

Minnesota Family Child Care Task Force

Duty 5 Workgroup

Alternative Child Care Delivery Models

October 20, 2020

Develop recommendations for alternative child care delivery systems that could be more financially viable in smaller communities with unmet child care capacity needs in greater Minnesota, which could include new licensure models for large group family child care or small capacity child care centers.

Duty #5: Alternative Child Care Delivery Models

Work Group Members

Ariane Bromberg, Family Child Care Inc.

Erin Echternach, Parent Representative

Liz Harris, Family Child Care Provider

Heidi Hagel Braid, First Children's Finance

Stephanie Hogenson, Minnesota Children's Cabinet

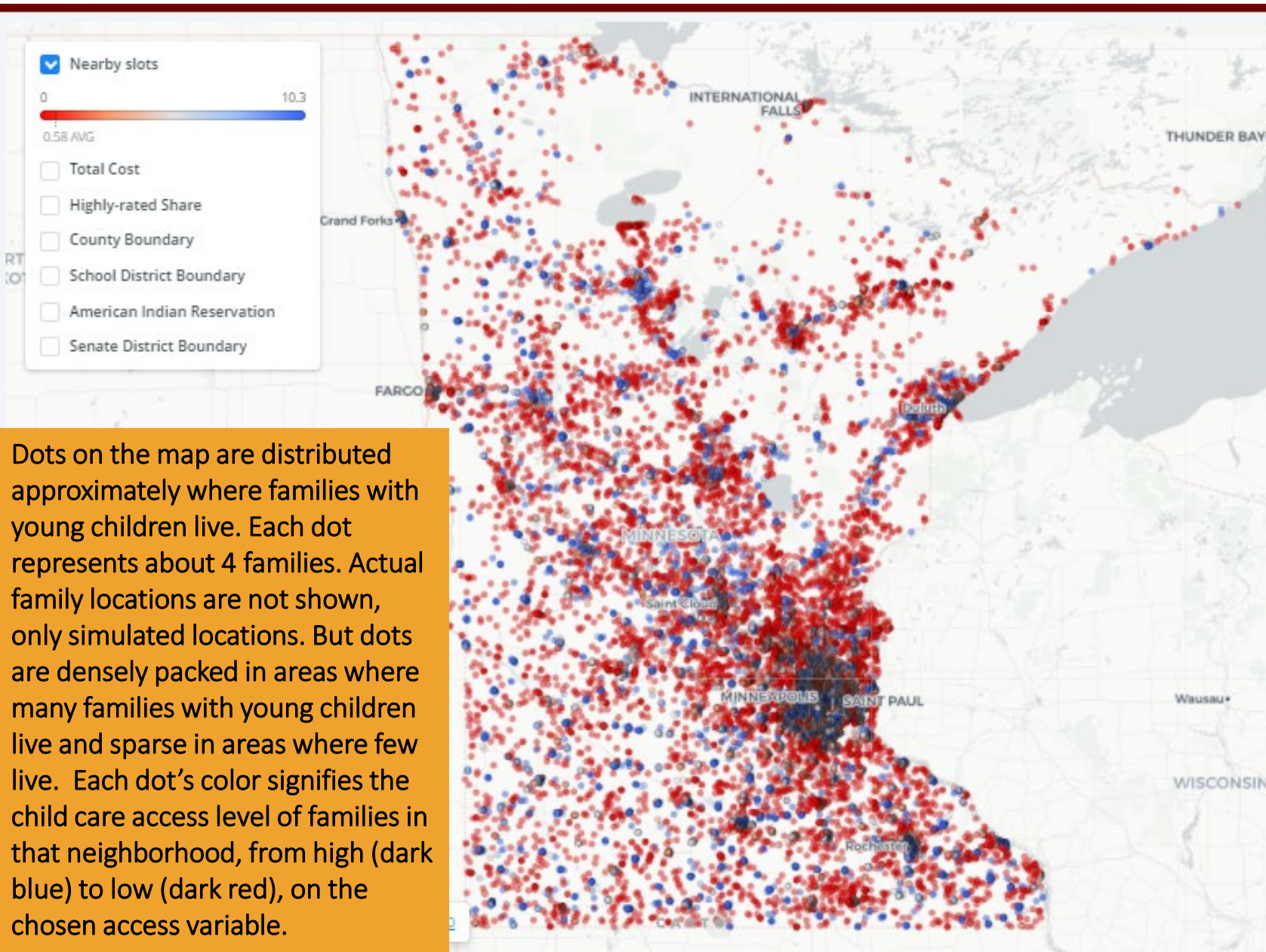
Scott Marquardt, Southwest Initiative Foundation

Lauryn Schothorst, Minnesota Chamber of Commerce

Subject Matter Expert from DHS: Barb Wagner and Reggie Wagner

Key Discussion Points

- Traditional model of delivering family child care will and should always be an option
- Alternative child care delivery models should not always be labeled family child care, even when smaller groups, but can offer an option between current licensed family and center-based child care
- Minnesota already has some existing options in statute, “Special Family Child Care” that are underused
- There is demand in communities for alternative models that don’t fit within the framework of existing statute and rule governing child care.
- Operating in their own home and home ownership is a barrier for existing and potential providers
- Acquiring and affording usable properties and spaces for alternative child care models is challenging and requires community investment
- Health, safety and developmental needs of children is top priority
- Financial viability, especially in small communities, of existing options is a concern and exacerbates child care shortages. New models should be assessed for financial viability
- Other states have different models to learn from, but difficult to copy exactly to meet MN needs



Dots on the map are distributed approximately where families with young children live. Each dot represents about 4 families. Actual family locations are not shown, only simulated locations. But dots are densely packed in areas where many families with young children live and sparse in areas where few live. Each dot's color signifies the child care access level of families in that neighborhood, from high (dark blue) to low (dark red), on the chosen access variable.

Alternative children delivery models are a possible solution to addressing child care shortages.

Rural communities in particular have expressed demand for alternatives to existing licensing models to meet their child care needs.

Source: childcareaccess.org is a website and mapping tool created by researchers at the University of Minnesota

Handout on Other State
Models and Statutes
Governing Child Care

Existing MN Child Care Delivery Models

Traditional Family Child Care Model

Minnesota Statutes, Chapter 245A

Most common model in Minnesota: license holder provides care for children in their residence

One Provider: max capacity between 5 and 12 children

Two Providers: max capacity of 14 children

Other Family Child Care Models currently allowed

Minnesota Statutes, Chapter 245A.14 Subd (4) a-g

Special Family Child Care

Care that is not in the license holder's primary residence (ie: located in a church, school, employer-based settings)

Co-located Family Child Care

"Pod Model" (ie: multiple family child care providers who run distinct programs under the same roof)

*See Handout for More Details

Surrounding States' Child Care Delivery Models

Group License Model (North Dakota)

Significantly different than Minnesota statute

Potential to work very well in rural communities

Operates on a point-based and square footage ratio system

Co-mingling of ages

Benefits of this model include:

- *Adults working together (retention and attraction to the profession)*
- *Option for more business-minded providers to allow "franchising" or "corporate" models of their child care*
- *Better utilization of space (ie: instead of limits set at 12 children/provider, they can have up to 30 in the space as long as the business meets the regulations of space and staffing)*

*See Handout for More Details

Surrounding States' Child Care Delivery Models

South Dakota

Group Family Child Care: 13 to 20 children, including children under the age of six living in the home and children from more than one unrelated family received for day care, in any facility, including a family home.

Iowa

Four types of regulated home providers with maximum capacity at 16 (2 providers)

Montana

Group Home Child Care model

Could help alleviate the Infant Care shortage

- *7-12 children/license*

- *Limit of six children under the age of 2*

*See Handout for More Details

Alternative
Care Delivery Model
Recommendations

1) Alternative Child Care Delivery Pilots

Recommend legislation that provides DHS authority to receive and approve requests for models of alternative child care delivery that protect child health and safety and provide more financial viability with a focus on smaller communities in Greater Minnesota that have unmet child care capacity needs.

Right now there is a demand for alternative child care delivery models but not specific recommendations or consensus on what specific changes would address child care business challenges and unmet child care needs. This process would allow for idea generation and evaluation of outcomes to better determine recommendations for statute and rule changes to create effective alternative child care delivery models that meet the demands of industries, communities and families.

*See Recommendations Table for More Details

2) Raise awareness of existing options

Provide supports and resources for providers and communities to understand their options and navigate the existing family child care options in statute, including the “pod models” where multiple family child care providers operate under one roof that is already included in the Special Family Child Care statute.

Recognizing that these options often necessitate additional capital and initial investment, we recommend the legislature, philanthropy and businesses support communities and prospective providers with business support, site assessment and financial modeling to ensure viability of these models as well as funding to support communities and interested providers to start and maintain facilities licensed as Special Family Child Care .

3) Financial supports for facilities

Provide financial supports, tax credits or bonds to support communities and businesses in purchasing or leasing properties for child care facilities, including leveraging underused space in anchor institutions such as nursing homes, hospitals, religious facilities, etc. Prioritize these supports to existing providers who want to expand or modify their existing programs.

4) Franchise Family Child Care Model

Develop a model in statute for franchise or “corporate” model of family child care ownership. This model would need to ensure clear designation of the responsible authority and oversight and could be modeled after North Dakota’s statute.

Questions?