



ALL OUR KIN

**A Strong Economy Needs Strong Family Child Care:
Principles and State Policy Recommendations
June 2020**

Our country's reliance on family child care has never been more clear. In the face of the COVID-19 pandemic, licensed family child care providers are offering home-based care in small group settings and during nontraditional hours to support our health care professionals and emergency responders. While most small businesses closed earlier this year, two-thirds of all licensed family child care businesses remained open to care for the children of frontline workers.¹ Without access to this care, our frontline workers could not do their jobs.

Despite their critical role supporting communities during this pandemic, family child care businesses have never been more at risk. Like all forms of child care, family child care exists in a market-based system, with public subsidies--which currently only reach one in six eligible children--tied to market rates. However, market rates do not reflect the true cost of providing high-quality child care--they reflect the economic security of families in the community. Family child care providers often absorb the difference between the actual cost of care and what the market pays. This is reflected in their low salaries, razor-thin margins and minimal, if any financial reserves. In this climate, most family child care providers lack the financial reserves to withstand enrollment loss and closure related to COVID-19. Even programs that are open have experienced a sharp drop in income. Without significant investments and support, family child care programs may not survive the current business climate and parents may find themselves without child care when they return to work.

Family child care reaches the children of families that face the greatest barriers to accessing care, including infants and toddlers, low-income children, children of color, children in rural communities, and children whose parents work nontraditional hours. According to the latest available data from the National Survey of Early Care and Education, over 7 million children birth through age five receive care in a home-based child care setting.² At a time when public health concerns make the small group

¹ NAFCC COVID-19 Survey 2, April 11-21, 2020, National Association for Family Child Care Providers

² National Survey of Early Care and Education Project Team (2016). Characteristics of Home-based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education. OPRE Report #2016-



size, flexible hours, and strong, trusting relationships that are the hallmark of family child care particularly attractive for children and parents, it is likely that the demand for family child care will increase. Therefore, as states look to make decisions about economic recovery, their success depends on including family child care as a critical component of their plans to meet the changing needs of children, families, and employers.

In this document, you will find:

1. Key **principles** to guide states' decision-making about the role of family child care in supporting a strong economy;
2. **Policy recommendations** to support the health and safety, economic stability, and wellbeing of children, families, and family child care providers;
3. Recommendations for **leveraging new and existing funding streams** to make needed investments in the child care infrastructure, and
4. Information about **staffed family child care networks** as a mechanism to implement many of the policy recommendations presented.

PRINCIPLES

Family child care is a triple win: when family child care thrives, so do children, families, and the economy. When our public policies support a robust family child care sector, parents can go to work with peace of mind, children are safe and learning, and the economy benefits from a reliable workforce, increased tax revenue, and decreased reliance on public assistance. As state policymakers make decisions about the role of family child care in supporting children, families, and a strong economy, they should integrate the following principles:

Health, safety, and economic security. As parents make decisions about returning to the workplace, and as family child care providers make decisions about their child care businesses, they are too often weighing their own health and safety against their economic security. States must reduce economic motivations for parents and providers to take undue health risks by investing in the financial security of families and family child care businesses.

Equitable access. Communities of color and low-income communities are bearing the brunt of COVID-19 and face the greatest barriers to accessing relief. Family child care providers are on the frontlines in these communities. States have a responsibility to distribute public resources equitably; cleaning supplies, personal protective equipment, and financial resources should be distributed first to communities with the highest rates of illness and to providers and families with the least access to resources through the CARES Act.

Transparent, timely communication. States must share transparent, timely, and accessible information about health care regulations and best practices. Information must be actionable, specific

13, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.



to providing care in home-based settings, and shared in the languages that providers and parents speak and in the ways that they best receive information.

Parent and provider voice. Family child care providers and families are experts in what children and parents need, and must have a meaningful voice as policymakers make decisions about economic recovery. This is critical to ensure that new policies and practices, issued under constantly changing conditions, are responsive to needs on the ground, work for parents' and providers' real lives, and offer effective solutions to the complex daily challenges of this public health crisis.

STATE POLICY RECOMMENDATIONS

Over the last several months states have established new policies and practices to safeguard the health and safety of family child care providers and the children and families they serve. Some states have also increased compensation and made grants to family child care programs that care for the children of essential employees. As states make decisions about the future of their economies, they should build on these measures and consider the following recommendations:

Health and Safety

- **Make publicly-funded COVID-19 testing and treatment available to family child care providers and their household members.** In the course of their work, family child care providers place their own health and the health of family members at risk. Many providers are uninsured or underinsured. To keep them, their families, and the children and families they care for safe, state health departments should ensure family child care providers and their household members have access to publicly-funded testing upon request. States should also pay the health insurance premiums of uninsured providers who are diagnosed with COVID-19 as a result of their work.
- **Guarantee that family child care providers have access to supplies that enable them to operate safely.** The CDC has issued COVID-19 guidelines for child care programs. These call for rigorous cleaning, disinfection, and screening of families. Faced with nationwide supply shortages, many family child care providers lack access to basic cleaning and medical supplies to keep themselves and the children and families they care for safe. States must develop new supply chains and procurement practices that guarantee supplies to family child care programs that are open.
- **Provide grants to family child care programs to meet health and safety standards.** To implement health and safety guidelines, family child care providers are adapting their indoor and outdoor spaces. Changes include adding walls and partitions, additional bathroom and laundry facilities, and rearranging playground equipment. States should tap economic development funds to help family child care providers cover these costs.
- **Ensure that regulatory guidance is appropriate, responsive, and supports quality.** States must issue guidance for reopening that supports the health and safety of children and adults at the facility. Guidance must be developmentally appropriate, reflect a deep understanding of family child care, and support quality. This is not a time to roll back evidence-based



regulations that support high-quality care; rather, states must insist on maintaining regulations that reflect guidance from the field, while providing the financial support and technical assistance that providers need to meet these regulations. All guidance must be presented in accessible formats and available to the state's major language groups.

- **Provide training and coaching to help family child care providers meet new regulatory requirements and best practices.** States must ensure that family child care providers have access to a continuum of support and technical assistance as they navigate the new COVID-19 regulatory environment and implement health and safety best practices. Supports should be high-touch, relationship-based, culturally responsive, and grounded in respect for the difficult and important work that family child care providers do.
- **Expand health consultation services to family child care.** Child care health consultation is a particularly effective way to assist providers in implementing new health and safety practices. In this model, trained public health consultants work with individual programs to guide them, answer specific questions in relation to their programs, and ensure that they are knowledgeable about best practices. Recognizing that family child care providers care for children with high rates of asthma and other chronic diseases, states should expand the availability of health consultation for family child care.
- **Build consumer confidence to return to family child care.** As parents return to work, they do so with new worries about leaving their children in child care and questions about what safe care looks like during a pandemic. States should invest in consumer education to help parents understand how family child care responds to their concerns.

Economic Stability

- **Establish a Family Child Care Fiscal Stabilization Fund.** Family child care operates on a razor-thin margin that cannot sustain long-term enrollment losses. Most family child care providers that are open are operating well below their usual capacity,³ a trend that may continue over the next year. To preserve the current supply of family child care, states must invest funds to stabilize these businesses. Fiscal stabilization funds would compensate providers for revenue lost from subsidy *and* private payments as a result of COVID-19. This will ensure that children have reliable care and parents are able to reenter the workforce to support economic recovery.
- **Contract family child care providers for subsidy slots.** In most states, child care subsidy funding follows the child, reimbursing providers for individual children. When children are sick, absent or move on to another program, providers lose money before they fill vacancies. In lieu of this system, states have the option to contract with providers for a specific number of subsidy slots. At a time when family child care providers face daunting business conditions, states should move to a system of contracting slots. This will increase the financial predictability of child care subsidy for providers and avoid penalizing them for child absences and reasonable enrollment turnover. This system will also allow states to

³ Ibid. See also: From the Front Lines The Ongoing Effect of the Pandemic on Child Care, National Association for the Education of Young Children (NAEYC), April 17, 2020.



incentivize certain types of care, including care for infants and toddlers, to meet critical shortages.

- **Extend moratoriums on mortgage foreclosures and evictions.** Because family child care programs operate in the provider's own home, a family child care provider's housing security is paramount to the stability of their child care program. States' child care, housing, and banking agencies must work together to extend moratoriums on mortgage foreclosures and evictions through December 2020. Moratoriums must be accompanied by laws that guarantee extended repayment options in order to avoid the loss of family child care homes once they are lifted.
- **Protect family child care providers from tort liability claims related to COVID-19.** Family child care providers are being asked to support state economies amidst considerable uncertainty about whether their liability insurance will cover claims related to COVID-19. State Insurance Commissions must prohibit insurers from refusing to pay claims against family child care providers related to COVID-19.
- **Ensure all family child care providers have access to digital technology and training.** As states explore new ways to deliver services online, child care providers will see the expansion of digital licensing and businesses processes, professional development, and health care consultation. Like other low-income residents, family child care providers and the families they serve often lack access to the information technology and training they need to engage in online services. States must make significant investments in computer hardware, software, broadband access, and training to increase the digital capacity of the family child care sector. Further, states should engage family child care providers and parents in developing digital platforms to ensure they are user-friendly.
- **Provide business coaching to assist family child care providers in adapting to a new business environment.** With state economies restarting, family child care providers will need to adjust their contracts, operating budgets, HR policies and business plans to a new reality. States must invest in coaches with expertise in business practices and knowledge of the unique aspects of family child care businesses to offer technical assistance to providers.
- **Expand and streamline access to public benefits.** COVID-19 has created an unprecedented economic crisis. States should improve pathways to public benefits for children, families and child care providers, including by streamlining application processes for food and nutrition programs, Medicaid, income supports and unemployment benefits. They should enact presumptive eligibility for families who qualify for child care subsidy, and ensure that all family child care providers have access to health insurance. With additional investments, hubs such as Child Care Resource and Referral agencies and staffed family child care networks can help to enroll eligible children, families, and providers in public benefits.

Child, Family, and Provider Well-Being

- **Provide comprehensive support for children's mental health and social-emotional well-being.** In addition to disruption to their normal routines, children are experiencing separation, loss, and other forms of trauma that interfere with brain development. State child care agencies must collaborate with agencies responsible for health and education to develop



comprehensive approaches and investments in support of children’s mental health and social-emotional well-being. These could include: consultation from multidisciplinary mental health teams; training for providers in trauma-informed care and strategies for supporting children’s social and emotional development; and information about programs and services to which providers can refer families.

- **Support child care providers’ mental health and emotional well-being.** There is a clear correlation between child care educators’ emotional well-being and the outcomes of children in their care. COVID-19 has elevated family child care providers’ concerns about the children and families they care for, the businesses they run, their own families, and their health. It has also added new stresses to their daily routines. Attending to providers’ mental health and emotional well-being is critical during this period. States must expand access to training that supports providers’ mental health and emotional well-being while fulfilling their professional development obligations. Examples include mindfulness training, nutrition and exercise, and dealing with trauma. States should also encourage peer support and mentoring, and connections to mental health services, through existing hubs such as staffed family child care networks and Child Care Resource and Referral agencies.
- **Provide additional parenting support and family engagement.** Parents of young children often rely on their children’s teachers for critical parenting advice and support. The intimacy and familiarity of family child care settings make this especially true. Parents are returning to pre-pandemic routines with a host of new concerns about their children. State child care agencies should facilitate partnerships between family child care and home visiting programs in order to provide comprehensive support to parents and children. They should also prioritize family engagement and expand training opportunities to support family child care providers in responding to new challenges that families bring to them.

LEVERAGING MULTIPLE FUNDING STREAMS

State policymakers will need to leverage existing funds and make new investments to implement the recommendations outlined above. These upfront investments will generate significant returns as parents re-enter the workforce, children are prepared to succeed in school and beyond, and family child care businesses thrive. Here is a selection of funding streams for policymakers to consider:

- **Child Care and Development Block Grant.** The federal CARES Act provided an additional \$3.5 billion in CCDBG funding and Congress is considering another boost as part of the next relief package. In allocating these funds, states must consider the share of the child care market that family child care serves during the pandemic and the share it is expected to serve in the future. Based on this growth in the market share, states should increase CCDBG investments in family child care, building the capacity of the field to meet parent demand.
- **Early Intervention and Preschool Special Education.** These are funded through federal-state partnerships and administered differently in each state. After child care programs closed this year, caseloads dropped while children’s developmental and behavioral health challenges grew. Many children who will be returning or newly enrolled in family child care are in need of these services. States should tap these funds to strengthen partnerships between early intervention services and family child care.



- **Medicaid.** States currently have the authority to establish presumptive eligibility for Medicaid and extend coverage to essential employees. They should provide Medicaid coverage to any family child care educator who is uninsured and continues to work during the COVID-19 pandemic. States should also expand coverage to include COVID-19 testing and treatment for family child care providers and their household members.
- **Housing stabilization funds.** Concerned about mortgage foreclosures and evictions once moratoriums that are currently in place end, some states and local communities are expanding emergency funds. By prioritizing distribution of these funds to family child care providers, states can prevent not only residential, but also business displacement from low-income communities.
- **Community Economic Development.** Many states are developing new grant initiatives and some are increasing appropriations for community economic development in recognition of the financial hardship that COVID-19 has placed on small businesses. State economic development agencies are often willing to support family child care, but lack expertise with this unique business model. State early childhood leaders should collaborate with these agencies to develop initiatives that respond to the needs of family child care businesses.
- **Public-private partnerships.** A number of states and local communities have longstanding public-private partnerships that support child care and early learning. These partnerships are a good way to extend the impact of state initiatives to build family child care capacity. Where they do not already exist, they can be established to support specific projects and comprehensive plans to build robust family child care systems.

STAFFED FAMILY CHILD CARE NETWORKS

States can leverage staffed family child care networks to implement many of the policy recommendations above as they seek to meet the needs of family child care providers, children, and families during the pandemic. Staffed family child care networks have paid staff members who provide services and resources to family child care providers. Networks offer providers opportunities to develop a continuing, long-term professional relationship with a network coordinator or a family child care specialist and a place to connect with other providers, creating social networks in an otherwise isolating profession. They can be run by a number of different entities, including community-based organizations, state or city-wide initiatives, [CCR&Rs](#), social service and family support agencies, universities, Early Head Start and Head Start initiatives, and shared services alliances.⁴

When states invest in staffed family child care networks, they are investing in a critical piece of child care infrastructure to increase the supply, quality, and sustainability of family child care. If you are interested in learning more, here is a selection of resources:

⁴ Bromer, J. & Porter, T. (2017). Staffed family child care networks: A research-informed strategy for supporting high-quality family child care. Washington, DC: National Center on Early Childhood Quality Assurance, Office of Child Care, Administration for Children and Families, U.S Department of Health and Human Services.



- **All Our Kin:** [Creating the Conditions for Family Child Care to Thrive: Strategies for Increasing the Supply, Quality, and Sustainability of Family Child Care in States and Communities](#) (see page 42)
- **Bipartisan Policy Center:** [Invest in Home-Based Child Care Networks Now for the Future of Child Care](#)
- **National Center on Early Childhood Quality Assurance:** [Staffed Family Child Care Networks: A Research-Informed Strategy for Supporting High-Quality Family Child Care](#)
- **Opportunities Exchange:** [Defining Staffed Family Child Care Networks](#)

ABOUT ALL OUR KIN

All Our Kin is a nationally recognized nonprofit organization that trains, supports, and sustains family child care providers to ensure that children and families have the foundation they need to succeed in school and in life. All Our Kin's work is a triple win: child care providers succeed as early childhood educators and as business owners; working parents find stable, high-quality care for their children; and children gain an educational foundation that lays the groundwork for achievement in school and beyond. Today, All Our Kin partners with more than 900 family child care educators across Connecticut and in the Bronx; these educators are caring for more than 5,000 of our youngest children. In addition, All Our Kin offers technical assistance to agencies and communities across the country on educational coaching, business training, network development, and family child care policy. To learn more, visit www.allourkin.org or contact policy@allourkin.org.

