



# California's Family Child Care Networks: An Opportunity to Bring to Full Scale

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Family child care (FCC), a fragile system even before COVID-19 and now with issues compounded by the pandemic, is facing significant challenges. California's state-supported FCC networks, which now have a presence in 30 of the state's 58 counties, could play a critical role in sustaining FCC providers, an important source of child care for infants and toddlers as well as mixed-age groups. Although many licensed FCC homes across the state have closed during the pandemic, FCCs affiliated with networks have largely remained open, initially limited to serving children of essential workers. California is a leader in terms of providing state-supported FCC networks, some of which have existed for more than 30 years. Although at least 18 states have encouraged the expansion of FCC networks, California is one of the few that have contracted for them on a statewide basis to serve children from low-income families (Bromer & Porter, 2019).

While the California Department of Education (CDE) initially developed contracts for Family Child Care Home Education Networks (FCCHENS) using Title 5 FCC funds, additional networks have been established using Title 5 California General Child Care (CCTR) and California State Preschool Program funds. Network staff make home visits to FCC providers, coach them on child development, and support provider relationships with families. The networks also perform key business support activities, including helping to ensure full enrollment by recruiting families, determining family eligibility for the subsidy, managing subsidy payments to providers, and providing training on taxes, liability insurance, and record keeping.

The California Master Plan for Early Learning and Care (MPELC), released December 1, 2020, proposes the establishment of shared-service networks to help FCC providers and small child-care centers reduce the time spent on the business aspects of their services and free them to focus on child development and educational activities. The FCCHENS are also scheduled to be moved, along with 15 other early learning and care programs, from CDE to the California Department of Social Services (CDSS) on July 1, 2021. Based on our survey of FCC network leaders and additional in-depth interviews, many of these existing FCC networks may be prime candidates to lead or help form these hubs for shared services. This policy brief describes network characteristics, examines their strengths and challenges, and offers recommendations for network support and expansion. To access the full report on the networks and to obtain a list of the 39 networks, see <https://www.air.org/California-Family-Childcare-Network>.

## Network Characteristics

**Based on survey and interview responses, as of October 2020, there were at least 39 networks receiving FCCHEN contracts and/or other state Title 5 funds in 30 counties in California.** The state's networks fall into two general groups – those funded by state-level FCCHEN contracts using California Family Child Care Network (CFCC) funds and those supported by agencies that also have General Child Care (CTTR) or California State Preschool Program (CSPP) contracts. Los Angeles has the largest number of networks, and several other counties have more than one network. Of the 28 counties with no FCCHEN or other Title 5-supported networks, more than half are in counties with primarily rural populations where FCC may be the most feasible setting for child care because there are not enough children to support a center.

**A wide variety of agencies host California's FCC networks.** Network sponsors include private nonprofit agencies that also administer Title 5 CCTR programs, State Preschool, or California Migrant Preschool Programs (C-MIG); county offices of education; child care resource and referral agencies; school districts; and community colleges. At least one in five networks also receives Head Start or Early Head Start (EHS) funding, often in the form of EHS-Child Care Partnership grants. Smaller numbers of networks administer state Alternative Payment (AP) program or CalWORKS voucher payments.

**Three quarters of the FCC providers participating in the networks operate large FCC homes, licensed to serve as many as 14 children; these network-affiliated providers represent 10 percent of all large family child care homes in the state.** Large FCC homes, which are required to have a second caregiver to serve as an assistant, in some ways look more like small child care centers albeit with a home-like atmosphere. The networks vary considerably in the number of FCC providers they support, from six to 151 participating homes, with an average of 42.

**Networks serve a mix of age groups.** Forty-three percent of all networks in our study reported that preschool-age children were the largest age group served, with one-third (34%) indicating that infants and toddlers composed the largest age group, and the remaining 23% indicating that the majority served were school-age.

**Nearly four out of five (79%) FCC providers in each network come from the same language and cultural background as the children they serve.** On average, nearly 30 percent of providers in each network offer nontraditional-hours care, such as evening and weekend care to meet the needs of working parents.

## Network Strengths and Role in the Pandemic

Staffed family child care networks (SFCCNs), defined as organizations that offer home-based providers “a menu of quality improvement services...technical assistance, training and/or peer support by a paid staff member,” began to appear in the United States in the 1980s (Bromer & Porter, 2019). California's FCCHENs and other Title 5-supported FCC networks include some key best practice elements of SFCCNs identified in national studies, such as frequent home visiting/on-site coaching, centralized training, and provider evaluation using the Family Child Care Environment Rating Scale (FCCERS) (Bromer & Porter, 2017; 2019). All 35 networks responding to our survey considered providing assistance with quality

improvement as their network's greatest benefit. Two thirds of the network directors also reported helping to ensure full enrollment and other business support services as key network contributions.

Our survey offered some evidence that the networks helped keep FCC providers in business during the huge statewide loss of licensed homes following the Great Recession. Between 2008 and 2017, there was a 30% decline in the number of licensed FCC homes statewide, resulting in a loss of 98,000 spaces (California Child Care Resource & Referral Network, 2019; American Institutes for Research [AIR], 2019). In contrast, based on our survey of network directors, the total number of homes participating in the networks declined by 12%, far less than the overall FCC decline. Although the networks focus on services for low-income, subsidy-eligible children, some network-affiliated providers also serve children from private-pay families. However, in the current COVID-19 pandemic environment, many network respondents said the private-pay families had disappeared and that it is primarily the state-contracted payments that are keeping their providers afloat.



*Photo courtesy of Cindy Springer at the Children and Family Circle of Sonoma County*

Based on our survey conducted in April through June 2020, California's FCC networks performed a vital service during the early months of the pandemic. The networks played an active role in helping providers establish procedures to remain open to serve children of essential workers and, since June, to reopen their homes to the rest of the children they had been serving. During this critical period:

- Seventy-seven percent of the networks said at least some of their homes remained open, although they were serving fewer children. For example, a Central Valley coastal network helped all 58 FCC homes stay open during the early months of the pandemic, serving children of agricultural workers, essential workers who had no option but to continue working.
- Some networks indicated that they were receiving more requests for FCC, either because centers had closed or because school-age children of essential workers were out of school and needed care while they participated in distance learning.
- Networks provided washing stations, no-touch thermometers, hand sanitizer, paper products, gloves, and technical assistance on how to follow the state guidelines on social distancing; others offered networks a choice of cleaning supplies or a check to purchase them.
- To help keep providers free from illness while they continue to provide care during the pandemic, network staff said they dealt daily with helping providers cope with stressful situations, such as how to keep children safe and how to respond when a child's family member was exposed to the virus.
- Perhaps most important, the networks have been available to counsel and provide intangible support to FCC educators who would otherwise have been left largely on their own to deal with the stress of providing care during the pandemic.

## Network Challenges

Despite their strengths, California’s FCC networks also face some important challenges. Nineteen of the 35 responding networks said the compensation—per-child subsidy payments—they are able to provide to FCC providers from their Title 5 contracts is insufficient, and only seven FCCs considered the rate good. Partly as a result, many providers also serve children from the AP program, which offers the same or a higher rate of payment, but does not have same quality requirements as the Title 5-financed programs. As one network director stated, “Why would a provider choose to participate in a network that asks so much more than just the AP program if they were getting the same rate?”

Based on our survey, 26% of the networks say that a lack of financing for renovating or expanding FCC homes is a significant barrier to FCC expansion. Some networks have been able to access EHS or local First 5 California funds to assist with FCC home renovation. But the FCCHEN and other state contracts do not provide sufficient funds for renovations, such as fencing, establishment of safe outdoor play areas, and bathroom renovations in older homes. Funders do not generally give grants for capital improvements, and providers are reluctant to take out small business loans because their income is too unpredictable.

## Recommendations

The California Assembly’s Blue Ribbon Commission on Early Childhood Education report (2019) and the state’s Preschool Development Birth to Five Grant Needs Assessment (AIR, 2019) pointed to California’s FCCHENs as a model that may be worthy of expansion. The California MPELC (2020) recommends the establishment of shared services networks, and the FCCHENs and other Title 5-supported FCC networks and would appear to be important candidates to help fulfill this role. The following section summarizes network director recommendations for the steps necessary both to strengthen and expand the networks.

### Child Development Supports

California’s Title 5 FCCHEN elements align well with nationally recommended best practices, including the frequency of home visits (83% conducted monthly or twice monthly), emphasis on coaching, and the use of FCCERS. However, there are several areas where network child development support services need strengthening, especially in the areas of an evidence-based curriculum and more emphasis on supports for children’s health and mental health. Equally important, some requirements might be reduced without compromising quality, thereby strengthening provider recruitment.

The following recommendations address network supports in the area of child development:

- Retain and reimagine home visits, providing networks an opportunity to share best practices on how to conduct these visits virtually and prioritizing the most intensive visits to newer providers.
- Promote and facilitate the use of evidence-based curricula, with an emphasis on curricula and reflective supervision specifically oriented to serving infants, toddlers, and children in mixed-age groups; and help position network-affiliated providers serving primarily preschool-age children to apply to participate in preschool program expansion proposed by the MPELC.

- Convene FCCHEN and other FCC network directors to discuss ongoing educational assessments and use of a developmental screening tool upon a child’s initial entry into an FCC.
- Align the frequency of FCCERS assessments conducted by the networks and those administered by Quality Counts California (QCC), thereby reducing duplicative efforts, and consider making the state-supported FCC networks official members of QCC.
- Ensure that FCC providers participating in networks have opportunities for credit-bearing training to help them qualify to offer preschool programs administered in their FCC homes and convene a roundtable to examine the relevance of the Child Development Permit Matrix to the operation of both FCC homes and FCC networks and to recommend any needed modification to promote competency-based workforce development, as recommended by the MPELC.
- Create a robust health-care component, exploring the potential of FCC networks to use Medi-Cal to employ a nurse consultant (or consultants) per network to perform on-site screening; encourage vaccinations against influenza immediately; and, when it becomes available, promote the vaccine against COVID-19 (Daly Pizzo and Pizzo, 2020).
- Build on the state’s innovative Early Childhood Mental Health Consultation (ECMHC) mechanism to support FCC network-affiliated providers in serving children and families experiencing trauma and to manage challenging behaviors.
- Encourage partnerships with Head Start and EHS, facilitating higher per-child payments to providers, access to comprehensive services, and assistance with FCC home renovation; and include FCC networks currently funded exclusively by federal EHS or HS funds in the state-funded network planning.
- Convene the FCC networks on a virtual platform to share best practices on a regular basis.



*Photo courtesy of Clara Nakai at the Modesto City Schools Early Care and Education Family Child Care Network*

## Business Support Services

California has excelled in creating a contracted system of state-supported FCC networks that recruit providers, determine child and family eligibility, and manage payments to providers. Yet, network respondents to our survey ranked “difficulty recruiting quality providers” as their number one challenge. The following recommendations address how to improve the business support component of the FCC networks and thereby the appeal of network affiliation.

- Reform the rate structure to compensate providers meeting higher standards related to the educational, child observation, parent engagement, and quality assessment requirements associated with Title 5 contract standards, as well as to meet the MPELC proposed requirements for FCC inclusion in the plan’s proposed expansion of preschool for 3- and 4-year-olds.

- With input from network staff, FCC providers, and unions, the state should consider crafting a rate schedule for state-supported FCCs that ensures at least a minimum per-child payment level based on the age of the child served.
- Develop a cost model to determine the true cost of central FCC network functions, such as subsidy management, Desired Results Developmental Profile observations, training, and coaching, plus any new responsibilities that might be added in the area of health care, ECMH consultation, and business support; network expenses for home visitors and educational and health support might best be viewed as personnel, not administrative costs.
- Reduce the burden of managing payments and collecting parent fees, facilitating electronic processing of attendance sheets in order not to require in-person signatures by providers, and allowing direct deposit of payments in provider accounts; all networks should be required to collect the parent fees rather than assigning this responsibility to individual FCC providers.
- Showcase best network practices, such as policy manuals, tax advice workshops, access to small business loans, and discounts on everything from diapers to cribs and other furniture for babies. Establishment of a website featuring webinars and online information on these best practices would help networks share their innovations.
- Explore the possibility of Medi-Cal insurance for network-affiliated FCC providers, thereby helping them access a key benefit that may not otherwise be available to these independent contractors.
- Designate public funds for facility renovation and improvement for providers serving publicly subsidized children, and consider network-affiliated providers as strong candidates for these facility grants.

## Policy Options and Opportunities

California is a leader in having established statewide contracts for FCC networks serving children from low-income families. Yet, only about 10% of 11,800 large, licensed homes statewide participate and a much smaller proportion of small FCC homes. Engaging more providers within the 39 networks that already exist in 30 counties will require not only more resources to finance the care but more incentives for providers to participate. Expanding the networks to the remaining 28 counties and having them available on a statewide scale will require establishing criteria for prioritizing expansion. Based on network director input as well as a review of the literature and interviews with experts in other states, we offer the following policy options for consideration.

### Consider expanding the “tent.”

FCC provider participation in state-supported Title 5 network training benefits all of the children attending network-affiliated FCC homes, not just those who are officially enrolled in the Title 5 program. Children in network homes often include those subsidized with other public funds (e.g., the AP program, CalWORKS, and/or EHS and Head Start) and those financed exclusively by private family fees but who may have incomes only slightly higher than those of subsidized children.

Reimagining the networks and officially recognizing and investing in their broader role serving all of the children enrolled in network-affiliated homes could help them attract and support more providers. For example, Stoney (2020) recommends that networks assume the responsibility for fee collection from private-pay as well as subsidized families. Networks also could work with the California Child Care Initiative, a project run by the California Child Care Resource and Referral Network, to recruit the family, friend, and neighbor (FFN) care providers to become licensed to become network participants. The networks could offer affiliated providers assistance in obtaining health insurance benefits for themselves, improved access to health and early childhood mental health services for the children in their care, and priority for publicly funded facilities grants for FCC home renovation and improvement.

## **Consider FCCHENs and other FCC networks as prime candidates to help form hubs for shared services.**

In California, the 39 FCCHENs and other state-supported FCC networks already assist FCC providers with determining eligibility for subsidized care, managing payments to providers, and, in most cases, collecting family fees. Some networks have developed electronic submission and review of documentation, thereby speeding up payments to providers and reducing the time that providers have to spend on record keeping. Many of the state's FCC networks may be prime candidates for consideration to serve as these hubs for shared services. All of the FCC networks have lessons to share and help inform the development of new or expanded networks.

## **Develop priorities for moving to scale.**

Findings from the study suggest that research on several criteria could help establish a plan for expanding FCC networks to the remaining counties. These include:

- Estimates of the unmet need for infant and toddler, preschool, and school-age care by ZIP code and county from the Early Learning Needs Assessment Tool (ELNAT; [www.elneedsassessment.org](http://www.elneedsassessment.org)) and Local Child Care Planning Councils; and
- Consultation with California Child Care Initiative Project representatives on estimates of the number of FFN providers by county who might be interested in becoming licensed providers and network participants.

## **Conclusion**

California's FCCHENs and the more recent networks established with Title 5 center-based and State Preschool funds offer a strong framework for supporting FCCs at a critical time, when many families are working closer to home and seek neighborhood-based child-care arrangements. Expanding access to make networks available in all counties and to more providers within counties will require additional resources but could go a long way toward increasing the sustainability of FCCs and the health, education, and safety of the children in their care.

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