



# CCDF Policy and Investment Recommendations for States

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## SECTION 1

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# CCDF Policy and Investment Recommendations for States

Despite being severely under-resourced and under-recognized, **home-based child care has been the most resilient child care option during the pandemic**; approximately two thirds of home-based providers continued to offer care primarily to essential workers. **HBCC providers include licensed family child care, family child care that might be exempt from licensure, as well as license-exempt family, friend and neighbor providers.** Current relief funding and regulatory flexibility offer states important opportunities to reinforce this essential element of the early childhood education landscape.

This resource, a revised set of recommendations first published in April 2020<sup>1</sup>, offers ideas and suggestions for states to consider as they prioritize stabilizing the supply of HBCC.

COVID-19 has created an unprecedented set of challenges for providers, which vary based on a myriad of factors, such as: open/closure status; licensure status; quality level; enrollment; regional and local regulation; provider and provider family member health status; HBCC age, race, and ethnicity; HBCC business legal structure; business assets and liabilities; and funding diversification. For HBCC providers the pandemic has impacted them both personally and professionally. Most HBCC providers are the only person caring for the children and running their business. This one person needs to balance education, business management, and daily facility cleaning - as a result they are often stretched thin under even the best of circumstances.

Existing CCDF Regulations, along with the additional federal investment and the flexibilities to reach families and child care providers, make it possible to consider the creative ways to invest in HBCC in each state. Investment is needed to:

- Replace lost revenue due to closure or enrollment reduction.
- Support new expenses that result from the crisis (materials, supplies, facilities renovation or enhancement, services, staff supports).
- Support providers in enabling paid leave for assistants and/or paying substitutes.
- Ensure the stability of providers to maintain operations by maintaining homes (ownership or leases).

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<sup>1</sup> Home Grown. (2020). [Child Care Development Fund Recommendations: A Supplement to the State Leadership and Administrator Resource Guide.](#)

- Support regular expenses that can no longer be afforded, such as utilities.
- Improve compensation for providers serving families of essential personnel, particularly those in the healthcare sector where the risks to providers are higher (i.e., hazard pay).
- Purchase materials or access supports to shift to serve new populations (children of essential personnel, school age children).

CCDF funds come with state choices on family eligibility, child care program participation and payment to child care programs, and the standards and procedures for **licensing, subsidy, and quality initiatives**. Home Grown offers these recommendations for leveraging CCDF in the short-term for HBCC providers and the families counting on them as we face this crisis together.

## SECTION 2

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# Child Care Assistance Policies

The relief package includes flexibility that also extends to providers not currently in the CCDF program and this is a crucial opportunity to invest in providers who do not enroll subsidized families currently. The majority of child care settings do not currently enroll families who pay with subsidy for a variety of reasons including its limited reach in ordinary (pre-COVID) time.

We recommend states:

- Increase subsidy payment rates to HBCC providers (based on quality cost models) *and* supplement with flexible grants to support crisis-related increased costs such as wages, the purchase of food, and extra supplies.
- Provide grants to CCDF and non-CCDF HBCC programs to support wages, the purchase of food and extra supplies, and to compensate for the risk and effort of operating during the pandemic, whether they stayed open or temporarily closed.
- Pay HBCC providers based on enrollment, not attendance, for the duration of the public health crisis, whether they stayed open or temporarily closed.
- Cover parents' child care subsidy co-payments for those who request it due to impacts from COVID-19.
- Expand family eligibility for subsidy to ensure that essential workers can access the HBCC of their choice and to promote economic rebuilding.

We advise states to consider investments in practices and procedures to make the subsidy program stronger:

- Extend recertification timelines so that subsidy child care service will not be interrupted for parents.

- Expedite processes for families and HBCC. States should eliminate or reduce paperwork, phone calls or other administrative burden on families, providers, and state staff and contracted partners. This includes daily counts of absent days.
- Ensure payment practices to providers are fair and accountable: timely and accurate payment, presumptive eligibility so that families can enroll immediately, and providers can be paid while paperwork is processed, and timely communication.
- Provide support needed for license-exempt HBCC during the COVID-19 crisis and open access to supports, funding, guidance, and technical assistance to license-exempt HBCC, whether or not they participate in CCDF.
- Ensure that any regulations, processes, and materials are accessible, easy to use and translated into many languages.
- Pilot a contract model as a complement to the voucher approach, to enroll families rapidly in an expanded supply of child care and invest in the HBCC providers in the area for the full cost of care including wages for the provider.

The contract approach can work with HBCC! How? States can implement a contract model for HBCC through a family child care network or other hub organization in the community to administer it. Investing in the contract approach can [stabilize child care](#) supply in an area while also investing in the child care workforce. Contracts can be for any age from infants through 12, or targeted to a high-need group like infants, or school-age.

## SECTION 3

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# Licensing

We encourage states to consider how their policies and procedures can provide support to HBCC to maintain health and safety. States make their own decisions about which HBCC programs are licensed and which are exempt from licensure, and states decide the specific content of regulations or standards. These decisions are still important during the crisis and during the recovery and rebuilding efforts.

We recommend states:

- Assess current and/or emergency requirements for HBCC ratio and group size and consider compensation to ensure providers can operate at enrollment levels. Additionally, we urge states to consider:
  - CDC guidance for child care programs
  - State/local health department-recommended or required group size limits
  - The provider's own children (not all states include children related to the provider in the group size count, but should now)

- Demand for school-age children while school buildings are closed, and the demand for virtual learning access.

Refer to Caring for Our Children and Family Child Care Accreditation standards to ensure that regulations are feasible in a home setting and address:

- Ratio and group size
- Supervision
- Positive discipline
- Opportunities for quiet play and active play suitable to the developmental levels and abilities of each child
- General safety of and additional cleaning of the home environment
- Safe and healthy practices – handwashing, food preparation and food service, current in first aid and CPR, for instance
- Sleep practices
- Emergency preparation
- Health screening

We recommend that states provide relief for fees for background checks, which includes a check of every adult living at the home. We advise states to ensure efficient procedures for collecting and processing background checks to return approvals or questions quickly.

We advise states to consider investments in practices and procedures as well:

- Conducting virtual approaches to inspection, including a desk review and a phone call, a video conference licensing visit, and/or hybrid approaches if tools and internet access are reliable. Consider ways to build trust and comfort when going to a provider's home, whether in-person or virtually. Prior to the visit let the provider know what to expect and how the visit will proceed.
- Offering virtual approaches to continue support from state staff and contracted partners (child care resource and referral, for instance) around licensing compliance.
- Waiving licensing renewal fees during this period and adjusting fees afterward as programs return to ordinary operations and face financial hardship.
- Preparing to support closed providers to re-open promptly when the COVID-19 crisis is over. This may include coordination with other agencies making funds available to HBCC through subsidy or other grants and opportunities during the closure period and after.
- Minimizing paperwork required of providers and state staff/contracted partners.
- Ensuring that procedures and expectations are clear, accessible, and materials are available in languages in addition to English. Bilingual staff are crucial as well.

## SECTION 4

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# Supporting Quality

Predictors of quality in family child care include licensing, professional support, training, financial resources, and provider experience. Participation in staffed family child care networks can promote quality and ensure access to quality supports.

The small group settings that are possible in HBCC also offer consistent routine and reliable relationships may be even more crucial now as we seek to reduce community spread of COVID-19 while still providing child care for working families and meeting the need for children to be safe and developmentally on track. Consistent access to their trusted child care provider may be crucial to mitigating the stress of this public health crisis and the economic and other stressors on families.

We recommend states:

- Review regular practices and procedures for a Quality Rating and Improvement System (QRIS) in light of social distancing practices to assess whether certain practices remain appropriate given current public health needs. States should clearly communicate with QRIS staff as well as HBCC providers about how these practices should be handled for the duration of the pandemic. Implement or continue virtual supports to take the place of in person technical assistance, coaching or mentoring that is regularly needed and offered. States and contracted partners (child care resources and referral, for instance) should continue to offer support to HBCC.
- If QRIS or other quality initiatives involve grants to providers, states should continue to pay those to providers during the crisis, even if the program is temporarily closed. This investment is crucial to providers' well-being and will contribute to their ability to stay open or re-open.
- States and partners offer a variety of supports to HBCC even outside of the QRIS. These supports should continue in virtual formats, considering the accessibility challenges and limited technology that providers might face.
- Some training may lend itself to online formats, but not all providers will have access online. States should continue to make data-informed decisions to meet the training needs and accessibility challenges of providers. Any deadlines for clock hours and paperwork should continue to be deferred.
- Coaches, mentors, trainers, and partners have crucial relationships with individual HBCC providers. In addition, they rely on peer networks to support quality improvement practices. States should reinforce and maintain these networks and relationships.
- Address the technological needs of HBCC to access virtual support (internet access, hardware devices, etc.).
- Use flexible grant programs to provide additional support for HBCC.<sup>2</sup>

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<sup>2</sup>See Home Grown's [Stabilization Fund Strategies: Using Federal Child Care Dollars to Reach Home-Based Child Care Providers \(2021\)](#).

## SECTION 5

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# Engage HBCC in the Policy and Investment Choices

Include stakeholders in the goal-setting process, and in the identification of uses of funds and equitable distribution. Timely and effective communication will be critical to getting the word out about and ensuring the participation of the providers who need it most. It is critical to help providers navigate information and support them to engage in the opportunities available to them.

- Consider what you know about the caregivers and providers and how to best communicate with them.
- Engage your network to use the right terminology and language.
- Translate materials into other languages and provide support to providers in their home language.
- Engage local press to promote the relief funding program to gain momentum around policy changes.

### Considerations for Family, Friend, and Neighbor Caregivers

The strongest approach to providing support to this population is to partner with a trusted intermediary organization that can purchase and deliver either gift cards or products to FFN caregivers. In addition to having trusting relationships to successfully engage caregivers, these organizations can bulk purchase and negotiate bulk discounts on behalf of caregivers. Please note, that depending on your community, many of these strategies may be relevant and helpful to licensed FCC providers as well.

## ACKNOWLEDGMENTS

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### About Home Grown

Home Grown is a national collaboration of philanthropic leaders committed to improving the quality of and access to home-based child care. We use numerous strategies to better understand and support various forms of home-based child care including regulated family child care, regulation-exempt care, and family, friend and neighbor care. Learn more on our [website](#).