

June 3, 2022

Dear Oakland City Council:

Oakland Family Child Care (FCC) providers are in need of support to keep their small businesses open to continue to serve our city's children and families. Oakland providers in the [Oakland / Alameda County Family Child Care Policy Program](#) are asking Oakland City Council for targeted financial supports from the City of Oakland. With the 22-23 Midcycle Budget, the City of Oakland has an opportunity to invest in FCC providers to help stabilize the child care workforce. FCC providers support working parents and families with holistic care, as well as school readiness for Oakland's youngest learners in nurturing, developmentally appropriate, home-based settings.

As the City Council decides upon Oakland's Midcycle Budget, we ask that you dedicate annually \$2 million of the City Budget in an ongoing trust for Family Child Care providers that will:

1. Establish an [FCC Provider Emergency Fund](#) that would help sustain and protect family child care businesses due to unforeseen circumstances, such as a pandemic, wildfire, or family/health emergency.
2. Invest in Long-Term Housing, Facilities, Infrastructure, and other economic supports for FCC providers, including funding for utilities and municipal debt forgiveness.

For 2022-2023, the City has a significant budget surplus. Given that [Oakland's FCC field is losing approximately \\$2.5 million per month](#) due to pandemic closures and under enrollment, this is a critical opportunity to seed a trust that will protect the field long term. This annual \$2 million can be allocated from Human Services and Economic & Workforce Development General Purpose Funds, City Council discretionary funds, and in future years, funds from Measure AA and the potential Progressive Business Tax.

Background

FCC providers run businesses that are home-based education settings and are an important component of the [mixed-delivery system of care for children](#). Many families choose family child care because of small group numbers of children, a mixed-age environment, continuity of care across ages, diverse cultural and language needs, and deep family relationships. FCC providers offer care that is tailored to a family's unique circumstances and needs, ranging from a child's developmental/health differences to parents' non-traditional work schedules.

Oakland's FCC providers are business owners, educators, and community leaders. However, they have been historically excluded from the security of a safety-net that protects businesses and values them as educators. The pandemic has compounded challenges that the fragile system previously faced. During the pandemic, when schools and child care centers closed down, FCC providers remained open to care for essential working families, taking great financial and health risks.

The pandemic has taken a toll on providers:

- In 2019, Oakland had 314 FCC homes, and by December 2020, only 180 or 57% of those providers remained open. Between January 2020 and January 2021, [Alameda County lost 30% Family Child Care Licenses](#).
- [Oakland FCC providers were underenrolled by 28% during the pandemic, while experiencing 70% higher costs due to COVID19 health and safety requirements](#). This means they had significantly less income to cover those costs.
- [In California, 76% of FCC providers reported a loss of income during the pandemic and 43% were unable to pay themselves](#).
- FCC providers don't have access to the same type of business relief funds or programs as other businesses. Nationally, [child care providers only received 0.44% of Paycheck Protection Program \(PPP\) loans](#), a fraction of the support needed for the child care field. [In California, 56% of FCC providers did not receive any financial support during the pandemic](#), except for state funds for essential supplies available for all child care programs.

Investing in economic supports for Oakland FCC providers is aligned with the City's Policy Priorities:

- **Affordable Housing and Homelessness Solutions.** FCC providers need economic support to stay in their homes. For FCC providers who care for the children of housing insecure families, ensuring that families have reliable child care promotes family stability.
 - In [California](#), during the pandemic: 49% FCC providers have been unable to pay themselves, 34% FCC providers have taken on personal credit card debt, and 22% FCC providers have missed a rent or mortgage payment.
- **Public Safety and Violence Prevention.** FCC providers offer holistic, stable care for young children at a critical stage of development. High quality, nurturing care can reduce Adverse Childhood Experiences, and support community resiliency long term.
 - 90% of a child's brain develops in the first 5 years. [In 2018, Oakland had 15,241 children who were ages 3-5 years old](#) , 10,296 of whom were living under 85% of the State Median Income.
 - According to [2020 Oakland Early Development Instrument](#) data, which measures school readiness in OUSD Kindergarteners, systems have failed to prepare approximately 24% of students in the Social Competence and Emotional Maturity developmental domains.
- **Good Jobs & Vibrant Economy.** As made clear during the pandemic, child care is an economic issue, and parents need child care to participate in the workforce. Child care is low-wage work, and this initial investment in FCC providers is one step in the direction of making child care a good job and stabilizing the workforce.
 - [High Cost of Living](#): 87% of Alameda County ECE professionals, most of whom are women of color, are considered very low-income for the County. 50% of ECE professionals earn \$18 or less per hour in Alameda County, roughly equivalent to \$39,280 per year in a county where a family of four must earn a \$137,660 annual income in order to cover their basic needs.

- **Clean, Healthy, Sustainable Neighborhoods.** FCC providers are community pillars who welcome families into their homes, and the city must work to retain these businesses. They are vital for having healthy, sustainable, family-friendly neighborhoods.
 - [Oakland is a child care desert](#). Without enough child care slots available for the number of children who need care, Oakland does not meet families' child care needs. This shortage has been made worse during the pandemic due to closures of child care businesses. In a city with nearly 30,000 children ages 0-5:
 - Only 30% of Oakland's 0-5 year old children have access to child care slots.
 - Less than 10% of Oakland's infants and toddlers have access to child care slots.

We ask that City Council remain in communication with Oakland FCC providers, and offer the [Oakland / Alameda County FCC Policy Program](#) group as a resource for City Council to learn more about FCC providers. We request that you seek our input in making decisions on how to maintain, administer, and govern the Emergency Fund and other economic supports for FCC providers. This annual \$2 million budget ask to seed a trust is an initial step in stabilizing the FCC workforce and recognizing their essential contributions to our City.

Thank you for your consideration,

- Carolyn Carpenter, [Bloomers Preschool](#) and [CCPU, 521](#), 33 years of experience, D4 resident
- Noni Galloway, [Parent Voices Oakland](#) and Chair-Elect of [the Alameda County Early Care and Education Planning Council](#), raised in Oakland
- Charlotte Guinn, [Rose's Day Care](#), [Alameda Professional Child Care Association](#), and [CCPU, 521](#), 28 years of experience, D3 resident
- Nancy Harvey, [Li'l Nancy's Primary Schoolhouse](#), [Alameda Professional Child Care Association](#), and [CCPU, 521](#), 18 years of experience, D3 resident
- Robert E. Williams, Jr., [Blessed Beginnings Day Care](#) and [SEIU Local 521](#), 32 years of experience, D5 resident

Oakland FCC Providers who are making this City Council budget request receive technical assistance in the form of education, information, and logistical support from [BANANAS](#), [First 5 Alameda County](#), and [Oakland Starting Smart and Strong](#). Trisha Barua (trisha@oaklandsmartandstrong.org), OSSS Policy Analyst, is supporting the group with communications to Oakland City Council.