

START YOUR CHILDCARE BUSINESS

A Guide for Aspiring Childcare Entrepreneurs in
the City of Fredericksburg, Virginia

Wednesday, January 28, 2026



Start Your Childcare Business

Who should attend:

- Individuals interested in opening a childcare or daycare business.
- Early childhood professionals ready to become business owners.
- Stay-at-home parents exploring entrepreneurship.

What we will review today:

- Understanding State and Local Licensing Requirements.
- Choosing the right business model (home-based vs. center-based)
- Startup costs, budgeting, and funding options.
- Creating a safe, nurturing, and compliant environment for your childcare business.

Start Your Childcare Business

Who you'll hear from today:

- Welcome:
 - Councilor Will Mackintosh, Fredericksburg City Council
- City Zoning & Permitting Regulations:
 - Mike Craig, Community Planning & Building
- Virginia Licensing Regulations:
 - Cindy Horne & Florance Martus, Office of Child Care Health and Safety, Virginia Department of Education
- Funding Your Business:
 - Josh Summits, Fredericksburg Economic Development Authority (EDA)
 - Susan Ball, UMW Small Business Development Center (SBDC)
 - Donald Jacubec, Virginia Small Business Finance Authority
- Child Care Subsidy Program:
 - Christen Gallik, Fredericksburg Department of Social Services

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1. Determine what type of childcare you will offer:

- Family Day Home - A regularly operating service arrangement for children where, during the absence of a parent or guardian, a person or organization has agreed to assume responsibility for the supervision, protection, and well-being of a child under the age of 18 for less than a twenty-four-hour period, **offered in the residence of the provider or the home of any of the children in care**, for one through 12 children under the age of 18, exclusive of the provider's own children and any children who reside in the home, when at least one child receives care for compensation.
- Child Care Center A regularly operating service arrangement for children where, during the absence of a parent or guardian, a person or organization has agreed to assume responsibility for the supervision, protection, and well-being of a child under the age of 18 for less than a twenty-four-hour period, when offered to:
 1. Two or more children under the age of 18 in a facility that is not the residence of the provider or of any of the children in care; or
 2. Thirteen or more children at any location.

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2. Check the Zoning:

- What zoning district is the business address in?
- Is the type of care envisioned a permitted use in that zoning district?
- Are there any upgrades necessary to meet the zoning performance standards for the use?

- Child-care center. Child-care centers, including preschools, shall comply with all applicable state regulations for child-care centers, including state license requirements, as well as the following standards:
 - Location. If not located in a stand-alone building, a child day-care center shall be segregated (including the restrooms) from the remaining portion of the building in which it is located.
 - Outdoor play areas. Outdoor play areas shall be provided and shall:
 - Be completely enclosed by a fence;
 - Be safely segregated from parking, loading, or service areas; and
 - Not be operated for outdoor play activities after 8:00 p.m.
 - The parking areas and vehicular circulation for the child day-care center shall be designed to:
 - enhance the safety of children as they arrive at and leave the facility. A description or illustration detailing the plan for drop-off and pick-up safety shall be provided.
 - Accessory uses. If operated as an accessory use to a retail sales and service or office use, the gross floor area of a child-care center shall not exceed 25% of the gross floor area of the principal use.

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3. Are upgrades to the building required by the Building Code to accommodate the use?

4. What type of local permit and state licensing are required to begin operation?

5. Contact Community Planning & Building with any questions (540) 372-1179.

OFFICE OF
CHILD CARE
HEALTH &
SAFETY (OCCHS)



Helpful Links and Resources

Child Care VA Website

- [Code of Virginia](#)
- [General Procedures](#)
- [Become a Licensed Provider](#)
- [Program Types](#)
- [Background Checks](#)
- [Child Care Subsidy Program](#)
- [Provider Portal](#)
- [Professional Development](#)
- [Readiness Connections Newsletter](#)
- [Latest Updates for Virginia Child Care](#)



Helpful Links and Resources

[Child Care VA Website](#)

Additional resources for prospective and current childcare providers:

<https://vachildcare.com/>

<https://vecf.org/>

<https://itcva.online/>

Helpful Links and Resources

[Child Care VA Website](#)

Central Regional Office

Phone: 804-840-3662 / Email: central.cclicensing@doe.virginia.gov

Fax: 833-457-3059

Mailing: Office of Child Care Health and Safety (Central)

<https://www.childcare.virginia.gov/providers/licensing-offices-contact-information>

Florence Martus | Licensing Inspector

804.389.0157 | florence.martus@doe.virginia.gov

Cindy Horne | Licensing Inspector

804.297.4469 | cindy.horne@doe.virginia.gov



Start Your Childcare Business

InvestFXBG is a loan program funded and administered by the Fredericksburg Economic Development Authority (EDA) for small and growing businesses in the City of Fredericksburg (22401).

Applicants are required to be in compliance with the City of Fredericksburg taxes, permits, fees and regulations prior to applying.

Borrowers may be required to enter into a technical assistance agreement with the University of Mary Washington Small Business Development Center (UMW SBDC) either before the loan is made or on an ongoing basis.



Start Your Childcare Business

InvestFXBG Loans Program Overview

- Range from \$15,000-\$50,000, although larger amounts may also be considered under special circumstances.
- Carry competitive interest rates based upon an overall risk assessment.
- Have loan terms that are generally four years or less, although longer loan terms may be considered under special circumstances.
- Have borrower fees that include typical closing costs and third-party administration fees if necessary, based on the size and complexity of the program. Closing costs can be rolled into the loan.
- Have a typical turnaround time for loan applications of 45 days.



Start Your Childcare Business

Applying for InvestFXBG

[InvestFXBG Credit Policy](#)

[InvestFXBG Initial Pre-Application](#)

Applicants are encouraged to contact the Department of Economic Development and Tourism with questions prior to submitting the initial pre-application by calling 540-372-1216



Assistance from UMW SBDC

- Consulting services: confidential and free
- SBDC consultants can assist with:
 - Licensing and registration
 - Business plan development
 - Cash flow forecasting
 - Loan proposals
 - Marketing strategies
- <https://www.virginiasbdc.org/request-appointment/> as a new client

University of Mary Washington Small Business Development Center

Eagle Village Executive Offices
1125 Emancipation Davis Hwy, Suite 400
Fredericksburg, VA 22401

www.umw.edu/sbdc

Virginia Small Business Financing Authority



City of Fredericksburg Childcare Financing Programs January 28, 2026

**Donald F. Jacubec
Regional Lending Manager**



Donald Jacobec, Regional Lending Manager



Donald Jacobec is a Regional Lending Manager (RLM) with the Virginia Small Business Financing Authority, for Northern Virginia and a portion of the Shenandoah. As an RLM I have been assisting small business owners with their capital requirements for expansion, new equipment, or other purposes with direct loans. The VSBFA may partner with Community Banks when a loan guaranty is required for one of their business loans.

Before joining the VSBFA, Donald worked as a Commercial Lender for more than 35 years, assisting businesses with revenue up to \$30 Million with their credit needs. Experienced commercial and residential construction lender. During my tenure as a Commercial Lender, several businesses were provided with the necessary capital for sales growth and eventual sale for several multiples of operating income.



Mission

To provide access to capital
and spur economic growth for
small businesses across the
Commonwealth



What is a Small Business?

An eligible business defined by the Code of VA §2.2-2279 in the Commonwealth must satisfy at least one of the following:

- ✓ For-profit enterprise
 - \$10 million or less in gross annual income or
 - Fewer than 250 employees or
 - A net worth of \$2 million or less
- ✓ A not-for-profit entity under §501c3 of the Internal Revenue Code



SUMMARY

- ✓ *Spur economic growth and expansion*
- ✓ *Address the fundamental need for access to capital*
- ✓ *Small businesses obtain loans from banks -
Help banks grow assets*
- ✓ *Help economic development authorities attract
and retain small businesses*



DIRECT LOAN PROGRAMS

DIRECT LOAN PROGRAMS



Child Care & Microloan

	Child Care Financing	Microloan
Highlights	<ul style="list-style-type: none"> ✓ For quality enhancement projects ✓ Meet or maintain childcare standards ✓ Startup financing ✓ Advantageous pricing 	<ul style="list-style-type: none"> ✓ For small, women and minority owned businesses ✓ Counseling ✓ Advantageous pricing
Limits	<ul style="list-style-type: none"> ✓ Up to \$250,000 for childcare centers ✓ Up to \$25,000 for home-based providers 	<ul style="list-style-type: none"> ✓ Up to \$150,000
Eligible	<ul style="list-style-type: none"> ✓ A business defined by VA Code ✓ Licensed, voluntarily registered or certified childcare centers ✓ Family home centers satisfactory to VDOE 	<ul style="list-style-type: none"> ✓ A business defined by VA Code ✓ In operation for 2 years ✓ Owners must be "certified" by an SBDC counselor
Fee	<ul style="list-style-type: none"> ✓ \$75 for home provider loans ✓ \$125 for childcare center loans 	<ul style="list-style-type: none"> ✓ \$150 application fee
Term	<ul style="list-style-type: none"> ✓ Loans ≤\$150,000 7 years ✓ Loans >\$150,000 10 years 	<ul style="list-style-type: none"> ✓ Up to 5 years fully amortized
Interest Rate:	<ul style="list-style-type: none"> ✓ 0% 	<ul style="list-style-type: none"> ✓ Fixed 5.5% ✓ Fixed 3% (Veterans)



Uses

Child Care

- ✓ Infant care equipment
- ✓ Playground equipment
- ✓ Educational material
- ✓ Transport vehicles

- X Debt refinance
- X Real estate
- X Stock
- X Working capital

Microloan

- ✓ Machinery & equipment
- ✓ General fixed assets
- ✓ Working capital

- X Debt refinance
- X Real estate
- X Stock
- X Goodwill



Childcare Financing Program Herndon VA



Childcare Financing Program Chantilly VA



Credit Support Programs

	CASH COLLATERAL PROGRAM (Legacy and New SSCI 2.0)	LOAN GUARANTY PROGRAM
Highlights	<ul style="list-style-type: none"> ✓ A credit enhancement for banks to finance a small business loan ✓ A cash deposit covers the debt obligation in the event of default ✓ The cash deposit reduces as the loan is amortized 	<ul style="list-style-type: none"> ✓ A credit enhancement for banks to finance a small business loan ✓ The guaranty covers the debt obligation in the event of default ✓ The guaranty reduces as the loan is amortized
Limits	✓ Up to the lower of 40% of the bank's loan or \$1 million	✓ Up to the lower of 75% of the bank's loan or \$1 million
Eligible	✓ A bank loan to a small business defined by VA Code	✓ A bank loan to a small business defined by VA Code
Fee	<ul style="list-style-type: none"> ✓ A transaction fee of up to 1.5% may apply at closing. Veteran owned business the fee is .75%. ✓ \$200 application fee 	<ul style="list-style-type: none"> ✓ A transaction fee of up to 1.5% may apply at closing. Veteran owned business the fee is .75%. ✓ \$200 application fee
Terms	<ul style="list-style-type: none"> ✓ Up to 5 years - Line of Credit ✓ Up to 5 years - Term Loan 	<ul style="list-style-type: none"> ✓ Up to 5 years - Line of Credit ✓ Up to 7 years - Term Loan



DIRECT LOAN PROGRAMS

DIRECT LOAN PROGRAMS



Capital Connect (SSBCI 2.0)

Highlights

- ✓ *Loans to attract or retain small businesses*
- ✓ *Loans for real estate and specialized assets or assets not “in the box” for banks*
- ✓ *Advantageous pricing*
- ✓ *Must have a companion loan from a Bank (similar to an SBA 504 loan)*
- ✓ *Bank must waive all confession of judgement language/clauses in their loan documents*

Limit

- ✓ *Up to a combined 90% Loan-to-Value ratio*
- ✓ *Maximum amount of \$1,000,000*

Eligible

- ✓ *A business defined by VA Code*
- ✓ *Local and Regional Economic Development or Industrial Development Authorities*

Interest Rate

- ✓ *Currently 3% but subject to change without notice*

Fee

- ✓ *\$0 until further notice*

Term

- ✓ *Up to 10 years - Term Loans fully amortized*
- ✓ *Up to 10 years-with an amortization schedule up to 25 years for Real Estate Secured Loans*



Uses

- ✓ Machinery and Equipment
- ✓ Real estate acquisition, construction, renovation, expansion
- ✓ Permanent working capital and general business purposes'
- ✓ Refinance bank debt (eligibility is limited)

- X Residential Real Estate
- X Non- owner-occupied real estate (Investment Income Property)
- X Change in ownership (stock purchase)
- X Goodwill



A CAPITAL CONNECT (SSBCI 2.0) TRANSACTION

The VSBFA provided a \$500,000 commercial real estate loan subordinate to the Bank's \$1,750,000 first trust commercial real estate loan to Montessori School.



ANY QUESTIONS?



Contact Information

Regional Lending Manager

Donald Jacobec

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(804) 778-5779

Executive Director

Arnold Blackmon

Visit our website at
sbsd.virginia.gov

Chief Credit Officer

Ray Sanchez



Department of Social Services

Child Care Subsidy Program - CCSP

Goals and Objectives of the CCSP

- VDOE and DSS work closely to enhance the quality, affordability, and supply of childcare available to Virginia's families.
- Specifically, the Fredericksburg DSS:
 - Provides low-income families with the financial resources needed to find & afford quality childcare.
 - Ensures that the childcare program promotes self-sufficiency and independence from public assistance programs.
 - Provides consumer education to promote parental choice in the selection of childcare.
 - Ensures that subsidy dollars are provided to the neediest families.

Fredericksburg Data – CY 2025

- 540 children in 316 families served – 53% increase since 2019
- 12 childcare providers participating in CCSP located in 22401
- For a variety of reasons, 75% of Fredericksburg families utilize a childcare provide outside of 22401
- Census
 - Infant/Toddler – 12%
 - 2 year-old – 13%
 - Pre-school – 32%
 - School-age (before and after school) – 43%
- Annual program expenditure - \$3,143,933

Have questions? Need more Info?

- Christen Gallik, Director, Fredericksburg Department of Social Services
Christen.gallik@dss.virginia.gov
- www.childcare.virginia.gov