2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 9M.2: Family Child Care Home Direct Support Pilot

Analysis of:	S.L. 2026-41, Sec. 9M.2	**Date:**	August 24, 2026
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Section 9M.2 of S.L. 2026-41 (Senate Bill 257) creates the Family Child Care Home Direct Support Pilot Program (the Pilot), a two-year program coordinated by the Pilot participants to build child care capacity in their respective counties. The Pilot is funded through funds appropriated from the federal Child Care and Development Block Grant to the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE), for quality and availability initiatives, in the amount of $3,250,000 for the 2026-2027 fiscal year. These funds are allocated in equal amounts to three councils of governments (councils) located in one county from the following: (i) Coastal Plain Region, (ii) Mountain Region, and (iii) Piedmont Region.

A request for application must be issued by each council for a vendor to contract with to administer the Pilot. To receive funds, the vendor must partner with the council to (i) increase the number of child care programs by recruiting and coaching prospective providers through the planning and implementation stages, and (ii) ensure sustainability of the new programs by providing a two-year mentorship. A participating council may use (i) a portion of its funds to provide additional solutions through the vendor to meet local early childhood education needs within their member communities, and (ii) up to 5% of its funds for administrative costs.

To be chosen, a vendor must have several qualifications, including: (i) experience establishing new family child care homes in at least three other states; (ii) technology which meets certain required criteria; (iii) experience successfully establishing family child care homes in rural communities and addressing child care access in underserved areas; and (iv) demonstrated success in establishing new family child care homes at scale on time lines of six months or less.

Selected vendors must: (i) determine where child care providers and substitute teachers are needed, and recruit new potential child care providers and substitutes; (ii) implement the technology requirements above; (iii) develop informational materials for in-home family child care providers to assist with marketing, advertising, and parental outreach; (iv) create child care slots and implement a substitute teacher pool; (v) craft an implementation strategy to meet community and workforce needs, including care during nontraditional hours and days; (vi) provide a dashboard that allows for government leaders to track vendor progress, get feedback from child care providers, and obtain real-time reporting; (vii) provide support, resources, coaching, and training for in-home family child care providers for a minimum of two years; and (viii) report all information required by this section.

Participating councils must submit an initial progress report by March 1, 2027, and additional progress reports every six months thereafter for the duration of the Pilot, to the Joint Legislative Oversight Committee on Health and Human Services, the Fiscal Research Division, and DCDEE. At a minimum, the reports must include the following Program data: (i) the number of programs created by county; (ii) the number of child care centers and family child care homes created; (iii) the number of new child care slots; and (iv) the costs associated with creating the child care programs, including any administrative costs.

This section became effective July 1, 2026.