



## Introduction

Every day millions of children are cared for in home-based or family child care (FCC)—child care provided within a caregiver’s home. In fact, out of nearly 11 million young children with working mothers, 40 percent spent more time in family child care than in any other child care setting.<sup>1</sup> These settings might or might not be regulated by a State or Territory. States vary in the rules they set for licensed family child care, including how many children can be cared for in a home without being licensed. Nationally, about one in four children (24 percent) receiving child care funded by the Child Care and Development Fund (CCDF) program are cared for in family child care. In 21 States and Territories, 30 percent or more of children receiving CCDF program funds are in family child care.\*

Family child care is a critical component of the national child care system. The 2014 reauthorization of the Child Care and Development Block Grant (CCDBG) Act revised the objectives of the CCDF program. The law now emphasizes improvement in the overall quality of child care services and programs and calls for an increase in the number and percentage of low-income children in high-quality child care. To achieve these goals, we need to renew support for building the supply of high-quality family child care.

## What Is High-Quality Family Child Care?

High-quality family child care offers many unique features, such as more individualized and responsive care in smaller group settings and a warm, nurturing, and familiar environment for children. High-quality child care is determined by program quality and not by the type of child care setting. Research has identified predictors of quality in family child care, which include licensing, professional support, training, financial resources, and provider experience.<sup>2</sup> High-quality family child care has been linked to improvements in children’s cognitive, social-emotional, and physical development.<sup>3</sup> Although licensing rules for family child care in States often do not reflect high-quality standards, FCC providers can exceed these minimum expectations and can provide high-quality care and early learning experiences for children. The Early Head Start (EHS)-family child care model (as explained in the text box below), for example, has been shown to provide high-quality care for young children.<sup>4</sup>

### Did You Know?

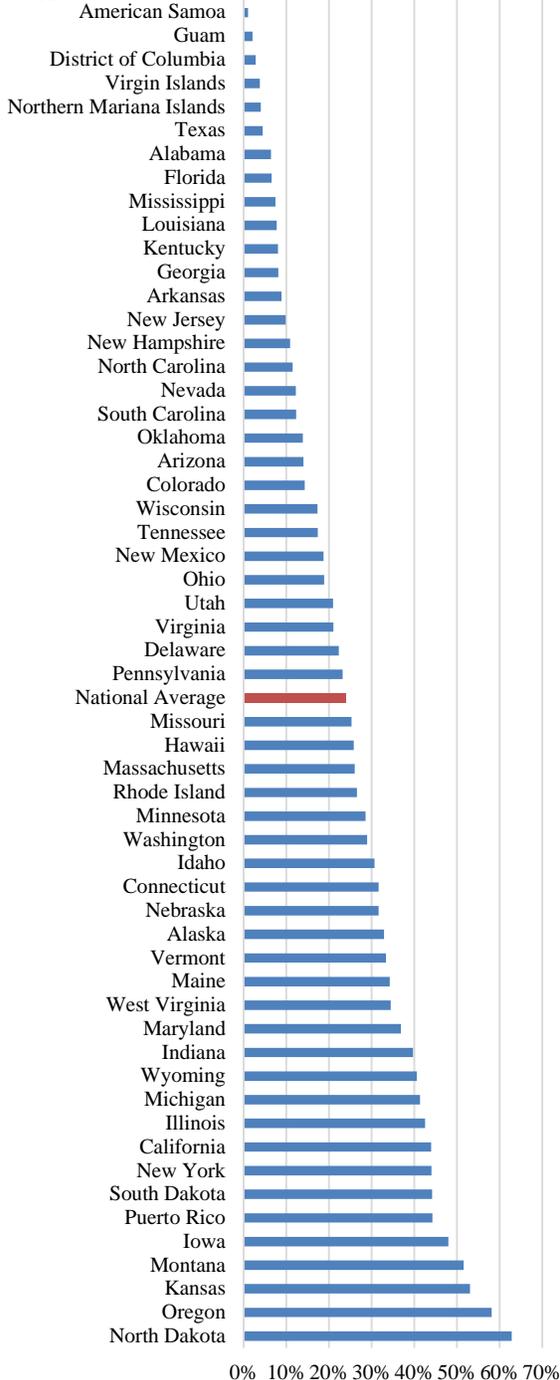
- Approximately **1 million** paid providers care for children in a home.
- Approximately **3 million** children, birth to age five, are cared for by paid providers in a home.
- **118,000** home-based providers are licensed, regulated, license-exempt, or registered and known to States.

*(National Study of Early Childhood Education; NSECE  
<http://www.acf.hhs.gov/programs/opre/resource/fact-sheet-who-is-providing-home-based-early-care-and-education>)*

\* Those States and Territories are Alaska, California, Connecticut, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Michigan, Missouri, Nebraska, New York, North Dakota, Oregon, Puerto Rico, South Dakota, Vermont and Wyoming.

**Average Monthly Percentages of Children Served by Family Child Care Home Providers (CCDF - Preliminary FY2014)**

Notes applicable to this table:



**Who Uses Family Child Care?**

Millions of families prefer FCC settings. This fact is particularly true for families with infants and toddlers, those living in rural communities, and families from diverse cultural and linguistic backgrounds. Infants and toddlers are more likely than children of other ages to be in FCC settings. FCC providers care for 27 percent of infants younger than age 1, and 24 percent of toddlers ages 1–3, in CCDF-supported child care. In geographic areas, such as rural communities where child care options are limited, home-based care fills a critical need for families.

**Why Do Parents Choose Family Child Care?**

Parents may choose family child care for many reasons, such as it being more affordable. Often, FCC providers offer flexibility for parents with nonstandard work hours or variable work schedules, which are common among low-wage workers. Additionally, family child care can allow siblings to be cared for in the same setting, and caregivers might share the family’s home language or cultural background.

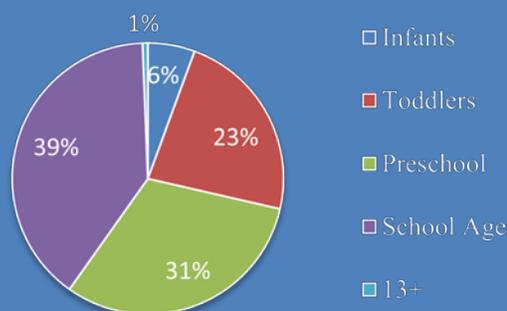
**What Rules Apply to Family Child Care?**

Family child care looks different across the country, as each State sets its own licensing requirements. Providers in home-based settings can be licensed or regulated by the State. Others, such as relatives, can be legally exempt from licensing. Often, the licensing requirement is linked to a minimum number of children in care before licensing is required. Most States set that licensing threshold at three or four children. Ten States require FCC homes to be licensed if the provider cares for one or more unrelated children, and 15 States set the licensing threshold at five or more children. Two States do not license family child care.<sup>5</sup>

## FCC and CCDF

- Over **222,100** providers cared for children receiving CCDF subsidies during FY2014

### Age Distribution of CCDF Children Cared for in FCC



(ACF-801 preliminary data for FY 2014)

## **Is There an Adequate Supply of High-Quality Family Child Care?**

In recent years, States have experienced a decline in the number of licensed or regulated FCC providers. There was a 13-percent decline in the number of licensed or regulated FCC providers from 2008 to 2011 and, according to Child Care Aware, an additional 11-percent decline from 2014 to 2015.<sup>6</sup> Similarly, the number of FCC providers caring for children receiving CCDF program funds has steadily declined since 2000.<sup>†</sup> The reasons for these declines have not been fully studied and remain unclear. Reversing this trend is critical to ensuring that the CCDF program provides access to high-quality care in the full range of child care settings. Many children remain in home-based child care settings that are not licensed and are not subject to health and safety requirements. These providers might not have access to quality initiatives or the necessary supports to help them become licensed.

## **What Is Needed To Increase the Supply of High-Quality Family Child Care?**

To meet higher quality standards, FCC providers need support and resources.<sup>7</sup> Higher payment rates enable providers to purchase appropriate materials and supplies, meet quality standards, and operate a stable business. Research suggests that coaching, mentoring, and other relational approaches to training and professional development (PD) efforts are promising strategies in improving quality in FCC settings.<sup>8</sup> This support is particularly important, as FCC providers can be isolated and have limited access to information, training, and resources on quality child care or quality improvement opportunities. FCC providers have limited flexibility to attend trainings and to benefit from onsite support, and they can find it difficult to attend offsite trainings during the day when they are providing care to children with little or no backup staffing support.

Staffed FCC networks can play an important role in improving the quality of family child care. Networks are funded programs that provide quality improvement supports and services to FCC providers through network staff with education and expertise in working with such providers.<sup>9</sup> FCC networks can offer PD, peer support, fiscal and operational oversight, and efficiencies of scale for FCC providers. Participation in a staffed FCC network has been associated with higher quality care. In particular, one study showed that the specialized training and experience of the network personnel, the use of a formal quality assessment tool, frequent visits focused on caregiving, and onsite training had the greatest impact on FCC quality.<sup>10</sup>

## **How Will the New CCDBG Law Affect Family Child Care?**

<sup>†</sup> The number of child care providers caring for children who receive CCDF program funds has declined since 2000. All types of care have seen a decline, with the largest decline occurring in family child care.

The new CCDBG law requires all providers receiving CCDF program funds to have basic health and safety training, receive annual inspections, and undergo background checks.<sup>‡</sup> FCC providers need support to meet new requirements, including sufficient payment rates, to ensure that families receiving CCDF program funds continue to have access to the full range of child care settings. The new law also requires States to establish a progression of PD activities to improve the knowledge and skills of CCDF providers; this opportunity can greatly benefit FCC providers. The law requires lead agencies to consider the cost of providing higher quality child care when setting rates, which is an opportunity to reward providers who meet higher standards.

CCDF grantees can support quality family child care through multiple strategies. States, Territories, and Tribes can directly fund FCC networks, including by contracting directly with networks for high-quality child care slots. They can also motivate participation in staffed networks or other quality initiatives through higher payment rates. Existing networks or associations of FCC providers can be a point of connection for State and local early childhood agencies interested in building connections with FCC providers.

Grantees can direct quality improvement strategies toward license-exempt home-based providers, including technical assistance and resources to support home-based providers in meeting licensing and higher quality standards. CCDF grantees should also be aware of challenges to expanding the supply of high-quality licensed family child care, such as local or community ordinances or restrictions; when States are aware of such challenges, they can work with communities and providers to find solutions.

To allow every child access to high-quality child care, we need a greater supply of high-quality family child care. As States consider the recent CCDF reauthorization and other early childhood developments, they can tailor their State plans to implement the new CCDBG law in ways that meet the needs of FCC providers and that grow the supply of high-quality child care. Child care stakeholders need more research into and dissemination of best practices and successful FCC models, and providers need resources to reach higher quality standards. The Office of Child Care is committed to working with States, Territories, and Tribes as well as their partners to build the supply of high-quality family child care.

### **Early Head Start and Family Child Care**

Partnerships between Early Head Start and family child care programs promote high-quality child care and access to comprehensive services and supports for low-income families. Because family child care is a common setting for many infants and toddlers, expanding the supply of high-quality family child care is important to expanding the supply of high-quality infant-toddler care.

The Early Head Start – Child Care (EHS-CC) Partnerships allow EHS and child care programs to leverage funds to provide more high-quality early learning opportunities in a community. EHS-CC Partnership grantees collaborate with family child care partners to support providers in meeting EHS standards. As of December 2015, approximately 600 FCC providers are serving about 2,600 infants and toddlers through EHS-CC Partnerships.

For more on the Early Head Start-family child care model, see:

<http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/ehsnrc/poi/family-child-care>.



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<sup>‡</sup> Relative providers are exempt from background check requirements, and States can opt to exclude relative caregivers from other health and safety requirements.

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<sup>1</sup> Laughlin, L., 2013, Table 3. Primary Child Care Arrangements of Preschoolers With Employed Mothers: Selected Years, 1985 to 2011, *Who's Minding the Kids? Child Care Arrangements: Spring 2011*, Current Population Reports, P70-135, U.S. Census Bureau, Washington, DC. The 40-percent figure includes relative and nonrelative care given in the provider's home or child's home. A primary child care arrangement is defined as the arrangement used for the most hours per week.

<sup>2</sup> Raikes, H., Torquati, J., Jung, E., Peterson, C., Atwater, J., Scott, J., and Messner, L. (2013). Family child care in four Midwestern states: Multiple measures of quality and relations to outcomes by licensed status and subsidy participation. *Early Childhood Research Quarterly*, 28(4), 879–892; Forry, N., Iruka, I., Tout, K., Torquati, J., Susman-Stillman, A., Bryant, D., and Daneri, M.P. (2013). Predictors of quality and child outcomes in family child care settings. *Early Childhood Research Quarterly*, 28(4), 893–904.

<sup>3</sup> U.S. Department of Health and Human Services, Commissioner's Office of Research and Evaluation, and the Head Start Bureau, Administration on Children, Youth and Families, *Evaluation of Head Start Family Child Care Demonstration, Final Report*, 2000, <http://www.acf.hhs.gov/programs/opre/resource/evaluation-of-head-start-family-child-care-demonstration-final-report>.

<sup>4</sup> U.S. Department of Health and Human Services, Commissioner's Office of Research and Evaluation and the Head Start Bureau, Administration on Children, Youth and Families, *Evaluation of Head Start Family Child Care Demonstration, Final Report*, 2000, <http://www.acf.hhs.gov/programs/opre/resource/evaluation-of-head-start-family-child-care-demonstration-final-report>.

<sup>5</sup> Office of Child Care's National Center on Child Care Quality Improvement, *Threshold of Licensed Family Child Care in 2014*, 2014, [https://childcareta.acf.hhs.gov/sites/default/files/public/122\\_1410\\_thresholdfamilychildcare\\_2014\\_0.pdf](https://childcareta.acf.hhs.gov/sites/default/files/public/122_1410_thresholdfamilychildcare_2014_0.pdf). Louisiana considers any place that cares for seven or more children to follow the State's child care center licensing regulations, and New Jersey requires programs serving six or more children younger than age 13 to be licensed as centers.

<sup>6</sup> Office of Child Care's National Center on Child Care Quality Improvement and the National Association for Regulatory Administration (NARA), *Trends in Family Child Care Home Licensing Requirements and Policies for 2011*, 2013.

<sup>7</sup> For more on building the supply of high-quality child care, see Administration for Children and Families, *Building the Supply of High-Quality Child Care*, CCDF-ACF-IM-2015-02, <http://www.acf.hhs.gov/programs/occ/resource/im-2015-02>.

<sup>8</sup> Sheridan, S.M., Edwards, C., Marvin, P., and Knoche, C.A.L.L. (2009). Professional development in early childhood programs: Process issues and research needs. *Early Education and Development*, 20, 537–562; Ota, C.L., and Austin, A.M.B. (2013). Training and mentoring: Family child care providers' use of linguistic inputs in conversations with children. *Early Childhood Research Quarterly*, 28(4), 972–983.

<sup>9</sup> Hershfield, Moeller, Cohen, et al., *Family Child Care Networks/Systems; ZERO TO THREE, Staffed Family Child Care Networks: A Strategy to Enhance Quality Care for Infants and Toddlers*, <http://www.zerotothree.org/fccnetworks/>.

<sup>10</sup> Juliet Bromer, Martha Van Haitzma, Kelly Daley, et al., *Staffed Support Networks and Quality in Family Child Care: Findings From the Family Child Care Network Impact Study*. Erikson Institute, Herr Research Center for Children and Social Policy, 2009.