



Bipartisan Policy Center

Family Child Care Networks

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Family child care networks are critical to stabilizing individual family child care programs around the country and offering parents of young children safe and healthy child care options as they reenter the workforce post-COVID-19. Greater investments are needed to help states establish family child care networks that ensure programs, and the child care market itself, can be built back better after the crisis and thrive in the long run.

Family child care is a vital component of parent choice in the child care market, providing learning environments in residential settings to small groups of children. As economies reopen across the country and smaller settings are recommended for children in child care, more parents are choosing family child care programs.¹ Unfortunately over the last several decades, the number of family child care programs have been in decline. According the National Association for Regulatory Administration, there were 121,220 licensed family child care programs in 50 states and the District of Columbia in 2017. This represents a 10% decline from 2011 and a 22% decline from 2008, when there were

134,920 and 155,230 licensed family child care programs, respectively.² This decline has been attributed to myriad factors, including low profit margins, an aging workforce, and barriers to accessing resources and support systems that increase business stability and program quality.³

Policymakers seeking to address the challenges family child care programs face can support these programs by leveraging organizing practices such as family child care networks. Networks are organizations that bring together individual family child care programs and offer quality improvement services and business supports including technical assistance, training, peer support, and small business expertise delivered by paid staff. Networks help states reach many programs at one time, yet are flexible to community needs. Family child care networks are critical to ensuring parent choice and stabilizing family child care programs, both now and post-COVID-19.

FAMILY CHILD CARE NETWORK GOALS

Family child care networks are organized around a set of goals supported by specific activities that engage individual family child care programs. Goals of a family child care network include:

- Stabilizing the family child care sector.
- Improving business practices to steady the financial outlook of family child care programs.
- Improving the quality of care in family child care programs.
- Insuring children are provided support services, such as social-emotional development.

ACTIVITIES OF A FAMILY CHILD CARE NETWORK

Family child care networks seek to improve quality by providing consolidated quality improvement resources through direct technical assistance and professional development training. Professional development specifically offered by networks is shown to improve the quality of participating family child care programs.⁴ Networks also offer the opportunity for small, and often isolated, family child care programs to connect with one another, and grow program presence in a community. For example, peer networking supported by the National Association of Family Child Care through local affiliates offers shared training opportunities, and grows program leadership to participate in public policy discussions and connects policy to practice.⁵ Family child care networks are adaptable to the current needs of programs and communities and can deploy training support quickly. Networks can quickly deliver training on social-emotional development and trauma-informed practices to support children and parents impacted by COVID-19.⁶

Networks also offer a shared services structure, which provides economies of scale for participating family child care programs as well as business practices. Shared services consolidate back-end business functions for family child care programs to lower overall program costs, and may include tax preparation, enrollment support, fee collections, marketing, and participation in the Child and Adult Care Food Program (CACFP) as well as shared purchasing of food, classroom materials, and teacher resources.⁷

Local economies reliant on a non-traditional hour workforce, such as health care or service industries, can engage networks to identify family child care programs near places of employment or homes of non-traditional hours, as family child care programs are often the only option for parents with non-traditional schedules. By providing centralized resources, networks have the ability to incentivize non-traditional hour child care and deploy resources to support hours beyond 9 a.m.-to-5 p.m., including overnight staff, specialized training, and materials.⁸

COMPONENTS OF AN EFFECTIVE FAMILY CHILD CARE NETWORK

Networks are flexible to the needs of participating family child care programs, the children and parents they serve, and the communities in which they are located. However, to maximize resources, highly effective family child care networks must support improving both the quality and business practices of family child care programs. Quality improvement is linked with the ability of a network to create a peer learning environment across individual family child care programs that may otherwise be isolated from one another and lack resource capacity. The stability of a family child care program's business operations is central to maximizing investments and community impact, and is a critical component of a network's role. In turn, networks must also be staffed to facilitate these tasks and maintain the network's operations. Therefore, highly effective family child care networks contain the following elements:

RECOMMENDATIONS

A majority of family child care programs across the country do not have the opportunity to participate in a network, leaving them on their own to purchase goods, navigate professional development trainings, and market to parents. For example, BPC analyzed all 2019-2021 Child Care and Development Fund Plans, the mechanism states use to apply for federal funds through the Child Care and Development Block Grant (CCDBG), and found only 19 states use funding to support a family child care network. In order to facilitate the increase of family child care programs and to retain and improve the quality of existing family child care programs, BPC recommends:

- Congress consider dedicating \$35 million in CCDBG funding for family child care networks. This funding would serve approximately 4,000 individual family child care programs through about 165 staffed family child care networks, providing each state with the opportunity to develop three staffed family child care networks at a minimum.
- Congress could direct the Department of Health and Human Services to conduct an evaluation of family child care networks for their efficacy in increasing parent access to family child care, improving program quality, impacting family child care program sustainability, and improving business practices for participating family child care programs.

This dedicated funding would create the impetus for states to quickly expand the number of family child care programs, as well as magnify the impact of quality improvement and program stabilization efforts. At a time when parents are reliant on family child care programs more than ever before, but the supply does not meet the demand, Congress should recognize family child care networks as a promising solution to addressing the impending child care crisis.

1. *Staff.* A director-level staff person with knowledge, skills, and abilities that are responsive to the needs of family child care programs while improving both program quality and financial sustainability.
2. *Business practice support.* Business practice support, including through shared services, creates economies of scale and efficiencies in program management. Shared services increase fee collection, lower overall costs, and increase the use of CACFP for participating programs. Technology access is a necessary component of business practice support, such as a web-based interface that centralizes back-office functions for family child care programs and improves their ability to purchase in bulk, maintain accurate fiscal records, and market their services.
3. *Quality-building support.* Contracted early childhood specialists offer technical assistance and professional development to participating family child care programs to increase quality, including trauma-informed practices and social-emotional development, which will be especially critical for children impacted by COVID-19.
4. *Peer networking.* Program quality and participation in networks are shown to improve when opportunities for peer networking are supported through travel stipends or technology access so that individual programs may interface with one another directly.⁹
5. *Start-up grants.* Networks can offer start-up grants to family child care programs to ensure health and safety standards, increase parent access, and promote developmentally appropriate settings.

To support highly effective networks, potential funding should include \$225,000 per individual network. This would allow a family child care network to serve up to 25 family child care programs, with funding for a director position, early childhood quality specialists, business practice support, and peer networking opportunities, with \$75,000 dedicated to start-up grants for new family child care programs in the network.

Endnotes

- 1 Bipartisan Policy Center, *As Economies Reopen, State Administrators Note a Shift to Family Child Care*, June 2, 2020. Available at: <https://bipartisanpolicy.org/blog/as-economies-reopen-state-administrators-note-a-shift-to-family-child-care/>.
- 2 National Association for Regulatory Administration, *2017 Child Care Licensing Study*. Available at: <https://nara.memberclicks.net/assets/docs/ChildCareLicensingStudies/2017CCStudy/NARA%202017%20Licensing%20Survey%20Report%20FINALrev.pdf>.
- 3 National Center on Early Childhood Assurance, *Addressing the Decreasing Number of Family Child Care Providers in the United States*, March 2020. Available at: https://childcareta.acf.hhs.gov/sites/default/files/public/addressing_decreasing_fcc_providers_revised_march2020_final.pdf.
- 4 Christina Nelson, Toni Porter, and Kayla Reiman, *Examining Quality in Family Child Care: An Evaluation of All Our Kin*, All Our Kin, 2016. Available at: <http://www.allourkin.org/sites/default/files/ExaminingQualityinFCC2016.pdf>.
- 5 National Association of Family Child Care, *National Association of Family Child Care Federal Agenda*, 2017. Available at: <https://www.nafcc.org/file/365c3a2b-e683-4d3f-8a60-344ee842b767>.
- 6 Juliet Bromer and Toni Porter, *Mapping the Family Child Care Network Landscape*, Herr Research Center, Erikson Institute, January 2019. Available at: https://www.erikson.edu/wp-content/uploads/2019/01/FCC-Net-work-Landscape_Technical-Report_Erikson-Institute_Jan2019.pdf.
- 7 Louise Stoney, *Startup Kit: Guide to Developing a Shared Services Alliance*, Opportunities Exchange, September 2018. Available at: <https://opportunities-exchange.org/wp-content/uploads/Startup-Kit-rev-9-17b.pdf>.
- 8 Heather Sandstrom, Erica Greenberg, Teresa Derrick-Mills, et. al. *Non-traditional-Hour Child Care in the District of Columbia*, Urban Institute, November 2018. Available at: https://www.urban.org/sites/default/files/publication/99768/nontraditional-hour_child_care_in_the_district_of_columbia.pdf.
- 9 Juliet Bromer and Toni Porter, *Mapping the Family Child Care Network Landscape*, Herr Research Center, Erikson Institute, January 2019. Available at: https://www.erikson.edu/wp-content/uploads/2019/01/FCC-Net-work-Landscape_Technical-Report_Erikson-Institute_Jan2019.pdf.

