Across the country, parents of every gender, race, and socio-economic status rely on their family members, friends, and neighbors for child care. In 2012, 3.77 million home-based providers cared for over 7 million children under age six on a regular basis (compared to 1 million center-based providers caring for slightly less than 7 million children under age six). Nearly three-quarters of home-based providers were unlisted (not on any state or national list, such as a list of regulated providers) and unpaid. Family, friend, and neighbor (FFN) providers—generally, providers who are caring for a small number of children in a home setting and who are legally exempt from regulation—have consistently been an integral component of our child care and early education system because of their accessibility, flexibility, affordability, and familiarity with the families they support. FFN providers are often best able to offer individualized attention to children and meet the particular needs of families. Parents frequently turn to FFN providers for care for children with special needs, care for infants, or care that reflects the family’s language and culture—care that may not be available from other providers. FFN care is a particularly crucial option—and frequently the only option—for parents working nonstandard hours (early mornings, evenings, nights, weekends, or variable hours). A national study found that 82 percent of unlisted unpaid home-based providers and 63 percent of unlisted paid home-based providers caring for children under age six offered some care during nonstandard hours, compared to only 34 percent of listed home-based providers and just 8 percent of center-based providers.

Given the important role of FFN providers, it is essential that they remain an option for those low-income families receiving child care assistance through the Child Care and Development Block Grant (CCDBG), the major federal child care program. In 2016, 9 percent of children receiving CCDBG assistance were in FFN care. Maintaining FFN providers’ continued participation in the CCDBG program will require states—which set policies for CCDBG within federal parameters—to address the challenges and take advantage of the opportunities posed by the Child Care and Development Block Grant Act of 2014. The Act reauthorized (renewed and updated) the program and established new requirements for all providers, including FFN providers. The law’s overall goals are to make it easier for families to obtain and retain child care assistance, ensure children’s health and safety in child care, and improve the quality of care. The law has a number of specific health and safety provisions that affect FFN providers:

- **Inspections:** States must conduct a pre-licensure inspection and an unannounced annual inspection for all regulated and licensed providers receiving CCDBG funds, and one annual inspection—which does not need to be unannounced—for license-exempt providers (except providers related to all children in their care) receiving CCDBG funds.
• **Training:** States must ensure that providers—including license-exempt providers—receiving CCDBG funds complete minimum pre-service or orientation health and safety training as well as ongoing training. Training must be appropriate to the provider setting and address key health and safety areas identified in the law (including the prevention and control of infectious diseases, use of safe sleeping practices, emergency preparedness, and first aid and CPR).

• **Background Checks:** States must require all employees of child care providers—i.e., all licensed, regulated, and registered child care providers as well as all license-exempt providers receiving CCDBG funds, except for relative providers—to undergo comprehensive criminal background checks prior to employment and to maintain employment.

FFN providers can encounter a number of barriers in complying with these new requirements. Yet, by providing support, employing innovative strategies, and taking advantage of the recent increase in CCDBG funding, states can help FFN providers not only meet the minimum requirements but also improve the quality of care they offer, access resources for themselves and the families they serve, and develop new connections with their communities.

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### Challenges for FFN Providers in Meeting New Requirements

Ensuring that FFN providers meet the new requirements of the reauthorization law has been challenging for states—but the extent of that challenge has varied across states, partially depending on how close each state’s requirements for FFN providers prior to the reauthorization law’s enactment were to the new federal requirements and what more was required under each state’s understanding of the law. For example, Idaho was relatively well-situated to implement the law’s requirements because the state already required all subsidized providers, including those that were license-exempt, to have annual inspections. In contrast, Oregon previously did not regularly monitor subsidized license-exempt care; the state only conducted inspections of these providers in response to complaints. Prior to the law, Michigan had already required that all subsidized providers complete a seven-hour basic health and safety course; the state believes that this seven-hour course will be sufficient for providers to comply with the requirement for orientation training under the new law. In contrast, prior to the law, Nevada required license-exempt providers to complete only three hours of basic health and safety training; now, the state requires license-exempt providers to have 30 hours of orientation training and 24 hours of annual training.

Even states that already had requirements for FFN providers that largely matched the reauthorization’s law requirements still had work to do to fully comply with the law. Prior to the law’s enactment, Idaho required FFN providers to have background checks before caring for children, but now it must also renew the checks every five years and conduct checks for providers moving there from other states. Oregon previously required providers to have CPR and first aid training; now the state also requires training on prevention of sudden infant death syndrome as...
well as three other classes and has increased the number of hours of training providers must receive each year to comply with the reauthorization law.

Whether states had a long distance to go to match the new federal requirements or only a short distance, all have faced difficulties in fully implementing the reauthorization law. Providers trying to meet the new requirements have had to deal with cost burdens, time constraints, transportation barriers, and technology issues. States’ challenges in helping providers overcome these obstacles and comply with the new requirements have been exacerbated by the underfunding of the larger child care system.

**Compliance Costs**

The new requirements often come with substantial new costs for providers. Providers may have to make modifications to their homes and purchase equipment and other materials to pass health and safety inspections. There may be fees for background checks and training courses. Moreover, these costs come on top of the opportunity costs—child care providers may have to give up time providing care and earning income in order to attend required trainings and take other steps to comply with the requirements. Any additional costs can place a burden on FFN providers, who often earn limited incomes. In 2011, median household income was $44,870 for listed home-based providers, $39,395 for unlisted unpaid home-based providers, and $24,581 for unlisted paid home-based providers, compared to the U.S. median household income of $50,054.

Training classes are often offered for free by child care resource and referral agencies or through agreements with universities or other institutions, but some trainings carry a cost for providers. In Illinois, providers currently do not have to pay for most trainings, but initially they had to pay for CPR and first aid training, and the cost ranged from $50 to $85 depending on which vendor was offering it. Recognizing the barrier this cost created for providers, the state decided to make the CPR and first aid training free for FY 2019.

Providers may also have to pay fees for background checks. While states are not permitted to charge providers for background checks beyond the costs to the state for administering the checks, that still can leave providers to cover the costs for taking the fingerprints and for running the background checks. In addition, providers need a background check for every member of their household age 18 or older, so the fees can quickly add up for households with multiple adults.

These costs entailed in participating in the child care assistance program can be particularly burdensome for FFN providers given that they often receive very low payment rates for serving children receiving child care assistance. For example, Oregon pays FFN providers in most areas of the state just slightly over $3 per hour per child receiving assistance. With such low payment rates, providers often decide that the costs of participation in the child care assistance program outweigh its benefits.

**Time Constraints**

Many providers struggle to complete the training requirements because they simply cannot find the time to do so. Providers may not be able to take multiple hours of classes for the initial training and the ongoing training while also caring for children during long hours—and often irregular or nontraditional hours—and juggling responsibilities to their own families. In Nevada, for example, many FFN providers are having great difficulty completing the required 30-hour initial training within the 90-day orientation period. The state is considering reducing the number of hours required for the pre-service training. Illinois initially required 40 hours of online training or 56 hours of in-person training, but after FFN providers had difficulties completing it, the state reduced the training requirement to 11 hours as of April 2018.

**Transportation Barriers**

Providers may have difficulty completing the training requirements because they live in rural areas far from locations where training is offered, or because they do not have a car to get them to training classes. Illinois child care advocates reported that some providers have been unable to attend required in-person training because they are caring for bedridden family members or have other circumstances that make it difficult to get out of the house for a class at a particular time.

States have tried to address transportation and other barriers to in-person training by offering classes online, but there are not always online classes that meet the federal and state criteria. Nevada scrambled at first to put together online classes that satisfied the requirements, and turned to
existing packages from universities and other institutions; online Spanish-language classes that met the criteria were particularly scarce.

**Technological Obstacles**
While states often try to make it easier for providers to meet the new requirements by having trainings and forms available online, this use of computer technology can create its own challenges. Providers may not have a computer or internet access available at home, or may not know how to use a computer. Even if a provider has computer skills and access to the internet, the provider may have difficulty navigating systems that are new and that have unresolved technological glitches.

To comply with the training requirements, Illinois’ FFN providers must sign up for membership with the state’s Gateways’ Registry—Illinois Professional Development System, which was set up for child care center staff and licensed family child care home providers to track their professional development. Yet many FFN providers do not have a computer or an email address. Even if they do have access to a computer, it is often daunting for them to use the system, since registering and entering their identification number and employment information entails multiple steps. Once they have gotten started with the system and completed their training, they may not realize they have to add their CPR and first aid certification in two screens and self-report their completion of a separate training (on mandatory reporting of known or suspected incidents of child abuse and neglect) using another screen. Moreover, the system was not designed for the state to track providers’ training—it was supposed to be a professional development system for providers to track their own training and progress.

Michigan also experienced some difficulties when the state began requiring FFN providers to register online for the state’s seven-hour training requirement as well as additional training beyond the minimum requirement and supports. Providers felt it was simply not worth it to participate in the child care assistance program. Michigan has since increased its payment rates, which has started to bring some FFN providers back to the program, but rates remain low—ranging from just $1.60 per hour to $2.95 per hour, depending on whether the provider has completed additional training beyond the minimum requirement and the age of the children in their care.

**Opportunities for FFN Providers in Meeting New Requirements**
While the new CCDBG requirements can be difficult for FFN providers to meet, if implemented effectively, they can give FFN providers an opportunity to improve the quality of care they offer to children and obtain helpful resources and supports.

**Receiving Resources and Materials**
As providers work toward meeting the training requirements and health and safety standards assessed in the annual inspections, they often obtain new resources and materials to enhance the child care environment they offer. Sometimes they receive these resources to help them meet the requirements, and sometimes as a result of meeting the new requirements.

In Nevada, the child care resource and referral agency offers FFN providers books, playpens (if necessary to ensure safe sleeping environments for the children), and other materials and supplies that help the providers offer...
a healthy, safe environment for children and promote children’s learning.

In Oregon, one of several states that allow home-based providers to unionize, FFN providers qualify to join the bargaining unit upon completion of their pre-service training. Once they are part of the bargaining unit, the providers can access funding that supports training as well as materials to meet health and safety requirements.

**Gaining New Skills**

Complying with new requirements can be daunting for FFN providers, but they often gain new skills in the process—and not just skills related to caregiving. When providers are required to take classes online to comply with training requirements, they learn new computer skills. In Idaho, consultants were excited about helping a provider in her 70s set up her first email address. In Nevada, FFN providers who have received help from child care resource and referral staff to take classes online thank the staff for helping them learn how to use the computer.

**Reducing Turnover**

Although the introduction of requirements can initially drive some child care providers out of the child care assistance program, it can ultimately stabilize the pool of FFN providers participating in the program. Once providers have made the investment of time and resources to comply with the requirements, they are more likely to stick with the program. Nevada reported that the average length of time FFN providers were caring for children had increased from three or four months to eight or nine months following the implementation of the reauthorization law’s requirements.

**Connecting with Community Resources**

In meeting the new requirements, FFN providers gain access to new resources and networks that support them in their caregiving role as well as their overall well-being. Such resources can be critical for FFN providers, who are often isolated and often struggling to support their own families with limited incomes.

In Illinois, advocates report that trainings have offered FFN providers the opportunity to learn about resources available to them, meet other providers doing similar work, and build networks with fellow providers.

In Nevada, child care resource and referral staff visit FFN providers to assess their child care setting and services using a health and safety checklist. The staff then not only offer the providers resources related to caregiving, but also connect providers to housing and food assistance and other services they may need.

**Attaining Licensing**

While not all FFN providers are interested in becoming licensed, the new requirements can offer a pathway to licensing for those that would like to achieve this status—and attaining licensing can offer benefits for providers.

Child care advocates in Oregon reported that the state had seen a decline in FFN providers entering the child care assistance program, but that an increasing number of those FFN providers that continued to offer subsidized care were becoming licensed or certified. The providers figured that since they were already meeting most of the requirements, they might as well become regulated, which allows them to care for a greater number of children and earn more income.

In Nevada, which has a shortage of licensed family child care providers, the child care resource and referral agency contacts FFN providers who have completed their background checks and training and have been participating in the child care assistance program for at least six months to ask if they are interested in becoming licensed. The agency informs the providers that they can receive a higher payment rate if they become licensed, and that there is funding to help them cover licensing fees, fire inspections, and other costs entailed in becoming licensed.

**Strategies for Effective Implementation of New Requirements for FFN Providers**

A number of strategies have proven successful in enabling providers to meet the requirements of the reauthorization and to do so in a way that is beneficial for the providers and the families they serve. States can take advantage of the recent historic increase in CCDBG funding—$2.37 billion in additional funding starting in FY 2018—to implement these strategies and fund the resources and supports that FFN providers need to both comply with the specific provisions of the reauthorization law and achieve its broader goals for children, families, and providers.

**Provide Advance Notice of Changes and Respond to Feedback**

State advocates and administrators reported that FFN providers reacted to the new requirements as anyone reacts to change—with a good bit of fear, resistance, and pushback. Yet such objections could be overcome—or at least lessened—and new requirements could be implemented more effectively if providers were given sufficient advance notice of the changes, had an opportunity to offer feedback, and saw modifications in response to their input.
Staff from Idaho’s child care agency toured the state ahead of implementing new requirements to let providers know about the changes. The state made adjustments to its policies in response to feedback it received. For example, the state initially planned to require 20 hours of training annually, but pared it back to 12 hours after hearing from providers about how difficult it would be for them to complete so many hours of training.

**Offer Mentoring and Technical Assistance**

States can help providers meet often complicated and confusing new requirements by offering guidance and support—through both in-person consultation and written materials. This support is particularly effective when the technical assistance specialists gain an understanding of a provider’s circumstances, needs, and interests and tailors the assistance to individual providers.

Idaho has a child care resource center in each of the state’s seven regions, and each child care resource center has at least one lead consultant and one resource specialist. The child care resource center in a particularly rural region has a large travel budget so that staff can go to different parts of the region to visit with providers. Child care resource centers have aided FFN providers in complying with a number of new requirements. For example, child care resource centers offered substantial technical assistance—at no charge—to help FFN providers meet the reauthorization law’s requirement for providers to have emergency plans. They prepared providers for the requirement by giving them plan workbooks—providers just had to fill in the blanks—and wall charts with the emergency plans.

Michigan is providing funding for coaches who support FFN providers. The coaches conduct home visits to follow up on the providers’ orientation training in health and safety to ensure the providers’ understanding and compliance. In addition, coaches help connect providers to additional trainings and community resources and opportunities. The state has provided up to $1.4 million for the first grant year of this project, which started in April 2018.

**Cover Costs for Meeting the New Requirements**

States can pay for training, background checks, and other compliance costs so that these expenses do not serve as a barrier to FFN providers’ participation. Michigan provided $5.5 million in one-time funding (using federal dollars) to help cover the costs of fingerprinting and background checks for all types of child care providers in the state. Oregon has also been covering the cost of provider background checks, which averaged $72.15 per check using 2017-19 pricings; the only cost each individual might incur is $12.50 for the electronic capture of fingerprints.

**Carefully Select and Hire Monitors**

It is important that states have a thorough process for hiring and training the staff that will conduct the required annual inspections of FFN providers. Illinois has hired recipients of Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits to monitor FFN care. The applicants were carefully vetted by the state and provided with a three-day training in early childhood education. Monitors also receive yearlong training and professional development, including training in active listening, empathy and de-escalation techniques, so they can be responsive to FFN providers who are struggling to handle the new requirements on top of existing stresses. All monitors had to have at least a high school degree; a few had a master’s degree. The monitors receive a salary similar to the entry level for child care resource and referral staff ($27,700 per year) and receive benefits. As of September 2018, the monitors had not yet started conducting the inspections, but they had begun visits to build relationships with and provide assistance to the FFN providers, including help navigating the Gateway Registry used for tracking providers’ progress in meeting the training requirements.

Although this team of monitors has received extensive training and professional development within the first year, it is yet to be determined if this is the best approach for hiring. Most of the monitors had no background in early childhood or home visiting, so the training and experience they had during the initial year was essential for them to develop necessary skills to work with FFN providers in the field.

**Adapt to the Diverse Needs of Providers**

FFN providers are a diverse group and need an array of options to meet their diverse interests and needs. States should recognize this diversity in designing training requirements, methods for delivering the training, technical assistance, and other requirements for FFN providers and supports to help them meet the requirements. FFN providers vary in their linguistic and cultural backgrounds. They vary in their education levels—some have less than a high school education, while others have advanced
degrees. They also vary in how they see their role as caregivers—some see themselves as operating a child care business, while others are providing care as a favor to a family member or friend.

In Idaho, to fulfill the requirement of 12 hours of annual training, providers must take an annual health and safety training, but can take classes of their own choosing for the remaining 10 hours. Providers appreciate the flexibility to select their own training topics, and have generally welcomed the new requirements. Providers in Idaho also have a variety of options for taking the courses needed to meet the health and safety training requirement. If a provider does not have access to computer or the internet at her home, she can go to one of the state's seven child care resource centers—which are in every region of the state and within a one-hour drive for most providers. If the provider is not able to go to a child care resource center, a staff person from the resource center will bring a laptop and a hotspot (for wireless access to the internet) to the provider's home. And if the provider lives in an area that is so rural that it is not possible to get any internet access, the child care resource center will offer a small group session and use a DVD for the training, either at the resource center or at a provider’s home. This approach has been used for providers who are refugees and do not speak English; such trainings have used as many as 12 different translators.

Similarly, in Nevada, providers are given a choice of the courses they take and the method by which they take them—which has contributed to providers’ generally positive response to the training requirements.

**Assist Providers in Navigating the Bureaucracy**

FFN providers can become frustrated by the bureaucratic process of complying with the new requirements, particularly given the time pressures they face in juggling their responsibilities for the children in their care, their businesses, and their own families. New systems can be difficult to comprehend, particularly for providers operating on their own, and providers can be tripped up by problems in the system that are not of their own making. States can help providers by having staff available to answer questions and provide guidance, and by handling as much of the administrative side of the process for providers as possible.

After Michigan began requiring FFN providers to register online for training, the state made assistance available to providers through its registry support line and a call center for the child care assistance program, and shared written instructions with providers on the steps required for registering online. Support was also available through child care resource centers and family engagement consultants.

**Invest in the Overall Child Care System**

States should use some of the new federal CCDBG funds—and invest their own state funds—to ensure that the reauthorization law does not result in FFN providers leaving the child care assistance program, but instead helps strengthen FFN providers. Funds can be used to cover the costs of complying with the new requirements, so that providers do not have to shoulder these expenses. States can use new funding to increase payment rates and to offer other incentives to encourage FFN providers to participate. New funds can also be used for supports for FFN providers, including specialists and consultants who offer individualized technical assistance and mentoring, networks of FFN providers to share ideas and reduce isolation, materials and supplies for the child care setting, and connections to community resources. In addition, states can provide funding for FFN support organizations that offer ongoing resources and assistance to FFN providers. With investments and strategies focused on FFN providers, states can help FFN providers improve the care they offer to children and the providers’ own well-being, while ensuring that FFN care remains a viable option for the many families who rely on this care to meet their needs.

As long as the child care system remains underfunded, though, such efforts to support FFN providers will have to compete against other critical priorities. It is essential for the federal government to sustain and build on its recent increase in CCDBG funding, and for states to increase their own investments in child care. With additional funding, states can increase payment rates for all child care providers, including FFN providers, and can provide child care assistance to more families, and for longer time periods. Raising payment rates and expanding families’ access to assistance gives providers more reliable income and allows them to continue offering child care, which benefits the providers, the families they serve, and—by enabling parents to work and children to have stable, nurturing environments in their early years—our nation’s economy.


3 Characteristics of Home-based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education, 16.


5 National Women’s Law Center calculations based on data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2016 CCDF Data Tables (Preliminary), Table 6: Average Monthly Percentages of Children Served in All Types of Care, available at https://www.acf.hhs.gov/occ/resource/preliminary-fy2016. FFN care is defined here as care in a child’s home, a family child care home, or a group child care home by a relative or non-relative provider operating legally without regulation.

6 National Women’s Law Center calculations based on data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2016 CCDF Data Tables (Preliminary), Table 6: Average Monthly Percentages of Children Served in All Types of Care.

7 Characteristics of Home-based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education, 8.


11 National Women’s Law Center calculations based on data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2016 CCDF Data Tables (Preliminary), Table 6: Average Monthly Percentages of Children Served in All Types of Care.