Reaching Independent Providers: Reimagining Networks and Contracts for Universal Child Care in NYC

Executive Summary

By Emily Sharrock

October 2026

THE NEW SCHOOL Center for New York City Affairs

SHARROCK STRATEGY GROUP

Executive Summary

The architecture of universal child care, a core campaign promise of Mayor Mamdani, is being set in New York City today. But for many child care providers, the current system doesn't work well enough to encourage them to partake in this historic expansion. **As the City implements an ambitious rollout of 2-K, nearly 5,500 Family Child Care providers, most of them low-income women of color, are at risk of being left out[1].**

Family Child Care (FCC), small businesses owned and operated by providers in their own homes, has long been a core component of the city's care infrastructure. While the Mayor made a promise to include FCC providers in the universal program, bureaucratic obstacles stand in the way and create an existential threat for the FCC community.

Since 2019, the City has overseen the contracted child care system under New York City Public Schools (NYCPS) and primarily through contracts with Family Child Care Networks (FCCN), member organizations offering technical assistance, training, and peer support. FCCNs also manage payments and enrollments for affiliated providers. As part of the expansion to universal care, all FCC providers are required to contract with the City through an FCCN. Many unaffiliated FCC providers are hesitant to do so: current contract terms, centralized enrollment, and payment processing constrain providers and networks alike.

Given this urgent challenge, the Center for New York City Affairs (CNYCA) and Sharrock Strategy Group came together to develop actionable recommendations for reforming New York City's Family Child Care contracting and network system. This report is the result of extensive engagement encompassing more than 30 interviews across 20 organizations, 10 focus groups, and six months of iterative design based on feedback from FCC providers, FCCN staff, advocates, national experts, the Mayor's Office of Child Care and Early Childhood Education, NYCPS Division of Early Childhood Education, and other stakeholders.

The current landscape

In Section One, the report documents the current landscape for networks and providers based on this engagement. Here we highlight an existing alternative – in which NYCPS directly contracts with Group Family Child Care (GFCC) providers – that demonstrates the City already possesses the contracting infrastructure, oversight

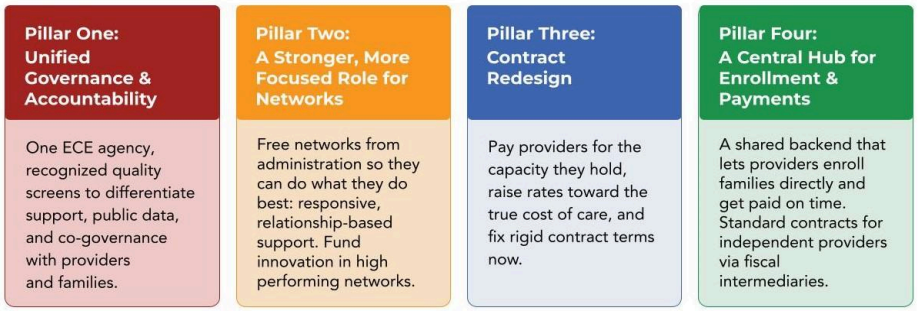
[1] CNYCA analysis of Citizens Committee for Children (2023); New York State Office of Children and Family Services (2025).

model, and budget templates necessary to fund and contract with FCC providers at parity with center-based programs.

Section Two outlines where the care architecture is currently breaking down: a centralized enrollment system, procurement rigidity, 3-K funding models, compensation below minimum wage, compliance-driven network constraints, and a lack of clarity on current policy and procedures. The patterns documented across our research point to a contract architecture and agency capacity that is insufficient for either providers or networks to succeed.

The path forward: four pillars of reform

Feedback from FCC providers and network staff informed an ambitious proposal for a path forward, envisioned in Section Four as four distinct pillars of reform. Each pillar is designed to support every type of FCC provider within a unified ecosystem: those affiliated with networks, those with direct contracts, and independent providers who want to join a universal system.



In one focus group with the leadership council of ECE on the Move, only 33 percent of providers said they were likely to participate in 2-K in the current network model. When asked if they would participate in 2-K if the City implemented the proposals described in this report, 78 percent of providers said they would.

What the City can do today

This level of systemic change will take time. What is required now is the willingness to test, innovate, and invest in new systems and approaches that can increase FCC provider access to and participation in a publicly-funded universal system. Pursuing all four reforms in parallel gives the City real-world data before scaling, responds to urgent provider concerns, and helps ensure that new public investments strengthen rather than inadvertently destabilize the sector.

Section Six outlines three phases of implementation (planning and testing, building and evaluating, scaling and consolidating) over the next three years. Phase One includes immediate reforms we urge the city to invest in right away.

When we asked providers what the City should prioritize to prevent them from going out of business while it works towards universal care, top responses focused on increased funding to keep providers in business. **This report urges the Mayor's Office of Child Care and Early Childhood Education to expand its investment and broaden eligibility for its Emergency Microgrant Fund through a workforce fund.**

The report also urges the City to reconsider its ambitious implementation timeline and sole focus on using NYCPS's existing network contracts to reach universal access. Instead, **the City should continue to invest in not just reducing but ending the voucher waitlist and quickly pursuing alternative structures for contracted care so providers can participate in 2-K expansion.**

Most importantly, for the City to make universal child care a meaningful reality, it must invest upfront in a co-designed approach grounded in participation and continuous feedback from stakeholders including FCC providers. These recommendations are a starting point, not a conclusion.

While the majority of stakeholders agree that the current system cannot support our ambitions for universal care, they are hungry for reform, risk taking, innovation, and change. CNYCA plans to bring providers, network staff, and City partners together to discuss and strengthen these proposals and determine next steps.