GETTING STARTED: OVERVIEW

BACKGROUND

In the U.S., millions of young children are cared for in home-based child care; for infants and toddlers, home-based care is the most utilized setting. In recent years, states have experienced a decline in the number of licensed or regulated home-based providers, (13% decline from 2008-2011 and 11% decline from 2014-2015[1]). While a number of factors contribute to the loss of home-based care settings, including expanded regulatory requirements, we believe that a key reason for the decline is a weak business model that results in inadequate income for the provider owner, coupled with isolation that increases stress and reduces job satisfaction.

Staffed family child care networks (SFCCNs) are referenced as a 'promising practice' in 2016 federal guidelines for the Child Care and Development Fund, and represent efforts to address this concern. While many quality initiatives are referred to as networks, Opportunities Exchange defines SFCCN as "a network of providers that share the cost of both business and pedagogical leadership, with the common goal of increasing earnings, sustainability, quality and working conditions among participating home-based businesses." The design of each SFCCN is unique to its participants, but all share the goal of strengthening business and pedagogical leadership across participating sites, by creating structures that enable sharing of expertise, information and resources.

The process of starting a SFCCN can seem daunting. What should be done first? How long does it take? Who should get involved? How can one ensure long-term sustainability? The purpose of this guide is to provide potential SFCCN stakeholders – Network Hub organizations, family child care providers, funders, and intermediary organizations – with a general outline of the work required to develop a SFCCN.

What benefit does a Staffed Family Child Care Network offer to FCC providers?
In the 2019 Erikson Institute 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. Only a handful however, reported offering ongoing business and administrative services to reduce provider time spent on these tasks, and almost none of them were able to effectively address the problem of inadequate earnings. Revenue boosting strategies can be summarized in the Iron Triangle of Finance, defined as: full enrollment (every space, every day), full fee collection (for every child, every day), and revenue sufficient to sustain a living wage. The concept is a simple to understand, but

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[1] https://www.acf.hhs.gov/sites/default/files/occ/occ_fcc_brief.pdf

nearly impossible to consistently and successfully implement—especially if you are a one-person business operating 10-12-hours/day.
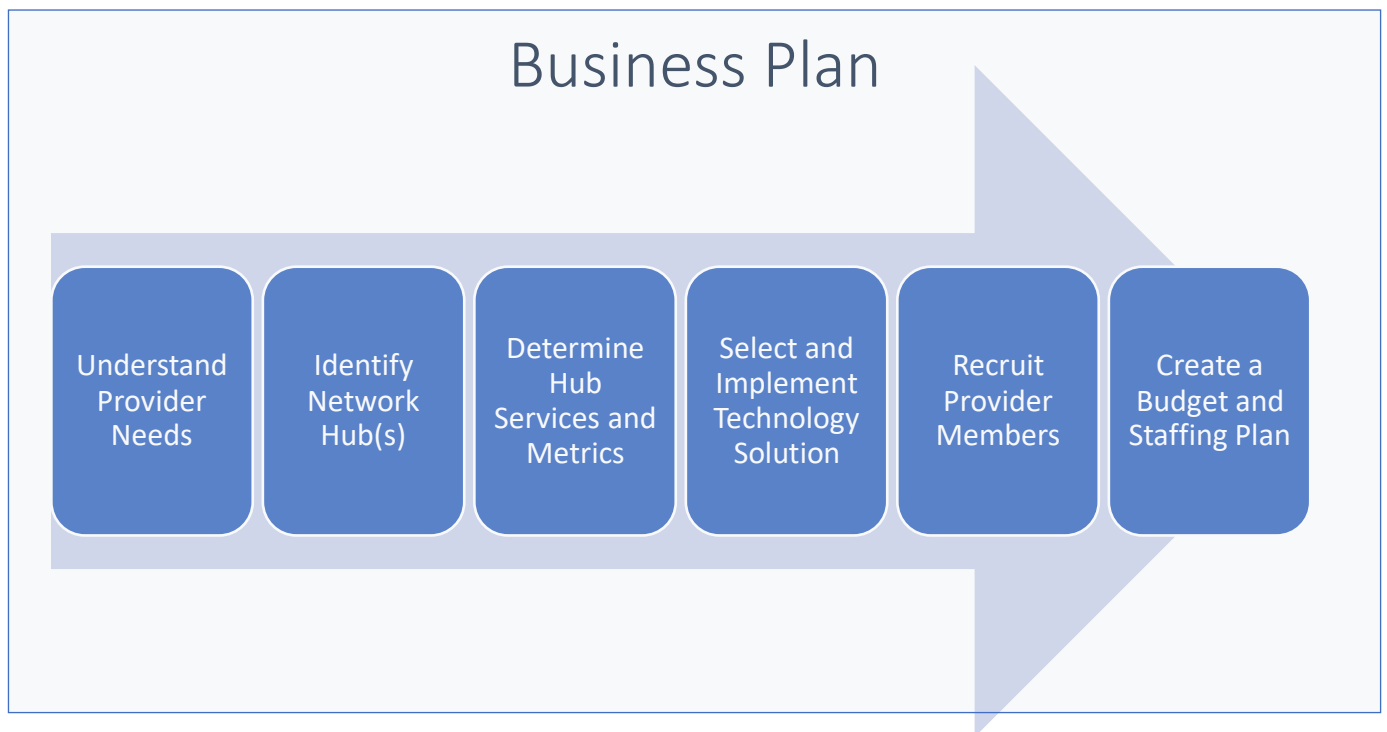
Typically, Family Child Care Networks have focused on peer learning, training, and quality improvement. The definition of SFCCNs used throughout this document includes the assumption that both business and pedagogical leadership services are provided to FCC members, ideally at high levels of intensity. The limited focus on business leadership found in the Erikson report is striking, and cause for concern given the link between program quality and business sustainability as well as the growing need to address a shrinking supply of home-based providers. The report states,

"although research does not typically include business sustainability as an aspect of quality, a recent conceptual model of quality in HBCC (Blasberg et al., forthcoming) identifies managing a child care business as a foundational quality element, and there is emerging consensus around this notion. SFCCNs can help.

What is a Network Hub and what does it do?
A Network Hub is an entity that provides one or more services to SFCCN members. The Hub could be a large ECE center, a Resource and Referral agency, or another intermediary or social service organization. While SFCCNs may be planned and launched with private and public start-up funding, the long-term goal is to ensure sustainability via a mix of stable third-party funding and fees paid by FCC provider members. To ensure that the fees members pay for participating in a SFCCN are more than offset by the savings/revenue generated, SFCCN services must be delivered in a cost-effective way. Network Hubs can offer a range of shared services to their members, such as: marketing + enrollment; invoicing + tuition collection; automation + technology support; accounting + tax preparation support; quality assurance + improvement; coaching/PD/Scholarships; child assessments + screening; and more. Network Hubs can also help raise third party funding needed to help support comprehensive services for children and families as well as to boost provider compensation and professional qualifications via participation in federal and state programs like Head Start/Early Head Start, PreK and more.

Recognizing that every group and every community are different, the work to develop a SFCCN usually involves the steps listed in the graphic below. As you move through these steps, you will be building all of the elements in a "Business Plan"; a document that will help you share the work with organizational leaders, funders, policy makers, and other ECE stakeholders.

Business Plan

| Understand Provider Needs | Identify Network Hub(s) | Determine Hub Services and Metrics | Select and Implement Technology Solution | Recruit Provider Members | Create a Budget and Staffing Plan |

While all of these steps are necessary, they can occur in parallel and/or in a different order. Experience has shown that identifying a central Network Hub is a critical step early in the process. It is also important to involve potential funders in SFCCN development early on, in order to maximize their understanding of and commitment to the strategy.

The amount of time required to start a SFCCN varies based on the many factors that make each community unique. It is likely to take at least 6 – 12 months from the time that a decision is made to pursue SFCCN development and funding is secured, until the Network is launched. Depending on who is involved, and the extent of services offered the business planning process and launch could take much longer.