New Research on Subsidized Family, Friend, and Neighbor Providers: IMPLICATIONS FOR INVESTING IN QUALITY

September 2019

What’s Inside:
Challenges and Recommendations ...... 2
Background .................... 3
FFN Care in Illinois ...... 4
What We Know about FFN Care....................... 5
Challenges and Recommendations

In Illinois, family, friend and neighbor (FFN) providers are those who care for up to three children in their own home or the home of the children and are exempt from child care licensing. FFN providers frequently know and love the children in their care and fill an essential void in caring for children when more traditional center-based programs are not open or not affordable.

Historically, Illinois has been one of the leading states with high participation by family, friend and neighbor providers in its Child Care Assistance Program (CCAP), the program that helps low-income working families pay for child care. But in recent years new CCAP requirements for FFN providers and state budget problems have led to a drop in FFN participation. In Cook County, the focus of this brief, FFN providers who received CCAP payments fell from 32,000 in 2011 to 12,500 by 2018, a 61 percent drop. Similarly, children with CCAP in FFN care declined by 56 percent during this period, from 62,000 to 27,200 children. Few of the 35,000 children leaving FFN care under CCAP switched to licensed child care, and most left CCAP altogether, losing an important family support.

New health and safety training requirements instituted for CCAP FFN providers, including relatives, have contributed to their declining participation. Traditional training models that work for the formal child care workforce have proven challenging with FFN providers, who 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. As our findings show, FFN providers are a diverse group. For quality initiatives to be successful, they must be flexible enough to meet their diverse needs and interests.

We believe investments in FFN care in Illinois should follow these guiding principles:

1. Make supports available to all FFN providers regardless of their participation in CCAP (since only a small portion of all FFN caregivers participate in CCAP).

2. Design initiatives to meet the needs of FFN providers and families:
   - Clearly state the anticipated benefits and costs of initiatives for families and FFN providers.
   - Design initiatives to make a measurable difference to children, parents and providers.
   - Reduce or minimize disruptions to families’ child care subsidies, which are a critical work support.

3. Design supports that appeal to FFN providers’ individual circumstances (such as age, education level and culture), their interests in providing care, and, if applicable, their interest in becoming licensed.
   - Train staff to attend to FFN providers’ individual circumstances and interests and grant them authority to design individual training or engagement plans with the provider.
   - Offer supports in small accessible steps that providers can complete, accompanied by incentives to take those small steps.

4. Compensate FFN CCAP providers adequately through state subsidies to support their caregiving and to incentivize best practices and participation in critical sectors of care such as overnight care.
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. 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 4.) Given this increase in regulation for FFN providers, new questions have surfaced 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. FFN providers respond differently to training initiatives and new program requirements than other child care providers for a number of reasons:

- 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 to be responsive to what we know about FFN providers’ unique interests and work contexts, while simultaneously preventing loss of parent subsidies.

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.

FFN Care in Illinois Overview

Historically, Illinois’ Child Case Assistance Program (CCAP) has had significant participation by FFN providers because of the program’s support for parental choice and recognition that FFN providers meet family child care needs when formal care 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 available 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 reached only 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.

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.
What We Know About Family, Friend, and Neighbor Care Subsidized by the State (CCAP)

FFN providers hold a unique relationship to 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.

Most FFN care happens in the provider’s home

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 matters for training delivery

The average age of FFN providers is 46, but providers most commonly fall in the early 20s and late 50s age groups.²

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.

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. IAFC has found that much time and effort is required to help inexperienced providers navigate through the online registration process and online trainings.

Age of Provider in the Child’s Home

Age of Provider in the Provider’s Home

² Data from CCAP, May 2017.
However, IAFC 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. New outreach and training approaches that appeal to the goals and interests of younger providers need to be explored.

—

Providers in their 50s and 60s have been more likely to complete the required trainings.
Who Do FFN Providers Serve?

More school-age children are in FFN care than younger children.

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

Many relatives caring for only school-age children are completing training despite being exempt from 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.

Most FFN caregivers serve just one family

Most FFN providers care for just one or two CCAP children, and 95 percent serve just one CCAP family. Reaching FFN providers and providing them services might best be accomplished in a family context rather than professional context, particularly among relative providers.
Most FFN care serves families working non-standard hours

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.

**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.**
Duration of FFN Care Matters to Quality Improvement Initiatives

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. 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.

With so many short-term providers:
- The CCAP program should avoid requiring 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.

3 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.
Targeting Investment to Long-Term 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-age 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 longer than one year.4

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.

"FFN providers who are 40 years or older, care for related children and provide care in the child’s home are more likely to remain on the CCAP program longer than one year.

### Characteristics that Increase the Odds of Providers Staying on CCAP

**Universe:** 64,094 FFN Providers entering CCAP between April 2010 through September 2015

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Increased odds of staying on CCAP longer than 1 year (compared to provider without this characteristic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serves family with working parent (rather than family in education/training only)</td>
<td>89% higher odds</td>
</tr>
<tr>
<td>Cares for multiple families (vs. just one)</td>
<td>77% higher odds</td>
</tr>
<tr>
<td>Is the age of 40 or older</td>
<td>33% higher odds</td>
</tr>
<tr>
<td>Cares for children full-time (16 or more full-time days per month)</td>
<td>43% higher odds</td>
</tr>
<tr>
<td>Cares for school-age children (vs. only age 0-4)</td>
<td>33% higher odds</td>
</tr>
<tr>
<td>Is related to the child</td>
<td>32% higher odds</td>
</tr>
<tr>
<td>Provides care in the child’s home (vs. provider’s home)</td>
<td>9% higher odds</td>
</tr>
</tbody>
</table>

4 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.
Burdensome requirements can cause providers to exit CCAP

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. 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 number of FFN Providers Receiving CCAP Payments

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 IAFC staff, the low reimbursement rate for FFN providers is indeed a reason that some providers are leaving CCAP in the face of new program requirements, 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 (defined 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 disincentive providers to stay in the program. The recommendations outlined at the beginning of this brief provide a more balanced way to invest in the quality of FFN care.

5 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.

Illinois Action for Children is a catalyst for organizing, developing and supporting strong families and powerful communities where children matter most. The Sylvia Cotton Center for Policy Innovation builds on our long history of advocating for public policy through a grassroots organizing lens.

“*The analysis and conclusions presented in this report are those of the Research Department of Illinois Action for Children and do not necessarily reflect the views of our funders.*

www.actforchildren.org