



**Beyond Child Care Centers: The Essential Role of Home-Based Child Care in Connecticut’s Early Care and Education System
Executive Summary**

Peg Oliveira, PhD

Revised June 2007

I. Beyond Child Care Centers

While there has been a significant focus on the care and education of Connecticut’s young children in licensed child care centers, many families choose alternative ways of meeting their varied and complicated child care needs. Nationally, it is estimated that 25% of children under age 5 spend about 30 hours per week in home-based child care settings, including licensed family child care providers and unregulated family, friend and neighbor (FFN) care.¹ There are many reasons why a significant proportion of parents prefer alternative options, such as staying home themselves, using work-site care, and using licensed as well as unregulated home-based family child care for their children. And this is fortunate when you consider that Connecticut’s early care and education system is not equipped to meet the child care needs of all children through child care centers if all parents preferred this option.

This is the *third* in a series of briefs that offer recommendations that reach beyond child care centers to strengthen Connecticut’s early care and education reform agenda for young children. This report examines options available to those parents who need child care but choose not to use child care centers, and the supports available to home-based providers outside of the child care center system and funding streams.

II. Defining Family, Friend and Neighbor Care and Licensed Family Child Care

In Connecticut, in addition to licensed child care centers, families also use other types of legal home-based care to meet their child care needs. A family may choose to have a relative, friend, or neighbor care for the child in the child’s own home, or – for a relative – in the relative’s home. These informal child care settings are called family, friend and neighbor (FFN) child care providers (or “kith and kin”) and Connecticut does not require that they be licensed or meet any safety standards. Alternatively, families may choose to use a licensed family child care provider who has met a set of safety standards set by the Department of Public Health. Some families also take their children to be cared for in the homes of unrelated friends and neighbors who are not licensed, although Connecticut does not consider this a legal child care option.

Child Care Providers Commonly Used in Connecticut		
Licensed Child Care Center	Regulated	Legal
Licensed Family Child Care Home	Regulated	Legal
FFN / Kith and Kin	Unregulated	Legal
Unlicensed Home Provider	Unregulated	Not Legal

¹ J.O. Johnson. *Who’s Minding the Kids? Child Care Arrangements: Winter 2002*. (U.S. Census Bureau, 2005), available at www.census.gov/prod/2005pubs/p70-101.pdf.

III. The High Cost of Child Care

The average family income for the poorest 20% of Connecticut families was just \$21,000 in 2001-2003; for the next poorest 20%, just \$41,000.² The annual average cost in Connecticut of *center based care* for three- and four-year olds is \$8,847 (\$170/week), and the annual cost of infant and toddler care is \$10,903 (\$210/week), causing many families to struggle constantly with issues of affordability.³ However, as shown in the chart below, licensed *family* child care costs can also be a challenge to afford. The average annual cost of licensed family child care for three- and four-year olds is \$8,018 (\$154/week), and the annual cost of infant and toddler care is \$8,452 (\$163/week).

Average Licensed Child Care Annual Fees in Connecticut, 2006		
	Centers / Group Homes	Licensed Family Child Care
Infants / Toddlers	\$10,903	\$8,452
Pre-School	\$8,847	\$8,018

Quality necessarily depends on the rates provided through subsidies like Care4Kids. The only state funding available to home-based care providers is through Care4Kids, Connecticut’s child care subsidy program. According to the Child Care Bureau, nationwide, families who receive Child Care and Development Fund subsidies (like Care4Kids in Connecticut) tend to choose center care over other types of child care. In Connecticut this is *not* the case. Among low income families receiving the child care subsidy, *more than half* are using home-based child care providers. In February of 2006, 12% of children accessing Care4Kids were in a licensed family child care setting, and *44% were being cared for in an unlicensed home care setting.*⁴

IV. Barriers to Increasing the Supply of Licensed Family Child Care

Importantly, *even if centers are operating at full capacity*, then at most only 45% of children under age six can be cared for in a child care center, and *the majority of children will receive care in a home-based setting*, be it in a licensed family child care home or by an unlicensed FFN provider like a relative, friend or neighbor. Some of these children may even be caring for themselves and siblings.

Yet, between 2000 and 2005, 1,063 licensed family child care homes closed in Connecticut, as shown in the table below. Importantly, there were 6,324 fewer spaces in licensed family child care homes in 2005 than in 2000. The pace in closures appears to be accelerating. In the six-month period between July 1 and December 31, 2006, an additional 315 licensed family child care homes closed. In 2006, of the family child care homes that shut down, 6% defined “business not profitable” and 39% cited “career change” as their reasons for closing.

Licensed Family Child Care Capacity, 2000 - 2005 ⁵							
	2000	2001	2002	2003	2004	2005	2006
# Providers	4,026	3,692	3,431	3,321	3,177	2,963	2,773
# Spaces ⁶	24,013	22,021	20,453	19,808	18,970	17,689	16,578

One possible reason for the low number of licensed family child care providers is that the process of obtaining licensure is wrought with inefficiencies and stumbling blocks. In a recent National Association of Resource and Referral Agencies report, Connecticut ranked 48th in child care center oversight.⁷ Providers working toward

² D. Hall & S. Geballe, *Pulling Apart in Connecticut: Trends in Family Income, 1991-2002* (CT Voices for Children, 2006), available at www.ctkidslink.org/pub_detail_270.html.

³ *Average costs – Statewide: May 2006* (Child Care InfoLine), available at www.childcareinfo.org/professionals/FeeCT.asp.

⁴ Connecticut Department of Social Services, February, 2006.

⁵ *Status of Child Care in Connecticut*. (CT Department of Social Services, 2000, 2001, 2002, 2003, 2004, 2005, 2006).

⁶ Number of “licensed” spaces historically overestimates the number of actual available spaces, as providers often do not intend to fill their program to capacity.

⁷ *We Can Do Better: NACCRA’s Ranking of State Child Care Center Standards and Oversight*. (National Association of Resource and Referral Agencies, 2007), available at www.naccra.org/policy/scorecard.php.

licensure and organizations whose mission it is to assist these providers suggest that if the licensure process could be made more efficient, more providers would be licensed. Areas that providers suggest could be improved include the application wait period, increasing the assistance available from DPH in completing the application process, and eliminating other inefficiencies in the application process. Streamlining the application process, improving response time from DPH, and offering assistance to applicants could all increase the number of family child care providers who are willing and able to become licensed. In fact, in New Haven, where All Our Kin provides outreach to home-based providers applying for family child care licensure, the number of licensed family child care providers has increased, rather than decreased, as it has for the state as a whole.⁸

V. Barriers to Increasing the Quality of Home-Based Child Care

There is far less public investment in assisting home-based providers with quality enhancement initiatives, licensure or in helping licensed family child care providers attain accreditation than there is for child care centers. In fact, between July 1 and December 31, 2006, of the 315 licensed family child care homes that closed, 26 (16%) reported an inability to meet regulations as their reason for closing.⁹ The current pressure in Connecticut to ensure that child care centers are of sufficient quality to meet standards being set by the National Association for the Education of Young Children and by the School Readiness legislation has left no time or financial resources to address licensure and accreditation for family child care. For example, the Department of Social Services (DSS) requires that 10% of Quality Enhancement grants to communities through the School Readiness Initiative be used to support family child care providers,¹⁰ and DSS prohibits the use of School Readiness space funding in a family day care home.

With little financial and administrative support or incentives, the licensing process can be challenging and expensive for a home-based provider. As a result, many operate without a license. For those who do succeed in becoming licensed, the additional costs and requirements for accreditation appear to be nearly impossible to attain. In fact, in Connecticut, a national leader in child care center accreditation, out of the 2,773 licensed family child care there are only six accredited family child care homes.¹¹

VI. Models to Support Home-Based Child Care

Efforts to improve quality in home-based child care typically use either a training curriculum, the distribution of materials and equipment, or home visiting.¹² Often quality enhancement initiatives are funded with CCDF dollars and limited to home-based providers in the subsidy program. Training, the most common approach, aims to enhance caregivers' knowledge and skills, often toward the goal of licensure. Providing materials and equipment to caregivers aims to enhance the health and safety of the environment or to provide stimulating material for children. A smaller number of initiatives rely on home visiting as a strategy to educate, improve safety or nutrition, or to link caregivers to other resources. Early Head Start's home visiting project aims to enhance the quality of the care for the many Early Head Start children in home based care, particularly family, friend and neighbor care.

Using some (or all) of these approaches to enhance quality, three primary coordinating models have been implemented in various states to support home-based providers: (1) *home-based child care provider associations*; (2) *community support networks*; and (3) *home-based child care systems*. Family child care associations and family child care community-support networks have as their core purpose providing peer support, sharing resources, and enhancing professionalism. Serving families well is a secondary goal.

⁸ www.childcareinfoline.org/professionals/Capacity.asp.

⁹ 211 Child Care Infoline Program Closure Report 2006.

¹⁰ According to the Department of Social Services, in June 2006, out of 18 communities, 13 report specific numbers of family child care homes participating in various quality Enhancement Grant-funded activities (e.g., early literacy, TA and mentoring support, workshops on a variety of topics, Child Development Associate training, First Aid and CPR, college-credit courses, field trips, health screenings, and conferences/fairs on transition to kindergarten and K-registration, literacy or health topics.)

¹¹ As reported by the *National Association of Family Child Care* (July 2006), available at: www.nafcc2.org/accred/results.php.

¹² T. Porter. *Assessing Initiatives for Family, Friend and Neighbor Child Care: An Overview of models and Evaluations*. (Bank Street College of Education, 2007), available at www.nccp.org/publications/pub_718.html.

In contrast to associations and networks, home-based *child care systems* function more for the purpose of addressing the broad range of challenges to providing quality care (revenue, housing and professional development) by providing a coordinated constellation of services to children and families, including dedicated staff to serve a quality assurance function. Connecticut's Family Resource Centers were designed to serve home-based providers in this way,¹³ but funding has never followed the intent of the legislation.

A Child Welfare League of America review¹⁴ of home-based child care systems found significant operational differences among home-based child care system models. In some systems, providers are independent contractors, while in others they are employees of the system. In addition, some systems manage intake and accounting duties, and others do not. Beyond that, there are a number of common characteristics, including:

- Families and children are enrolled in the system, and the family child care provider delivers the child care service;
- The system also provides additional support services to the children and families, such as developmental, behavioral, and nutritional information and support;
- The system has direct contact with the children and families who are enrolled in it;
- The system is directly responsible for the quality of the child care service being delivered;
- The system screens, and then selects, a specific number of providers;
- Most systems are exclusive in that their goal is not to reach all of the providers in their community but only those who can provide a certain standard of care to a specific number of children and families; and
- The sponsoring agency offers the providers opportunities for peer support, sharing of resources, professional development and business training.

VII. Recommendations for Strengthening Home-Based Child Care

- As Connecticut defines and moves to implement a comprehensive early care and education plan, ensure that the plan supports licensed family child care and family, friend and neighbor day care as equally viable child care choices.
- Increase Quality Enhancement funds to School Readiness communities and increase the proportion of these funds (from the current 10%) that must be used to support family child care providers.
- Include licensed and family, friend and neighbor home-based providers in quality enhancement efforts supported by the Child Care and Development Fund.
- Set outcomes-based quality standards for home-based child care providers, financially support initiatives to help home-based providers reach those standards, offer incentives to reach higher standards through child care subsidy reimbursement rates, and reward success with a bonus.
- Introduce a line item in the Department of Social Services' budget specifically to assist family child care providers to increase quality.
- Establish and adequately fund home-based child care systems, through a process that is sensitive to community institutions and existing networks.
- Streamline the family child care licensing process and lessen the administrative burdens of the process on applicants.

¹³ Information on the philosophy and mission of Family Resource Centers is available at: www.state.ct.us/sde/deps/Family/FRC/FRCs.pdf.

¹⁴ *A Model for Expanding Community Resources* (Child Welfare League of America, 2005), available at: www.cwla.org/programs/daycare/policy.htm.