



Illinois Action for Children
Research Department

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NEW RESEARCH
ON SUBSIDIZED
FAMILY, FRIEND
AND NEIGHBOR
PROVIDERS:

IMPLICATIONS
FOR INVESTING
IN QUALITY



New Research on Subsidized Family, Friend and Neighbor Providers: Implications for Investing in Quality

Background

For many years, researchers have studied FFN child care providers to help policy makers define the appropriate place of FFN care in federal and state child care systems.¹ Federal policy gives parents access to the child care providers of their choice through their state's child care subsidy program and makes improving the quality of care a statewide goal through states' Quality Rating and Improvement Systems (QRIS). FFN child care providers pose particular challenges to these child care policies: how should FFN providers in the subsidy program be supported alongside more highly regulated licensed or registered child care providers; how much should they be paid; and to what standards should FFN providers be held with respect to professional knowledge and practices and professional development?

In 2014, federal reauthorization of the Child Care and Development Block Grant (CCDBG) responded to some of these policy challenges by maintaining the policy of giving parents access to the care of their choice, but requiring baseline health and safety training and site monitoring for all providers who receive state subsidy payments, including FFN providers. (See box on page 3.) Given this increase in regulation for FFN providers, policy challenges have surfaced new questions about the best ways to conduct training and monitoring — and how to do so in a way that does not inadvertently move FFN providers out of the subsidy system. Caution is warranted, as it is widely understood that the more requirements attached to public benefits, the less likely that people will take up the benefit—particularly, if the benefit itself does not increase.

There are a number of reasons to expect FFN providers

to respond differently from other child care providers to training initiatives and new program requirements.

- FFN providers generally know and want to help the parent of the children in their care, and thus often have very different motives for providing care than formal child care providers (who often balance interest in children's development with professional careers or business interests).
- The wide variation in situations of FFN care presents challenges for designers of training initiatives.
 - Care for young children throughout the day may demand a more thorough understanding of child development than picking up an older child after school or supervising their homework.
 - Caring for a young child into the evening—through bath time and bedtime—requires a level of emotional intimacy that might not be required on weekend afternoons.

Illinois and other states must design their training and monitoring programs thoughtfully, being responsive to what we know about FFN providers' interests and work contexts to best engage them, while at the same time prevent parental loss of the subsidy.

Much of what child care researchers have taught us about FFN care can inform how we design initiatives for these providers. Here, we contribute new research findings from our administrative data and from focus groups conducted with staff who support FFN providers in meeting the health and safety requirements.

Data on FFN Care at Illinois Action for Children

As part of its contract with the Illinois Department of Human Services (IDHS), Illinois Action for Children (IAFC) administers the child care subsidy certificate program in Chicago and suburban Cook County. One responsibility under this contract is understanding and educating the public about the supply of and demand for child care in Cook County, including license-exempt family, friend, and neighbor (FFN) child care. As recently as 2011, 32,000 FFN providers participated in the child care subsidy program

in Cook County at some point during the year. In FY2018, that number declined to 12,300.

In this brief, we analyze a wealth of subsidy data on these providers, including provider and child demographic characteristics and their spells in the subsidy program. We also report on qualitative data collected from IAFC staff who have been assisting FFN providers in understanding and meeting the new Health and Safety requirements.

¹ Some useful summaries of research findings on FFN child care include National Women's Law Center, "Strategies for Supporting Family, Friend, and Neighbor Care Providers," Washington, DC: National Women's Law Center, 2016. Retrieved from http://nwlc.org/wp-content/uploads/2016/01/nwlc_BriefReport.pdf; and Susman-Stillman, Amy R., and Banghart, Patti, "Quality in Family, Friend, and Neighbor Child Care Settings," New York: Child Care & Early Education Research Connections, 2011: <https://www.researchconnections.org/childcare/resources/14340>.

Illinois Health and Safety Requirements for FFN Providers

In 2017, the Illinois Department of Human Services (IDHS) established Health and Safety training requirements for FFN providers. They have been revised several times but currently include the following components, most of which can be taken either in person or online in English and Spanish.

1. CPR/First Aid Training (5 hours, in person only)
2. Child Abuse & Neglect/Mandated Reporter Training (1-2 hours)
3. What Is CCAP Training (2 hours)

4. And either:

Child Development, Health and Safety Basics (3-4 hours)

OR

ECE Credential Level 1, Tier 1 (8-12 hours)

FFN providers who complete the ECE Level 1, Tier 1 receive a 10 percent CCAP reimbursement add-on. They can continue on to complete Tiers 2 and 3 to receive 15 to 20 percent add-ons. FFN providers who care only for school-age children to whom they are related are exempt from training requirements.

FFN Care in Illinois Overview

In Illinois, FFN providers can care for up to three unrelated children at a time, including their own children.² Historically, Illinois' Child Care Assistance Program (CCAP) has had significant participation by FFN providers because of the program's support for parent choice and acknowledgement of the important role FFN providers play in meeting families' child care needs, often when formal care options cannot. Eligible FFN providers paid by CCAP include those who provide care in their own home or in the child's home, as well as those who live with the child but are not part of the family's public assistance unit.

Illinois has supported quality in FFN care through its Quality Rating System (QRS), which provides training toward an ECE credential and ties completion of training to higher subsidy reimbursement. In Cook County, quality supports have historically also included welcome visits for FFN providers to introduce them to avail-

able services such as literacy programs, infant-toddler play and learn groups, and professional development trainings. FFN providers are eligible to participate in the Child and Adult Care Food Program, which reimburses providers for serving children nutritious meals.

However, these quality supports have only reached a small portion of the thousands of FFN providers receiving subsidy payments. The new CCDBG child care health, safety, and development training and monitoring mandates are intended to reach all FFN providers receiving subsidy payments and have the potential, if successful, to improve the quality of care for a much greater number of children.

² If all children are related and live in the same household FFN providers can care for an unlimited number.

Research Findings

Who are FFN Providers?³

Historically, Illinois' Child Care Assistance Program has served a large number of FFN providers relative to other states. However, as with the caseload as a whole, the number of FFN providers receiving CCAP has declined precipitously in recent years due to various policies and budget cuts. In Cook County, 32,000 FFN providers received CCAP payments in 2011; how-

ever, that number was down to 12,500 in 2018 (a 61percent decline). The number of children in Cook County cared for by FFN providers during this time has dropped from 62,000 in 2011 to 27,200 in 2018 (a 56 percent decline). The majority of FFN providers do not participate in CCAP and their numbers are unknown.

FFN Providers' Relationship to the Children in Their Care

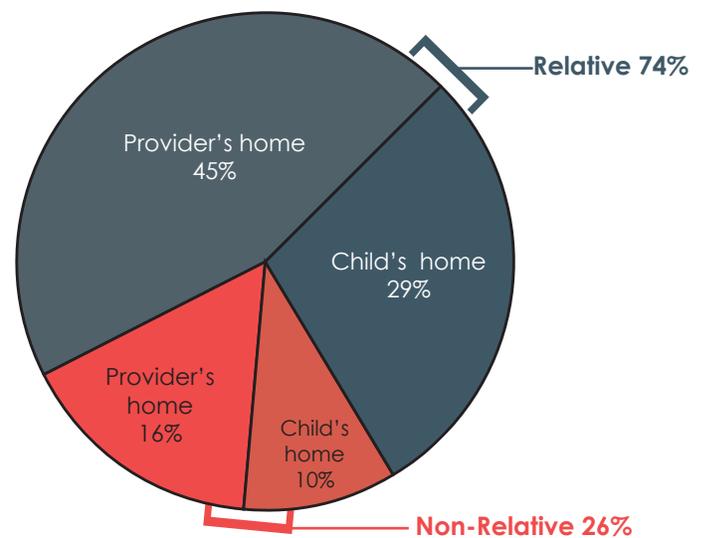
In Cook County, individuals related to the children in their care make up three quarters of subsidized FFN providers. Given this relationship, providers are often more motivated by helping the family or love for the child than reaching professional goals in child care.

A common reaction by relative caregivers to Illinois' new training requirements has been "I'm just caring for my grandchild, not trying to open a daycare" or "I've been caring for kids my whole life, why do I need training?"

While some relatives eventually find value in the training, a culturally sensitive family-support approach may be more appropriate and successful for outreach to and training of relative FFN providers.

For those FFN providers, including relatives, who do want to further their career in child care, a professional development approach is more appropriate.

Maintaining alternate pathways for providers with differing goals makes sense.



Location of Care

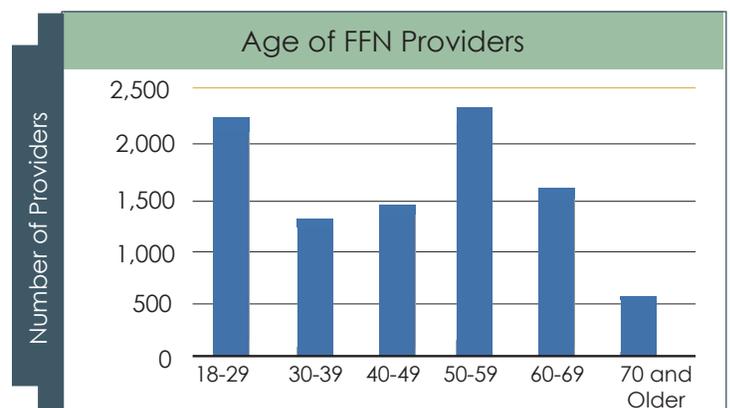
The majority (62 percent) of FFN caregivers provide care in their own home, while 38 percent provide care in the child's home. This ratio is similar among relative and nonrelative FFN providers and has important implications for home monitoring. Providers caring for children in the child's home may have little control over conditions in the home environment, such as chipping paint or inoperable doors and windows.

Yet even providers caring in their own home may be limited in the improvements they can make due to financial circumstances or their dependence on a landlord to address building safety issues. IAFC staff report wide variation in providers' living conditions and in their ability to make home improvements.

Age of Provider

The average age of FFN providers is 46, but providers most commonly fall in the early 20s and late 50s age groups.⁴

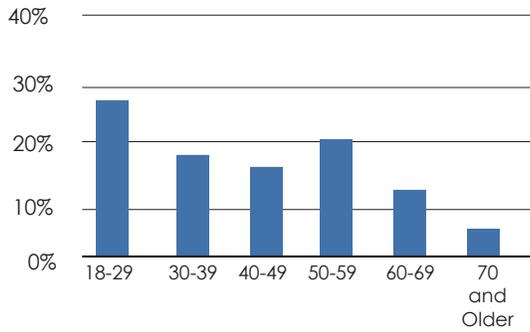
Non-relative providers and relatives providing care in the child's home tend to be younger, while relatives providing care in their own home tend to be older.



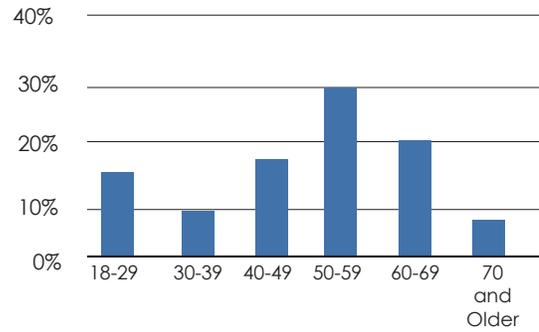
³ Data are from March 2018 unless otherwise indicated.

⁴ Data from CCAP, May 2017.

Non-relatives in Provider's Home

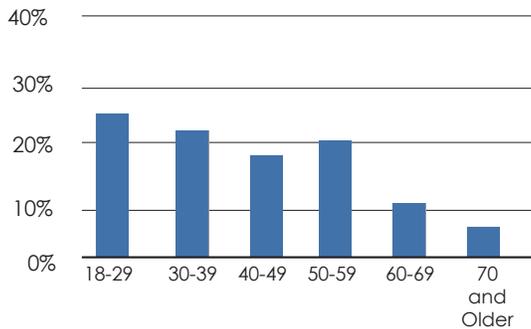


Relatives in Provider's Home

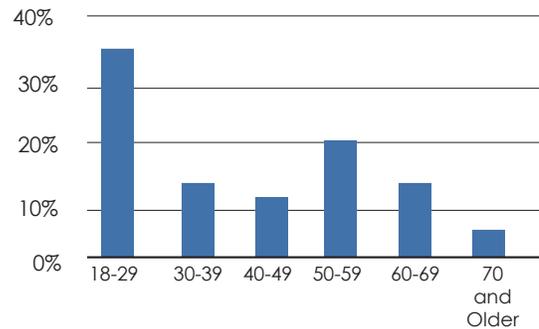


Providers' Ages

Non-relatives in Child's Home



Relatives in Child's Home

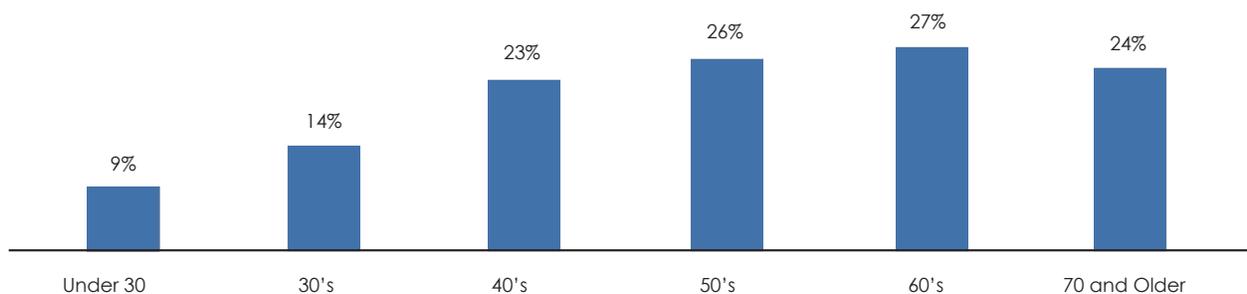


Age is an important factor in training delivery. Trainings in Illinois have been available both in person and online. In-person trainings have been more attractive and, anecdotally, more effective than online trainings for older providers who generally are less tech-savvy than their younger counterparts. Our staff find that much time and effort is required to help inexperienced providers navigate through the online registration process and on-line trainings.

However, our staff observe that some older providers also have challenges attending in-person trainings. In addition, online training appeals to younger providers according to staff. So designing both in-person and online training options might be the best approach.

Overall, we have found that providers in their 50s and 60s have been more likely to complete the required trainings while those under 40, especially those in their teens and 20s have been harder to engage.

Percentage of FFN Providers in each Age Group Who Completed Illinois' Health and Safety Training (active providers in August 2018)



Who Do FFN Providers Serve?

Ages of Children Served:

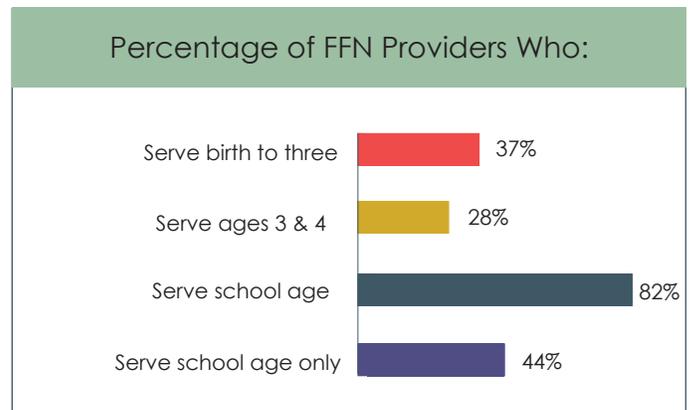
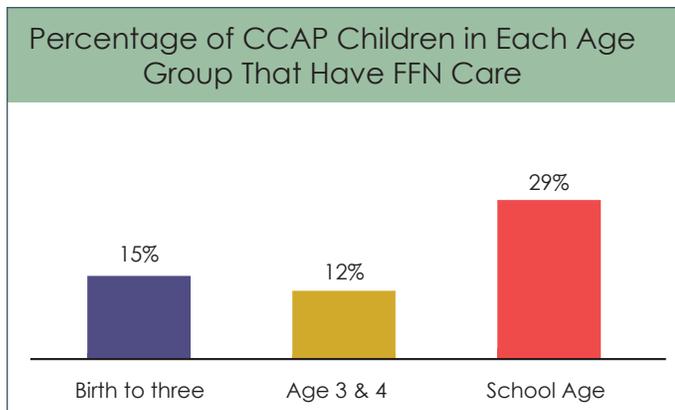
Twenty-two (22) percent, or about 14,000, of all CCAP children in Cook County use FFN care. This proportion has steadily declined over the years from as high as 54 percent in 2006 and 42 percent in 2011. The percentage of CCAP children using FFN care varies by child age, with a greater portion of school-age children in FFN care than younger children.

More than one-third of subsidized FFN providers serve a child under age three. The majority (82 percent) of FFN providers serve at least one school-age child, and 44 percent serve only school-age children.

The realization that a high number of providers serve only school-age children while the training requirements focus largely on early childhood led to an ex-

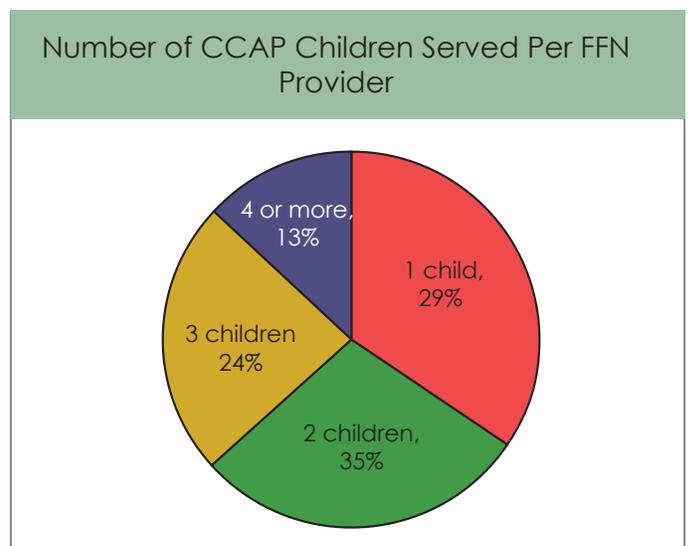
emption from training requirements for relative providers who care for only school-age children.

We are finding, however, that many relatives caring for only school-age children are completing the trainings despite being exempt from the requirements. This is partly because the policy changed after some providers had already started the training. Other providers said they want to meet requirements in case they later want to care for a younger child, while others completed the training because of the incentive of the rate add-on. Providers' willingness to take additional training for higher pay leads to the question of what training for those caring for the school-age group could most benefit these providers and the children in their care.



Number of Children Served

Most FFN providers care for just one or two CCAP children, and 95 percent serve just one CCAP family. This reinforces an earlier point that reaching FFN providers and providing them services might best be accomplished in a family context rather than professional context, particularly among relative providers.



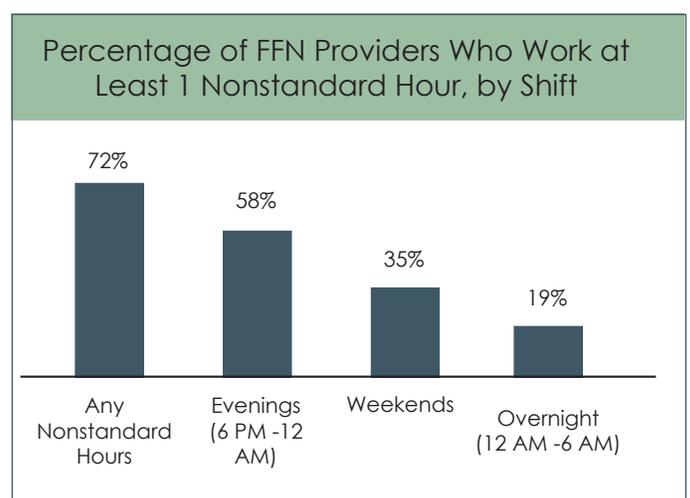
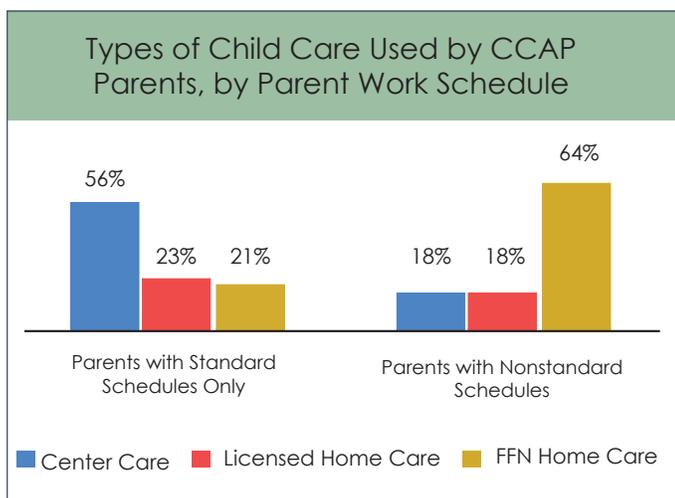
Hours of Care

FFN care is the predominant type of care used by families working non-standard hours such as evenings, overnight, and weekends. Almost three-quarters of FFN providers in CCAP care for children whose parents work some non-standard hours.

The scheduling of formal trainings for FFN providers who work non-standard hours might be difficult, and visiting or monitoring homes during child care hours might be challenging. Staff have reported that the hours of the trainings and the lack of time to complete the trainings because of long child care hours have

been barriers for some providers. Offering on-site child care at trainings might be a solution. Also, local drop-in programs with activities for children might be effective for neighborhood providers.

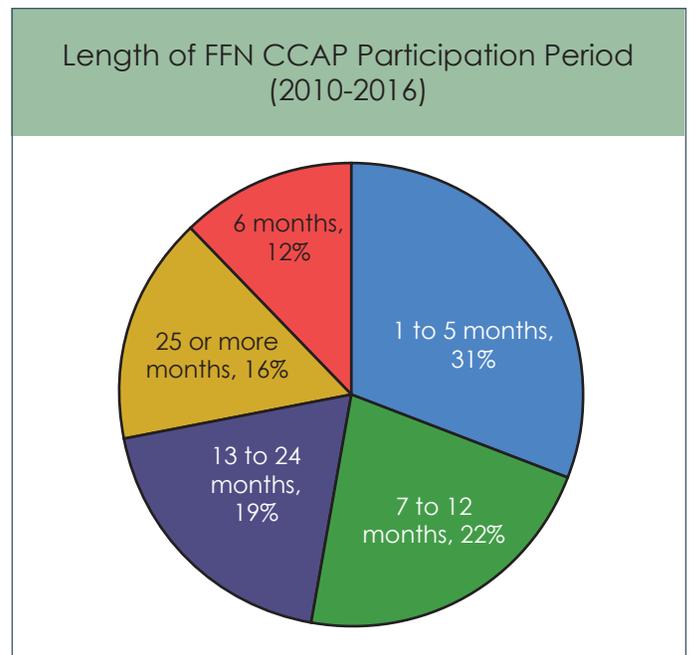
Given the wide variation in FFN providers' ages, their relationship to the child, and the characteristics of the care they offer, it is important that the programs charged with improving their quality should offer training for staff on how to engage a diverse set of providers and allow staff enough discretion and flexibility to meet the needs of individual FFN providers.



How Long Do FFN providers Participate in CCAP?

There is substantial turnover among FFN providers participating in CCAP. In FY2017, between 500 and 600 FFN providers in Cook County entered and exited CCAP each month.

Looking at FFN providers over a seven-year period, we found that the majority of FFN providers provide care on a short-term basis, with the median length of participation being just nine months.⁵ In comparison, the median length of participation for licensed home providers is 30 months. Just 12 percent of FFN participation periods lasted 30 months or more. In addition, most FFN providers (76 percent) do not return to CCAP after exiting, although about one quarter of them do.

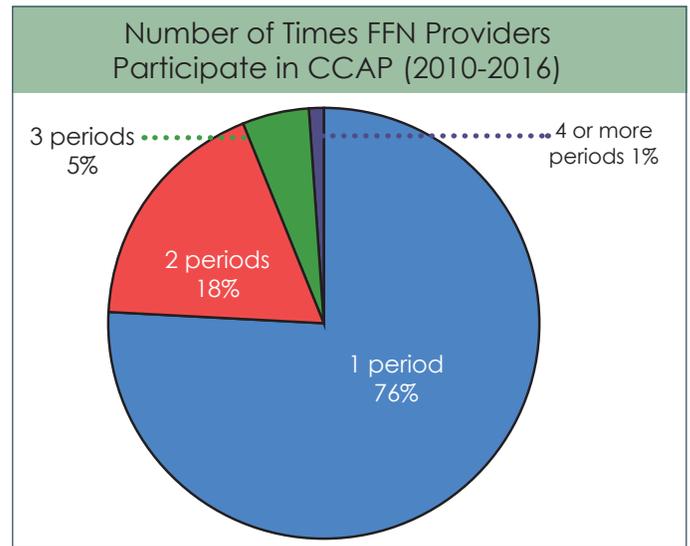


⁵ Length of participation refers to a participation period where the provider received CCAP payments on a regular basis and gaps in payment lasted no more than two months. The analysis is based on an eligibility period of six months. Durations should increase with Illinois' 2018 adoption of a twelve-month period of eligibility.

With so many short-term providers:

- It might not be wise to require extensive training of providers who have been in the subsidy program for less than 6 months or one year.
- If trainings are required, it might be best to structure them in smaller more attractive steps for new providers whose stay in the subsidy program is uncertain, even in their own minds.

Understanding providers' individual situations and having the flexibility to offer meaningful supports may be the optimal approach to improving quality.



Targeting Long-Time Providers

If we know in advance which providers are likely to stay longer on CCAP and which are likely to leave quickly, we can better target outreach, training and monitoring resources. Thus, we examined whether any characteristics of FFN providers and the families they serve predict longer stays on CCAP. Overall, these models have relatively low predictive value. However, FFN providers who serve working parents or who care for multiple families, school-aged children or children full-time show higher odds of staying on the CCAP program longer than one year. In addition, FFN providers who are 40 years or older, care for related children, and provide care in the child's home are also more likely to remain on the CCAP program for one year or longer.⁶

Characteristics that increase the odds of providers staying on CCAP	
Universe: 64,094 FFN Providers entering CCAP between April 2010 through September 2015	
Characteristic	Increased odds of staying on CCAP longer than 1 year (compared to provider without this characteristic)
Serves family with working parent (rather than family in education/training only)	89% higher odds
Cares for multiple families (vs just one)	77% higher odds
Is age 40 or older	33% higher odds
Cares for children full-time (16 or more FT days per month)	43% higher odds
Cares for school-age children (vs only age 0-4)	33% higher odds
Is related to the child	32% higher odds
Provides care in the child's home (vs provider's home)	9% higher odds

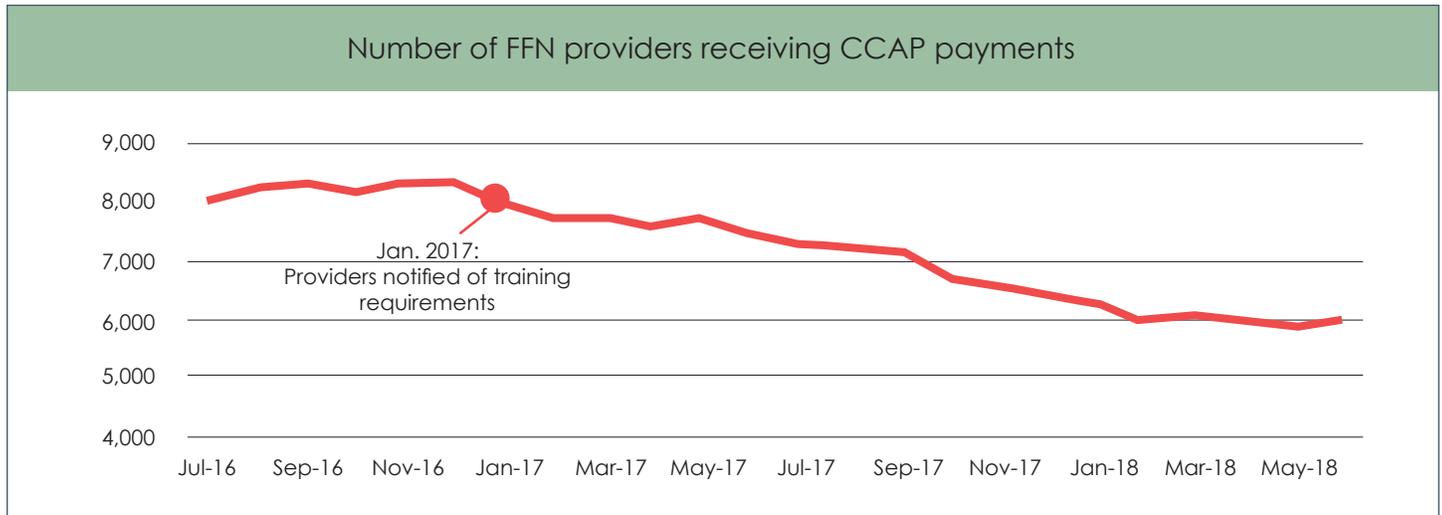
While a quality-improvement initiative would offer services to all FFN providers, the characteristics above could help program administrators target their outreach to those providers more likely to care for children over longer periods.

⁶ Logistic regression odds ratios are statistically significant at the .95 level. Caring for a greater number of CCAP children also increases the odds of staying on CCAP for one year. We excluded it from the model due to significant correlation with caring for a school-age child. If we omit the latter instead, caring for an additional child raises the odds of a provider staying on CCAP for one year by 16 percent for each additional child.

Impact of Requirements on Provider Participation

Traditional training and monitoring models typically do not appeal to FFN providers and, in fact, there is evidence that the new training requirements may have been a deterrent to CCAP participation. Between January 2017—when the state first notified providers of new training requirements—and June 2018, the number of FFN providers in CCAP dropped by 26 percent. This is prior to any enforcement of the training requirements, as well as prior to providers being notified that they will also have to comply with annual monitoring visits. We expect more precipitous declines to come.

The number of children in FFN care also dropped by 24 percent during this period, and data suggest these children are not switching to formal care but, rather, their families are leaving CCAP altogether.⁷ These families are losing a valuable financial resource and this could put them under greater financial stress—impacting the ability of the parent and provider to support the child whom the requirements were intended to benefit. For these families, CCAP fails at both its goals, supporting neither parent work nor healthy child development.



The decline in FFN providers is not surprising, as Illinois has seen this happen before in response to new requirements, including background checks for non-relative FFN providers and a registration process requiring a state ID and social security card for all FFN providers. Each additional requirement is a disincentive for provider participation in CCAP given the low compensation FFN providers receive from CCAP in return.

According to staff, the low reimbursement rate for FFN providers is indeed a reason that some providers are leaving CCAP in the face of new program require-

ments, particularly providers who care for long hours each day. As of June 2018, FFN providers in Illinois receive \$16.22 per day from CCAP for each child in their care full-time (define as 5-12 hours per day). A provider caring for one child for 5 hours earns \$3.24 per hour but earns just \$1.62 per hour if they provide care for 10 hours. Given their already low compensation, the added “costs” to providers of training, on-line registration and monitoring disincentivize providers to stay in the program.

⁷ Among CCAP children using FFN care in January 2017, thirty percent were off CCAP as of July 2017. Of those who remained, just 4 percent had switched to formal care. By January 2018, 46 percent had left CCAP while just 6 percent had switched to formal care.

Summary and Recommendations

FFN providers have an interest in helping the families they serve and often fill an essential void in caring for children when more traditional center-based programs are not open. FFN providers frequently know and love the children in their care before beginning their participation in CCAP. Some FFN providers have raised children and grandchildren of their own. Many provide truly excellent care. Over the years, many build good relationships with our staff and not only appreciate supports and new knowledge but often ask for more.

Nevertheless, a number of factors challenge policy makers and program administrators charged with investing in the quality of FFN care: the relatively short periods of CCAP participation and frequent turnover among FFN providers; the career interests and ages of most providers (early 20s and late 50s); the fact that a similar investment in other child care workers with more children in their care might benefit more children; and

that state-imposed standards and regulations have a history of leading to the exit of FFN providers and the families they serve from CCAP.

FFN providers themselves often view their care as temporary and their role as just helping out the family until the parent finds more permanent care or gains more solid financial footing. FFN providers are often part of a patchwork of care that parents pull together to meet the demands of their work schedule. As a result, efforts to engage FFN providers in traditional training opportunities—all of which have been voluntary in Illinois until now—have proven challenging.

There are many existing program models for investing in FFN quality that come with a range of price tags. We believe investments in FFN care in Illinois should follow four guiding principles if they are to succeed:

1. Since only a small portion of all FFN caregivers participate in CCAP, quality initiatives should be available to all FFN providers regardless of their participation in CCAP.
2. In designing initiatives we should clearly state their anticipated benefits *and* costs for families and FFN providers. New requirements for FFN providers receiving subsidy payments should be carefully designed to make a measurable difference to children, parents or providers and to reduce or minimize disruptions to families' child care subsidies, a critical work support.
3. Initiatives to improve the quality of FFN care should engage FFN caregivers according to their individual circumstances (such as their age, educational background and culture) and interests, including their motives for providing care, their interest in continuing to provide care, and their interest in becoming licensed.
 - An important corollary of this principle is that quality initiatives should include small accessible steps that providers can complete and should give them incentives to take those small steps. (Do not, for example, expect providers to embark on a long training program when they anticipate caring for children for only a short time. Offer FFN caregivers incentives after completing smaller steps rather than only at the end of a long series of steps.)
 - Another corollary of this is that if staff deliver such initiatives, it is optimal that they be trained to attend to FFN providers' circumstances and interests and have the authority to design individual training or engagement plans with the provider.
4. FFN caregivers of children receiving CCAP should be adequately compensated by the state to support the provision of this care and to incentivize best practices and participation in critical sectors of child care such as overnight care. New initiatives, in particular, should not require subsidized providers to incur uncompensated expenses.



www.actforchildren.org

Illinois Action for Children is a catalyst for organizing, developing and supporting strong families and powerful communities where children matter most.