



# **DRAFT Legislative Report**

## **Minnesota Family Child Care Task Force**

JANUARY 2021

DRAFT



For accessible formats of this information or assistance with additional equal access to human services, write to [DHS.info@state.mn.us](mailto:DHS.info@state.mn.us), call 651-431-4670, or use your preferred relay service.

Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is ~~\$5,060-~~ [REDACTED]

# Family Child Care Task Force Membership

Mary Albert, family child care provider from the metropolitan area (beginning Summer 2020)

Ariane Bromberg, representing DHS-recognized family child care associations from Greater Minnesota

Samantha Chukuske, family child care provider from Greater Minnesota

Cyndi Cunningham, Minnesota Child Care Provider Information Network

Representative Lisa Demuth

Dan Dorman, Greater Minnesota Partnership

Erin Echternach, parent of a child enrolled in a family child care program

Tiffany Grant, family child care provider from the metropolitan area (through Spring 2020)

Heidi Hagel Braid, First Children's Finance

Liz Harris, family child care provider from the metropolitan area

Stephanie Hogenson, Minnesota Children's Cabinet

Erin Johnson-Balstad, parent of a child enrolled in a family child care program

Senator Mary Kiffmeyer, Co- chair

Kim Leipold, metropolitan area representative, Association of Minnesota Child Care Licensors

Scott Marquardt, representing the Minnesota Initiative Foundations

Hollee Saville, family child care provider from Greater Minnesota

Kelly Martini, representing DHS-recognized family child care associations from Greater Minnesota

Ann McCully, Child Care Aware of Minnesota

Lanay Miller, Greater Minnesota representative, Association of Minnesota Child Care Licensors

Hollee Saville, family child care provider from Greater Minnesota

Lauryn Schothorst, Minnesota Chamber of Commerce

Julie Seydel, Minnesota Association of Child Care Professionals

JoAnn Smith, parent of a child enrolled in a family child care program

Representative Ami Wazlawik, Co-chair

Senator Melissa Wiklund

Marit Woods, parent of a child enrolled in a family child care program

Department of Human Services Commissioner's Designee: Cindi Yang or Reggie Wagner

## Family Child Care Task Force Website

<http://mn.gov/dhs/family-child-care-task-force/>

## Contents

Family Child Care Task Force Membership .....	3
I. Introduction .....	5
II. Legislation .....	5
III. Topics Discussed .....	7
IV. Findings and Recommendations .....	9

REVISED TABLE HERE:

DRAFT

# I. Introduction

The Family Child Care Task Force was created by the Minnesota Legislature in 2019 to discuss and make recommendations related to family child care licensing and the Parent Aware program. This report was submitted by the Family Child Care Task Force pursuant to Minnesota Laws 2019, 1st Special Session, Chapter 9, Art. 2, Sec. 132.

## II. Legislation

[Minnesota Laws 2019, 1st Special Session, Chapter 9, Art. 2, Sec. 132](#) established the Family Child Care Task Force.

### Sec. 132. FAMILY CHILD CARE TASK FORCE.

Subdivision 1. **Membership.** (a) The Family Child Care Task Force shall consist of 25 members, appointed as follows:

- (1) two members representing family child care providers from greater Minnesota, including one appointed by the speaker of the house and one appointed by the senate majority leader;
- (2) two members representing family care providers from the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, including one appointed by the speaker of the house and one appointed by the senate majority leader;
- (3) one member appointed by the Minnesota Association of Child Care Professionals;
- (4) one member appointed by the Minnesota Child Care Provider Information Network;
- (5) two members from the house of representatives, including one appointed by the speaker of the house and one appointed by the minority leader;
- (6) two members from the senate, including one appointed by the senate majority leader and one appointed by the senate minority leader;
- (7) the commissioner of human services or designee;
- (8) two members representing Department of Human Services-recognized family child care associations from greater Minnesota, appointed by the commissioner of human services;
- (9) two members appointed by the Association of Minnesota Child Care Licensors, including one from greater Minnesota and one from the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;
- (10) four parents of children enrolled in family child care programs, appointed by the commissioner of human services;
- (11) one member appointed by the Greater Minnesota Partnership;
- (12) one member appointed by the Minnesota Chamber of Commerce;
- (13) one member appointed by Child Care Aware of Minnesota;
- (14) one member appointed by the Minnesota Initiative Foundation;
- (15) one member appointed by Minnesota's Children's Cabinet; and

1 (16)one member appointed by First Children’s Finance.

2 (b) Appointments to the task force must be made by July 15, 2019.

3  
4 Subd. 2. **Compensation.** Public members of the task force may be compensated as provided by  
5 Minnesota Statutes, section 15.059, subdivision 3.

6  
7 Subd. 3. **Duties.** The task force shall:

- 8  
9 1. identify difficulties that providers face regarding licensing and inspection, including specific  
10 licensing requirements that have led to the closure of family child care programs, by reviewing  
11 previous survey results and conducting follow-up surveys, if necessary;
- 12 2. propose regulatory reforms to improve licensing efficiency, including discussion of criteria that  
13 would qualify a provider for an abbreviated licensing review based on statistically significant key  
14 indicators that predict full compliance with all applicable rules and statutes, and discussion of  
15 the development of a risk-based, data-driven, tiered violation system with corresponding  
16 enforcement mechanisms that are appropriate to the risk presented by a violation;
- 17 3. review existing variance authority delegated to counties and recommend changes, if needed;
- 18 4. recommend business development and technical assistance resources to promote provider  
19 recruitment and retention, including the potential need for mentors, a family child care provider  
20 network, or shared services;
- 21 5. develop recommendations for alternative child care delivery systems that could be more  
22 financially viable in smaller communities with unmet child care capacity needs in greater  
23 Minnesota, which could include new licensure models for large group family child care or small  
24 capacity child care centers;
- 25 6. review Parent Aware program participation and identify obstacles and suggested  
26 improvements;
- 27 7. review how trainings for licensed family child care providers are offered, provided, coordinated,  
28 and approved, and make a recommendation on the establishment of a family child care  
29 continuing education training committee, to advise on compliance with federal and state  
30 training requirements; and
- 31 8. consider methods to improve access to and understanding of the rules and statutes governing  
32 family child care providers.

33  
34 Subd. 4. **Officers; meetings.** (a) The task force shall be cochaired by the task force member from the  
35 majority party of the house of representatives and the task force member from the majority party of the  
36 senate, and may elect other officers as necessary.

37  
38 (b) The commissioner of human services shall convene the first meeting by August 15, 2019.

39  
40 (c) The cochairs shall alternate possession of the gavel between meetings.

41  
42 (d) Each meeting shall be moderated by a neutral third-party facilitator.

1 (e) The agenda for each meeting shall be determined by the cochairs, the commissioner of human  
2 services or designee, and the facilitator.

3  
4 (d) Meetings of the task force are subject to the Minnesota Open Meeting Law under Minnesota  
5 Statutes, chapter 13D.

6  
7 Subd. 5. **Report required.** The task force shall submit an interim written report by March 1, 2020, and a  
8 final written report by February 1, 2021, to the chairs and ranking minority members of the committees  
9 in the house of representatives and the senate with jurisdiction over child care. The reports shall explain  
10 the task force’s findings and recommendations relating to each of the duties under subdivision 3, and  
11 include any draft legislation necessary to implement the recommendations.

12  
13 Subd. 6. **Expiration.** The task force expires upon submission of the final report in subdivision 5 or  
14 February 1, 2021, whichever is later.

### 16 III. Topics Discussed

#### 17 PHASE ONE: TASK FORCE LAUNCH THROUGH ISSUANCE OF INTERIM REPORT

18 During phase one, the Family Child Care Task Force met in person six times. The meeting agendas,  
19 audio recordings, transcripts, and other meeting materials for each meeting are available on the  
20 [Minnesota Family Child Care Task Force website](#). Meeting agenda and meeting materials are also  
21 located in Appendix       .

22  
23 At the first meeting on September 18, 2019, the Task Force reviewed the duties assigned to them in the  
24 enacting legislation and prioritized which to focus on prior to this Interim Report. They prioritized:

25  
26 *Duty #1: Identify difficulties that providers face regarding licensing and inspection, including specific*  
27 *licensing requirements that have led to the closure of family child care programs, by reviewing*  
28 *previous survey results and conducting follow-up surveys, if necessary;*

29  
30 *Duty #2: Propose regulatory reforms to improve licensing efficiency, including discussion of criteria*  
31 *that would qualify a provider for an abbreviated licensing review based on statistically significant key*  
32 *indicators that predict full compliance with all applicable rules and statutes, and discussion of the*  
33 *development of a risk-based, data-driven, tiered violation system with corresponding enforcement*  
34 *mechanisms that are appropriate to the risk presented by a violation;*

35  
36 *Duty #3: Review existing variance authority delegated to counties and recommend changes, if*  
37 *needed; and*

38  
39 *Duty #5: Develop recommendations for alternative child care delivery systems that could be more*  
40 *financially viable in smaller communities with unmet child care capacity needs in greater Minnesota,*  
41 *which could include new licensure models for large group family child care or small capacity child*  
42 *care centers.*

1 The next meetings were held on the following dates and focused on the following duties:  
2

- 3 • October 12, 2019: Duties 1 and 3
- 4 • November 12, 2019: Duties 1, 2, and 3
- 5 • December 16, 2019: Duty 1
- 6 • January 14, 2020: Duties 1 and 3
- 7 • February 4, 2020: Discussed and approved the

8 interim report Due to time constraints, the Task Force did  
9 not discuss Duty 5.

10 The Task Force did not hold meetings during the 2020 legislative session. It resumed  
11 meetings on the Webex virtual meeting platform in June, 2020.

12  
13 PHASE TWO: TASK FORCE VIRTUAL MEETINGS JUNE 2020 – JANUARY 2021

14  
15 Meetings resumed in June 2020. Agendas were structured to assure that each of the  
16 duties that had not been discussed in Phase One would have an initial discussion. Task  
17 force members volunteered to participate in working groups that would then discuss  
18 duties in depth and develop recommendations for full task force consideration. Each  
19 work group was provided opportunity to present their thought process and  
20 recommendations to the full group. The remaining meetings focused on finalizing  
21 recommendations and report language.

22  
23 Meetings were held on the following dates and discussed the following:

- 24
- 25 • June 23, 2020: Review of provider survey results; discussion of use of remaining  
26 meetings
- 27 • July 21, 2020: Work group launch information; initial discussion of Duty 7
- 28 • August 18, 2020: Initial discussion of Duties 5 and 6; Work group presentation Duty 8
- 29 • September 22, 2020: Continued discussion of work group recommendations for Duty 8
- 30 • October 20, 2020: Work group presentation and recommendations discussion for duties  
31 4, 5 and 7
- 32 • October 27, 2020: Work group presentation and recommendations discussion for  
33 duties 2 and 6

34  
35 Meeting agendas are located in Appendix       .

36  
37  
38  
39

1

## IV. Findings and Recommendations

2

This interim report identifies findings and recommendations based on the three duties the Task Force examined. The Task Force will provide draft legislative language as part of its final report in 2021.

3

4

5

6

DRAFT

## Duty #1:

*Identify difficulties that providers face regarding licensing and inspection, including specific licensing requirements that have led to the closure of family child care programs, by reviewing previous survey results and conducting follow-up surveys, if necessary.*

After reviewing [summary results of prior surveys](#) conducted of former licensed family child care providers, task force members agreed that a survey of providers who have closed their licenses should be conducted. The Task Force discussed the survey questions and methodology at several meetings.

Minnesota Management and Budget's (MMB) Results Management Team partnered with the Minnesota's Children's Cabinet to conduct a survey of former family child care providers, based upon Task Force discussions. The survey was conducted in February 2020 and the Task Force reviewed the survey results in June 2020.

The full results of the survey are found in Appendix \_\_\_\_\_.

Key themes from the survey:

- The majority of survey respondents said documentation is burdensome.
- Training is generally affordable, but providers find the time necessary for training to be burdensome.
- There is considerable difficulty finding substitutes, particularly for providers outside of the Twin Cities metropolitan area.
- Providers want documentation and other processes streamlined and want to be able to do more electronically.
- Providers struggle with feeling isolated and feel that they lack support.

## Duty #2:

*Propose regulatory reforms to improve licensing efficiency, including discussion of criteria that would qualify a provider for an abbreviated licensing review based on statistically significant key indicators that predict full compliance with all applicable rules and statutes, and discussion of the development of a risk-based, data-driven, tiered violation system with corresponding enforcement mechanisms that are appropriate to the risk presented by a violation.*

In 2019, the Task Force had a presentation from Dr. Rick Fiene, Research Psychologist and retired Professor of Psychology at Penn State University, a leading international researcher/scholar on licensing measurement and differential monitoring systems. He described how other states are replacing their licensing framework with a risk-based violation system. In this type of system, licensing standards are categorized based upon the risk of harm that a violation would pose to the children in care. There are tiers of enforcement mechanisms, so that the sanction for a violation reflects the risk that a violation posed to children. For example, in a risk-based violation licensing system, a family child care provider could receive technical assistance for violating a licensing standard that poses a low risk of harm to children in care, and a steep fine for a violation that poses a significant risk of harm. A paper written by Dr. Fiene, [Monitoring Strategies for Determining Compliance: Differential Monitoring, Risk Assessment, and Key Indicators](#), described risk-based violation licensing systems being used in Ohio, Oklahoma, Florida, Texas, and Utah. Task Force members also suggested that Colorado's system be examined, as a model that Minnesota may not want to copy.

Dr. Fiene also described licensing systems that include abbreviated inspections for providers with a history of being in compliance. Currently, licensors look at more than 100 items during a typical family child care provider's annual licensing inspection. With abbreviated inspections, in contrast, the licensor monitors historically-compliant child care providers using a shortened list of licensing standards. The items on the abbreviated list are carefully chosen using a statistical analysis developed by Dr. Fiene so that providers who are in compliance with the shortened list of items can be presumed to also be in substantial compliance with all of the licensing requirements. When conducting an abbreviated inspection, if the licensor finds that the provider was out-of-compliance with any of the items on the shortened list, the licensor would then conduct a full inspection. Dr. Fiene's paper described abbreviated inspections in use in Washington State and North Carolina.

As part of the Interim report, the Task Force recommended that the Legislature authorize funding for a consultant to work with the Task Force to develop a model for a risk-based violation licensing system, as described by Dr. Fiene, after new licensing standards for family child care providers have been developed; and add abbreviated inspections to the family child care licensing model, as described by Dr. Fiene.

1  
2 In 2020, a task force work group further discussed Duty #2. The work group considered how to  
3 improve licensing efficiency, development of a risk-based, data driven , tiered violation system  
4 with enforcement mechanisms that are relative to the risk from a violation.  
5  
6

## 7 **Duty 2 Recommendations**

### 8 **Recommendations for LEGISLATIVE ACTION:**

9  
10 2.1. Legislation for a full and abbreviated licensing review based on statistically significant key  
11 indicators that predict full compliance with all applicable rules and statutes. Developed with  
12 stakeholders, to include providers, DHS, licensors, and legislators, with input from parents and  
13 early childhood advocates.  
14

15 2.2. Legislation for development of a risk-based, data-driven, tiered violation system with  
16 corresponding enforcement mechanisms that are appropriate to the risk presented by a violation.  
17 Developed with stakeholders, to include providers, DHS, licensors, and legislators. Creating a  
18 tiered- violation system is dependent on developing updated and modernized standards for Family  
19 Child Care.  
20

21 2.3. Legislation should include using a national expert on this subject such as Dr Fiene. Consider a  
22 non-profit source of funding.  
23

### 24 **Recommendations for DHS:**

25 2.4. Develop a continuous licensing process with input from licensors and providers.

26 2.5. Modernize and update licensing standards for Family Child Care in Rule 2 and statutes.  
27 Funding may be needed.

28 2.6. Regarding recommendation A3, work with the national expert to develop legislative action  
29 and work with stakeholders.

30 2.7. In developing a process for full and abbreviated licensing inspections, research best practices  
31 for key indicators and the inspections process by reviewing indicators other states have used.  
32  
33

### 34 **Recommendations for COUNTIES:**

35 2.8. Review county licensing website and update to allow for easy access to information on how to  
36 become a licensed Family Child Care Provider.

37 2.9. Review county licensing forms and their use.

38 2.10. Support the legislative process and subsequent work. Maintain continued involvement in  
39 stakeholder groups and legislative actions as needed.  
40

### 41 **Recommendations for PROVIDERS:**

42 2.11. Support the legislative process and subsequent work

43 2.12. Maintain continued involvement in stakeholder groups and legislative actions as needed.  
44

### 45 **Other recommendations:**

- 1 2.13 Streamline and eliminate unnecessary paperwork by allowing licensing forms to be
- 2 transmitted and stored electronically. Consider development of a centralized and secure portal.
- 3
- 4

DRAFT

## Duty #3:

*Review existing variance authority delegated to counties and recommend changes, if needed.*

Several members of the Task Force, including the county licensors, the licensed family child care providers and the DHS representative, brought firsthand knowledge about variances to the Task Force discussion. In addition, the Task Force heard from Matt Freeman, the Executive Director of the Minnesota Association of County Social Services Administrators (MACSSA), about that organization's position on variances.

A variance is written permission by the commissioner or the county licensing agency for a licensed family child care provider or applicant to depart from the standards required by the Rule. Providers must explain how they will otherwise ensure the health, safety, and protection of children in care.

With limited exceptions, family child care providers make requests to counties, who have the final say. Counties do not report data about variances to DHS. If a county denies a request for a variance, a family child care provider cannot appeal the decision. With 87 counties, there are differences among the counties about when variances are considered and what criteria are used in reaching a decision.

In addition, state statutes relating to county civil liability includes a provision that holds counties liable when a licensor has actual knowledge that a licensed family child care provider failed to meet a licensing standard that resulted in a dangerous condition. Some task force members have pointed to this law as part of what has made some counties reluctant to grant variances to the rules governing family child care providers.

### Duty 3 Recommendations:

#### Recommendations for LEGISLATIVE ACTION:

3.1. Change the liability that hinders granting variances, including consideration of removing liability from county licensors and county agencies for knowledge of noncompliance with licensing standards;

3.2. Require counties to post on their websites information about the process for applying for a variance and the circumstances under which it will be considered; and

3.3. Require counties to distribute to license holders information about the process for applying for a variance and the circumstances under which it will be considered.

#### Recommendations for DHS:

3.4. Collaborate with counties to develop best practices for counties and licensors on the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

circumstances under which variances are or are not appropriate;

3.5. Communicate with County Attorneys and County Boards to educate and encourage use of variances;

3.6. Collaborate with counties to develop guidance and training for licensors to ensure that licensors and counties understand alternatives to variances; and

3.7. Create a uniform variance form to be used by all Minnesota counties.

DRAFT

## Duty #4:

*Recommend business development and technical assistance resources to promote provider recruitment and retention, including the potential need for mentors, a family child care provider network, or shared services*

As noted in the survey results, providers can experience a lack of support regarding the business of child care. There skills and information needed to successfully establish and maintain a family child care business that go beyond – and are substantially different from - the core service aspects of child safety, care and development. Support and information is needed in the areas off financial management, insurance, planning, legal safeguards, and other issues.

The Duty #4 work group discussed key issues and questions regarding business development and technical assistance resources, focusing on these questions:

- How do we enhance “the business of family child care”?
- How can program policy changes and/or additional investments in business development and technical assistance resource help retain more providers?
- How do we foster more mentoring for providers (formal versus informal; paid or uncompensated)
- What are the challenges facing existing association and networks?
- How do we define shared services?
- How do we increase awareness of the resources available?

As part of the discussion, the work groups examined existing models such as DEEDS MN First one stop program, and DHS’s Relationship Based Professional Development (RBPDP) process for mentor and coach approval as examples that might be followed or built upon.

### DUTY 4 RECOMMENDATIONS:

*Judy’s NOTE; the recommendations for work group four took an integrated approach to assignint who was involved. Do you prefer this approach (where all parties impacted are listed) OR should this section look like the others: with legislative recs; DHS recs; etc.? If so, I will need the help of the work group to sort out those that truly requirement legislation (as I suspect some are funding only).*

- 4.1. Authorize the development of a One-Stop-Shop:** Develop a one-stop-shop with navigators/technical assistance specialists to help child care providers start up and navigate the system and to provide referrals to child care and business specialists at the organizations that provide supports, with an exploration of how this can be deployed at a regional level to

1 maximize connections to more localized resources. Although this would likely have a  
2 website/electronic component, the key element for success is access to “human capital” and the  
3 ability to talk with a person. Additionally, at the state-level, this effort would aim to improve  
4 alignment of state agencies that have regulatory oversight of child care providers and support  
5 providers in navigating these requirements, including the state Departments of Human Services,  
6 Labor and Industry, Employment and Economic Development, Health, and Public Safety (Fire  
7 Marshall). **Requires legislation; additional funding; action by DHS; other state agency  
8 involvement.**  
9

10 **4.2. Consistent orientation training:** Develop a recommended/suggested orientation training  
11 curriculum for incoming family child care providers, developed in partnership with family child  
12 care providers, counties and DHS, to ensure all new family child care providers have the same  
13 critical baseline information. **Requires DHS and county involvement. FUNDING?**  
14

15 **4.3. Authorize the creation of Infrastructure needed to support family child care mentors,**  
16 **coaches and consultants:** An infrastructure is needed to allow family child care providers to  
17 access support from mentors, coaches and consultants and receive credit toward their career  
18 lattice, credentials, and training hours for Licensing and Parent Aware. A mechanism is needed  
19 to recognize individuals in these roles and allow them to document their hours in a system.  
20 Supports are needed to help associations offer these services to members, and to support all  
21 mentors, coaches and consultants to provide quality services, and to facilitate payment or  
22 documented volunteer hours, as appropriate. **Requires legislation; additional funding; action  
23 by DHS.**  
24

25 **4.4. Business training and consultation:** Increase investments in business training, consultation  
26 and related services to help providers build and strengthen their businesses and acquire key  
27 business skills, such as tax planning, money management, and other aspects of running a  
28 business. **Requires legislation; action by DHS; involvement of philanthropic and economic  
29 development organizations. FUNDING?**  
30

31 **4.5. Loans and grants:** Provide funding for forgivable loans, microloans, grants, and guarantees  
32 for family child care providers, including the potential for more expensive investments, such as  
33 home remodeling; in addition to evaluating existing public finance programs for potential  
34 policy/eligibility modifications which can better support family child care entrepreneurs.  
35 **Requires legislation; action by DHS; partnership with DEED, MHFA, philanthropic and  
36 economic development. FUNDING?**  
37

38 **4.6. TEACH and REETAIN:** Provide better marketing and communication and more funding for  
39 TEACH scholarships and REETAIN bonuses. **Requires DHS action and additional funding.**  
40

41 **4.7. Training and education pathways:** Provide high school and higher education pathways to  
42 train and credential future family child care providers, and encourage qualified existing  
43 providers to stay in the field.  
44 **Requires legislation; DHS action; involvement of MN Colleges and Universities; Philanthropic  
45 organization. FUNDING?**  
46

47 **4.8. Shared services pilot:** Build on existing pilot efforts to help family child care providers pilot

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

shared services collaborations to test ways to create economies of scale through different combinations of shared services. This may include innovation grants and also helping existing shared services pilot initiatives reach the next level. **Requires legislation; DHS action; philanthropic organizations. FUNDING?**

**4.9. Training for family child care service providers:** Provide training for tax preparers, business advisors, financial advisors, commercial lenders, insurers, and others who serve child care providers, to better understand and serve the industry and to build the ecosystem of support. **Requires legislation, DHS, Philanthropic and economic development organizations. FUNDING?**

DRAFT

## Duty #5:

*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*

Under current statutes, there are several types of family child care. The most common model, defined in Minnesota Statutes, Chapter 245A, involves a family child care business owner providing care for children in their primary home in which the license holder is the primary provider of care.

Other family child care models currently allowed under Minnesota Statutes 245A.14 Subd (4) a – g are special family child care (care that is not in the license holder’s primary home, but in non-residential settings such as churches, schools, and employer-based settings) and co-located family child care (the “pod model”) – where multiple family child care providers run distinct programs under the same roof. Of note with these models is the possibility of other regulations (for example, food program requirements) not required by child care statutes but required by the facility within which the program is operating.

There are economic challenges of the traditional model, including the willingness and ability of parents to pay higher rates for care, limits on subsidies, limitations on the number of children (and therefore income) allowed, and the costs of doing business.

In addition, the availability of child care in non-Metropolitan areas is challenging. The following illustration show the challenge of availability across the state.

*Insert map illustration from work group 8 powerpoint here.*

Other states use a variety of approaches that are not currently allowed in Minnesota. The ones reviewed by the Duty 5 work group include:

- The Group License Model in North Dakota
- Group Family Child Care in South Dakota
- Montana’s Group Home Child Care model
- Iowa’s four types of regulated home providers

In review of these and other alternatives, the work group had several 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 statutes 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 Minnesota needs.

## Recommendations for LEGISLATIVE ACTION:

5.1. **Authorize DHS to develop of pilot program for alternative delivery models.** Recommend legislation that provides DHS authority to develop a process for models of alternative child care delivery models not fully permissible under existing statute and rule 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.

There is currently demand for alternative child care delivery models that existing statute and rule doesn't allow. However, there is a lack of analysis and consensus on what specific changes would address child care business challenges and unmet child care needs while protecting health, safety and development needs of children. This process would allow for idea generation and evaluation of outcomes to better determine recommendations for specific statute and rule changes to create effective alternative child care delivery models that meet the demands of potential providers, communities and families. These could include flexibilities to allow for franchise models of family child care in which there is clear designation of responsibility and liability, staffing structure, education, training and experience requirements, etc. It could also allow for increases in capacity and staffing ratios and structures that are between existing family child care and child care centers. Proposals should be minimally evaluated on the following:

- Liability (for the property, the care of the children, compliance, etc.)
- Community support
- Financial viability
- Capital and business support access
- Staffing structure and education/experience requirements
- Geography (focus on child care shortage areas particularly in Greater Minnesota)

This process would also require a report from DHS to provide an evaluation of the ideas generated and implemented in order to inform recommendations to create alternative child care delivery models by changing the statutes governing child care licensing and regulations. Authority to approve these ideas could be time limited; however, the programs should continue to remain licensed through an evaluation process that incorporates existing licensing requirements and the evaluation criteria above.

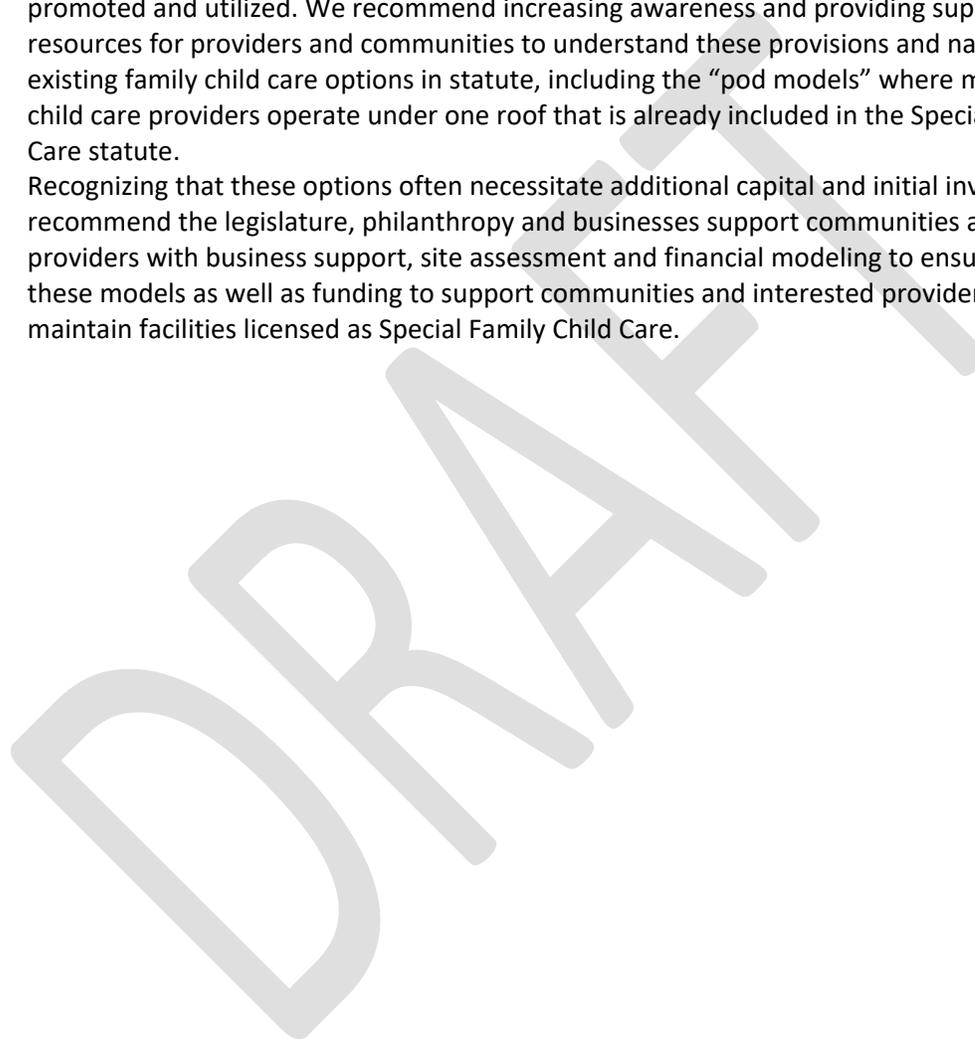
5.2. Provide financial supports, tax credits or bonds to support communities and businesses in purchasing, renovating or **constructing** properties for child care facilities, including leveraging underused space in anchor institutions such as nursing homes, hospitals, religious facilities, etc. Prioritize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

5.3. Develop a framework in statute for franchise or "corporate" model of family child care

1 ownership. This framework would need to ensure clear designation of the responsible authority  
2 and oversight while still allowing for flexibility and innovation to develop programs that meet  
3 the demands of potential providers, communities and families. North Dakota statute could be a  
4 model to inform this framework.  
5

6 **Recommendation for DHS and Counties:**  
7

8 5.4. **Increase awareness of existing Special Family Child Care options.** Minnesota already has  
9 Special Family Child Care options in statute that allow for flexibility that should be further  
10 promoted and utilized. We recommend increasing awareness and providing supports and  
11 resources for providers and communities to understand these provisions and navigate the  
12 existing family child care options in statute, including the “pod models” where multiple family  
13 child care providers operate under one roof that is already included in the Special Family Child  
14 Care statute.  
15 Recognizing that these options often necessitate additional capital and initial investment, we  
16 recommend the legislature, philanthropy and businesses support communities and prospective  
17 providers with business support, site assessment and financial modeling to ensure viability of  
18 these models as well as funding to support communities and interested providers to start and  
19 maintain facilities licensed as Special Family Child Care.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30



## Duty #6:

*Review Parent Aware program participation and identify obstacles and suggested improvements*

Parent Aware is a child care program rating system established to provide families the information needed to find child care programs using research-based best practices that prepare children for school and life.

Participating programs can earn a One-, Two-, Three-, or Four-Star Rating. Parent Aware Ratings are based on demonstrated use of research-based practices that prepare children for school and life. Each Rating level builds on the previous one, helping families identify which practices the program is using. The program was established in response to the requirements of the Federal Child Care and Development Block Grant for consumer education regarding availability and quality of child care services.

The task force received an initial presentation which addressed:

- The system for earning star ratings,
- Eligible programs,
- How child care programs are supported
- The continuous improvement process built in to Parent Aware
- Growth in ratings and children in rated programs
- Provider feedback survey results

The Duty 6 work group then did in depth discussions on the policies and governance of Parent Aware (including the current Child Care and Development Fund Plan, State Statute 124D.142, and the Parent Aware Validation study); and the structure of Parent Aware (standards and indicators; quality documentation portfolios; financial supports; early childhood indicators of progress; and information about curriculum); provider outreach and promotion (website and provider perceptions report); program implementation (experiences with building quality report; requirement for Parent Aware Coach endorsement; and Parent Aware Quality coaching and rating process overview.). Presentation PowerPoint and links to related documents available in Appendix [REDACTED].

### **Recommendations for LEGISLATIVE ACTION**

6.1. Request funding for a Validation study of Parent Aware in advance of revisions to the current Parent Aware Standards and Indicators.

### **Recommendations for DHS:**

6.2. Create a way for an FCC provider group to be directly connected to Parent Aware on an ongoing basis (i.e. on the Parent Aware Advisory Committee) and more opportunity for input from FCC providers into changes to standards, pathways, and supports for family child care

6.3. Streamline the amount of paperwork that is required as part of the Indicator measures in the Quality Documentation Portfolio (QDP)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

6.4. Improve Coaching process effectiveness (more info about support options and consistent messaging regarding acceptable evidence).

6.5. Review and revise Parent Aware materials to include common language that speaks to FCC providers - including creation of a separate Quality Documentation Portfolio (QDP) focused on Family Child Care.

6.6. Improve Develop process/structure for online Quality Documentation Portfolio (QDP) submission.

6.7. Incorporate recommendations (as appropriate) into the next CCDF plan for FY 2022-2025.

6.8. Communicate the voluntary nature of Parent Aware to parents with more clarity (i.e. not rated does not equal bad quality) through the Parent Aware/Child Care Information efforts.

**Recommendations for COUNTIES:**

6.9 Educate County officials (not just licensors) as to their responsibility and role in child care as an economic development. This would include promoting Parent Aware and utilization of Early Learning Scholarships.

## Duty 7:

*Review how trainings for licensed family child care providers are offered, provided, coordinated, and approved, and make a recommendation on the establishment of a family child care continuing education training committee, to advise on compliance with federal and state training requirements*

Well trained providers are key to positive outcomes for children. For family child care providers, there are multiple reasons to engage in ongoing training: for lifelong learning and skill-building; earning credentials such as a CDA; to meet Licensing requirements; to qualify for a Parent Aware rating; or to receive program accreditation.

Professional development is a key requirement of the federal block grant, and is an expectation set out by the Legislature per its 2007 directives to provide coordinated delivery of training content, incentives and support; to establish and maintain a registry, known as Develop, where the training received by a provider can be tracked over time; and through the development of career lattice steps which help define the training requirements for child care career levels. State statute also defined training levels that must be attained.

Training is split into three different types – state-owned and funded; approved independent, and unapproved training. Training is provided by the entity that does the licensing. Specifically, DHS provides training for child care centers (which are licensed by DHS) and counties provide training for family child care providers (which are licensed by the counties). **NOTE: imported from duty 8 discussion**

In addition, there are training needs for family child care providers such as local zoning, insurance requirements, and other issues. **NOTE: imported from duty 8 discussion**

The Duty 7 work group focused its discussion in four areas:

- the desire for a more formalized mechanism of gathering provider input on training requirements
- the frequency of active supervision training
- definition of adult caregiver versus adult helper, intended to address the challenge for providers of have access to short term, supervised adult assistance in the family child care setting, and the perception that current training requirements preclude such assistance. Clarity is needed about the role; the training needed in order to be alone with children OR limitations that a helper cannot be alone with children; and consistency with federal directives.
- whether providers may count hours that they spend providing training towards their own requirement to accrue 16 training hours each year.

### **Recommendations for LEGISLATIVE ACTION:**

7.1. Create a Training Advisory Committee: maximum of 15 members; majority are providers; should be a balance of providers from greater Minnesota and the metro area; should include newer and more experienced providers. The Committee should meet a

1 minimum of two times per year, and appointments should use similar language as the  
2 FCCTF, including some providers chosen by associations.

3  
4 7.2. After 5 years as a provider active supervision training can be completed every third  
5 year.

6  
7 7.3. Adult caregiver changes: Change the title and definition of ‘adult caregiver’ to ‘adult  
8 helper’ and make it clear in language that this person would be under the direct  
9 supervision of the licensed provider at all times and would not have unsupervised access  
10 to the children. (See Section 245A.50, subdivision 1a. for language). Remove requirement  
11 for physician form and substitute training. *Note: this had slim majority support. Also*  
12 *concern about compliance with federal requirements.*

13  
14 7.4. Providers may count hours that they spend providing training towards their annual  
15 required 16 training hours and towards those content-specific training requirements.  
16 *Note: this had majority support but less consensus.*

17  
18 **Recommendations for DHS:**

19  
20 7.5. The Develop HelpDesk should create short videos designed to help people understand how to  
21 do various tasks within Develop. Possible topics include: creating an account, searching for  
22 training, applying to become an approved trainer, submitting a training for approval (applies to  
23 trainers), updating your Develop record, and printing your training record.

24  
25  
26  
27  
28  
29

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

## Duty 8:

*Consider methods to improve access to and understanding of the rules and statutes governing family child care providers*

Family Child Care providers must know and comply with a number of rules and statutes, including Rul 9502, MN Statutes Chapter 245A, 235C and 626.556. Providers have expressed how challenging it can be for new and current family child care providers to access and understand the rule and statutes. This is complicated by the fact that family child care providers are licensed at the County level, and there is a perception that communications about rules and statutes may not be consistent.

In addition to making recommendations on training (which are incorporated in #7 above), the task force focused on the concept of an “ombudsperson” or “navigator” who would be charged with providing an independent resource for information. A major proviso is that Minnesota’s system of county licensing for family child care is written into rule and statute, so it is challenging to ask DHS (or an independent ombudsperson or navigator) to do things which may be the purview of county licensors

### Recommendations for LEGISLATIVE ACTION

8.1. **Reintroduce the Ombudsperson bill.** Ombudsperson bill should be reintroduced. The position should be independent and not in DHS. This should not replace providers’ current relationship and progress with DHS.

### Recommendations for DHS:

- 8.2. Communication about rules, statutes, and state/federal regulations and any changes to them should (at least) come from DHS. Continue the implementation plans.
- 8.3. Offer both paper and electronic options to ensure everyone receives the info (allow providers to opt-in to paperless delivery or opt-in to printed delivery).
- 8.4. Offer forms and info in multiple (most common) languages.
- 8.5. Maintain an accurate list of every family child care provider with an email address.
- 8.6. Send a postcard mailing from DHS to existing providers/provide for new providers with the most critical/commonly requested info.
- 8.7. Add a search function to form (like a typical support page) for common topics and link to rule/statute or previous answers given by DHS.
- 8.8. Work with providers and licensors to develop a plan language training to help providers learn how to access, read, and understand the rules and statutes.:

1 8.9. Offer meetings with stakeholders about any proposed legislation before the legislative  
2 session begins (no last-minute bill introductions). Inform all providers about these meetings.  
3

4 8.10. Update the "Guide to Becoming a Licensed Family Child Care Provider" to reflect legislative  
5 changes in the last few years. Include a few providers, licensors and DHS in annual review.  
6

7 **Recommendations for Counties:**

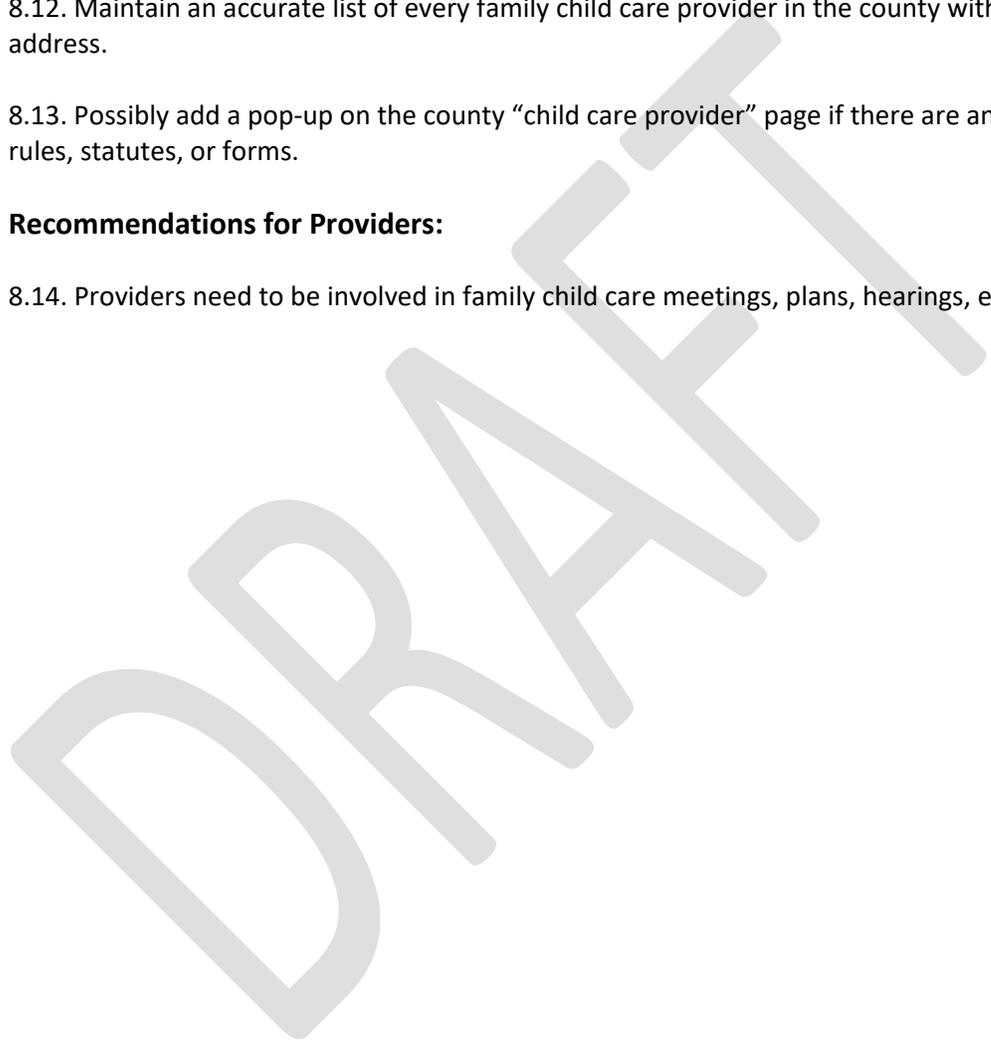
8 8.11. Place links to DHS forms and info to ensure it is up-to-date and to save time.  
9

10 8.12. Maintain an accurate list of every family child care provider in the county with an email  
11 address.  
12

13 8.13. Possibly add a pop-up on the county "child care provider" page if there are any updates to  
14 rules, statutes, or forms.  
15

16 **Recommendations for Providers:**

17 8.14. Providers need to be involved in family child care meetings, plans, hearings, etc.  
18  
19  
20  
21 :  
22



# 1 APPENDICES

- 2 A. Minutes
- 3 B. Duty One: Survey Results
- 4 C. Duty Two: Initial presentation PPT, work group PPT, work group recommendations
- 5 D. Duty Three: Initial presentation PPT, work group PPT, Existing MN Child Care Delivery Models and
- 6 Other State Examples: work group recommendations
- 7 E. Duty Four: Initial presentation PPT, work group PPT, work group recommendations
- 8 F. Duty Five: Initial presentation PPT, work group PPT, work group recommendations
- 9 G. Duty Six: Initial presentation PPT, work group PPT, work group recommendations
- 10 H. Duty Seven: Initial presentation PPT, work group PPT, work group recommendations
- 11 I. Duty Eight: Initial presentation PPT, work group PPT, work group recommendations

DRAFT