



## STAFFED FAMILY CHILD CARE NETWORKS CAN NAVIGATE A NEW WORLD ORDER

By Louise Stoney

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Small child care settings in homes and community locations are positioned to play a unique role in leading our nation through the coronavirus threat, due to their capacity to quickly respond to the child care needs of essential workers and provide care in many small locations on a flexible schedule. But, even under normal circumstances, these small home- and community-based programs are among the most economically fragile businesses in our economy.

The National Women's Law Center (NWLC) recently released an excellent [fact sheet](#) that identifies key steps to improve financial security for home-based providers during the crisis. These recommendations are on point and should be funded. However, they will be extremely difficult to administer with the tens of thousands of small child care businesses nationally. Government systems are not positioned to financially support (which means, at minimum, contract with, make payments to, or collect data from) these small, independent, and often low-tech businesses in an efficient, effective or timely manner. If, however, we embrace this challenge as an opportunity to build sustainable provider-based systems, rescue efforts could have a lasting impact in years to come.

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sustainable, high-quality early care and education via an approach we call **Shared Services**, which is essentially ‘system-building at the provider level’. Our work has led us to a deep understanding that sustainability requires both business leadership and pedagogical leadership. Staffed Family Child Care Networks are a form of Shared Services however to date most networks focus primarily on pedagogical leadership and have had little success building the administrative and fiscal supports needed to shore up this isolated and fragile sector of the industry.

A Shared Services framework offers opportunities to re-imagine what is possible and, in this time of deep crisis, consider responses that both address immediate needs and look to the future. Let’s view the recent NWLCC recommendations through this lens and consider ways that a Staffed Family Child Care Network (SFCCN) could enable implementation of these ideas.

## NWLCC RECOMMENDATION:

### Provide new grants to home-based providers, and help them access any grants currently available for small businesses

Administering grants to many small home-based businesses with little experience applying for funding or capacity to manage accountability paperwork will be challenging for both public and private funders. However, a SFCCN can serve as the intermediary, negotiating with public and private funders to effectively administer short-term emergency child care funding to a network of home-based providers. Additionally, SFCCN can serve as a much-needed liaison to other grant and loan opportunities for small businesses, helping participating providers learn about and apply for funding from the Small Business Administration as well as state and local economic development entities.

## NWLCC RECOMMENDATION:

### Provide continued income to home-based providers

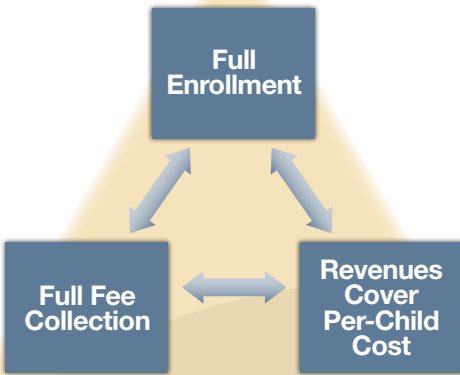
Short-term grants and bridge loans can help address immediate needs in a crisis. But they will not ensure long-term sustainability unless structured to do so. To be sustainable, an ECE business must effectively manage the **Iron Triangle of ECE Finance**: full enrollment (every space, every day), full fee collection (for every child, every day), and tuition prices (or public reimbursement in lieu of tuition + private fundraising) that cover costs. The Iron Triangle is simple to understand, but nearly impossible to consistently and successfully implement—especially if you are a one-person business operating a 10-12-hour daily operation like a family child care home.

SFCCN can help. These provider networks could not only administer short-term emergency funding to a network of home-based providers, but also provide the on-going business and technology supports home-based providers need to effectively manage the **Iron Triangle of ECE Finance** and re-build their businesses in ways that provide a decent living over time.

Focus on the business side of home-based child care is so rare that we must ‘guesstimate’ likely provider income using five-year old self report data that suggests \$29,000 as the average annual home-based provider **revenue**. If these data are even close to accurate it’s not surprising that the supply of regulated home-based care has plummeted. We can do better.

Pioneers in Shared Services are learning that with strong management of the Iron Triangle home-based providers can earn a decent living and—even more important—find satisfaction and worth in their jobs. These results will require more than business training but a careful and consistent focus on the bottom line—especially in the current state of emergency. SFCCN services must include fiscal management technology support, but strategies could vary, including the following examples:

- business training linked to help with on-boarding and launch of business management technology (typically called Child Care Management Software) such as Kidkare;
- partnership with a virtual company like Wonderschool, WeeCare, MyVillage, and others, who manage business functions on behalf of participating providers using Smart Phone technology;
- strategic support for financial record keeping and tax preparation, which can make a significant difference in provider annual income.





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#### **NWLCC RECOMMENDATION:**

##### **Issue nationwide halt to evictions and utility cut-offs**

National policy leadership on evictions, mortgage or utility forbearance is essential. However, securing these benefits for child care providers will require case-by-case negotiations with landlords, banks and utility companies. This sort of negotiation requires skill, is typically conducted during week-day business hours, and is likely difficult for home-based providers to do on their own, however a SFCCN could provide vital assistance and leadership in securing assistance, including securing shared legal support if needed.

#### **NWLCC RECOMMENDATION:**

##### **Purchase cleaning materials for home-based providers, including ample supply of thermometers**

At this moment in time, securing needed health-related supplies is extremely difficult. Expecting providers to do so one-one-one is not only a waste of precious time but likely futile. The Shared Services movement has created a national website ([www.ecesharedresources.com](http://www.ecesharedresources.com)) to support bulk purchasing for the field. The site is currently available in more than 30 states and already includes discounts on a host of products and services for the ECE sector. Access to the site could be expanded, and participation made free in all states. Funders could make it possible for SFCCNs to participate in bulk purchasing via membership in Shared Services on the web and could ‘pre-pay’ for items in shopping carts, which are then delivered to providers’ homes. A unique opportunity would be to craft an agreement for bulk purchase of **smart thermometers** that link to a digital data base where temperature data could be aggregated and used to track emerging infections and inform practice.

#### **NWLCC RECOMMENDATION:**

##### **Make online training, coaching, and written materials available**

Many SFCCNs have a host of training, coaching and written materials however few are using technology extensively or wisely. This can change. We have the national capacity to forge strategic partnerships between SFCCNs and technology companies to make all of these resources available on the web. Additionally, these partnerships can help ensure that every home-based provider has access to the hardware (smart phones, iPads, laptops) they need as well as affordable and reliable internet access. This process has already begun, spawned by the national Shared Services movement website [www.ecesharedresources.com](http://www.ecesharedresources.com) which currently includes a Family Child Care Toolkit, in English and Spanish, along with over 3,500 tools and resources. SFCCNs could use customized versions of the website to deepen their work and quickly link providers to available on-line training and coaching as well as resources on relevant health practices, rules, regulations, forms, procedures and more.

#### **NWLCC RECOMMENDATION:**

##### **Offer home-based providers access to public health and mental health advice**

SFCCNs can play a crucial role in providing vital health and mental health support to providers as well as the children and families they serve—especially now in this national emergency. A few Shared Service Alliances and family child care networks have demonstrated capacity to pool resources and collectively hire health care support staff, such as an in-house Certified Nurse Assistant to provide guidance and support. This work could rapidly expand. Additionally, Shared Services on the web ([www.ecesharedresources.com](http://www.ecesharedresources.com)) includes an e-therapy option that could be expanded and funded to meet unique needs during this crisis.

#### **NWLCC RECOMMENDATION:**

##### **Ensure home-based providers have access to health insurance**

Although securing affordable health insurance for self-employed individuals is an extremely expensive undertaking, SFCCNs, like Shared Service Alliances, can play a unique role in helping providers understand, navigate and access supports that are available and affordable. These include care purchased through [Healthcare.gov](http://Healthcare.gov) (the Affordable Care Act) and tele-medicine options. Indeed, Shared Services on the web ([www.ecesharedresources.com](http://www.ecesharedresources.com)) currently includes an affordable “Docs by Phone” offering that could help meet unique needs during this crisis.



## NWLCC RECOMMENDATION:

### Fund state or local agencies to keep track of child care programs that have available slots

OppEx recently coordinated a [webinar](#) that highlights one of several partnerships between software vendors, other technology firms, public agencies, and child care provider networks. These new partnerships make it possible to pull data from myriad sources into one protected, shared database that can quickly identify available slots (by age of child and precise location) in near real time and make sure that first responders can find the care they need. Even more importantly, this emergency infrastructure can pave the way for much-needed, accurate supply-chain data so that, as we re-build the ECE system after the crisis, we are crafting [systems that support success](#). SFCCNs can be a vital part of this solution if they have the technology links needed to effectively track available slots and use these data bases to support management of the [Iron Triangle of ECE Finance](#).

SFCCNs were referenced as a 'promising practice' in 2016 federal guidelines for the Child Care and Development Fund. More recently, in the Erikson Institute 2019 report, [Mapping the Family Child Care Network Landscape](#), the authors identify and catalog the basic characteristics of 150+ SFCCNs in the U.S. These networks provide a range of services and supports to providers, including professional development, coaching visits and access to resources, however, as mentioned above, only a handful reported offering ongoing business and administrative services to eliminate provider time spent on these tasks, and almost none of them were able to effectively support management of the [Iron Triangle of ECE Finance](#).

[Home Grown](#), a collaborative of funders working to increase access to and the quality of home-based child care, has focused on Staffed Family Child Care Networks as a key strategy to strengthen the quality and sustainability of home-based child care. To address the unique needs of this sector in the COVID-19 crisis, Home Grown will soon release a Home-Based Child Care Emergency Fund Toolkit. The Toolkit is designed to support local communities in quickly establishing, disbursing, and tracking the impact of Emergency Funds. Guidance offered in the Toolkit includes the use of intermediaries to administer emergency funds to providers, and SFCCNs are uniquely qualified to fulfill this role.

Combining wise council from the National Women's Law Center, learned experience and resources from Opportunities Exchange, and support from funders engaged in the Home Grown collaboration could pave the way for a new world. Let's seize this opportunity now. 