



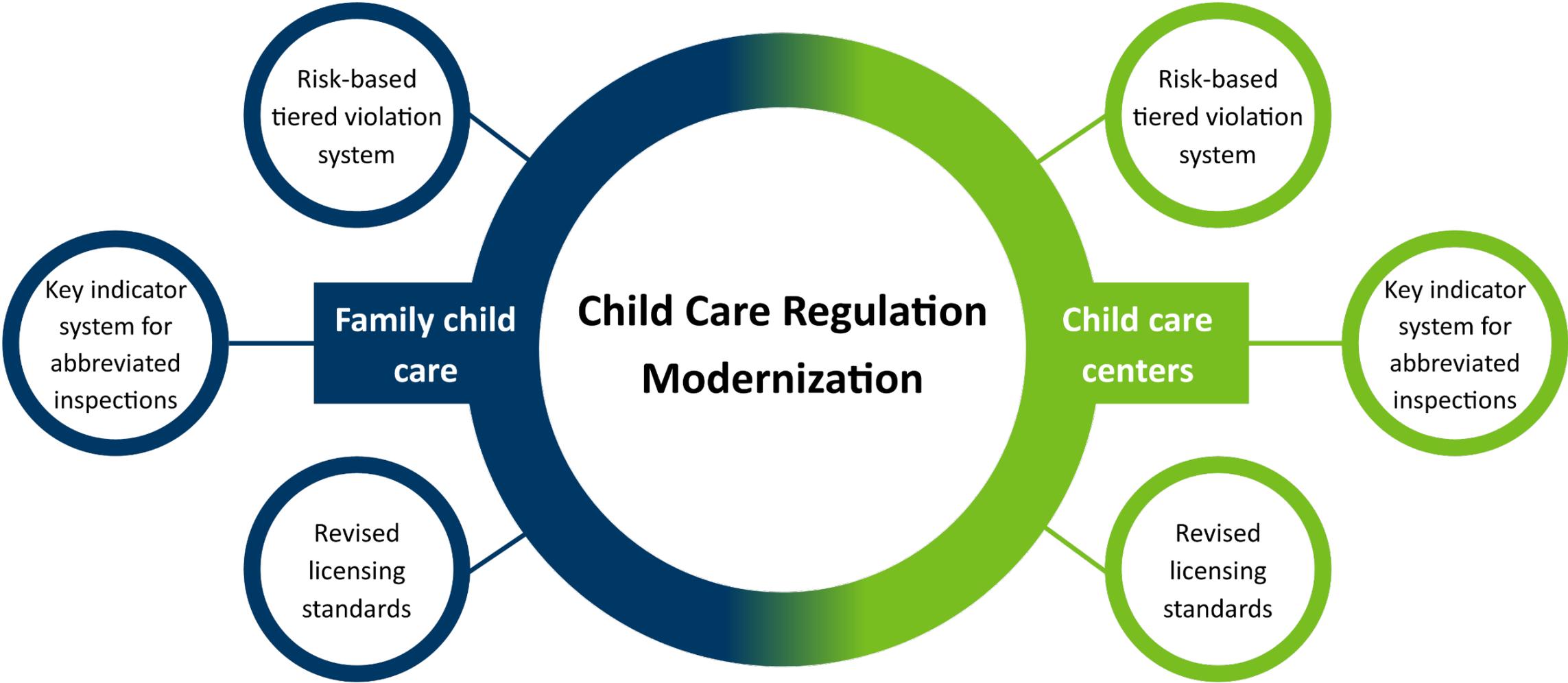
Child Care Regulation Modernization Projects

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Child Care Regulation Modernization Projects

- The 2021 Legislature allocated federal funding to support regulation modernization projects for both licensed child care centers and family child care
- DHS has a three-year contract with the National Association for Regulatory Administration (NARA) to conduct these projects
- For Family Child Care and Child Care Centers, the regulation modernization projects support the development of:
 - Risk-based tiered violation systems
 - Key indicator systems for abbreviated inspections
 - Revised licensing standards

Projects at a glance



DHS and NARA: Collaboration to modernize regulations

NARA and DHS are working together to:

- Develop and implement a stakeholder engagement process that solicits input from parents, licensed child care providers, licensors, experts in child development, staff from DHS, and others
- Initiate pilot projects to identify technical or policy issues
- Create a report and proposed legislation to implement the new licensing components and revised licensing standards
 - The report is due to the legislature by February 1, 2024
 - Some components will need to be adopted into statute or rule before they take effect

3 project components

- Risk-based tiered violation system:
 - tiered enforcement framework
 - each rule weighted to reflect the level of risk that a violation poses to children
- Key indicators systems for abbreviated inspections
 - Identify key indicators, which statistically predict compliance with entire list of standards
 - Abbreviated inspections for providers who meet eligibility criteria
- Revised licensing standards



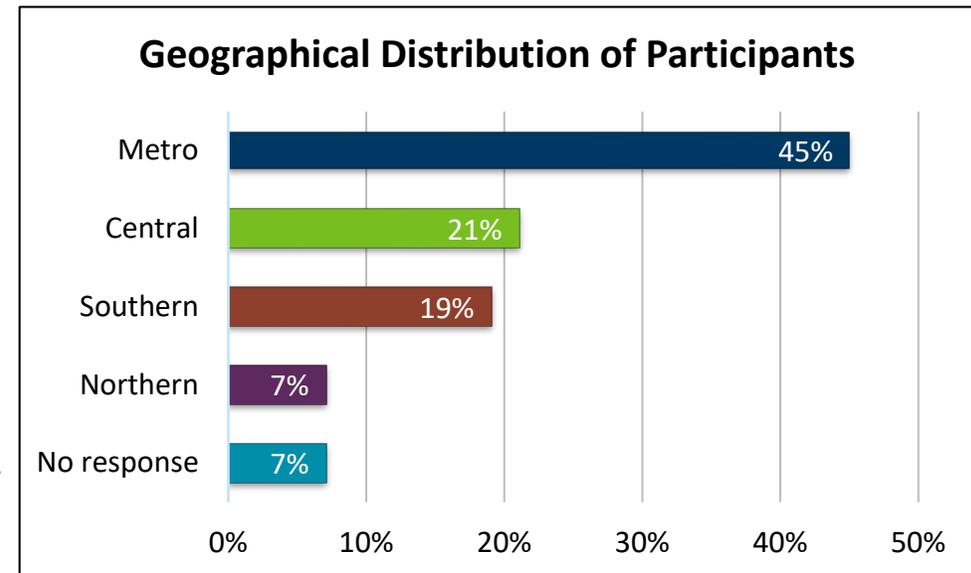
Stakeholder Engagement

Completed stakeholder engagement

- **Risk-based tiered violation systems**

- Over 300 Minnesotans from across the state participated in the focus groups or completed a survey
- 7 family child care focus groups and 6 child care center focus groups
- Occurred July – early September 2022
- Audience types: Licensors, providers, parents/guardians/family members, and child care-related organizations
- Report of findings are on the project website

- **Revised standards:** Survey completed in October 2022 to guide revised licensing standards with over 1,250 responses

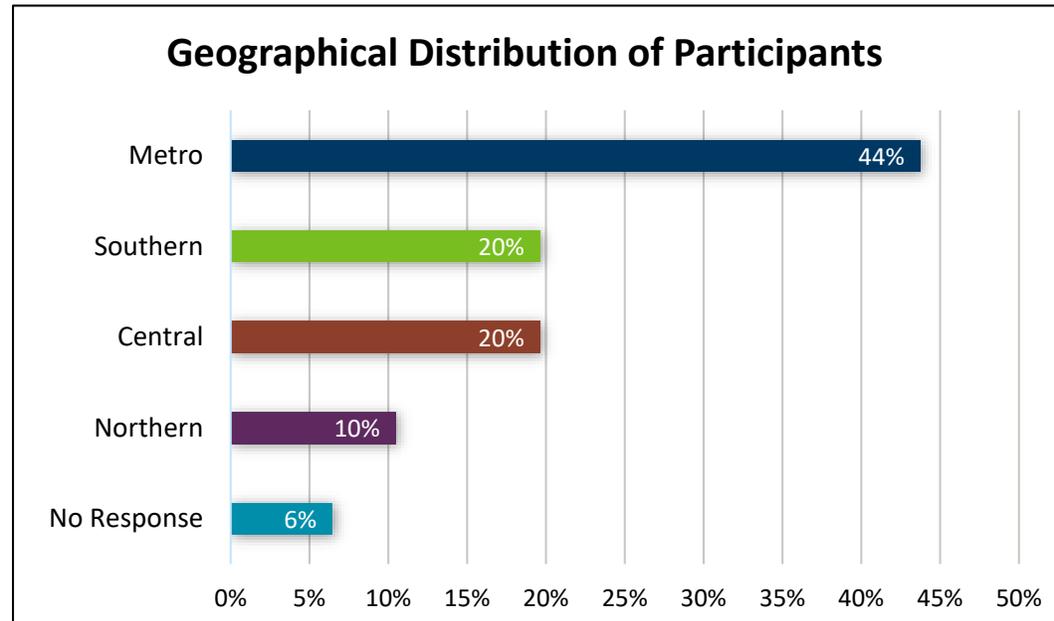


Note: Results are rounded to the nearest whole number

Completed stakeholder engagement: Abbreviated inspections

- **Abbreviated Inspections**
 - Over 440 Minnesotans from across the state participated in the stakeholder sessions
 - 5 sessions in November 2022
 - Audience types: any child care stakeholders

Results will be used to inform discussions and decisions on eligibility criteria

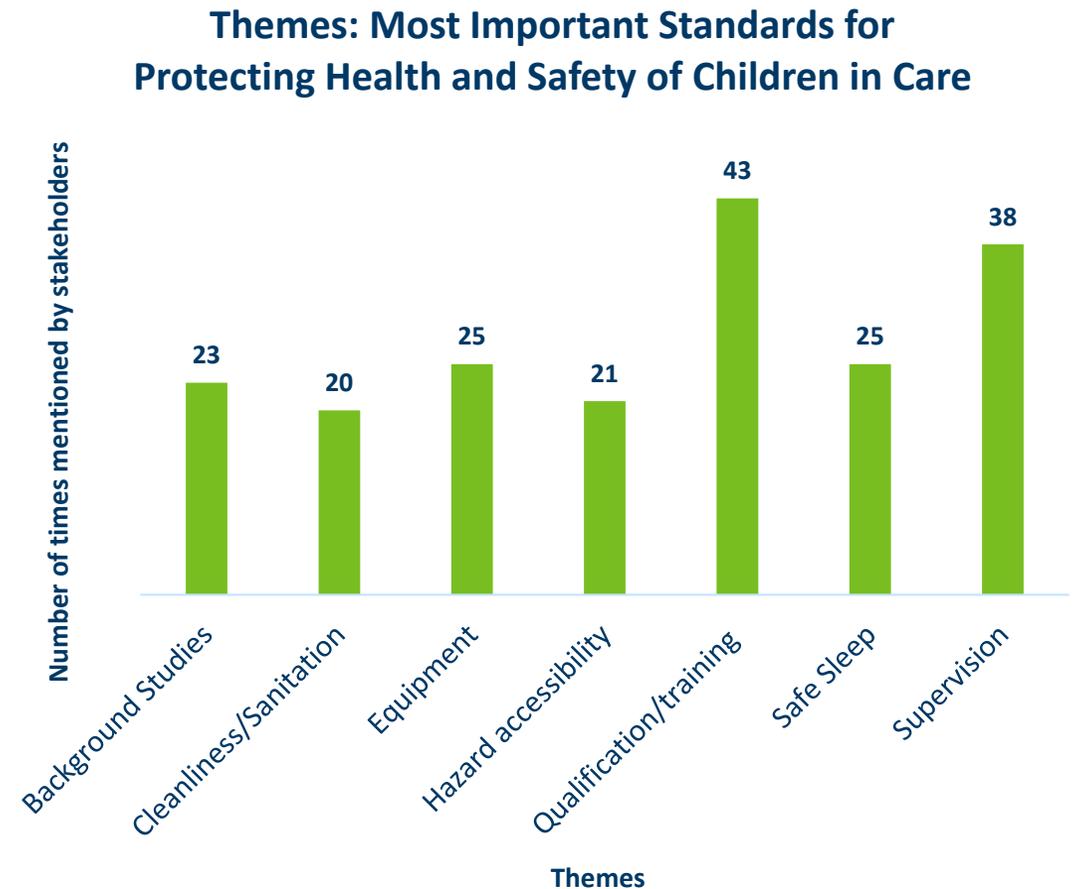


Note: Results are rounded to the nearest whole number

Initial Findings – Risk-based tiered violation system

Lessons learned include:

- *“DHS licensing staff and providers largely agree on similar rules that place children at greatest risk if not followed.”*
- Most important rules for health and safety include: Qualifications and training, supervision, safe sleep practices, and equipment being well-maintained



Initial findings – revised licensing standards

High-level themes that emerged as important for all respondents include:

- clarifying standards to make them easier to understand and follow,
- aligning to other program types such as Montessori, outdoor/nature-based programs, and Head Start programs,
- easing paperwork and forms so caring for children remains providers' primary role, and
- lessening the burdens of training or qualifications.

Note: there were significant differences of opinion and nuance to each area.

Upcoming stakeholder engagement

- Weighted Risk System (WRS) assessment
 - assigning numerical weights to each regulation based on level of risk
 - Phase 1 for licensors, Phase 2 for providers and others
 - Anticipate final risk scores in early spring 2023
- Revised standards feedback
 - Multiple opportunities for stakeholders to provide input on revised standards
 - Stakeholder engagement will be concurrent with the pilot project for standards
 - We expect these to occur in spring or summer 2023



Alternate Child Care Licensing Models

Direction from the legislature

Minnesota Session Laws - 2021, 1st Special Session

CHAPTER 7

Sec. 83. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ALTERNATIVE CHILD CARE LICENSING MODELS.

The commissioner of human services, in consultation with counties, child care providers, and other relevant stakeholders, **shall review child care models that are not currently allowed under state statutes, including licensing standards related to age, group size, and capacity. The commissioner must consider whether any models could address the state's child care needs while protecting children's safety, health, and well-being** and make recommendations for implementing the models that meet these criteria. No later than January 1, 2023, the commissioner of human services shall report the recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over child care licensing.

- DHS contracted with Wilder Research to lead the review of child care models that are not currently allowed under state statutes, conduct stakeholder outreach, and make recommendations about alternate models.
- Five listening sessions were held with child care providers and licensors to collect input from a broad group of stakeholders. (May – June 2022)
 - 360 people participated in a listening session or provided feedback via an online feedback form

- A workgroup was formed to advise the project, met from April – October 2022
- Members included representatives from family child care, child care centers, early childhood/child development organizations, economic development, and fire marshal
- Reviewed the feedback from the listening sessions and developed a framework for two new child care models in Minnesota:
 - Umbrella model
 - Mid-sized model

Umbrella model

- Creates a path to grow family child care capacity
- One license holder or owner oversees multiple family child care programs
 - Manages the aspects of running a small business, including accounting, compliance with licensing, and organizational management
- Programs can share business costs
- Allows providers to focus on caring for children rather than running a small business
- Each program operates independently, but under the same umbrella

Mid-sized model

- Creates a path for smaller child care centers to be more viable
 - Could be particularly beneficial to Greater Minnesota
- Serves more than 12 children, a cap should be established based on data on child development and financial performance of smaller centers
- Recommends drawing from both family child and child care center rules
- Recommends allowing mixed-age groups

Considerations for new models

- Framework for these new models is established but details need to be further discussed, developed
- Report outlines areas for further consideration including capacity, staffing, license structure, etc.
- New models need to be considered within the context of the larger child care industry and how they fit within other ongoing projects and emerging models
- DHS will need sufficient tools and time to devote to addressing these areas

Alternate Child Care Licensing Models Report

- Final report has been provided to the legislature
- Report can also be found on the DHS website later this week
- DHS is committed to continuing to explore development of these models to better serve children and families in Minnesota.

Thank You!

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