a specific program can be addressed during the visit.

Activity #1

Learning Outcomes

- Describe prospective family visits in the context of marketing a family child care business
- Identify factors that may influence families' decisions to enroll their children in a program

Materials Needed

Handout 45: Visits

Methodology: Lecture, discussion

Activity

Distribute Handout 45.

Review the Key Talking Points (previous page).

Engage participants in a discussion that will lead to identifying factors that may influence families' decisions to enroll their children in a program. Compare and contrast the information shared. Approach the discussion from the family's lens. Pose the following questions:

- *If you were a parent looking for child care, which of the areas in the handout (or one not listed) would you want to explore during a visit with a provider?*
- *Which areas would be your top priorities?*
- *Which areas would impact your final decision?*

HANDOUT #45: VISITS

AFFORDABILITY

CURRICULUM

ENVIRONMENT

FAMILY ENGAGEMENT IN THE PROGRAM

FLEXIBILITY

(provider, family, employer)

GROUP COMPOSITION

GROUP SIZE

HEALTH & SAFETY

HOURS OF CARE

LANGUAGE

LOCATION

(neighborhood, proximity)

FOOD

PROVIDER'S EDUCATION/TRAINING

PROVIDER'S EXPECTATIONS

PROVIDER'S EXPERIENCE

PROVIDER'S INTERACTIONS WITH CHILD(REN) AND ADULTS DURING INTERVIEW/VISITS

PROVIDER'S VALUES

(cultural, ethical)