



Human-Collaboration for Child Care:

Building an Innovative and Trustworthy Child Care System

This white paper envisions a future of child care where innovative technology strengthens the vital role of human connection. It explores how we can create a system that is both highly efficient and deeply rooted in trust, safety, and community, ensuring every family has access to quality care.





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3. INTRODUCTION

In 1997, after a two-and-a-half-year battle with lymphoma, I laid my wife to rest. I immediately became a single parent, and I was the single income provider. I had a wonderful 2-and-a-half-year-old to take care of. I worked 10+ hour days, what was I going to do. I needed a parent-friendly organization. I knew nothing of childcare, in fact, I had only heard about something called “daycare”.

Since 1997, the childcare landscape has evolved significantly. While many sectors emphasize innovation and rapid progress, childcare might benefit more from the steady stewardship provided by government oversight and longstanding Child Care Resource and Referral (CCR&R) agencies. By integrating vetted technology partners with this oversight, we can create a childcare system that balances innovation with security. This approach ensures that all families have access to quality childcare services, fostering a supportive environment where children can thrive, and parents can have peace of mind. Steve Jobs famously said,

“

Design is not just what it looks like and feels like. Design is how it works.

Steve Jobs
Founder of Apple

”

This principle underscores the importance of not only innovative solutions but also their practical and secure implementation.

4. THE NEED

In The U.S. Chamber of Commerce hosted in partnership with the U.S. Department of Commerce the inaugural National Child Care Innovation Summit on June 27, 2024. This first-of-its-kind event aimed to inspire tangible actions, policy initiatives, and position child care as a catalyst for economic growth through emerging models, employer approaches, and public-private partnerships.

- \$120 billion is lost each year due to lack of adequate childcare.
- States lose on average \$1 billion dollars in economic activity every year.
- 58% of parents reported leaving work because they were unable to find childcare solutions.
- Women represent 47% of all U.S. employees and are integral to our modern workforce; however, 32% of women cited the need to be at home to care for family members as a barrier to returning from work.
- The number of childcare providers plummeted more than 30%, disproportionately affecting women and women of color.
- On average, childcare costs can range from \$10,000 to \$15,000 per year per child, which in most states is higher than state tuition for public college.⁽ⁱ⁾



Childcare is not only a social issue or a 'women's issue.' It is also an economic issue. In fact, it's one of the most critical economic issues affecting families, businesses, and communities today.

Gina Raimondo
U.S. Commerce Secretary



In 2023, Moms First partnered with Boston Consulting Group (BCG) and concluded that child care benefits deliver returns of up to 425% of their cost for companies across the U.S.(ii)

5. THE SOLUTION

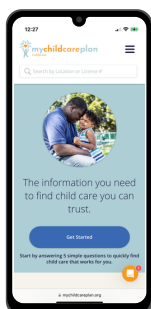
Opportunities Exchange has been leading the charge for over a decade to see an Early Child Education ecosystem to advance real-time data, automation and interoperability, “enhancing efficiencies and making data actionable.”(iii)

In 2021, Pivotal Ventures and The Holding Company estimated the Care Economy was worth \$648B.(iv)

Case Study California

A prime example of a successful partnership in California involves the California Child Care Resource & Referral Network (CA CCR&R) and AJW Inc. Together, they created the custom software solution, My Child Care Plan (MCCP), which serves the entire state of California. CA CCR&R, a trusted statewide agency, provides regulatory oversight and a comprehensive database of licensed providers, ensuring child safety. AJW Inc., a vetted technology partner, offers technological expertise to streamline services and enhance user experience.

This collaboration has significantly improved the accessibility and quality of childcare in California, setting a benchmark for other states to follow. Their success demonstrates that integrating technology with trusted agencies focusing on child safety creates a sustainable and effective childcare system. It exemplifies how investing in early childhood can develop, sustain, and gain a more productive workforce nationwide, rather than relying on models driven by capital gains.



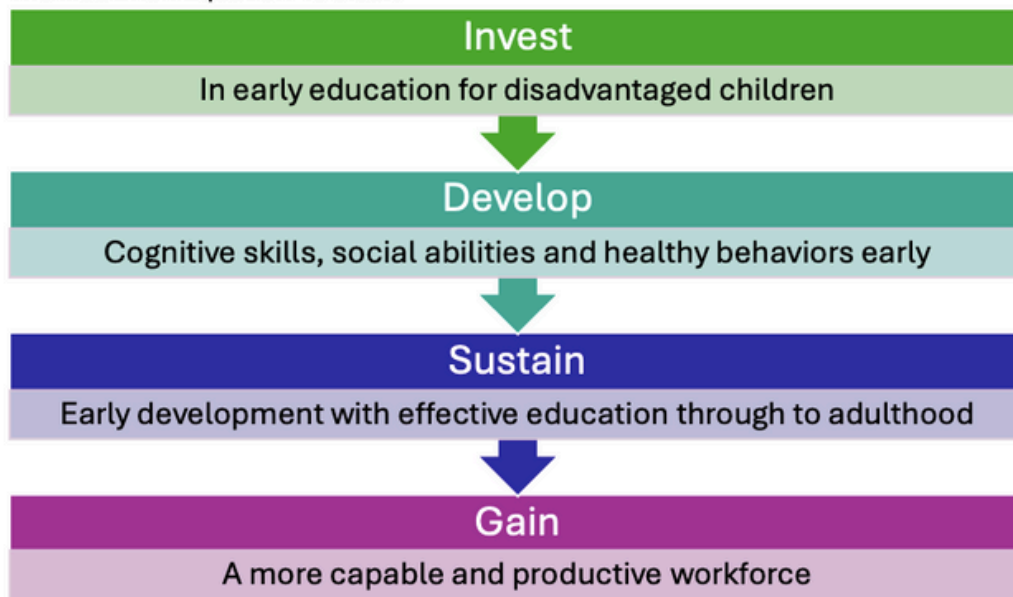
The future of a successful, re-envisioned, equitable, and just U.S. childcare system depends on the implementation of interoperable digital technology, benefiting the entire community.

Matthew Henry, CEO
People Over Tech





The Heckman Equation^(v) is clear(v):



The Funds

The Child Care and Development Fund (CCDF) received \$12.35 billion in funding for FY2024, which includes \$8.75 billion for the Child Care and Development Block Grant (CCDBG) and \$3.5 billion for the Child Care Entitlement to States (CCES)(vi).

Every report available is clear the need is enormous. The United States has made available \$12.35 billion in investment. Are children and their families being served? At the simplest level, are they able to find child care?

6. THE OBSTACLES. WHY ISN'T IT WORKING?

On June 25, 2024, Benefits Data Trust, a national nonprofit organization that helps people access government benefits and services they are eligible for, announced, after almost 20 years, they would be shutting down on August 24, 2024. A company dedicated to using the best of user experience and technology and data-driven techniques is calling it quits.

Rajiv Shah, in his *Big Bets: How Large-Scale Change Really Happens*, published October 10, 2023, said "Transformation requires not just the identification of opportunities, but also the ability to navigate the obstacles that stand in the way."

What are the obstacles to solving the child care formula? Child Care has several Benefits Data Trust like organizations, and they haven't called it quits. We have 60 to 80 startups, VC and PE backed. We have every state engaging with licensing and subsidy. We have big firms, Booz Allen, Deloitte and others, working to solve the user experience and technology issues. We have nonprofits like Code for America providing their best and brightest.(vii)



7. ARE WE MOVING THE NEEDLE FORWARD?

Finding Child Care in America: Suitable AI

Let's take a deep dive by starting at the beginning. How do parents find quality, affordable child care? I asked Perplexity which uses OpenAI's GPT-4o: How do I find child care in San Francisco. Here are the answers.

1. Yelp followed by a list of the highly rated providers based on Yelp review ratings listing the top 4.8 to 5.0.
2. Children's Council of San Francisco, a Child Care Resource and Referral Agency.
3. Wonderschool.
4. Reddit and proceeded to give specific subreddits to review and find parents experiences and advice.
5. Online Directories listing "websites like Winnie.com".

And the model ended with "By using these resources, you can find a suitable child care provider that meets your needs and budget."

How'd we do? Is this the best America can do using technology solutions to find child care in America? And has GPT-4o only learned from all the material we've allowed it to organize that "suitable child care" is the only option for parents? No mention of how child care licensing works in California. No mention of the California MyChildCarePlan(viii) and the 30 to 40 other systems available for finding child care in San Francisco.

Finding Child Care in America: Spending more money Google

If you Google, you get different options. Starting with five to 10 paid advertisements including Care.com, Sittercity, Winnie, KinderCare and Wonderschool. With words like "Babysitters Near San Francisco", "Best In-Home Daycares & Childcare in San Francisco" and "Employer Child Care Options". And keep in mind, on the paid advertisements, I'm assuming these dollars that Google just invoiced these solutions weren't part of the state federal funding that's available. More money spent to solve the incredible need. While the federal funded agency shows up at the bottom of the list!



The Law: Kansas

Let's take another example: Kansas. Same question to GPT-4o. Same answer, except, the last choice listed is the state resources. Ah, we found some federal funding! Here is a recommendation to contact the Kansas Department of Health and Environment for information on licensed child care providers and resources on finding quality child care.

Kansas law, K.S.A. 2010 Supp. 65-534 states:



"The secretary of health and environment shall adopt rules and regulations which are consistent with the requirements for the receipt of child care ARRA funds, and which provide for the establishment and operation of an online information dissemination system. Such system shall provide information to the public regarding child care facilities and providers, including but not limited to:

1. The name, address, and telephone number of each child care facility and provider;
2. The type of child care provided by each facility and provider;
3. The number of children that each facility and provider is licensed to care for;
4. The ages of children that each facility and provider is licensed to care for;
5. Any disciplinary actions taken against each facility and provider;
6. Any complaints filed against each facility and provider;
7. The results of any inspections or monitoring visits conducted by the department;
8. Any other information deemed necessary by the secretary to ensure the health, safety, and welfare of children in child care facilities and providers.

The secretary shall ensure that such system is accessible to the public and that the information provided is accurate and up-to-date."

If a family in Kansas were to use a system other than the KDHE, would that family understand any disciplinary actions taken, any official complaints filed, the results of inspections or monitoring?

No, in fact, if you look at some of the systems GPT-4o recommends, you'll see duplicate information but without the important quality requirements from the Kansas law. This non-DHE systems have basic provider information. Parent rated starred recommendations. You'll even get details on whether background checks have been verified on some systems. National Sex Offender checks, Global Watchlists and more. However, if you look on the official Kansas System, the Child Care Aware of Kansas system, you can't find a matching provider to these other systems in many cases. And, if you try to find how these checks to the National Sex Offender registry and Global Watchlists are verified, you end up not finding how these were computed.

Flight Travel Reservation System

Want to take a trip to Hawaii with me? If I Google "Trip to Hawaii" I get a bunch of ads for cool travel packages, resorts as well as details on how to plan my trip to Hawaii. I don't get sponsored airline reservation systems. All with different sets of data.

What's going on here. Something as important to America as child care and 1,000s of software and UX engineers, 1,000s of state and consulting firms are all building their own databases to store information about the same providers in America. Why?

When I Google (or use AI) to "find child care", it should, at a minimum, be like the airlines systems. Each airline allows integration to their flight schedules and pricing. Many systems like Expedia or Kayak, tap into that data to help the consumer. In child care we have our best and brightest building their own list of providers, all essentially trying to build their own "airline" of choice for the child care options available. Like taking a trip to Hawaii, our systems of information should return detailed information about provider packages, finding quality providers, helping interpret licensing and inspection data. Not, for example, creating passenger ratings as to how comfortable that specific airlines flight was to Hawaii on a scale of 1 to 5. Imagine deciding to take a flight only based on passenger ratings. Isn't this what we are doing with our children?



8. CALLING ALL TECHNOLOGISTS: HUMAN-COLLABORATION NEEDED

It's more critical than ever that all technologists work within the laws of each of our states. And seek to work within the state master provider data available, share the data, create the Early Learning Child Care Ecosystem(ix). Expand the successful HL7 FHIR standard for Health Care into Social Care to include Child Care.

I've heard the arguments. The state data is not accurate. The state data is slow to update the provider data. There's no real-time data at the state level. The complaints go on. Let's fix the state of the state systems. Let's spend our technology money at the source.

And, this isn't just a call to private technologists, this is a call to Civic Technologists within states. As they say in the South, y'all need to get together too. Some states, Maryland for example, has processes for searching for child care through their CCR&R (<https://www.marylandfamilynetwork.org>) and through their Department of Education (<https://findaprogram.marylandexcels.org>).

As Christopher Wink, publisher and CEO at Technical.ly said in reviewing the Benefits Data Trust announcement,



Startups are experiments and if all of your experiments succeed you aren't good, you're lucky or a liar. In contrast, government and core social services organizations aren't startups, they're stewards. Let government and social services organizations experiment with small labs or investments in separate entities that can pilot new efforts. Big Bets only work when you aren't risking someone else's well-being.

Christopher Wink, CEO
Technical.ly



May we see change and enable Human-Collaboration for Child Care.



9. REFERENCES

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- ii https://momsfirst.us/roi-childcare-report/?source_id=1046013 (accessed July 7, 2024)
- iii <https://www.oppex.org/ece-technology> (accessed July 7, 2024)
- iv <https://www.investin.care/investors-guide/home> (accessed July 7, 2024)
- v <https://heckmanequation.org/resource/the-heckman-equation/> (accessed July 7, 2024)
- vi <https://www.naco.org/resources/support-child-care-and-development-fund-ccdf> (accessed July 7, 2024)
- vii Code for America (<https://codeforamerica.org>) is providing the Illinois Partnership to transform the Child Care Assistance Program (CCAP), the Safety Net Innovation Lab that includes child care subsidies, Federal Best Practices for online child care applications, the Benefits Enrollment Field Guide a developed digital visualization tool, which aims to increase the usability and accessibility of online benefits applications at the state level and the Integrated Benefits Initiative testing faster eligibility determination, simpler verifications, unified client experiences, improved access for remote communities, and client self-service in various states. viii
- viii <https://mychildcareplan.org/>
- ix <https://www.oppex.org/ece-technology> (accessed July 8, 2024)

About PeopleOver Tech

People Over TechPeople Over Tech is a pioneering organization dedicated to reimagining the intersection between humanity and technology. We believe that technology should empower, not overshadow, human values and connections. Our mission is to build innovative systems that prioritize people first, ensuring that technology serves as a tool to enhance rather than replace the essential human elements in every sector we touch.

For More Information

To learn more about People Over Tech and our commitment to putting people first in the technological landscape, visit our website at peopleovertch.org

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