



“Inside-Outside” Strategies for Integrating Home-Based Child Care Into Public Preschool: The NYC Story

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HOME GROWN

Home Grown is a national collaborative of philanthropic leaders committed to improving the quality of and access to home-based child care. We use numerous strategies to better understand and support various forms of home-based child care including regulated family child care, regulation-exempt care, and family, friend and neighbor care. Learn more on our [website](#).

- I. [Introduction](#)
- II. [The NYC Story](#)
- III. [Acknowledgments](#)

Introduction

State spending on pre-K has more than doubled in 20 years, reaching nearly \$9 billion in 2021, with localities adding funds through taxes and general city budgets. While 24 states allow home-based child care (HBCC) providers to receive public pre-K funding, participation remains low due to system designs that create barriers to participation. Many parents prefer having their child in a home-based setting because of the smaller, and often more culturally responsive approach. There is also a growing body of research about how to adapt preschool policies to meaningfully include home-based care providers, however, many administrators may become stuck during the planning process.

Ensuring HBCC participation in pre-K requires an “inside-outside strategy” – combining external pressure with internal policy work is key to making systemic changes. This resource broadly supports leaders and administrators of pre-K systems and other early care and education programs to plan to incorporate home-based child care into publicly funded systems. The findings and best practices shared in these briefs can be utilized to help policymakers and those leading implementations of early care and education programs inform strategies for this work. To access the full introduction and additional briefs, [click here](#).

The NYC Story

The story of New York City’s engagement with home-based child care providers (HBCC) provides some important lessons for the field. Overall, NYC’s failure to incorporate home-based providers into the program during its initial scale-up of universal preschool services made the program weaker and did damage to the sector—a major flaw in an overall successful preschool rollout.¹

The race to Pre-K for All: 2014-2016

- In 2014, NYC launched Pre-K for All. The mayor promised publicly to expand the system to offer every family with a 4-year-old a seat by fall 2015, just 21 months after he took office.
- The team succeeded in meeting the goal. The number of children enrolled in full-day pre-kindergarten grew from 19,287 in school year 2013-14 to 68,647 in school year 2015-16, and families expressed positive opinions about their and their children’s experiences.

Unintended consequences: impacts on HBCCs

- Pre-K for all largely excluded HBCCs. While group family child care providers (those serving 7-12 children) could apply to a competitive process to offer pre-K services, smaller family child care providers were not eligible at all.
- Providers who applied to the process had to meet a set of unrealistic and unnecessary standards that had been designed for centers.
- Some families wanted to participate in the city’s free preschool program, but needed a fuller day of care. Those families may have previously paid HBCCs directly for care from early morning until evening. Now, they were looking to those same providers to care for their children in the morning and evening and to manage drop-offs and pick-ups at Pre-K for All sites, a time-consuming and costly burden.
- Pre-K for All put additional pressure on the already-low wages in the sector. In 2014, the maximum market rate set by the state for providers taking subsidies was \$35 daily for 4-year-olds, with many providers working over 10 hours to meet community needs. With free preschool available, providers could not increase their fees without risking losing more enrollment.
- To be economically viable, home-based providers need to serve mixed-age groups; the high cost to serve infants and toddlers is balanced by the slightly lower cost to serve preschool-aged children. As many 4-year-olds shifted to Pre-K for All programs, many HBCCs could not make the model work anymore.

Pre-K for All contributed to an overall decline in the sector in NYC. In 2015, there were 1,929 family child care providers

¹ For a full account of program implementation, see [“Childcare as Industrial Policy Blueprint: Lessons from New York City’s Pre-K for All Implementation.”](#) Josh Wallack, June 2023, Roosevelt Institute.

and 5,316 group family child care providers in New York City.² By 2019, there were 1,185 family child care providers and 5,245 group family child care providers³—a decrease of more than 11 percent in the total number of HBCCs.

Why weren't providers more involved?

There are several reasons home-based providers were not involved more explicitly in the planning process and initial implementation of pre-K in NYC.

- **Time:** New York City leaders faced pressure to deliver quickly. There was a risk of losing political support or funding if the initiative did not show immediate results. That meant there was more limited time for engagement and strong incentives to expand the existing system using schools and larger-scale providers (many of whom had existing contracts with the city for early childhood education and other services) rather than taking the time to consider other options.
- **Scale:** The city needed to add over 50,000 slots in less than 18 months. Every private partner working with the city required a contract, a budget, and operational support to be ready for the first day of school. The team managing the pre-K initiative did not have the infrastructure to work with thousands of HBCCs, and networks that could support groups of providers and act as intermediaries did not yet exist.
- **Regulatory constraints:** State pre-K funds, which made up a majority of the revenue for the municipal preschool program, could not be easily spent in home-based settings because of specific requirements within funding laws. The complex web of city and state health requirements created additional challenges.
- **Political will:** Policymakers did not prioritize the needs of HBCCs. For some, this was out of ignorance; for others, this was the result of active bias against home-based care, which they viewed as lower quality than center-based care. Some of the child care advocates involved in the initial rollout shared those negative views.
- **Political power:** Some HBCCs were unionized, but there was relatively limited organizing to bring providers to the table, and there were limited formal pathways for providers to advocate for themselves.

As the implementation of Pre-K for All unfolded, the team saw the consequences and learned an initial lesson: Without political will and permission, flexibility in funds and regulation, and an intentional plan to include home-based care and build a system that met providers' needs, public preschool could have serious negative unintended consequences on the overall landscape for child care.

Another opportunity: 3-K for All

In 2017, Mayor de Blasio announced that New York City would build upon its success with Pre-K for All and begin building free, full-day, high-quality preschool for all 3-year-olds in the city—a program to be known as 3-K.

The city made a few key changes based on the lessons learned:

- HBCCs would be permitted to provide public 3-K.⁴
- NYC funded the seats with general revenue, including education department funds, and supplemented with Child Care Development and Block Grant funds for programs serving income-eligible children
- The city required HBCCs that wanted to offer 3-K to affiliate with a network, which included a central not-for-profit "hub" organization to provide support to the providers. This was intended to provide more support and higher-touch services in multiple languages than providers might receive directly. A new procurement process allowed for a new set of organizations to take on this role.
- The DOE created the city's first team to support family child care, developed instructional materials in multiple languages, and created coaching and support protocols for network leaders.⁵

² <https://ocfs.ny.gov/programs/childcare/assets/docs/factsheets/2015-DCCS-Fact-Sheet.pdf>

³ <https://ocfs.ny.gov/programs/childcare/assets/docs/factsheets/2019-DCCS-Fact-Sheet.pdf>

⁴ See <https://www.schools.nyc.gov/learning/student-journey/grade-by-grade/early-childhood-learning/family-child-care>

⁵ See [https://infohub.nyced.org/docs/default-source/default-document-library/family-care-\(fcc\)-network-handbook.pdf](https://infohub.nyced.org/docs/default-source/default-document-library/family-care-(fcc)-network-handbook.pdf)

Eventually, approximately 2,400 children attended 3-K in home-based settings annually.

While they did not address the full scope of the problem (see next section), these improvements were important. They came as a result of both political strategies and design strategies that succeeded through an inside-outside approach.

Political strategies

- More time: In part because of the political will won with the fast pre-K launch, the team was able to take a slower approach to roll out 3-K, giving the team more ability to focus on engagement with local providers.
- More input: The team launched two advisory groups: one overall birth-to-5 group with policymakers from other agencies, providers, advocates, parent leaders, researchers, and other ECE experts to share progress, test ideas, and collect feedback, and a second focused just on family child care providers and their needs.
- Working outside: ECE on the Move found a strong champion in U.S. Rep. Adriano Espaillat, who continues to raise issues on their behalf at all levels of government. ECE on the Move worked intentionally and carefully over a long period of time to cultivate this relationship with the congressman who represents many of their members.
- Working inside: Team members communicated the input and highlighted the press and lobbying by advocates to decision-makers within the administration, creating space for reforms.

Design Strategies

- Small scale pilots to test and refine: The department first worked with a smaller group of providers and networks to test the model, and used the feedback to design the larger-scale implementation.
- Regulatory advocacy: City leaders took a more active approach to lobbying the state during the roll out of 3-K, working with other outside groups to successfully convince the state to raise the market rate for family child care providers. Then the team worked within the administration to pass the increase on to providers relatively quickly.
- Adapt the system: The team worked to change the pre-K support and enrollment systems to meet the needs of providers, as explained above.

Still a flawed system despite the efforts

While the implementation of 3-K marked some progress, significant challenges remained for HBCCs, including for those who affiliated with a network and were able to participate in 3-K and those who did not.

For providers who offered 3-K through a network:

- Inadequate compensation: Family child care educators are still not paid at the same rate as teachers in community-based organization classrooms or school classrooms, despite a significant increase in rates several years ago.
- Lack of coverage for extended hours and summer care: Parents need and request extended hours and summer care. Most city-funded 3-K slots covered the length of the school day and year. While some slots, funded by the Child Care and Development Block Grant, included summer and extended-day coverage, they were limited.
- Erosion of independence: Some educators feel their autonomy has been compromised as they are subsumed into the public education system. At the same time, they are left to navigate complex tax and labor laws without sufficient support.
- Downsides of central enrollment: Some providers believe that centralized enrollment has disrupted the personal, organic nature of parent-provider engagement that allowed them to build relationships with visiting families and then enroll them directly.
- Uncompensated and inconvenient professional learning days: The state requires that home-based providers take designated professional learning days and holidays and pay their assistants for those days without additional reimbursement. This disparity is stark compared to public school teachers who are compensated for such days.
- Bureaucratic complexity: While the city holds the contracts with networks and the city health department oversees safety at sites, the state still sets the rates for reimbursement and maintains ultimate oversight of the home-based system, leading to complication and confusion.

For providers who did not affiliate with a network:

- Network problems: Some providers prefer to remain independent of networks, but the Department would not allow them to contract with the city as individual providers. Administration leadership would not allow it, and the team also thought networks would be an important source of oversight and support for providers.
- More impact on economics: Providers unaffiliated with a network could not provide public 3-K, and many families left their care when offered a free option elsewhere. Providers had already experienced a decline in 4-year-old enrollment and the subsequent loss of 3-year-olds meant they would have only infants and toddlers remaining, an unsustainable business model.

There was limited opportunity to test and refine the approach. The transition to the new network structure was interrupted by the COVID-19 pandemic. As the city was working through the new operational model, there was a political transition: Eric Adams was elected mayor and began his term in January 2022, beginning a time of further uncertainty in the system for early childhood education funding and administration broadly—not just specific to home-based care providers.

Acknowledgments

These briefs were collaboratively developed by:

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Additional Briefs

- [“Inside-Outside” Strategies for Integrating Home-Based Child Care Into Public Preschool: The Role of Unions](#)
- [“Inside-Outside” Strategies for Integrating Home-Based Child Care Into Public Preschool: Nuts-and-Bolts Tactics](#)