

Home-Based Child Care  
Emergency Fund:

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# Sustaining our nation's diverse home-based child care community

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**HOME GROWN**



**REINVESTMENT  
FUND**

## **About HOME GROWN**

Home Grown is a national collaborative of funders committed to improving the quality of and access to home-based child care. The members of Home Grown are collaborating to strategically invest in innovative approaches and scale what works in order to drive the most change as quickly as possible. The collaborative is backed by the Buffett Early Childhood Fund, Gary Community Investments, Heinz Endowments, Heising-Simons Foundation, Klingenstein Philanthropies, MAEVA Social Capital, Merage Foundations, Omidyar Network, the David and Lucile Packard Foundation, and the Pritzker Children's Initiative. More at [homegrownchildcare.org](http://homegrownchildcare.org)

## **About REINVESTMENT FUND**

Reinvestment Fund is committed to building strong, more equitable communities by making health, wellbeing, and financial security available and accessible to families, regardless of income or zip code. We integrate data, policy and strategic investments to improve the quality of life in neighborhoods. Using analytical and financial tools, we bring healthy food projects, affordable housing, schools and health centers to the communities that need better access—creating anchors that attract investment over the long term and help families lead healthier, more productive lives. More at [reinvestment.com](http://reinvestment.com).

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***This toolkit is a starting point and needs to be modified based on your context and institutional policies and procedures. Any legal or contractual documents provided in this toolkit are samples only. Any such documents that are used from this toolkit need to be reviewed and approved by your own legal counsel and modified to fit your specific situation and state and local law as may be applicable. We give no assurances and make no representations as to the sufficiency (legal or otherwise) of any form documents.***

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A blue-tinted photograph of a child's play area. In the foreground, there are several wooden blocks and cylindrical toys scattered on a patterned rug. A hand is visible on the right side, pointing towards the toys. In the background, a child is lying on a rug, and a framed picture of a face is on the wall. The overall scene is brightly lit and appears to be a playroom or a classroom.

# OVERVIEW

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# WELCOME TO THE HOME-BASED CHILD CARE EMERGENCY FUND TOOLKIT

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As our nation faces the coronavirus (COVID-19) pandemic, the importance of home-based child care has never been more evident and these caregivers and providers have never been more vulnerable.

Home-based child care is the backbone of America's child care system, serving over 7 million children under the age of 5. Given the closure of center and school-based child care in response to COVID-19, dependence upon home-based child care is increasing. We cannot fight this pandemic without ensuring that the essential workforce can access safe, high-quality child care.

Home-based caregivers and providers are primarily low-income women, and they mostly serve low-income infants and toddlers, children with special needs, and those living in rural communities. Historically underfunded, many of these providers cannot survive a closure or disruption of two weeks or more. If we do not act in the coming weeks to maintain the supply of home-based child care, our near term efforts to rebuild the economy will be stalled.

Home Grown is a national funders collaborative committed to improving the quality of and access to home-based child care, including both licensed providers and family, friend, and neighbor caregivers. We believe that philanthropy has the ability to act quickly to address some of the immediate needs of home-based providers by establishing emergency funds and connecting these funds to local, state, and federal policy action on behalf of home-based caregivers and providers.

Emergency funds for home-based child care can maintain the supply of home-based child care, ensuring access to child care for essential workers and stabilizing the economic and housing status of home-based caregivers and providers. This toolkit outlines actions funders and intermediaries can take now to establish emergency funds that meet the needs of local providers and caregivers.

Please join us to sustain and strengthen the home-based caregivers and providers in your community and across the country. We hope this toolkit provides you with the guidance and support you need to create an emergency fund for home-based child care providers or include a focus on home-based child care in your existing emergency funds. **Please let us know how you are using the toolkit and how we can support your success.** Your actions today can ensure the survival of home-based child care in the weeks and months to come.

Sincerely,

Natalie Renew

Director, Home Grown

Bevin Parker-Cerkez

Managing Director, Reinvestment Fund

A child is seen from behind, wearing a patterned shirt, reading an open book. The book's pages are filled with illustrations of various fish and some text. The entire scene is overlaid with a semi-transparent blue filter. The title 'PART I: FOR FUNDERS' is centered in white, bold, sans-serif font. A white horizontal line is positioned below the title.

# PART I: FOR FUNDERS

# 1. INTRODUCTION

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## The critical role of home-based child care (HBCC)

More than 7 million children ages five and under have their early learning experiences in home-based child care (HBCC), nearly double the number of children in center/school-based care (3.8 million). Home-based care is often the most familiar, flexible, convenient, personal, affordable option, and for many families is the best or only option available for care during nontraditional hours (evenings, nights, and weekends), or care that meets other particular needs.

In 2012 there were 3.77 million home-based providers. Many of these home-based providers have limited financial means and are operating with little margin. The average annual child care income for a licensed or listed provider is \$29,377 from public and private sources. Unlisted or more informal home-based providers earn on average \$7,420 per year. By all accounts these providers work far more than 40 hours a week and are some of the lowest compensated workers in the early childhood sector, a sector known for poor compensation<sup>1</sup>. Many of these providers also lack health insurance; in 2012, 20 percent of listed home-based providers reported no health insurance of any type<sup>2</sup>. A loss of income, even if temporary, could be devastating to their ability to provide care.

Home-based providers often meet the needs of children and families not otherwise served by the current system:

- **Children from low-income families** are more likely to receive HBCC than children from higher-income families. There are 4.77 million low-income children under age 6 with working parents.
- A higher percentage of **black and Latino children** receive HBCC from a relative than do white or Asian children.
- **Infants and toddlers** under the age of 3 with working parents are more often cared for in home-based settings than in centers. Infants and toddlers make up 46% of low-income children under age 6 with working parents.

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<sup>1</sup> National Survey of Early Care and Education Project Team, Characteristics of Home-based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education (OPRE Report #2016-13) (Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation, 2016), 8, available at [https://www.acf.hhs.gov/sites/default/files/opre/characteristics\\_of\\_home\\_based\\_early\\_care\\_and\\_education\\_toopre\\_032416.pdf](https://www.acf.hhs.gov/sites/default/files/opre/characteristics_of_home_based_early_care_and_education_toopre_032416.pdf).

<sup>2</sup> Characteristics of Home-based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education, 9.

- **Children in rural areas** are more likely to receive care in home-based settings (53%) than in centers.
- **Children with special needs** are more likely to receive care in home-based settings.
- **Workers with nontraditional hours**, including many workers that are essential to our crisis response, depend on HBCC. Children whose parents work at least some nontraditional hours- early morning, evening, weekend, or overnight- represent 58 percent of the 4.77 million low-income children under age 6 with working parents.<sup>3</sup>

## Home-based child care in the COVID-19 crisis

Home-based child care is particularly important in the current COVID-19 health emergency. Health experts have advised the public to engage in social distancing and avoid large groups, making the small group setting of HBCC more appealing. In some states, as of March 2020, home-based care is the only choice. With some states mandating the closure of child care centers, home-based providers are left with the difficult decision of whether to remain open and serve their communities- possibly putting the providers and their families at risk- or to close in the interest of health and safety, losing the income keeping them afloat. Significant closures and disruptions put large numbers of home-based care providers at risk of losing their livelihood, businesses and families at risk of losing their child care.

Given the critical role that HBCC providers play, and the challenges they currently face, it is essential that we focus resources on HBCC providers and move quickly to meet their needs.

## Home-based child care needs philanthropy

Swift action is needed to address immediate needs in the HBCC sector. Home Grown is taking action to communicate with federal and state policymakers, conveying the needs of HBCC providers during this public health crisis and recommending actions to support HBCC providers during this time. But even with supportive policy changes, gaps will remain putting HBCC providers and their communities at risk. Philanthropy has the ability to act quickly to address some of these immediate needs directly. Many funders have made previous investments in the Early Childhood Education sector. We ask that you act now to preserve investments in this sector and make emergency funds available to home-based providers.

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<sup>3</sup> Increasing Access to Quality Child Care for Four Priority Populations: Challenges and Opportunities with CCDBG Reauthorization. (Washington, D.C.: Urban Institute, 2018), viii.



This toolkit outlines actions funders can take now. It is a road map for establishing an emergency fund, including strategies to select an intermediary or fund manager, develop grant materials, recruit providers, and manage data and payment. It includes budget tools to develop an award structure for the funds and management/operational cost considerations. The toolkit offers a set of grantmaking best practices and principles for managing effective emergency funds during times of crisis. The toolkit guides funders in making key decisions about priorities and selecting application formats, questions, and TA supports based on these approaches.

## How to use this toolkit

Please note that this toolkit is intended to support local communities in quickly establishing Emergency Funds. Part I of this document is written for philanthropic organizations providing funding. Part I addresses the principles and goals for establishing a fund, an overview of funding approaches, and guidance for selecting an intermediary. Part II of this document is written for intermediaries (Fund managers) who administer the funds to providers. Part II offers operational and logistical guidance for deploying the funds. A funder can work closely with an intermediary to understand needs, prioritize goals, and design structure.

### *Emergency Funding: Flow of Capital Resources*



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**A note about Family, Friend, and Neighbor (FFN) care:** Family, Friend, and Neighbor (FFN) providers are the largest share of the home-based child care sector and are a critical support to families at all times and especially during crisis. Their needs may differ from family child care (FCC) providers and engaging these caregivers will rely on different strategies and important community relationships. You will find that some sections of this Toolkit (Sections 4 & 5 and the provider application) speak specifically to considerations for FFN providers. Home Grown encourages funders and intermediaries to consider how to support FFN providers by modifying materials and ensuring that language and processes are inclusive of all HBCC caregivers and providers.

## 2. KEY PRINCIPLES FOR HBCC-FOCUSED EMERGENCY FUNDS

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We believe that philanthropy is uniquely positioned to move quickly to support communities during crises. Being agile and adaptive to crisis may require internal adjustments but these are possible and likely to yield strong results for communities. HBCC providers are highly vulnerable to business interruption and will need swift support, which we believe can be accomplished by establishing an Emergency Fund in partnership with a local intermediary.

We assert these key principles when establishing an Emergency Fund that includes HBCC providers and caregivers:

**Act boldly.** A crisis of the magnitude of COVID-19 will call for significant investment in a risky and vulnerable set of businesses in order to maintain the child care supply in this country. Home-based caregivers and providers are vulnerable to insolvency, not because of their lack of dedication or stewardship, but because public systems have grossly underfunded quality child care and because American workers can't afford the costs of quality care. Reflect on your goals for establishing a fund and consider your institution's risk tolerance and how you can be as bold as possible to meet the challenges of this moment.

**Move fast.** Philanthropy is uniquely able to move quickly to deploy what may be the first funds into communities in distress. We know many home-based providers could become insolvent in as few as two weeks from interrupted operations. We don't have time to lose. Moving quickly will require adjusting internal approval processes and criteria and selecting and working with partners who are capable of speedy movement of funds. Intermediaries will need to pare down and streamline processes to ensure timely deployment of funds.

**Prioritize equity.** Dedicated resources (time, personnel, and financial) will be needed to ensure the hardest-to-reach and the most at-risk providers serving the most vulnerable families are prioritized in the process. As noted in the introduction, home-based caregivers and providers are primarily low-income, they are primarily women and they mostly serve low-income infants and toddlers, children with special needs and those living in rural communities. Partnerships with credible local organizations with existing relationships and diverse staff will support inclusion of marginalized providers. Ensuring that providers with barriers to participation (access to technology, language

barriers, disability) are substantively included is essential. While many Funds will likely have rolling or first-come approaches, Funds also need to ensure that there are ways for the hard-to-reach providers to be prioritized. Reducing application process burden and using effective communications and outreach (in partnership with credible community organizations) will ensure a funding pool of diverse providers.

### **Identify needs in the landscape, not each provider.**

Conduct effective landscape analysis to understand needs rather than require providers to demonstrate need in each application. We should assume need exists, not require exhaustive evidence of it. Use effective needs assessment activities (anecdotal data and group input) to understand the magnitude and impact of this crisis. Be open and willing to adjust as you learn and hear from the community. Ongoing learning includes understanding how new stimulus supports impact HBCC caregivers and providers and how communities can adjust to integrate these supports. For example, Funds could pivot from providing emergency relief to funding navigators who help providers apply for loans, unemployment insurance or paid sick leave benefits that may become available. In this rapidly changing situation, gathering and assessing landscape information will position the Fund to be most impactful and reduce duplication or confusion for caregivers and providers.

### **Appreciate that everyone is stretched and stressed.**

All Americans are highly stressed and encountering new circumstances and many new concerns in response to COVID-19. Funders should recognize that any intermediary or fund-manager and the community organizations they marshal to support their Fund will also be grappling with this crisis. These organizations may be transitioning their workforce to remote operations and adapting quickly to a new way of doing business and they may experience staff absence due to illness. Fully fund intermediary and fund management contracts and provide flexibility to address these rapidly emerging needs. Encourage intermediaries to include temporary staffing line items in their budgets and plan to use temporary or reassigned staff to meet the grant obligations. Along with reducing burden on providers, we need to reduce requirements and burden on intermediaries. Simple, clear and streamlined processes will support effective management with stressed or changing staff.

### **Connect immediate needs to the bigger picture.**

Unfortunately, responding to COVID-19 is not the only problem facing the early learning sector and home-based providers. This crisis makes clear the deep, systemic problems in the sector, namely the gross under-investment in this critical service. COVID-19 brings clarity to the vulnerability of the supply of child care and a recognition that our readiness as a nation to respond to crisis and our ability to rebuild from it will depend on a healthy and stable child care sector. In addition to thinking long term about how to strengthen

the sector, there are immediate policy needs to ensure providers manage the coming weeks and months. The impact of these Emergency Funds will depend on connections to the short term policy strategies and the ability to inform long term reforms. Funds will be situated to understand provider needs, connect with stakeholders and engage decision makers to coordinate and magnify effective policy action. Emergency Funds can only ever meet short term needs; the long term sustainability and improvement of the sector will depend on policy reforms.

# 3. DETERMINING YOUR GOALS FOR ESTABLISHING AN HBCC EMERGENCY FUND

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The HBCC Emergency Funds will support small businesses and caregivers and providers upon whom many families and communities depend.

There are three goals for establishing a Fund:

1. To maintain the supply of HBCC.
2. To ensure access to child care for essential workers.
3. To stabilize the economic and housing status of HBCC caregivers and providers.

The primary goal of the Emergency Fund is to support, reinforce and sustain the supply of HBCC, helping to prevent their permanent closure. Another goal for your Fund may be to assure the continued operations of appropriate HBCC programs through the current crisis to serve the essential workforce. HBCC Emergency Funds will support low-income women and families in neighborhoods and communities furthest from resources and opportunities. The vast majority of HBCC providers are low-income women serving families in need. Beyond caring for other families, these women are often the breadwinners of their families and anchors of their communities, connecting community members with knowledge and resources as well as emotional support and advice. During this crisis they will be called upon to support the families they serve, their own families and their communities in many ways.

Based on your community, you may seek to prioritize certain aspects of the sector: highest quality providers; providers who have benefitted most or least from quality improvement activities; providers who serve low-income or special populations; providers located in child care deserts; or providers serving essential workers. Ideally, needs assessment activities and conversations with providers, caregivers, employers and parents can inform local prioritization.

There are various approaches to analyzing needs data and designing your Fund, including a consideration of the following types of supports for home-based caregivers and providers:

- Support new expenses that result from the crisis (materials, supplies, services, staff supports).
- Replace lost revenue due to closure or enrollment reduction.
- Support providers in enabling paid leave for assistants and/or paying substitutes.
- Ensure providers serve essential child care needs (by accessing additional training, modifying procedures, adding staff).
- Ensure the stability of providers to maintain operations by maintaining homes (ownership or leases).
- Support regular expenses that can no longer be afforded, such as including utilities.
- Make investments to better understand the scope and nature of needs to inform advocacy activities.
- Improve compensation for providers serving families of essential personnel, particularly those in the healthcare sector where the risks to providers are higher (i.e., hazard pay).
- Purchase materials or access supports to shift to serve new populations (children of essential personnel, school age children).
- Create cash reserves to enable more adaptive thinking and acting to respond to the crisis.

Taking into account the key principles identified in Section 2, and the information gathered from a quick landscape analysis, organize the needs and establish what you are seeking to address through the Fund. It is also beneficial to include stakeholders in the goal-setting process, or given the swift timing that these funds should be initiated and deployed, circulate drafts for quick comment to ensure you have identified the right items that will truly benefit the community which you intend to serve.



Clear goals establish the framework for the entire program. The program design, fund administration, and reporting and analysis work are developed in alignment with and provide the ability to track progress against the initial set of goals.

**Assess your goals** - In consideration of the current pressure on small businesses and local climate and context, identify and articulate what you aim to achieve (targeting those operators serving the most at-risk populations, stabilize businesses by replacing lost revenue, ensuring availability of workforce to keep operations open, etc.) through the Fund. There may be multiple goals that can be prioritized and ways to embed flexibility given the rapidly shifting landscape. See below Section 4 on needs assessment and Section 6 on stakeholder engagement, both critical pieces as you articulate your goals.

**Fund budget and award size** - We recommend that initial awards be based on factors including: current rates; status of continued public funding; length of closures/interruptions; and estimates of fixed costs (supplies etc). Initially, these awards could be approximately \$2,500 per provider which would likely represent two to three weeks of lost revenue and some additional fixed cost needs. This amount is approximately 8.5% of annual expected income for a licensed family provider. Nationally, the average family child care provider income is \$29,377 per year.

**Timeline** - Determine the time horizon for funding that is necessary to meet the goals you have set forth. Both the timeline for funding and award size must align with your established goals. Are you addressing short-term needs (several weeks), mid-term (1-3 months), or longer-term? Funding can be made available and awards made until all dollars are deployed if you are seeking to address immediate needs. Alternatively, you

can consider structuring multiple application rounds or funding tranches for particular purposes in the event that you want increased flexibility to respond to longer-term needs. We would recommend maintaining the fund for several months (6 to 9 months or even longer) and for some time after resolution of the crisis. The opportunity to gather and reflect on the experience and potential policy implications will be highly valuable.

**Outreach strategy** - Based upon program goals and timeline, create an outreach plan that will directly reach the intended audience.

**Application** - To administer a process easy for both applicant and administrator, assume applicant need, removing the requirement for supporting evidence. Questions should focus on verifying applicants' alignment with program goals and objectives and work to collect any baseline information that may be useful for reporting purposes.

**Provider selection** - While understanding that everyone is in need, utilize the program goals to prioritize funding and address most urgent needs. You may consider applying a scoring mechanism to identify final awardees or more simply administer application windows that offer funds for specific uses over time. Regardless of the approach, ensure those priority considerations are made apparent to applicants upfront in order to facilitate a transparent process.

**Reporting/Assessment** - Awardee reporting activities should provide data to allow the intermediary to assess impact. Data collection should not be burdensome to awardees.

Document your goals and program steps in order to establish a transparent process that can be effectively communicated. This will minimize confusion and allow for rapid fund deployment targeting those projects most in need and clearly aligned with Fund goals.



## 4. UNDERSTANDING AND TRACKING CURRENT, EMERGING AND ONGOING NEEDS

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Understanding the challenges that existed for HBCC prior to this crisis, assume financial support is more important than ever for providers to stabilize and maintain safe operations during this time. The categories of need are likely to alter slightly based upon geography and landscape given the varied and rapidly changing regulations related to child care operations, but funding will likely need to address the below listed categories of need.

Also note, flexibility is critical during this time and needs may change rapidly. Be prepared to pivot in order to reprioritize funding needs or shift programmatic goals and ensure the changes are being clearly communicated back out to stakeholders. The drafted application (see Appendix) has a question that requests information around financial concerns and challenges, using the suggested categories below.

What are your current financial concerns? Check all that apply.

- Housing support (Rent/mortgage)
- Utilities
- Paid sick leave for self or staff
- Paying for substitutes
- Lost income (replace co-pays, private pay, or other funding sources)
- Additional costs for cleaning, sanitizing, or health and safety materials
- Increased cost of food
- Increased compensation for hazard pay
- Professional service needs – legal, HR, etc.
- Reopening costs
- Marketing/communication of open/closed status
- Immediate needs for professional development, training, consultation
- Other

Applicants may be concerned about multiple items and prioritize some as needing attention and funding support now. By creating a data collection question gathering “all items of concern,” evaluation can be conducted at a later date to understand which areas of concern the funds were used to support and where outstanding areas of concern remain. A quick analysis can inform ongoing support, including whether additional funds should be raised in order to address unmet needs and whether a set of different interventions should be made available.

Intermediaries should remain connected to those in the field. Qualitative feedback from interviews, conversations, etc. are equally important collection methods. Set up communication channels to solicit ongoing feedback (Facebook, Google group, etc.) throughout the program period.

## **Needs of Family, Friend, and Neighbor Caregivers**

Depending on your state context, there may be a variety of Family, Friend, and Neighbor (FFN) providers, including those that receive child care subsidy or private payment and those that are unpaid. These caregivers, regardless of whether they are paid, are highly vulnerable to the effects of this public health crisis as all low-income Americans are. Grandparents may have particular health concerns at this time and may need to maintain distance from their grandchildren. FFN caregivers may need financial support due to disruption of care arrangements; these caregivers may need to purchase materials and supplies and need additional funding to adjust increasing food costs. Economic and housing stabilization will be of paramount concern for these caregivers.

# 5. OVERVIEW OF FUNDING APPROACHES

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The following are considerations for establishing your funding approach. These may be helpful points for funder and intermediary to discuss together.

Be flexible and able to react and deploy quickly, and match your approach to administering funds with your priorities:

- A straightforward approach to administering funds is to open a call for applications to be considered on a rolling basis and to award funds until fully deployed. This allows money to be granted immediately and is supportive of priorities around housing stabilization and efforts to pay staff.
  - ◆ Alternatively, funders and intermediaries that wish to address needs over a longer period of time or address shifting priorities (e.g., supporting both stabilization efforts and reopening costs) may consider having application windows or funding rounds with a set allocation available during each period. This process would require additional administration.
  - ◆ Consider the most vulnerable in the system: consider setting aside allocation amounts to support specific geographies and/or service providers you want to preserve throughout the crisis (e.g., locations that have a shortage of care based upon neighborhood demand, high-quality operators or those offering services to children with disabilities, etc.). If you have granular data on the types and share of service providers that make up the market (e.g., facility size, program diversity, QRIS rating, etc.) it may make sense to consider how to stabilize specific operators in order to maintain a rich and diverse marketplace that meets the varying needs of families and children post-crisis.
- Collect ongoing needs assessment data: keep open lines of communication with stakeholders in order to ensure you are meeting current needs of the community. Make it easy for folks to provide feedback and be responsive to that feedback.
- Be transparent and consistent: your Fund's priorities may shift to respond to emerging needs. If so, clearly communicate this back to the community.

## Family, Friend and Neighbor Caregivers

There are some additional considerations for funding approaches for FFN caregivers. There are several funds across the country that support individuals and these models may be more appropriate for FFN. Providing direct assistance to individuals who provide care may also be challenging depending on factors such as: whether they have bank accounts; their legal status; their housing status; or any apprehension they have about sharing their identifying information. Consider purchasing Visa/Mastercard gift cards that caregivers can use to purchase items and pay bills. Purchasing grocery or warehouse store gift cards may also be a good option to enable providers to buy various items including food, cleaning supplies and toys or books. The strongest approach to providing support to this population is to partner with a trusted organization that can purchase and deliver either gift cards or products to FFN caregivers. In addition to having trusting relationships to successfully engage caregivers, these organizations can bulk purchase and negotiate bulk discounts on behalf of caregivers. ECE Shared Resources ([www.ecesharedresources.com](http://www.ecesharedresources.com)), an online support portal for providers in 30 states developed by CCA for Social Good, provides discounts and services that can be leveraged by Funds. Intermediaries can bulk purchase items on behalf of caregivers or can issue coupons and discounts via this platform for caregivers to shop with. Please note, that depending on your community, many of these strategies may be relevant and helpful to licensed FCC providers as well.

# 6. SELECTING YOUR PARTNERS

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## Guidance for selecting an intermediary:

In order to execute on the principal considerations and goals of implementing a rapid response emergency fund, it is critical that the intermediary possess the capacity and be positioned strategically in a community in order to meet the immediate needs of HBCCs. Timing is of the essence and all funding intermediaries, upon initial program set-up, should be able to commit to a turnaround time of 10 business days at maximum from initial receipt of application to disbursement of a grant award.

The following items should also be considered when identifying the appropriate intermediary organization.

- Entity that can leverage existing relationships for outreach and communication (i.e. local Child Care Resource & Referral agencies, regional United Way offices, staffed family child care networks).
- Entity with existing financial relationships with the provider community (i.e. those administering other funding sources). This removes some process points such as setting up vendor files (required paperwork such as W-9 and ACH information) in order to process grant funds.
- Entity that has access to data such as licensing information and regulatory compliance. This too could remove process points and ease in the validation of applicant information and/or remove the need to ask applicants for information altogether.
- Entity has staffing capacity and/or access to temporary staff to responsibly administer grant dollars.
- Entity has the technology necessary to work remotely and remain accessible to interested providers and awardees. (See Section 8 on considerations for fund management during a crisis.)
- Entity has financial systems in place to administer funds electronically without the need for signatures or check-cutting.

## Stakeholder Engagement:

The success of any Fund will depend on robust stakeholder engagement. There are several important reasons to meaningfully and intentionally engage a diverse set of stakeholders:

- Ensure caregiver, provider and stakeholder voices and perspectives are incorporated into the design of the Fund.
- Identify outreach, communication and recruitment channels and opportunities to solicit participation to the Fund.
- Craft and advance policy action based on needs identified and lessons learned in the Fund.
- Verify and share data to enable streamlined application and review processes.
- Inform and support ongoing needs assessment and understand impact.
- Embed funds into the existing landscape to reduce duplication and leverage other assets including technical assistance, training, or other resources (consultation, case management, etc).

Each community is different and the roles of agencies differ considerably across the country. Consider how best to include: organizations that work directly with caregivers/providers; regulatory and funding agencies; policymakers and advocates; tradegroups, associations and unions who represent the needs of providers; and the many community based organizations who contribute to early childhood systems. Many organizations have dual roles. Strong public-private partnerships will be essential for success in the short and long term particularly around policy change.

### **Consider including the following public and private partners to increase the effectiveness of your Fund:**

Caregiver/provider supporting organizations, including:

- Staffed family child care networks and shared services alliances who work directly with groups of HBCC caregivers and providers. These networks and alliances are likely to have mechanisms for gathering and analyzing provider needs, communicating directly with providers, contracting with providers, and providing technical support to providers. These networks and alliances may be well suited to serve as Fund intermediaries.
- Professional development and technical assistance organizations and consultants may have resources to support providers and caregivers to maximize the impact of financial support. For example, providers seeking additional support around health practices might be referred for child care health consultation from a local agency to improve practices.

Regulatory and funding agencies, including:

- Child Care Resource and Referral (CCRR) Agencies or child care subsidy administrators who work directly with HBCC programs are well positioned to gather and analyze needs data, to contract/fund providers, to validate provider data, and to communicate with providers. CCRR agencies may also be well suited as intermediaries.
- State child care licensing agencies can support understanding of state policies and changes and may be willing to support verification of provider data.
- Head Start Grantees that include home-based providers in their grants will have mechanisms for gathering and analyzing provider needs, communicating directly with providers, contracting with providers, and providing technical support to providers.
- Local and/or state Pre-K agencies and intermediaries can support understanding of state/city policies and changes and may be willing to support verification of provider data. These agencies may also have mechanisms for gathering and analyzing provider needs, communicating directly with providers, contracting with providers, and providing technical support to providers.
- Additional foundations and philanthropic institutions could be engaged as investors and support the outreach and policy goals of your Fund.

Policymakers and advocacy groups, including:

- Local/state legislators and elected officials to support promotion of the Fund to constituents and to support short and long term policy change.
- Policy and advocacy organizations including family child care associations will be critical in securing policy changes in the short term and deeper reforms in the long term.

Trade groups, associations and unions, including:

- Labor unions that represent family child care providers can be strong allies in promoting short and long term policy change. They are also able to gather and analyze provider needs, communicating directly with providers, and provide technical support to providers.
- Employers, local chambers of commerce and other business groups can convey needs around the essential workforce and enable communication between workers and child care providers. Employers and chambers may also be well positioned to invest and contribute to regional Emergency Funds.

Other important community partners, include:

- Evaluators/researchers can leverage their interest and support around both needs assessment and impact assessment activities.
- Vendors can support procurement, shared purchasing and discounts for providers.
- Community based organizations (arts, culture, etc) with existing relationships with caregivers and providers can support your Fund in communicating with and recruiting providers. Cultural organizations may also be able to provide translation and interpretation services to ensure inclusion of these providers and caregivers. These organizations will be particularly important for accessing and supporting Family, Friend, and Neighbor caregivers.

Many communities are actively developing task forces and committees to respond to COVID-19. Funders and intermediaries should consider how to leverage existing structures to meet their stakeholders engagement needs.



A blue-tinted photograph of a modern interior space. In the foreground, a staircase with a dark railing leads up. In the background, a large window or glass wall allows light to filter through, creating a bright, airy atmosphere. The overall aesthetic is clean and contemporary.

# **PART II: FOR INTERMEDIARIES**

# 7. COMMUNICATIONS AND OUTREACH

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## Outreach and Promotion of the Fund:

Timely and effective communication will be critical to getting the word out about the Fund and ensuring the participation of the providers/caregivers who need it most. There is a lot of content, material and information being distributed at this time. It is critical to help providers/ caregivers navigate this information and support them to engage in the opportunities available to them.

An important first step for the intermediary is to map stakeholders and identify a network of organizations who can promote the Fund to their constituents.

Consider what you know about the caregivers and providers and how to best communicate with them. Engage your network to use the right terminology and language. This toolkit uses generic terms to refer to home-based child care providers and caregivers. Different states and communities have technical definitions of the various caregiver/ provider types and informal terminology to refer to different provider types. Ensure that your communication uses the locally-appropriate terminology. Also, when appropriate, translate materials into other languages and provide support to providers in their home language.

Engaging local press to promote the Fund will also be helpful to gain momentum around policy changes. Included here are tools to support your direct communications strategies.

The communications tools in the Appendix can help you manage your promotion activities.

## Applicant Support Tools:

- Webinar: host a webinar to explain the program, and allow applicants to ask questions. Record this and make available on a website, if able, and consider using technologies already popular with providers (e.g., Facebook Live).
- FAQ Sheet: create a basic frequently asked question sheet that can be sent out with the initial communications blast, shared on the intermediary's website, and updated with any changes. (See Appendix for example template/attachment)

- Office Hours: be explicit about how and when staff will be available to answer questions. Consider hosting office hours or set times of day to field inquiries, being mindful that evenings or weekends might be the best time for HBCC providers to take advantage of office hours.

The person(s) filling the outreach and support roles will need to be available to reach home-based child care providers by phone and email to walk through the application process and answer any questions.

# 8. CONSIDERATIONS FOR FUND MANAGEMENT DURING CRISIS

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The following is offered as operational guidance for intermediaries.

Any grant program should be set up with fully electronic systems to enable completely remote management. The program should be able to operate with no in-person interactions or travel required.

## Remote Application Submission

An applicant should be able to apply for and receive funding through only an internet accessible device. An intermediary may consider allowing a paper application submission in addition to an online application in order to assure equitable access for HBCC providers who do not have computer or internet access in their home. The online application should be strongly encouraged as the primary method in order to streamline the process if an applicant is able.

- **Electronic File Management:** All application documents and disbursement information (if needed) will be collected through the online application system and can be stored securely and remotely.
- **E-Signatures:** Accept electronic signatures through the application itself, and do not require a wet signature. \*\*\*If the application portal does not allow for a signature field, consider using applications such as DocuSign to sign and attest.

## Remote Accounting

- **Electronic Banking:** Ideally the selected intermediary already has an existing financial relationship with the HBCC applicant pool, as this will streamline the disbursement process and cut down on one process point. All disbursements should be done electronically through an automated clearinghouse (ACH), and checks should not be used.
  - ◆ **Intermediaries with existing financial relationship:** should make sure that they have the ability to disburse funds directly into a bank account for all accepted applicants.
  - ◆ **Intermediaries without an existing financial relationship with applications:** should collect a W9 and ACH form from applicants at the time of approval

and award acceptance. Many institutions have a verification process whereby account information is submitted electronically and then confirmed over the phone; this works to ensure funds are sent to the right account.

## **Technology Platforms and Tools**

**Remote Office Capabilities:** any personnel working on this program needs to have the ability to work from a remote setting. This includes access to a computer and internet, email communication, and ability to access any servers or systems where historic banking information is kept on file.

**Phone Access:** any personnel with direct applicant communication needs to have an accessible phone that they can use while remote (not in a physical office). This includes anyone in an applicant outreach and support role, or in a disbursement management role that may need to call to confirm banking information with an applicant over the phone. If personnel usually use an office landline, this needs to be forwarded to a cell phone.

## 9. REPORTING THE IMPACT OF YOUR EMERGENCY FUND

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Consider various data intake points in order to inform the initial design, ongoing administration and final analysis of program outcomes. A survey tool is easy to administer and, as long as the guidance below is followed, can offer clear information about the community which you intend to serve. While it may feel burdensome, taking the time to establish a series of data and conduct analysis is vital to support future activities in the field of early care and education. Taking the time to collect and report information allows organizations to institute appropriate interventions and avoid repeating mistakes in the future.

Please see the Appendix for more detailed information on data collection tools, collection points, data integrity and reporting and analysis.

# 10. PROVIDER SELECTION AND ENGAGEMENT

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The overarching goal is to rapidly deploy dollars to those in need, while managing a transparent and responsible process. This is difficult but can be accomplished by reducing the administrative burden for both HBCC providers and the intermediary. As with each step of the program design and implementation process, refer back to programmatic goals which will serve as the framework and baseline for all program decision-making. The program goals directly inform the application questions and ultimate selection process for funding awards. Establish internal guidance on the evaluation process and how staff will manage assessments, and communicate out to your community so they have an understanding of priority considerations.

Recall, the Emergency Fund operates from the assumption that the need exists and the selection process should verify eligibility for funds and then validate the HBCC program's alignment with Fund goals. Depending on the structure of the Fund, this may prioritize some immediate needs or concerns over others. If this is the case, be sure to address how you intend to assess and track unfunded applications.

Also determine how best to size award amounts, balancing the immediate needs, awarding funds to those that may remain operational into the medium to long-term, the number of grants you are targeting to award, and reducing some overly technical administration of fund deployment. Again, use the framework of the program goals that you have established to consider appropriate award amounts. Some suggested bands of funding based upon need and in consideration of geographic locations is provided in the Appendix. Award size will depend on both the goals and time horizon for the fund, as established during the goal-setting phase (see above).

Maintaining a transparent process is necessary, particularly in an environment of stress and uncertainty. Outreach and communication is critical. Ensure your networks are hearing about updates to program process, timeline and award decisions. In the event that there are unfunded applications, try to offer additional assistance through other programs or resources being made available during this trying time.

# APPENDIX

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# APPENDICES: PROCESS GUIDANCE AND TOOLS

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- 1 Needs Assessment Survey

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- 2 Fund Work Plan for Intermediary Use

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- 3 Program Roles and Staffing Plan

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- 4 Communications Plan

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- 5 Communications Toolkit

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- 6 Fund FAQ Sheet

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- 7 Rapid Response Application - English

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- 8 Rapid Response Application - Translation

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- 9 FFN Rapid Response Application - English

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- 10 FFN Rapid Response Application - Spanish

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- 11 Due Diligence Criteria & Data Collection Tools

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- 12 Guidelines on Data Collection & Reporting

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- 13 Rapid Response Grant Agreement Template

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- 14 DRAFT Award Matrix

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- 15 Fund Goals & Budget Template - for Funders

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