Building Technology Infrastructure to Transform Child Care: The Overlooked Potential of APIs for Child Care Subsidy

Executive Summary

Opportunities Exchange and Promise Venture Studio seek to build a national framework to help states open APIs to their child care subsidy systems through the following:

1. Define an initial framework to help states open APIs, including data fields, high level technical scoping, and an initial analysis of key policy, regulatory, and market issues.
2. Research key questions about the technical scope, budget, regulatory issues, and market forces relevant to creating and implementing this framework.
3. Create deliverables to share these findings with public and private stakeholders.

Automation is crucial to the financial sustainability and effectiveness of the early care and education sector - and thus for the future of low-income children. While there are a host of new technology tools and resources available to early care and education programs, these resources are underutilized and rarely reach the communities that need them most. Without systems that intentionally link the automated Child Management Systems providers use on a daily basis to subsidy billing and reporting, providers must collect and enter data multiple times in multiple systems. The result is increased errors in attendance and payment - errors that not only cause serious problems for both providers and state agency staff, but also have a chilling effect on uptake of automation by providers.

We can solve this problem by enabling Child Care Management Systems to transfer data (through API’s) into state systems that track child/family information and reimburse providers for care. OppEx and Promise Venture Studio are keenly interested in working with government agencies to make automated systems work. A first step is to gain a deeper understanding of the technical requirements, considerations and constraints imposed on policymakers, providers, families and private sector software vendors.

These APIs are a crucial step in accomplishing several time-sensitive goals for the early care and education field, including:

1. Increasing access to care for the 85% of eligible children not currently enrolled in the subsidy.
2. Bringing business automation - and thus a pathway to profitability - to the most under-resourced segments of the early care and education market, including family child care providers and providers in low-income communities.
3. Preserving and expanding disappearing care options for infants and toddlers.
4. Helping low-income women of color remain in the sector, a goal with implications for child outcomes, equity, and economic development.

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1 Application Program Interface (API) is a bridge that allows the transfer of data between systems. For this purpose, child care providers who use Child Care Management Systems (CCMS) to manage program operations, AND who are required to report child enrollment/attendance data to be reimbursed from the state subsidy system, need these systems to transfer data in order to avoid duplication of effort.