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FOR HEALTHY LIVING  
FOR SOCIAL RESPONSIBILITY

# Child Care Business Model



# Financial Health of Your Child Care Program(s)

## Things to Consider with Your Business Model:

### **Key Revenue:**

Funding Mix-determining the right funding mix

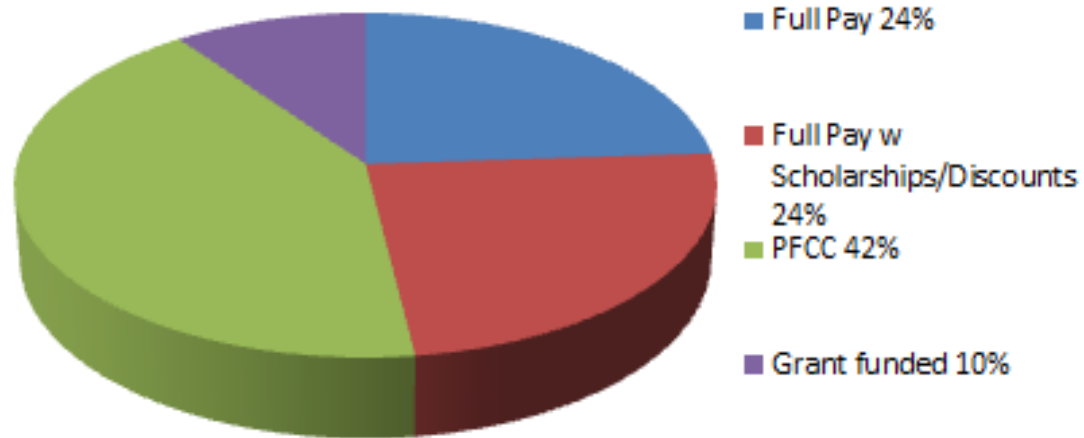
### **Key Expense:**

Staffing

**Challenges:** Need for financial assistance, lack of access to funding and resources, licensing, staff:child ratios, group size, enrollment, operational practices (part-time, hourly, not paying when absent, etc).

**Opportunities:** Quality initiatives, program enhancements, potential grant funding, leveraging relationships, high mission work, meeting community needs at different levels.

### 5 Star Early Learning Center Funding Mix



# PFCC Reimbursement Increase per Star Level:

- SUTQ 4% Base Rate Increase +
- 1 Star=5%
- 2 Stars=18%
- 3 Stars=21%
- 4 Stars=25%
- 5 Stars=35%

# Example

## PFCC vs. Full Pay at New 5 Star Rating Category F

- Full Pay Infant Rate (\$250/week) \$13,000
- PFCC Infant Rate(\$275.94/week) \$14,349 Difference \$1,349
  
- Full Pay Toddler Rate (\$235/week) \$12,220
- PFCC Toddlers Rate (\$240.91/week) \$12,527 Difference \$307
  
- Full Pay Preschool Rate (\$210/week) \$10,920
- PFCC Preschool Rate (\$206.48/week) \$10,737 Difference **\$183**
  
- Full Pay SACC Rate \$1,800 AM or PM for 36 weeks or \$2,880 Both (high end)  
\$50/week \$80/week
- PFCC SACC Rate \$1,800-\$2713 AM PM or Both  
\$75.37/week Difference \$0 or **\$167**

# PFCC/SUTQ Time Line

- Early Childhood Education Programs that receive Publicly Funded Child Care (PFCC) funds from the Ohio Department of Job and Family Services (ODJFS) will be required to participate in SUTQ by July 1, 2020.
- By 2025, all Early Childhood Education programs will be required to be highly rated (3-5 Stars) to participate in SUTQ.

# Financial Investments

- Lower Student:Teacher Ratios
- Highly Qualified Staff
- Planning Time Outside The Classroom
- Approved Curriculum
- Assessments
- Training
- Benefits

## STEP UP TO QUALITY-A WIN FOR YOU!

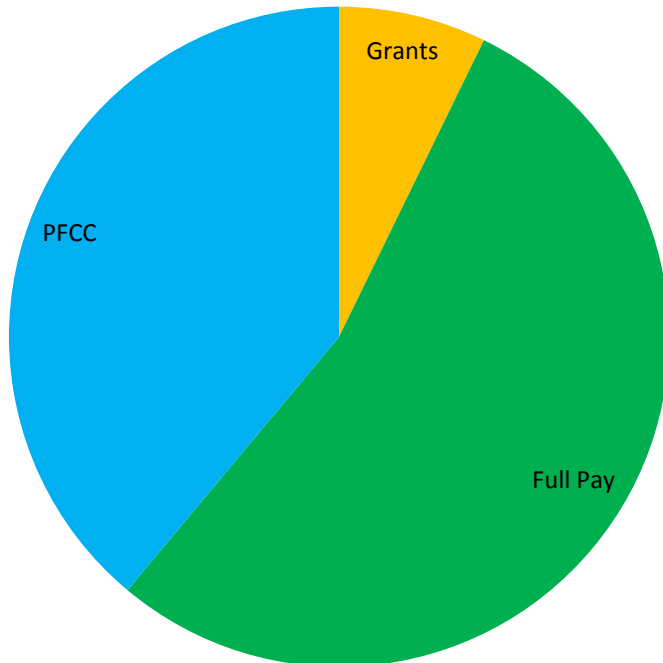
- OPPORTUNITIES FOR PARTNERSHIPS FOR YOUR CENTERS BECAUSE OF PARTICIPATION IN SUTQ
- ADDITIONAL FUNDING, AND INCOME OPPORTUNITIES
- MARKETING HIGH QUALITY PROGRAMS
- STAFF DEVELOPMENT
- IMPROVED PROGRAM QUALITY
- INCREASED PROFESSIONALISM
- INCREASED % PFCC REIMBURSEMENT RATES FROM BASE RATE
- IMPROVED PUBLIC PERCEPTION DUE TO FOLLOWING SAME REQUIREMENTS AS ODE (PUBLIC PRESCHOOL)



# MEASURING YOUR PROGRAM'S FINANCIAL HEALTH

## **Budget Tool**

# Funding Mix



Funding Mix		
Grant Revenue	\$35,000	7%
Full Pay with Discounts/Scholarships	\$260,520	54%
PFCC	\$188,342	39%

# Business Model

## Tips for The Team:

- Set clear expectations
- Know your numbers (enrollment, ratios, etc)
- Communicate about it and review it often.
- Involve the whole team in the process to ensure ownership and accountability.

# Questions

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**THANK YOU!**