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Kaizen Consulting

City of Seattle Family Child Care Study

# Strategy Options

January 2019



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# City of Seattle Family Child Care Study

## Strategy Options

### I. Introduction

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These strategy options are the result of the City of Seattle’s family child care study, conducted in 2018 by Dovetailing Consulting and Kaizen Clara Consulting on behalf of the City of Seattle Department of Education and Early Learning (DEEL), with guidance from the City’s Family Child Care Advisory Council (FCCAC).

Through the study, DEEL sought to: reflect on past efforts; understand the characteristics, needs, and ideas of current family child care providers (FCCs); and, use these to craft strategies that can help FCCs continue to sustain their businesses and enhance the quality of their programs. The ultimate goal of this effort is to improve the learning and development of children in FCC care.

Business sustainability strategies, as well as program quality, are key to children’s learning and development. FCCs and system partners noted that business support can help FCCs to:

1. Reduce turnover of FCCs leaving the field and sustain the benefits from quality investments;
2. Provide a pathway to engage FCCs not yet participating in quality initiatives;
3. Reduce stress and contribute to the well-being of FCCs and increase the amount of time that they can dedicate to caring for children rather than business affairs.

Strategy options noted in the following pages are based upon the three types of sources.

1. Study findings regarding exploration of data, current programs, and focus groups and interviews.
2. Ideas shared by Family Child Care Advisory Council members and the consultants’ analysis of current state and federal early learning programs.
3. Strategy options also build upon, and take advantage of, seminal city and state research, plans and programs. These include:
  - a. Department of Education and Early Learning (DEEL) research, including the *Family Child Care Landscape Memorandum* memo,<sup>1</sup> the *Seattle Preschool Program Evaluation*,<sup>2</sup> and the *Seattle Parent Child Home Program Family Child Care Pilot Evaluation*;<sup>3</sup>
  - b. DEEL pilot programs for licensed family child care home providers (FCCs) such as the Seattle Preschool Program and the *Parent Child Home Program Plan*;
  - c. Programs and supports offered by other City departments ranging from supports for FCCs such as: The Child and Adult Food Program (CCNP) managed by the Human Services Department (which provides federal funds to offset costs of nutritious food); supports for small businesses; and, numerous supports for low-income families offered by the City.

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<sup>1</sup> Wool, S., Workman, S., Michell, A. (October 2015). *Family Child Care Landscape Memorandum* memo. Augenblick, Palaich and Associates.

<sup>2</sup> Nores, M., Barnett, W.S., Jung, K., Joseph, G., Bachman, L., & Soderberg, J.S. (2018). [Year 3 Report: Seattle Pre-K Program Evaluation](#). New Brunswick, NJ: National Institute for Early Education Research & Seattle, WA: Cultivate Learning.

<sup>3</sup> United Way of King County. (Reporting Period: May 1, 2017 through January 31, 2018). *Parent-Child Home Program Family Child Care Pilot End of Pilot Report*. Seattle, Washington

- d. State of Washington programs and supports for early learning such as: [the Washington State Early Learning Plan](#); [the Washington State Learning and Development Guidelines](#); the [Early Achievers](#) child care quality rating and improvement system; and, the state statute guiding ECEAP expansion (which requires that “any eligible children *shall be entitled to be enrolled in the program*” (RCW [43.215.456 \(Sec. 5\)](#) by the 2022-2023 school year).
- e. Plans that the Governor has included in his budget to expand birth-to-five programs to meet the State’s “90% strategy” which aims for 90 percent of young children to be ready for school in all six developmental and learning domains, with race and income no longer predictors of readiness. The Governor’s budget includes plans for voluntary universal home visiting and newborn assessments, an early learning referral system, expansion of the ECEAP comprehensive preschool program and addition of new “early ECEAP” and state preschool programs available to families with income up to 200% of the federal poverty level. The Governor’s budget also includes additional support that might benefit FCCs by including funds for those pursuing higher education through the Washington College Promise scholarship program and investments to make “guided pathways” for new members of the workforce. The higher education budget also includes funds to prepare new behavioral health professionals in community settings.<sup>4</sup>
- f. The State of Washington’s Preschool Development Grant (PDG) proposal.<sup>5</sup>
- g. Draft recommendations of the Early Achievers Program Joint Select Committee established by the Washington State Legislature in 2015. (The final recommendations are expected in early 2018.)

Strategies (summarized on the following page), focus on ways to help FCCs sustain their businesses and continue to improve the quality of their services.

- **Organization.** Strategies begin with those that can be carried out by the Department of Education and Early Learning (DEEL) on its own and progress to those that will require increasing levels of partnership with other organizations.
- **Guiding Principles.** The following guiding principles serve as the foundation for all strategies. This will be essential to being able to engage and serve the breadth and diversity of FCCs in Seattle. Supports should provide a menu of supports that fit providers with different:
  - Interests and needs, strengths, and Early Achievers quality levels;
  - Cultures and home languages; and,
  - Ages of children served.
- **Description of Strategies.** A description of each strategy can be found on pages 4-14.
- **Impact and Ease of Implementation.** A chart of impact and implementation ease, along with potential partners and related efforts can be found on Page 17.

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<sup>4</sup> Office of Financial Management. (December 2018). [Proposed 2019-2021 Budget & Policy Highlights](#). Olympia, Washington.

<sup>5</sup> A summary of the *State Preschool Development Grant Proposal* will be published on the DCYF website soon.

## Strategies to Support FCC Quality Improvements and Business Sustainability

Note: A ★ indicates strategies prioritized on November 17<sup>th</sup>, 2018 for the FCCAC's 2019 work.

### A. Increase Outreach and Awareness

1. **Publicize Opportunities.** Help FCCs learn about programs useful to FCCs and the families they serve.
2. **Translate Information.** Translate information about programs useful to FCCs and the families they serve. ★

### B. Support Peer Groups

1. **Support Peer Led Groups Using Paid Mentors.** Provide a way for skilled peers to use trusted substitutes and receive additional compensation, while they lead and mentor peer groups to strengthen ongoing relationships, promote cultural competency, solve problems, and strengthen quality (in coordination with existing coaches). ★
2. **Continue the Development of the FCCAC.** Explore the best ways to build on the FCCAC's good work. ★

### C. Expand Professional Learning Opportunities

1. **Increase Training Options & Follow-Up Coaching.** Add more training options (like using assessments, supporting children with special needs) and provide follow-up coaching to help with implementation. ★
2. **Translate Materials & Provide Interpretation.** Translate professional development materials and assessments.
3. **Provide Compensation During Training.** ★
4. **Expand Hubs and Pilots.** Increase FCC spaces in programs like Seattle Preschool and Parent Child Home.
5. **Help FCCs Access Other Community Services That Enhance Quality.** Connect FCCs to other community organizations that provide helpful services (like family support, literacy and math activities, etc.) ★
6. **Support FCCs Caring for Children with Special Needs and Behavioral Challenges.** Expand child care health consultation and other supports for children with special needs and behavioral challenges.

### D. Promote Business & Financial Supports

1. **Promote Business Support Services.** Advertise Child Care Resource's and City of Seattle business support services.
2. **Negotiate Housing Affordability Supports.** Promote/provide enhanced rental subsidies, business and property tax breaks, fee-based (no-interest) mortgages, stabilize Seattle Housing Authority (SHA) rents as income varies, and access to small business grants and loans to help FCCs stay in housing. ★
3. **Establish Pooled Purchasing.** Help FCCs to purchase energy-efficient appliances and services at a discount.
4. **Provide Access to Benefits.** Help FCCs access health and dental insurance, and retirement plans. ★
5. **Promote Low Utility Costs.** Negotiate utility rate exemptions/credits/reductions for family child care providers. Partner with energy assistance programs to make home repairs and weatherize.
6. **Provide More Financial Support at Start-Up.** Provide financial supports for beginning business, expanding, and preparing for Early Achievers (e.g., updating a bathroom, purchasing materials, etc.)
7. **Make CCAP More Appealing/Beneficial.** Shift subsidies from vouchers to "slot" funding and only require liability insurance once subsidized children are enrolled. ★
8. **Support Computer Skills.** Fund or provide computer setup and basics training. ★
9. **Provide Marketing Support.** Provide website development, referral, and other supports.
10. **Provide Help Finding Staff.**

### E. Connect, Streamline, and Align Initiatives/Programs

1. **Prepare for Participation in and Connection to New Early Learning Programs.** Work with the State to prepare specialized supports to help FCCs participate in "add-on" services (like PCHP) as well as new home visiting, early ECEAP, ECEAP, and State Preschool programs.
2. **Reduce, Combine, and Automate Paperwork.** Work with the State and others to reduce and combine requirements and documentation whenever possible.
3. **Improve "Visits" & Reduce Number of Visitors.** Work with the State and others to coordinate and provide consistent guidance and reduce the number of visitors.
4. **Help FCCs Navigate New Requirements.** Help FCCs prepare to implement new requirements from other agencies (e.g., attendance training). Create tools and assign staff to help FCCs navigate agency requirements.
5. **Increase Program Quality Supports.** Work with the State and others to increase scholarships and supports.
6. **Work with DCYF to Ease Early Achievers Re-Rating Requirements and Gather FCC Data.** Promote acceptance of existing EA rating and quality improvement plan + licensing visit when moving, Partner with DCYF on *Child Care Market Rate Surveys* to gather data needed to refine the strategy.



## II. FCCAC Priorities

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The Family Child Care Advisory Council advises the Department of Education and Early Learning on its strategy to support family child care in the City of Seattle.<sup>6</sup> With a lens on equity, access, timeliness, and method of providing supports, the Council is charged with making recommendations regarding: City investments; research initiatives; and, activities that impact the FCC community. This strategy evaluation was designed to support those deliberations and guide development of the City's strategies to increase the sustainability of FCC businesses and quality of FCCs programs. Throughout 2018, the Council has informed development of the research process and strategies. Having completed its first full year, the Council will continue its learning and development in 2019 while continuing to refine and work with the City to implement the prioritized strategies reflected in this report.

## III. Strategy Options

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The strategies noted below describe ways to help FCCs sustain their businesses and continue to improve the quality of their services. Each section begins with a summary of findings that guided development of the strategy options. Hyperlinks to useful websites are provided where applicable.

NOTE: Strategy categories begin with the lowest effort strategies that can be carried out by the Department of Education and Early Learning (DEEL) on its own and progress to those that will require increasing levels of funding and partnership with other organizations.

### A. Increase Outreach and Awareness

**Findings:** Both FCCs and parents participating in the study noted that they do not know about certain programs (like state and city child care subsidies and the Child Care Nutrition Program) and initiatives (like the Parent Child Home Program) that could benefit them and the families they serve. Strategies to address these findings are:

1. **Publicize Opportunities.** Create more easy ways to learn about useful programs, so that FCCs and parents can enroll and benefit. Methods might include: staff outreach; distribution of information at City and State training sessions; holding provider benefit fairs; and, creating simple fliers, cards, and online content) that make it easier for them to discuss these supports with peers and pass information through their personal social networks. Several FCCs said that providing information at trainings that they could bring to their social networks coupled with online information that system partners such as Child Care Resources, Voices of Tomorrow or SEIU could shar with FCCs might be the most effective way to start.

For example, a coach visiting an FCC could bring information about other City programs. These could include DEEL programs to increase quality and affordability or other City programs to increase FCC (or family) revenue and decrease costs (the City's Child Care Nutrition Program, the Utility Discount Program or the Home Weatherization Program). Many useful programs for low-

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<sup>6</sup> FCCs in Seattle operate in a broader context of required and voluntary City, County, State than other initiatives and programs. This context is key to understanding the pressures on FCCs and strategies to help them sustain their businesses and continue to enhance the quality of their programs. See the *Seattle Family Child Care Landscape Analysis*, Section II: *The Context of Initiatives and Programs in Which Seattle FCCs Participate* for a chart of the "Supports to Family Child Care Providers in Seattle".



income families are listed on the [City of Seattle website](#). This will ensure that providers learn about and can take advantage of all supports that can benefit them and the families that they serve. (In response to findings A.2.e, A3., D2.)

- 2. Translate Information.** Because the majority of FCCs speak a home language other than English, make outreach, program, and training materials available in FCC home languages (note that Somali and Oromo language materials were most often requested during the study data gathering), so that FCCs can more quickly benefit from training and other supports and programs. (In response to finding A.2.i.1)

## **B. Promote Peer Networking and Support**

Findings: FCCs told the study team that their work is solitary and that this inhibits their ability to learn about new supports and to continuously enhance the quality of their services. FCCs also said that they trust information from each other the most, since they have similar experiences. Almost all noted that they want to learn from each other, build community, talk with peers about practice, and seek each other's advice for navigating City and State programs as part of building their business and pursuing continuous improvements to quality (in addition the support they get from coaches). Bringing these groups together will require a peer-FCC mentor who is compensated for their time, so that they can use trusted substitutes while they are away from their home.

In addition, the demands of balancing operations, quality improvement, business finance, and family finance get in the way of success. FCCs have little release time to attend training, reflect on application in their business, and practice implementation. Unlike other education fields, child care businesses are seldom closed. Many Seattle FCCs provide evening care (41%) and seven day per week care (34%), and they are seldom paid for their time during professional learning activities. Strategies to address these findings are:

- 1. Support Peer-Led Groups Using Paid Mentors.** Provide a way for skilled peers to bring together and mentor groups of FCC peers (in coordination with existing coaches) to: strengthen ongoing relationships; promote cultural competency; solve problems; and, strengthen quality. Pay mentors (so that they can be rewarded for their time and expertise) and provide access to substitutes they know and trust. The peer groups can help FCCs implement quality enhancements, navigate new requirements, and learn about existing (Care Food Program, Comprehensive Child Care Program [CCAP] and ECEAP) and new (potential new state birth-to-five programs) resources) and supports useful to FCCs at different levels of quality and engagement.

FCCs also told the research team that this would be an effective way to engage FCCs who are not yet involved in quality initiatives. (In response to findings in all of Section A)

- 2. Continue the Development of the FCCAC.** Explore the best ways to build on the FCCAC's good work to provide leadership and connections to the Seattle family child care provider community. FCCAC members recommend that the FCCAC should be peer-to-peer and relationship-driven. The FCCAC should become a two-way communication conduit to the larger FCCAC community to empower the full FCC community and expand communication between Seattle FCCs and DEEL. (In response to all findings.)

### C. Expand Professional Learning Opportunities

Findings: FCCs told the study team that they are interested in learning and providing the best possible care and early education for children. Almost all spoke of wanting more support and training to help them continue to improve the quality of their services, including supports for children with special needs. (Research suggests that about 13 percent of children under three-years-old have delays that would make them eligible for early intervention services.)<sup>7</sup>

Early evaluation by the National Institute of Early Education Research (SPP Pilot) and ORS Impact (PCHP) shows that the City pilots are effective in helping FCCs increase service quality. The year-three evaluation of the Seattle Preschool Program found that “average quality does not differ significantly between classrooms and (Seattle Preschool Program pilot) family child care providers (FCCs)...”.<sup>8</sup> The year one evaluation of the Parent Child Home Program shows that providers are “highly satisfied’ with the program, and more than 50 percent of parents report growth in desired activities such as “my child describes pictures in books using word and sentences” (74 percent), and “I read with my child” (6 percent)<sup>9</sup>.

In addition, some providers told the study team that the ability to offer preschool (in the Seattle Preschool Program - FCC pilot) helped them keep current children in their program. A few others were looking to the future and wanted to be able to attract preschool age children to their programs. Strategies to address these findings are:

- 1. Increase Training Options and Follow-Up Coaching.** Add more of the existing training (such as *High Scope* and *Creative Curriculum* training) and more types of training options (like supporting children with special needs and behavioral challenges). Provide follow-up coaching to help FCCs incorporate new learning into practice. This will ensure that an ever-wider number of FCCs learn about and can implement quality enhancements into their practice. In addition, work to identify and provide the right dose of training and coaching for FCCs at differing levels of quality to ensure effectiveness. Too little coaching and training will not realize the desired benefit; too much will restrict the number of providers who could benefit. (In response to findings A.2.c, C.3., D.3)
- 2. Translate Training Materials and Provide Interpretation.** Provide coaching and training in home languages. FCCAC members and FCCs who speak English as a second language told the study team that they could not fully understand training and assessment materials in English. (In response to the Guiding Principles and findings A.3.g., A.3.i.)
- 3. Provide Compensation During Training.** This is needed so that FCCs can afford a substitute when they attend training sessions. It also acknowledges their expertise and effort. (In response to finding D.1. D.3)

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<sup>7</sup> National Early Childhood Technical Assistance Center. (July 2011). [The Importance of Early Intervention for Infants and Toddlers with Disabilities and Their Families](#)

<sup>8</sup> Nores, M., Barnett, W.S., Jung, K., Joseph, G., Bachman, L., & Soderberg, J.S. (2018). [Year 3 Report: Seattle Pre-K Program Evaluation](#). New Brunswick, NJ: National Institute for Early Education Research & Seattle, WA: Cultivate Learning.

<sup>9</sup> ORS Impact. (February 2018). *PCHP Family Child Care Evaluation Overview*. Parent Child Home Program.

4. **Expand the Seattle Preschool Program FCC Hubs and Pilots to More FCCs.** Expand the Seattle Preschool Program and its hub approach to more providers and expand the Parent Child Home Program pilot (planned for 2019). As noted above, the pilots are effective and well-liked by FCCs. (In response to finding A.2., C.1., C2., D.1.)
  - a. Consider whether FCCs can participate in both programs. Some of the providers with which the study team spoke are participating in both pilots. Dual participation may intensify benefits but also decreases the number of providers who can benefit. Since few “slots” are available, (in 2018, the SPP pilot included 14 providers, and the PCHP pilot included 12 providers), the City may wish to consider the pros and cons of dual participation and make a decision to guide future enrollment.
  - b. Consider blending city funds with other fund sources such as ECEAP. To allow City dollars to go further, use SPP FCC hubs and peer networks to prepare and connect providers to family support and health care coordination services so they can prepare and participate in ECEAP, and planned new state birth-to-five programs. For example, State ECEAP funds could be used as a base with SPP funds making up the remainder to allow City funds to go further and allow more FCCs to participate in ECEAP. This may also be possible with other future early learning programs. This would extend the City’s ability to support higher-quality services to more children.
5. **Help FCCs Access Other Community Services that Promote Quality.** Broker and negotiate with other community organizations to provide helpful services (like family support, parenting education, literacy or math activities, etc.) at family child care homes. Atlantic Street Center’s family support services, Raising a Reader, and Zeno Math are good early examples. This would enable FCCs to improve quality of services and prepare to participate in other program offerings. (In response to finding A.2.e., C.2.)
6. **Support FCCs Caring for Children with Special Needs and Behavioral Challenges.** Partner with State, and County agencies to provide, or help FCCs access, additional child care health consultation and other supports for children with special needs and behavioral challenges. Other supports might include screening to identify children with developmental delays and disabilities and facilitating access to the [Early Support for Infants and Toddlers](#) program (funded by state, county and federal funds [IDEA Part B, preschoolers and Part C, infants and toddlers]). These high-quality early intervention services can change a child’s developmental trajectory and improve outcomes for children, families, schools and communities. (In response to findings A.1., A.2.e.)

## D. Promote Business & Financial Supports

Findings: Most, but not all, FCCs asked for help to increase business skills, control costs, and increase and stabilize revenues and for help with business supports. Strategies suggested to address these findings are intended to promote/provide enhanced rental subsidies, business and property tax breaks and access to small business grants and loans for those who provide child care. (See *Seattle Preschool Study Landscape Analysis, Section VI, Findings*)

1. **Promote Business Support Services.** Publicize and connect FCCs with services and supports to strengthen their business skills and business management. (In response to finding A.1., A.2.b., A.2.f., A.2.g., A.2.h.)
  - a. *Publicize the Washington Child Care Business Edge online portal.* Acquaint FCCs with Child Care Aware of Washington’s “[Washington Child Care Business Edge](#),” an online portal which includes tools of value to FCCs (resources, tips, form templates, training support, discounts for supplies, access to dental and vision insurance plans, and other tools to help them with business and administrative tasks). Child Care Business Edge is supported by the Washington State Department of Children, Youth, and Families (DCYF) and is available (in English, Farsi, French, Russian, Somali, Spanish and Ukrainian) at no cost to child care providers who participate in [Early Achievers](#). If requested, CCA may be willing to work to add additional options such as pooled or discounted appliance purchases and retirement funds.
  - b. *Connect small businesses with the City of Seattle Office of Economic Development.* This office provides resources such as workshops and classes about optimizing business operations and marketing, through a variety of partners. They can connect small business with community lenders (flexible, low-cost loans with support through the process) and grants. They also help businesses maneuver through City processes (permitting and licensing) and serve as a voice for small business. Also, through the SBA SCORE program, mentors are available to help businesses through the process.
  - c. *Publicize shared services for child care providers.* Partner with the DCYF and shared service providers (Child Care Resources, and others) as shared services become available.<sup>10</sup> Shared services will allow FCCs to purchase a host of specific services ranging from bookkeeping to family support. Funding to initiate shared services is included in the Governor’s budget and in the State’s Preschool Development Grant (PDG) application. (In response to finding D.3.b.)
2. **Negotiate Housing Affordability Supports.** Promote/provide enhanced rental subsidies, business and property tax breaks, and access to small business grants and loans for those who provide child care. This will help to assure stability in the supply of child care and support quality for children. Muslim FCCs whose religious teachings prohibit payment of interest asked for mechanisms other than loans that would enable them to purchase a home. Each time FCCs

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<sup>10</sup> The [Governor’s Budget](#) includes funding for a new preschool program with “wrap around family support and health coordination services”.

move, there are new start-up costs and they must start the Early Achievers rating over despite having demonstrated their ability to run their program well. (In response to findings A.3.b., A.3.g., C.1.)

- a. [\*Help FCCs stay in Seattle Housing Authority \(SHA\) housing.\*](#) Partner with SHA to explore changes to the way that income is calculated for family child care providers who are residents of SHA housing to address the month-to-month variability of their income and substantial business expenses that affect gross income. This will benefit the SHA community as well as individual FCCs as it will ensure that child care is readily available to SHA residents and to other nearby families.
- b. [\*Connect FCCs with methods to purchase housing.\*](#) As an FCCAC member noted at the 10/18 meeting, this is the best way for those who can afford it to control housing costs. There are a number of [homeownership organizations](#) that can help to make ownership affordable. Since FCCs are both residents and businesses, consider both residential and commercial options.
  - i. [\*Help for first-time home buyers.\*](#) Connect FCCs with the *Seattle Office of Housing*, which provides down payment assistance for eligible first-time homebuyers. (Assistance is substantial and varies by type of purchase.)
  - ii. [\*Help for Muslim homebuyers.\*](#) Make it possible for Muslim FCCs whose religious teaching does not allow payment of interest to secure mortgages for purchase of a home. Work with the Seattle Office of Housing to explore options such as entering into a lease-to-own contract, or purchase of the home by an Islamic finance company which then sells it to the buyer in fixed monthly installments at an agreed-upon marked-up price. A starting point for this exploration might be this [list of banks and brokerage institutions that offer Islamic, or no riba', home mortgages which are compliant with Islamic law.](#)
- c. [\*Promote local tax breaks for FCCs.\*](#) Work with the City of Seattle and King County to provide property tax breaks (King County) and business tax breaks (City of Seattle) for FCCs.
  - i. [\*King County Tax Relief.\*](#) The state allows property tax exemptions for certain uses which include non-profit “day care” ([RCW. 84.36.040](#)). The property tax breaks can be up to 80% of the property tax. Seattle could work with King County to extend this to FCCs. In addition, sole proprietors are eligible for a \$15,000 head of household exemption which is deducted from the total assessed value. The most recent available information suggests that FCCs in King County average \$43,010 in gross earnings<sup>11</sup> which suggests that many would meet the income limits.

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<sup>11</sup> Child Care Aware of Washington. (January 2018). [Child Care in King County](#) : Data from 2015 State Market Rate Study.

- ii. *Seattle*. Work with the City of Seattle to exempt FCCs from paying City business taxes. Seattle already exempts a variety of uses (ranging from child care provided by churches to several for-profit uses) [[SMC Chapter 5.45.090](#)].
  - d. *Promote affordable rentals*. As of May 2018, about 4,000 Seattle housing units are “rent-restricted” through the [Multifamily Tax Exemption Program](#) and/or [Incentive Zoning](#). These units are available to low- to moderate-income households, with specific income requirements dependent on the size of the household and the number of bedrooms. Each building's property management team handles the income certification and leasing process. Information about this housing and the application process is available on an [Office of Housing web page](#).  
  
In addition, there is a listing of rental apartments for low-income households whose annual income is below 80% of area median income (voluntarily advertised by owners and managers of rental apartments for low-income households). [Aptfinder.org](#) includes both subsidized and unsubsidized apartments.
3. **Help FCCs Reduce Operating Expenses**. Help FCCs reduce expenses by connecting them with existing [Free and Discounted Resources for Seattleites](#) (which can be found by clicking this link) that can help low-income families. These City programs range from - utility and phone bill discounts - to reduced cost for Internet and transportation - to emergency help with rent. In addition, explore additional options such as pooled purchasing for appliances and other equipment/services. If requested, Child Care Aware (CCA) of Washington may be willing to work to add additional options such as pooled or discounted appliance purchases and retirement funds to its Washington Child Care Business Edge services. (In response to findings A.2.b., A.2.d., A.2.f., A.2.h., C.1.)
  4. **Promote Lower Utility Rates**. Connect FCCs with existing utility discount, assistance and weatherization programs as another way to reduce their expenses and stabilize their businesses. (In response to findings A.2.f., A.3.b., A.3.g.)
    - a. *Connect FCCs to utility discounts*. The [Utility Discount Program](#) helps income qualified Seattle City Light customers lower their electric bills by 60%. Seattle Public Utilities customers will also receive 50% off their water, sewer, and garbage bills if enrolled in this program.
    - b. *Connect FCCs to energy assistance*. [Utility assistance and home weatherization programs](#) for eligible low-income families includes urgent help in paying utility bills. It also includes help to weatherize homes so that bills are lower in the future.
  5. **Provide Access to Benefits**. Publicize access to low-cost health and dental benefits and explore options for retirement plans. FCCs want access to benefits such as health and dental insurance and retirement plans. Without this their businesses are in jeopardy if they have a major health issue or if they feel like they need to move to other opportunities that provide benefits along with compensation. As was noted in the *2016-17 ECEAP Expansion Plan*, one program lost an to Pizza Hut as it offered a better compensation package with less stress.

- a. Publicize existing options. A first step might be to publicize the [Health Benefits Exchange](#) where people can apply for health coverage and find a plan. (Some plans also offer dental care.) In addition, publicize the dental and vision plans available on the Child Care Business Edge portal.
  - b. Expand options on Child Care Business Edge. A next step could be to talk with Child Care Resources and Child Care Aware about the possibility of expanding [Washington Child Care Business Edge](#) to include retirement plans. (In response to finding A.2.h.)
- 6. Provide More Financial Support at Start-Up.** Explore ways to help new FCCs with start-up funds for facility renovation and repairs to meet licensing requirements and for furnishings and materials. This will remove a barrier to entry for new FCCs. (In response to findings A.2.b., A.3.b., A.3.g.)
- 7. Change CCAP to Make It More Appealing/Beneficial.** A 2018 evaluation of the program<sup>12</sup> found that “CCAP plays a critical role in recipient families’ ability to balance work and family life in Seattle. Providers and recipients describe CCAP’s impact in glowing terms...”<sup>13</sup> DEEL is in the process of analyzing and implementing adjustments to increase marketing and enrollment and reduce barriers to participation for current and potential recipients, particularly those in low-income communities and communities of color.

This study recommends two additional options for making CCAP a useful tool to help FCCs provide care for low-income families in Seattle and to sustain their businesses. (In response to findings A.2.g., D.3.d.)

- a. Consider slots instead of vouchers. Shift to funding slots of child care at participating FCCs rather than providing vouchers to families. Examples of this slot-based approach include the Seattle Preschool Program and the statewide ECEAP program. This will make it easier for families to find open “slots” while providing additional financial stability to FCCs (and potentially child care centers).
- b. Explore ways to reduce FCC insurance requirements. Now, DEEL CCAP staff assess child care programs interested in participating and then execute a contract for those who meet requirements and are willing to accept children under the CCAP program. Once the contract is executed, FCCs must meet City liability insurance requirements, which are twice the typical requirements (\$2M compared to \$1M). To continue in the program, FCCs pay the high insurance premiums to maintain their ability to serve children in the future, even if no children are placed with them. Moving to a slot approach would address this. Alternatively, consider a two-part contracting approach where the parties agree on the terms with the final contract executed once a child is enrolled in the FCC.
- c. Strengthen marketing and enrollment. Engage in substantially more outreach, marketing, and enrollment to FCCs and to families. The recent program evaluation (BERK 2018)

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<sup>12</sup> BERK Consulting. (April 23, 2018). *Child Care Assistance Program (CCAP) Analysis and Recommendations Final Report*. Seattle Department of Education and Early Learning.

<sup>13</sup> BERK Consulting. (April 23, 2018). *Child Care Assistance Program (CCAP) Analysis and Recommendations Final Report*. Seattle Department of Education and Early Learning.



suggested multiple steps including updating the website, and cross referencing CCAP information with information and outreach for other programs and supports that FCCs use. Provide other incentives and benefits to FCCs who enroll in CCAP to keep them engaged and to help them continue to improve the quality of their services.

- 8. Support Computer Skills.** Fund or provide computer setup and basic training in the use of e-mail, Word, Excel, assessment programs, and the new DCYF required online reporting for subsidies. Align this with other new City and DCYF initiatives such as the City’s requirement to use online assessment tools in the Seattle Preschool Program. One indication of the importance of this to FCCs is the FCCAC’s determination that this is a priority for their 2019 work.

FCCs have said that they need ongoing training and support rather than a one-time training. One option might be to partner with a community college to provide classes (perhaps in SHA housing communities where many FCCs live). Another might be to partner with the Seattle Library (which now provides some computer training) to provide deeper ongoing training. A third way to do this might be to contract (or outstation staff) with trusted community organizations that already provide job-readiness programs and computer skills training. (In response to finding A.3.h.)

- 9. Provide Marketing Support.** Provide website development, referral, and marketing supports. The City of Seattle Office of Economic Development and its partners provide supports and resources for small businesses. Yonas Seifu has agreed to be the point of contact for family child care providers (206-733-9743 | [yonas.seifu@seattle.gov](mailto:yonas.seifu@seattle.gov)). In addition, connect with Child Care Aware of Washington as they plan to provide “business of child care training” and marketing/website development services through the [Washington Child Care Business Edge](#).” (In response to findings A.1, A.2.b., C.2.)

- 10. Provide Help Finding Staff.** FCCs said that hiring staff was one of the most difficult parts of their work and that they needed help to find staff and assistants. This reflect the intense national child care workforce shortage. To illustrate, one recent survey of child care centers in Washington state<sup>14</sup> found that 51 percent of centers had unfilled positions and 58 percent indicated it was difficult to retain new hires, with assistant teachers having the highest turnover rate. (There is no data specific to FCCs.)

It is expected that child care subsidy rates and professional compensation will be discussed in the upcoming legislative session. However, compensation will require long-term solutions. In the meantime, one short-term option to explore would be for the City (and potentially CCR and SEIU) to partner with Seattle Community Colleges to recruit potential child care staff for whom \$15/hour would be a step up and train them as child care assistant teachers and staff. This could provide short-term help to FCCs and provide the beginning of a career path for new workers (such as high-school and college students or parents of children enrolled in child care or preschool). There may also be opportunities to partner with DCYF to test new strategies to increase child care provider compensation in the coming year. (In response to finding A.2.d.)

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<sup>14</sup> Clark, S. (November 2018). [Washington State Early Learning Hiring and Retention Survey](#). Economic Opportunity Institute.

## E. Connect, Streamline and Align Initiatives/Programs

Findings: FCCs told the study team that: too much change is happening at the same time; there is too much paperwork; and, too many people are coming into their homes for assessment, monitoring, and coaching. They also said that many times assessments and ratings are not tailored for the multi-age groupings of children (birth-to-age-13 years) for whom many FCCs provide care. Moreover, some provide conflicting guidance. This takes away from FCC time caring for children and creates extra frustration.

There are also many new early programs that are being implemented that can add to the services FCCs already provide and can respond to the diverse needs of children. With ECEAP expanding to an entitlement by the 2022-2023 school year and the many new early learning programs proposed by the Governor,<sup>15</sup> it will be important for FCCs to have equal opportunity to be part of their delivery system.

Strategies suggested to address these findings are:

1. **Prepare for Participation in and Connection to New Early Learning Programs.** Work with the State to prepare specialized supports and to help FCCs participate in PCHP and other new “add on” early services (like new home visiting, early ECEAP, ECEAP, and state preschool programs). (In response to findings A.1., A.2.e., A.3.j., B.4., D.3., D.4.) These strategies might include:

- a. Facilitating early access to new “shared service elements” such as family support and health coordination for ECEAP and Early ECEAP.
- b. Helping FCCs to participate in State pilots and early expansion of additional services like the City’s SPP and PCHP programs or the state ECEAP preschool services and other future supports that may become available.
- c. Extending the hub approach to provide infrastructure and mentoring for services like Seattle Preschool, ECEAP, new State Preschool, and Early ECEAP.

2. **Reduce/Automate Paperwork and Tailor Assessments to Multi-Age Groups of Children.** Work with State and City partners to reduce and combine requirements and documentation whenever possible (e.g., requirement for duplicate attendance reporting for state child care subsidies and the Child Care Food Program). Use the existing FCC application and data collection methods to avoid the need for new paperwork when possible. FCCs said that the multiple administrative requirements are burdensome, sometimes duplicative, and take precious time away from caring for children. As part of this, consider ways to tailor assessments and requirements to multi-age groupings of children and in-home settings. (In response to findings A.2.f., A.2.g., A.3.c., A.3.e., A.3.f., A.3.i., C.3., D.4.)

- a. *Child and Adult Food Program.* Reduce and combine requirements and documentation whenever possible (e.g., requirement for duplicate attendance reporting for state child care subsidies and the Child Care Food Program).
- b. *Assessments.* Work with partners to tailor assessments and requirements to FCCs serving multiple age groups.

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<sup>15</sup> Office of Financial Management. (December 2018). [Proposed 2019-2021 Budget & Policy Highlights](#). Olympia, Washington.

- 3. Improve “Visits” and Reduce Number of Visits.** FCCs said that seven to twelve people from City and state programs and supports are entering their home, and some give inconsistent and duplicative guidance. They also said that sometimes visitors are authoritarian and not respectful. Work with the State and others to engender positive respectful interactions that are coordinated and provide consistent guidance. Consider cross training of coaches and monitors to reduce the number of people entering FCC homes. As a first step, consider whether Seattle Preschool Program coaches could do CCAP assessments or check-ins. (In response to findings A.2.g., A.3.a., A.3.c., A.3.d., A.3.e., A.3.f., C.3., D.4.)
- 4. Coordinate Efforts with Partners and Customize City Supports to Help FCCs Navigate Changes.** Convene regular conversations to coordinate the timing of changes and new initiatives among the partners (DCYF, CCR, SEIU, Imagine Institute, etc.). FCCs said that too many changes are coming all at the same time. The need for coordination is illustrated by the recent simultaneous new DCYF automated attendance requirement and training (which occurred at the same time as the Seattle FCC study, King County Community Conversations, Economic Opportunity Institute Compensation Study, feedback on new state child care licensing WACs, and this study). FCCs and the FCCAC urged the City and partners to coordinate their efforts. In addition, they asked for more help navigating new initiatives. For example, City computer training aligned with new DCYF attendance requirements. (In response to findings A.2.g., A.3.b-g., A.3.i., C.3., D.4.)
- 5. Increase Available Program Quality Supports.** Work with the State and other agencies and funders to increase available scholarships and program supports equal to those available to child care centers. FCCs said that scholarships and program supports are useful and important to them and that they want them to be expanded. (In response to findings A.1., A.2.c. A.3.j.)

**Work with DCYF to Ease Early Achievers Re-Rating Requirements and Gather FCC Data.** When FCCs move, current regulations require that they must request to be re-rated within six (6) months of moving in order to maintain their posted rating. Providers who move to a new address start the entire Early Achievers rating process over. Providers noted that re-rating is expensive, disruptive, and disrespectful of what they have already achieved. The City could work with DCYF and partners to promote acceptance of the existing Early Achievers rating and quality improvement plan combined with a licensing visit and use of the *Environmental Rating Scale* to determine adequacy and safety of the environment, rather than full re-rating. Additionally, the City can partner with DCYF on its periodic *Child Care Market Rate Survey* to gather future data about FCC’s for use in refining strategies. Currently, DCYF gathers data on licensed child care centers and family child care homes by region, with King County serving as Region 4. If the City were to contribute to the survey, data could be gathered for the City as well as the County. (In response to findings A.2.g., A.3.d., A.3.k., C.3., D.4.)

## IV. Chart of Strategy Impact and Implementation Ease

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The chart on page 16 sorts potential strategies so that the City and its partners can see:

- ✓ Potential levels of impact on program quality and business sustainability;
- ✓ Ease of implementation; and,
- ✓ Useful partnerships for implementing each strategy.

Definitions for each level of impact and implementation are noted below. Highlighted colors in level definitions below represent colors used to indicate levels in the chart.

### Impact on Program Quality

Level of impact was assigned based on likely effect on quality as measured by Early Achievers ratings, Family Child Care Environment Rating Scales (FCCERS), and the Classroom Assessment Scoring System (CLASS). (Department of Children Youth and Families research shows that higher Early Achievers ratings result in higher child outcomes.<sup>16</sup> Differences between levels 2 and 3 are small. Differences between levels 3 and 4 are larger.)

- ✓ **High** - Creates a pathway to, and engages, more FCCs in ongoing program and practice improvements.
- ✓ **Medium** - Engages FCCs in multi-session training with follow-up coaching and/or in peer learning and efforts that lead more FCCs to engage in a pathway of quality improvement. Frees up more time to spend with children.
- ✓ **Low** - Engages FCCs in one-time training on topics related to program quality.

### Impact on Business Sustainability

Levels of impact are based on “The Iron Triangle” of full enrollment, full fee collection, and revenues cover per-child cost<sup>17</sup>.

- ✓ **High** - Increases revenues/enrolls FCCs in programs to increase revenue and helps FCCs build skills needed to maintain full enrollment, full fee collection, and revenues cover per-child cost.
- ✓ **Medium** - Engages FCCs in short-term training to build skills needed to maintain full enrollment, full fee collection, and revenues cover per-child cost. Removes barriers to staying in the field.
- ✓ **Low** - Helps FCCs learn about skill building and program resources.

### Ease of Implementation for Providers and the City

Levels of ease are based on the judgment of the researchers and the City early learning team.

- ✓ **Easy** - Can be accomplished with existing or available capacity and funds.
- ✓ **Modest** - Can be accomplished with modest additional capacity and/or funding.
- ✓ **Difficult** - Requires significant additional capacity and /or funding.

### Partnerships

Agency partnerships that will be useful or necessary to implement each strategy are noted.

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<sup>16</sup> Ybarra, Vickie. (2017). *Early Achievers Subcomponent Analysis*. Department of Children Youth and Families. Note: Department of Children Youth and Families, research shows that higher Early Achievers ratings result in higher child outcomes.<sup>16</sup> Differences between levels 2 and 3 are small. Differences between levels 3 and 4 are larger.<sup>16</sup>

<sup>17</sup> Stoney, Louise. (October 2010). *The Iron Triangle: A Simple Formula for Financial Policy in ECE Programs*. Alliance for Early Childhood Finance.

### Chart of Strategy Impact and Implementation Ease

Strategy	Impact on FCCs (High, Medium, Low, and NA)		Ease of Implementation (Easy, Modest, Difficult)		Potential Partnerships with Other Agencies	Related Efforts
	Quality	Sustainability	for	For City		
	<b>A. Increase Outreach and Awareness</b>					
1. Publicize Opportunities					DCYF, CCR, SEIU, VOT, Somali Health Board	Training sessions provide a useful venue.
2. Translate Information	If needed				DCYF, CCR	Consider cost sharing with partners.
<b>Support Peer Groups</b>						
1. Support Peer Led Groups Using Paid Mentors					CCR	New levy funding. Mentorship programs.
2. Continue the Development of the FCCAC	NA	NA			SHA and others that impact FCC success	
<b>C. Expand Professional Learning</b>						
1. Increase Training Options & Coaching		NA			CCR, DCYF, SEIU, Imagine Institute	Early Achievers scholarships and training
2. Translate Materials & Provide Interpretation		NA			CCR, DCYF, SEIU, Imagine Institute	
3. Provide Compensation During Training	NA				Possibly DCYF	
4. Expand Hubs and Pilots						ECEAP expansion
5. Help FCCs Access Other Community Services	NA				Atlantic Street Center, Best Starts, et al	
6. Support FCCs Caring for Children with Special Needs and Behavioral Challenges					ESIT	Best Starts for Kids child care health consultation conversations
<b>D. Promote Business &amp; Financial Supports</b>						
1. Promote Business Support Services	NA				CCR, City Office of Economic Development	
2. Negotiate Housing Affordability Supports	NA				SHA, King County/Seattle (taxes)	
3. Establish Pooled Purchasing	NA				Possibly CCA, DCYF, SEIU	
4. Provide Access to Benefits	NA				CCA, Health Benefits Exchange	
5. Promote Low Utility Costs	NA				Utilities, City Utility Discounts	
6. Provide More Financial Support at Start-Up	NA				City departments (Economic Development, Housing, Neighborhoods)	City affordability efforts (rental assistance, Buying a home, etc.)
7. Make CCAP More Appealing/Beneficial	NA					Training sessions provide a useful venue.
8. Support Computer Skills					Seattle Public Library	Library offers limited training
9. Provide Marketing Support	NA				CCA, City Small Business Assistance	
10 Provide Help Finding Staff						
<b>E. Connect, Streamline, and Align Initiatives/Programs</b>						
1. Prepare for Participation in and Connection to New Early Learning Programs						
2. Reduce, Combine & Automate Paperwork					DCYF, CCR	Joint Select Committee on Early Achievers Recommendations (12/18-1/19)
3. Improve "Visits" & Reduce Number of Visitors					HSD, DCYF, CCR	
4. Help FCCs Navigate New Requirements					DCYF, CCR, SEIU	
5. Increase Program Quality Supports					DCYF, CCR, SEIU	Proposed birth-to-five services
6. Work with DCYF to Ease Early Achievers Re-Rating Requirements and Gather FCC Data					DCYF, Washington State Legislature, Association of Head Start and ECEAP	Joint Select Committee on Early Achievers Recommendations (12/18-1/19). DCYF <a href="#">Child Care Market Rate Study</a>