

Legislative Task Force on Access to Affordable Child Care

*Report and Recommendations to the
Minnesota Legislature*

January 15, 2017

Legislative Task Force on Access to Affordable Child Care

Membership

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Rep. Tony Albright
Rep. Peggy Flanagan
Rep. John Persell

Senate

Sen. Melissa Wiklund, co-chair
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I. Introduction

A. Executive Summary

The Legislative Task Force on Access to Affordable Child Care was created by the 2016 Legislature to review the loss of child care providers in the state, assess affordability issues for parents and providers, and identify areas that need to be addressed by the Minnesota Legislature.

Over the course of four months, task force members worked with the Department of Human Services (DHS) and several stakeholders to gather information about Minnesota’s child care landscape—one with a rocky terrain of high costs for families; an ever-increasing shortage of providers that causes desperation in parents who seek to find care; and communities that are feeling the economic ripple effects caused by the shortage and high costs.

Co-chairs Senator Melissa Wiklund and Representative Mary Franson allowed ample time for public testimony at each meeting, often going far over schedule to hear from all who wished to speak. The task force received input from over 50 child care providers, child care organizations, parents, guardians, state and county officials, and concerned Minnesotans. The material gathered during public testimony, in conjunction with facts and figures about child care delivered during presentations, helped to inform and guide the final report recommendations.

Detailed recommendations for consideration by the 2017 Legislature and future governing bodies are located on pages 32-39. Summaries of public testimony are woven throughout the section. In short, the task force advises legislators, DHS, and counties to:

Regulatory

- Develop consistency and uniformity in regulatory enforcement; improve relationships and communication between the Minnesota Department of Human Services (DHS), county licensors, and child care providers; and improve fairness in compliance measures.
- Ensure training is accessible, relevant, and affordable; and broaden and deepen the trainer pool.

Affordability

- Reform and invest in the Child Care Assistance Program (CCAP).
- Determine ways to address costs for middle income families, whether through targeted funding, tax policy, or community/business investments in child care.

Long-term Discussions

- Consider the creation of an independent board for child care providers.
- Encourage more people to enter and stay in the child care provider workforce.
- Consider ways to address emergency child care assistance for families fleeing abuse. ■

B. 2016 Child Care Legislation and Task Force Statutory Directives

Co-chair Senator Wiklund called the first meeting of the Legislative Task Force on Access to Affordable Child Care to order on August 30, 2016, pursuant to 2016 Minnesota Session Laws, Chapter 174 (Senate File 3208).

Representative Mary Franson and Senator Vicki Jensen were authors of the legislation to establish the task force. Borne out of testimony heard around the state by the 2016 Minnesota House Select Committee on Affordable Child Care, the goal of the task force was to further examine issues affecting the child care industry, such as the provider shortage, and families seeking to find and afford child care.

Creation. The task force was created to: review the loss of child care providers in the state, assess affordability issues for providers and parents, and identify areas that need to be addressed by the legislature.

Duties. The task force was also given several other duties for possible consideration:

1. evaluate factors that contribute to child care costs for providers and families;
2. assess the child care provider shortage in greater Minnesota;
3. evaluate access to culturally appropriate child care;
4. review the current preservice and in-service training requirements for family child care providers and child care center staff. This review shall include training required for licensure, including staff credentialing for child care center staff positions and the ways in which this training aligns with Minnesota's Career Lattice and Minnesota's Knowledge and Competency Framework for Early Childhood and School-Aged Care Practitioners;
5. review the availability of training that is in place to meet the training needs of providers, including the content of this training, cost, and delivery methods;
6. consider creation of a board of child care to be responsible for all matters related to licensing of child care providers, both in-home and center-based programs, and to employ an advocate for child care providers;
7. review the process of issuing and resolving correction orders issued to child care providers;
8. consider uniform training requirements for county employees and their supervisors who perform duties related to licensing;

9. review progress being made by the commissioner of human services to streamline paperwork and reduce redundancies for child care providers;
10. review the time it takes for the department to provide Child Care Assistance Program reimbursement to providers; and
11. consider options for conducting exit interviews with providers who leave the child care field or choose not to be relicensed.

Members received input from the commissioner of human services, county officials, providers, parents, and stakeholders to review all action items.

Membership. As directed by the 2016 Legislature, members of the task force included:

1. four members from the house of representatives: two members appointed by the speaker of the house and two members appointed by the house minority leader; and
2. four members from the senate: two members appointed by the senate majority leader and two members appointed by the senate minority leader.

The co-chairs were appointed by the speaker and the majority leader, and the gavel rotated after each meeting.

Recommendations and Report. The task force, in cooperation with the commissioner of human services, was charged to issue a report to the legislative committees with jurisdiction over child care issues and the governor by January 15, 2017. The report contains summary information obtained during the task force meetings and recommendations for additional legislative changes and procedures affecting access to affordable child care.

Expiration. The task force sunsets on January 15, 2017. ■

C. Task Force Timeline, Key Themes, and Work Plan

The Legislative Task Force on Access to Affordable Child Care met four times, once a month, between August and November of 2016.

In order to comply with the charges put before the task force, co-chairs and staff arranged a draft work plan to fulfill requirements by the January 15, 2017 report deadline (rf. the next page).

Members and staff worked with the Department of Human Services (DHS) Assistant Commissioner for Children and Family Services Jim Koppel, DHS Inspector General Jerry Kerber, many representatives from DHS, and other stakeholders in preparation for each meeting to ensure that each charge and duty was examined.

For the sake of ease and order, the many duties listed in statute were grouped under four key child care themes:

1. regulatory infrastructure
2. workforce
3. training
4. cost/affordability

Co-chairs allowed ample time for public testimony at each meeting and often went far over schedule to hear from all who wished to speak. Over 50 people in total testified, and the task force received written testimony from many other individuals and organizations.

Agendas and minutes can be located in the Appendices on pages 40-54.

2016-2017 LEGISLATIVE TASK FORCE ON ACCESS TO AFFORDABLE CHILD CARE

DRAFT WORK PLAN: AUGUST 2016 -- JANUARY 2017

(Last Updated: 1/7/2017)

"The task force is created to..."	August 30 Senate	September 21 House	October 17 Senate	November 14 House	January 15 Report Due
Charge 1: Review the loss of child care providers in the state		Providers testified about why they are leaving the field, and continued to do so at every meeting.	The Center for Rural Policy and Development presented: "A quiet crisis: Minnesota's child care shortage".		
Charge 2: Assess affordability issues for providers and parents	Minnesota Child Care Aware presented the 2015 report: "Parents and the High Cost of Child Care". First Children's Finance gave a brief summary of costs related to running a child care business.			DHS gave an overview of the state's Child Care Assistance Program. First Children's Finance provided an in-depth presentation about the state of child care businesses.	
Charge 3: Identify areas that need to be addressed by the legislature					The final report includes recommendations for additional legislative changes.

*Pursuant to Minnesota Session Law 2016, Chapter 174.

Task force members may receive input from the commissioner of human services, the commissioner of employment and economic

Report requirements:

The task force, in cooperation with the commissioner of human services, shall issue a report to the legislative committees with jurisdiction over child care issues and the governor by January 15, 2017. The report must contain summary information obtained during the task force meetings and recommendations for additional legislative changes and procedures affecting access to affordable child care.

"The task force may..."	August 30 Senate	September 21 House	October 17 Senate	November 14 House	January 15 Report Due
1: Regulatory Infrastructure <ul style="list-style-type: none"> • review the process of issuing and resolving correction orders issued to child care providers • review progress being made by the commissioner of human services to streamline paperwork and reduce redundancies for child care providers 		<p>DHS provided an overview of its licensed child care regulatory infrastructure, including licensed child care sanctions (corrections orders, negative actions, reconsiderations and appeals), ratio and group size, safe sleep standards, and training requirements.</p> <p>Dakota County licensors gave an operational overview of county licensing for family child care providers. They also named paperwork as one area of further consideration.</p> <p>Providers testified about how regulations affect their businesses.</p>			

<p>2: Workforce</p> <ul style="list-style-type: none"> • assess the child care provider shortage in greater Minnesota • evaluate access to culturally appropriate child care • consider options for conducting exit interviews with providers who leave the child care field or choose not to be relicensed • consider creation of a board of child care to be responsible for all matters related to licensing of child care providers, both in-home and center-based programs, and to employ an advocate for child care providers 			<p>The Center for Rural Policy and Development gave a presentation: "A quiet crisis: Minnesota's child care shortage".</p> <p>Think Small presented on access to culturally appropriate child care.</p> <p>Members of The Minnesota Association of County Social Service Administrators (MACSSA), as well as DHS, testified about options for exit interviews and the creation of a child care board.</p> <p>DHS presented on career pathways and workforce development.</p>		

3: Training <ul style="list-style-type: none"> • review the current preservice and in-service training requirements for family child care providers and child care center staff* • review the availability of training that is in place to meet the training needs of providers, including the content of this training, cost, and delivery methods • consider uniform training requirements for county employees and their supervisors who perform duties related to licensing 		<p>DHS discussed the licensed child care training requirements for child care centers and family child care.</p> <p>County licensors testified about training requirements for family child care providers and areas for consideration: complexity, cost, timing, and accessibility of training.</p> <p>Providers testified about inconsistencies related to interpretation of the law by county licensors.</p>	<p>Members of The Minnesota Association of County Social Service Administrators (MACSSA), as well as DHS, testified about uniformity in training requirements for county licensors.</p> <p>Testifiers from across the state presented about unique and common training delivery models.</p> <p>DHS began a presentation about career pathways and workforce development, which includes training.</p>	<p>DHS concluded its licensed provider training presentation from the previous hearing.</p>	
4: Cost/Affordability <ul style="list-style-type: none"> • evaluate factors that contribute to child care costs for providers and families • review the time it takes for the department to provide Child Care Assistance Program reimbursement to providers 	<p>Child Care Aware of Minnesota presented the 2015 report: "Parents and the High Cost of Child Care".</p> <p>First Children's Finance gave a brief summary of costs related to running a child care.</p>			<p>DHS gave an overview of the state's Child Care Assistance Program. First Children's Finance provided an in-depth presentation about the state of child care businesses.</p>	

*This review shall include training required for licensure, including staff credentialing for child care center staff positions and the ways in which this training aligns with Minnesota's Career Lattice and Minnesota's Knowledge and Competency Framework for Early Childhood and School-Aged Care Practitioners

II. Minnesota's Child Care Landscape

A. Summary Facts and Figures

While the landscape of child care in Minnesota is broad, detailed, and complex, the following information seeks to offer a summary glimpse into the industry using data presented to the task force by the Minnesota Department of Human Services (DHS) and dedicated stakeholders.

By the Numbers: Licensed Child Care Providers

Family Child Care (FCC)

As of January 1, 2017, Minnesota has 8,896 licensed family child care providers, who have a capacity to serve 104,187 children.¹

According to DHS, 62.5% of family child care providers are located in Greater Minnesota, with 37.5% in the Twin Cities Metro. In Greater Minnesota, family child care capacity accounts for 63.4% of the total licensed capacity.²

Child Care Centers (CCC)

Minnesota has 1,711 licensed child care centers, which have a capacity to serve 123,605 children.³

According to DHS, 38% of child care centers are located in Greater Minnesota, and they handle almost 29% of the capacity for children in care.

Of the 227,792 spaces available statewide for children in licensed care, approximately 54% of spaces are available in child care centers, and approximately 46% of spaces are available in a family child care home.

Population Data

With a total population of 5.46 million, Minnesota has 346,825 children age birth to four years.⁴ This number is expected to stay steady for the next 50 years.⁵

¹ Minnesota Department of Human Services Licensing Information System, as of January 1, 2017.

² Minnesota Department of Human Services. "[Regulatory Infrastructure of Licensed Child Care in Minnesota](#)." Presented to the Task Force, Sept. 21, 2016.

³ Department of Human Services Licensing Information System, as of January 1, 2017.

⁴ Child Care Aware of America. "[State Child Care Facts in the State of: Minnesota](#)." Presented to the Task Force, Aug. 30, 2016. Data reflects the 2015 calendar year.

⁵ Marnie Werner. "[A quiet crisis: Minnesota's child care shortage](#)," Center for Rural Policy and Development, 16.

Child Care Provider Shortage

“A crisis has been quietly brewing throughout Minnesota and the nation for many years now. People have been getting out of the in-home family child care business at a disturbing rate, creating a severe shortage over most of the state. And while statewide data makes it appear that growth in child care centers is picking up the slack, that is not the case in much of Greater Minnesota.”⁶

Between 2005 and 2014, the state lost over 3,000—or nearly 30% of—family child care providers.⁷ Estimates show the loss of providers translated to a loss of about 36,500 child care spaces.⁸

While family child care providers have exited the industry, centers have seen an uptick of about 7%—or an increase of about 100 centers—between 2005 and 2014.⁹ To an extent, the increased capacity of centers has helped fill some of the gap created by family providers who left the field. But that is regional in nature only.

The majority of the growth in center-based care occurred in the Twin Cities Metro. The increase in metro center-based capacity was enough to cover the losses of in-home spaces. However, there was no such surge in Greater Minnesota, where communities are experiencing a net loss of more than 15,000 spaces.¹⁰

Capacity: The change in the number of spaces in in-home family child care (FCC) and center-based child care (CCC) between 2006 and 2015 (MN Dept. of Human Services).¹¹

	FCC	CCC	Net change
Greater MN	-20,416	5,039	-15,377
Twin Cities	-16,125	19,409	+3,284

As the map from the Center for Rural Policy and Development below indicates, every region of the state is experiencing “a shortfall between the number of children potentially needing child care and the number of spaces available.”¹²

⁶ Werner, 1.

⁷ Minnesota Department of Human Services. “[Licensed Child Care Trends in Minnesota. Fact Sheet. October 2016.](#)” Presented to the Task Force, Oct. 17, 2016.

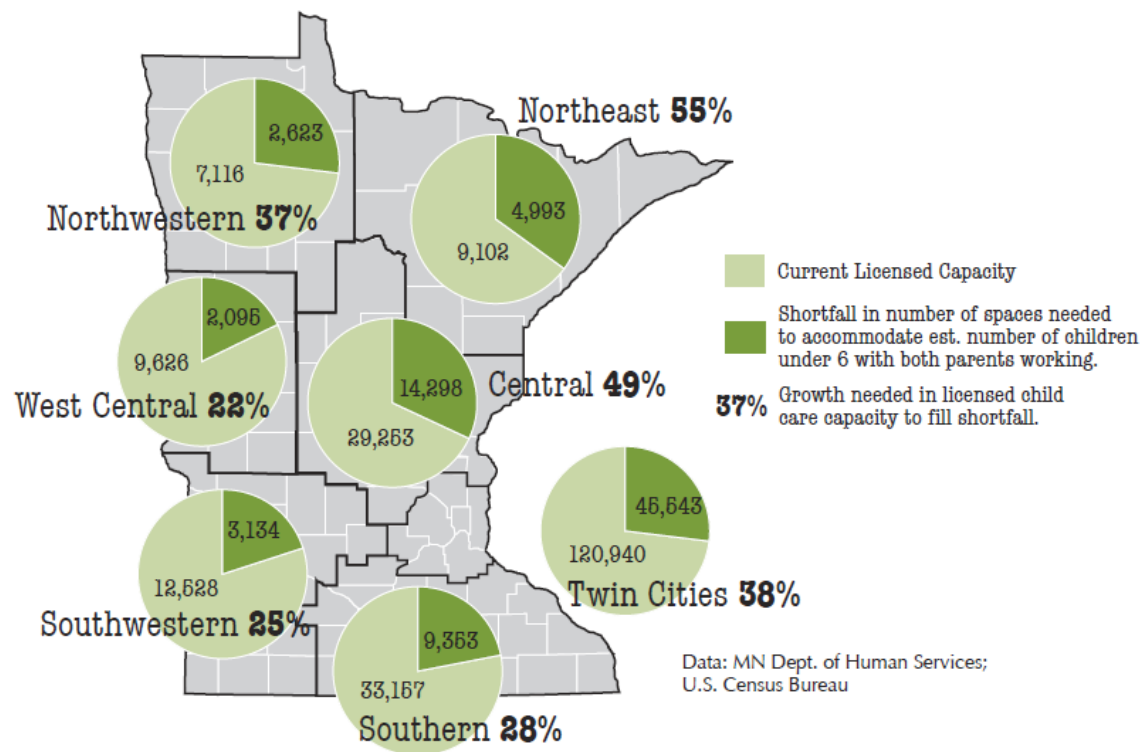
⁸ Werner, 2.

⁹ Minnesota Department of Human Services. “[Licensed Child Care Trends in Minnesota. Fact Sheet. October 2016.](#)” Presented to the Task Force, Oct. 17, 2016.

¹⁰ Werner, 2.

¹¹ Ibid, 3.

¹² Ibid, 3-4.



Why Are They Leaving?

Family child care providers are leaving and have left the child care field for many reasons:

- Providers are of retirement age.
- Subsequent generations are choosing other options.
- Providers transition into fields that are more profitable and less demanding—they simply cannot make a living in the industry.
- Regulations have been tightened in the last several years, including increased training and paperwork.
- Regulatory enforcement by county licensors can sometimes be inconsistent and punitive.¹³

Impact on Infant Care

Infant care is particularly difficult, if not nearly impossible, for families to find. New parents contact endless numbers of providers to secure a spot and may have to drive many miles out of their way for child care. Some choose to family plan around openings.

¹³ Information offered by public testimony and stakeholder data at Task Force meetings.

The shortage has put pressure on finding infant care, as provider-to-infant ratios are significantly smaller than provider-to-preschooler ratios.¹⁴ Some providers are deterred from taking infants at all due to additional regulations related to infant care.¹⁵

Impact on the Economy

“The reality is that the shortage is creating a ripple effect with very real impact, not just on families but on employers and entire communities, and the impact is being felt across the state.”¹⁶

The lack of adequate child care in the community makes it difficult for employers to attract and retain qualified workers. Some parents may choose to stay home if care is unobtainable or costs are too high. The economic effects hit particularly hard in Greater Minnesota.¹⁷

In addition, an interruption to child care has been listed as the number one reason for absenteeism. It results in “lost productivity, overtime, cost of temporary help, and finding and training replacements.”¹⁸ According to Child Care Aware, United States businesses lose approximately \$4.4 billion annually due to employee absenteeism as the result of child care breakdowns.¹⁹

Impact on Culturally Appropriate Child Care

According to testimony provided about the availability of culturally appropriate child care, many families show a marked preference for caregivers who share their culture and values. While data surrounding this issue is lacking, it was stated that Minnesota has a rich diversity of child care providers. However, an across-the-board shortage of providers may also mean a shortage of culturally-specific child care.

The data below shows that 29% of all parents and 35% of parents with low incomes report taking whatever child care they could get, similar to percentages in 2004.²⁰

Among all parents, parents of color are more likely than white parents to report feeling they had to take whatever arrangement they could get (44% versus 27%), and so are those whose primary language is not English (48% versus 29%).

¹⁴ Minnesota Department of Human Services. “[Licensed Child Care Ratio and Group Size: September 2016](#).” Presented to the Task Force, Sept. 21, 2016.

¹⁵ Information offered by public testimony and stakeholder data at Task Force meetings.

¹⁶ Werner, 1.

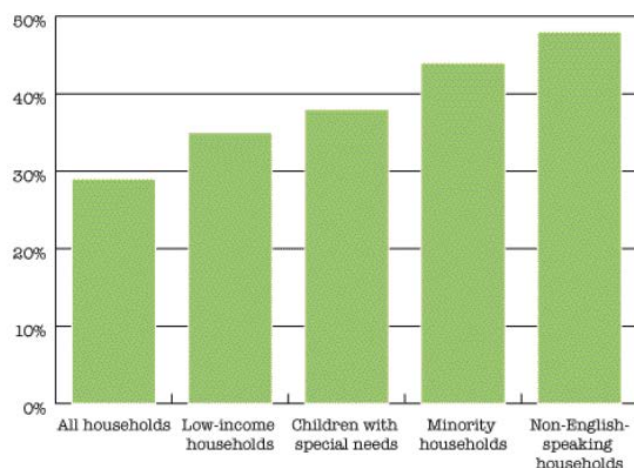
¹⁷ Information offered by public testimony and stakeholder data at Task Force meetings.

¹⁸ Center for Rural Policy and Development. “A quiet crisis: Minnesota’s child care shortage.” Presented to the Task Force, Oct. 17, 2016.

¹⁹ Child Care Aware of Minnesota. “[2015: Parents and the High Cost of Care](#).” Presented to the Task Force, Aug. 30, 2016.

²⁰ Minnesota Department of Human Services. “[Child Care Use in Minnesota: Report of the 2009 Statewide Household Child Care Survey](#),” November 2010, 8.

The percentage of various groups saying they feel they have to take whatever form of child care they can get.²¹



Costs Related to Operating a Child Care Business

Costs of Operating a Family Child Care Business

“The mass exodus of in-home family child care providers from the business is alarming, but the reasons are understandable: providers can’t make a living at it.”²²

According to data compiled by First Children’s Finance of Minnesota, family child care providers report average annual expenses of \$26,372.²³ Two-thirds of program expenses arise from occupancy (rent, mortgage, utilities, and maintenance) and food expenses.

Average Annual Family Child Care Business Expenses²⁴

Expenditure	Amount	Percent
Occupancy Expenses	\$ 10,833.71	41%
Food Expenses	\$ 6,857.71	26%
Transportation	\$ 1,568.77	6%
Activities/Supplies	\$ 1,355.85	5%
Phone/Internet	\$ 1,014.09	4%
Cleaning/Supplies	\$ 768.00	3%
Other	\$ 3,973.83	15%

²¹ Werner, 9. Based on the Minnesota Dept. of Human Services 2009 Statewide Household Child Care Survey.

²² Ibid, 5.

²³ First Children’s Finance of Minnesota. “[Business Practices of Family Child Care: Expanding What We Know.](#)” Presented to the Task Force, Aug. 30 and Nov. 14, 2016.

²⁴ First Children’s Finance of Minnesota. “[State of MN Child Care Businesses.](#)” Presented to the Task Force, Nov. 14, 2016.

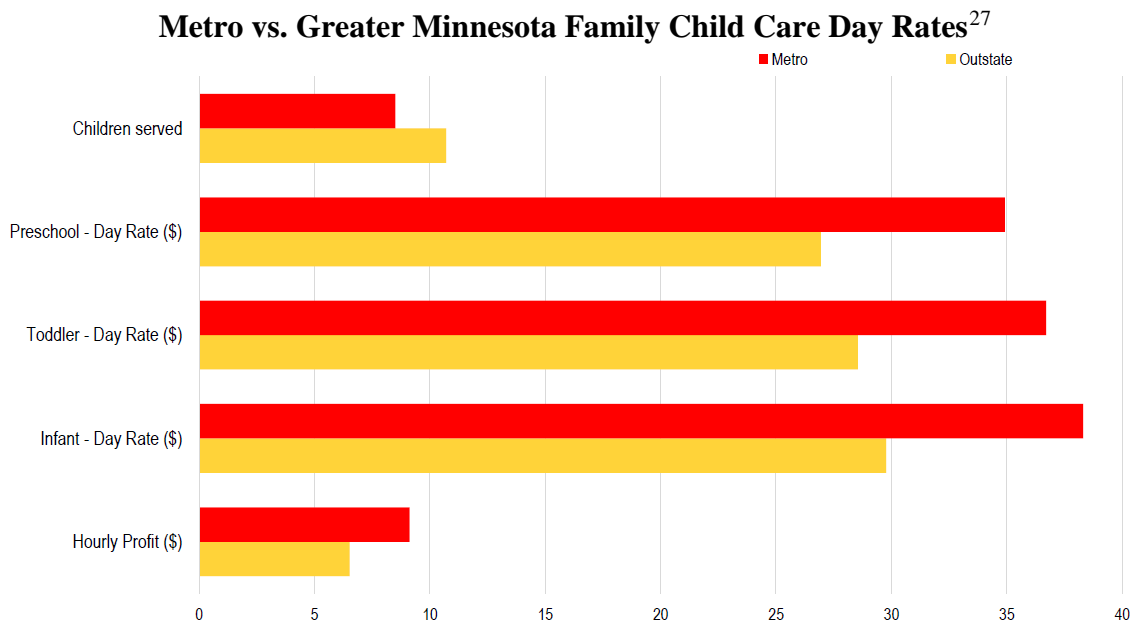
Providers take in an average revenue of \$50,938. Of that, 90% comes from tuition, with 10% derived from the Child and Adult Care Food Program (CACFP). 54% of tuition income, on average, is made up by pre-school children.²⁵

Subtracting expenses from revenue leaves the average annual salary for family child care providers around \$24,566.²⁶

But providers do not work 40 hours per week. On average they operate 53 hours per week. First Children's Finance converted their hourly wage, and concluded half of providers are making less than \$8 per hour before taxes.

Not calculated as part of the hourly wage are the additional 12 hours per week, on average, that family child care providers work outside of operation, such as preparing, managing, and cleaning.

There is also a regional divide with profits. Greater Minnesota providers make about \$9,000 less than Twin Cities Metro providers, even though program expenses are comparable. First Children's Finance concludes that differences in profit are driven almost entirely by differences in tuition rates.



²⁵ First Children's Finance of Minnesota. "[State of MN Child Care Businesses](#)." Presented to the Task Force, Nov. 14, 2016.

²⁶ First Children's Finance of Minnesota. "[Business Practices of Family Child Care: Expanding What We Know](#)." Presented to the Task Force, Aug. 30 and Nov. 14, 2016.

²⁷ First Children's Finance of Minnesota. "[State of MN Child Care Businesses](#)." Presented to the Task Force, Nov. 14, 2016.

Costs to Operate a Child Care Center

On average, a child care center's operating budget breaks down to: 70% staffing, 20% facilities (property, utilities, maintenance, licensing, insurance), 5% food, and 5% "everything else".²⁸

While the majority of the budget is directed toward payroll expenses, "child care workers are among the lowest-paid professionals in the country, leading to difficulty recruiting and retaining qualified staff."²⁹

Early learning programs need significantly more staff than other settings, and those staff require more professional development and ongoing training.³⁰ The additional qualifications, however, do not add up to higher wages. The Center for the Study of Child Care Employment estimates the average salary of a Minnesota child care worker is \$10.81 per hour.³¹

While child care center capacities in the metro have filled the gap of family child care losses, First Children's Finance notes that the most affordable option to solve Greater Minnesota's child care provider shortage is not necessarily to build more centers. A child care center needs a threshold number of children to make opening and sustaining a center feasible, a number harder to attain in Greater Minnesota.

For example, based on a performance model created by First Children's Finance, the average start-up costs for a 99-seat child care center in Greater Minnesota range from \$400,000 to \$600,000, plus property acquisition. Average hourly wages range from \$9 to \$13 with a \$200 monthly health insurance stipend. If this center operated at 85% capacity, it would lose \$74,000 a year. It would be necessary to maintain 94% occupancy to break even.

In that same scenario assuming a 52-seat center, the start-up costs range from \$200,000 to \$450,000, plus property acquisition. Average hourly wages range from \$9 to \$13 with a \$200 monthly health insurance stipend. If this center operated at 85% capacity, it would lose \$62,000 a year. It would be necessary to maintain 101% occupancy to break even.³²

The model provides statistical evidence as to why Greater Minnesota tends toward family child care providers as the most affordable option.

²⁸ First Children's Finance of Minnesota. "[State of MN Child Care Businesses](#)." Presented to the Task Force, Nov. 14, 2016.

²⁹ Child Care Aware of America. "[Executive Summary: Parents and the High Costs of Child Care – 2015 Report](#)." Presented to the Task Force, Aug. 30, 2016.

³⁰ Child Care Aware of Minnesota. "[2015: Parents and the High Cost of Care](#)." Presented to the Task Force, Aug. 30, 2016.

³¹ Center for the Study of Child Care Employment. "[Early Childhood Workforce Index 2016: Minnesota](#)." University of California, Berkeley.

³² First Children's Finance assumes 99- and 52-seat child care centers in Fillmore County using 2014 market rate survey rates.

Costs of Child Care for Families

According to Child Care Aware, “child care remains one of the most significant expenses in a family budget.”³³

Infant Care

Minnesota is currently ranked as the 6th least affordable state for center-based infant care, with an average annual cost of \$14,826.³⁴

Child care in this setting is 54.7% of a single parent family’s median income (\$27,093). For a married couple family, child care is 14.8% of the median income (\$100,317).

Family child care in Minnesota, however, is the 39th least affordable for infants, with an average annual cost of \$8,033.

Child care in this setting is 29.6% of a single parent family’s median income (\$27,093). For a married couple family, child care is 8% of the median income (\$100,317).

Four-Year-Old Care

Minnesota is currently ranked as the 8th least affordable state for center-based care for 4-year-olds, with an average annual cost of \$11,420.

Child care in this setting is 42.2% of a single parent family’s median income (\$27,093). For a married couple family, child care is 11.4% of the median income (\$100,317).

Again, family child care in Minnesota ranks better than most states, listed as 36th least affordable for 4-year-old care, with an average annual cost of \$7,295.

Child care in this setting is 26.9% of a single parent family’s median income (\$27,093). For a married couple family, child care is 7.3% of the median income (\$100,317).

Overall, yearly costs of care range widely depending on setting and region.

³³ Child Care Aware of Minnesota. “[2015: Parents and the High Cost of Care.](#)” Presented to the Task Force, Aug. 30, 2016.

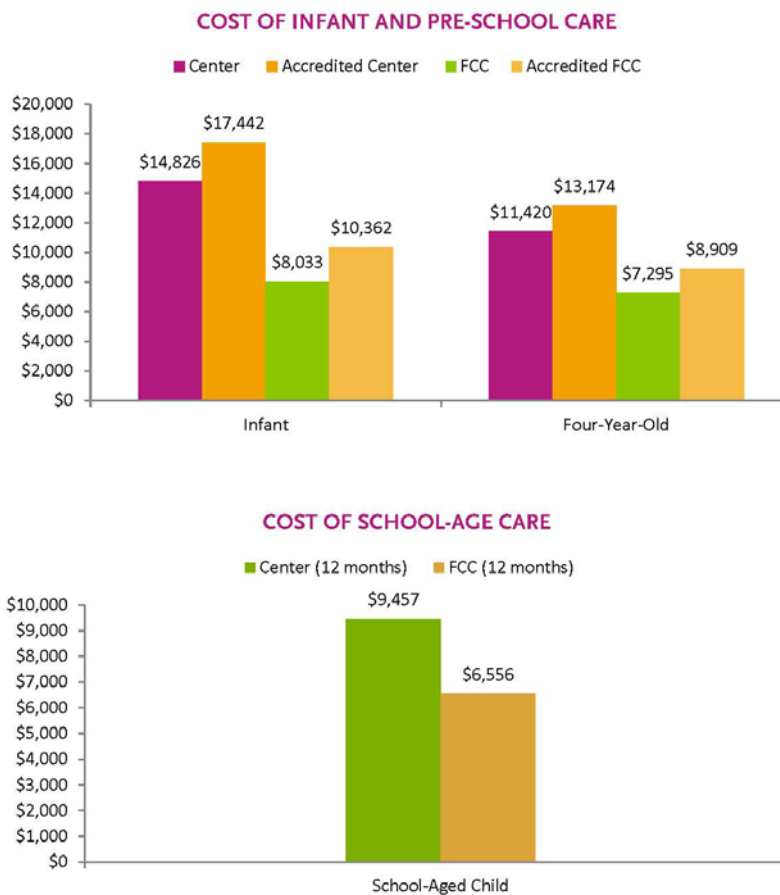
³⁴ Child Care Aware of America. “[2016 Report: Parents and the High Cost of Care.](#)” 33. Note: Affordability is a comparison of average cost against state median income.

Variation in Yearly Cost of Care by Setting and Region³⁵

Age (Setting)	Median Rate (Lowest price counties*)	Median Rate (Highest price counties*)
Infant (Child Care Center)	\$6,760	\$16,900
Infant (Family Child Care)	\$5,720	\$8,840
4-year-old (Child Care Center)	\$6,500	\$12,896
4-year-old (Family Child Care)	\$5,200	\$7,800

*From 2014 Minnesota Department of Human Services (DHS) Market Rate Survey report which now creates four clusters of counties based on price.

Cost of Child Care in the State of Minnesota³⁶



³⁵ Child Care Aware of Minnesota. “[2015: Parents and the High Cost of Care.](#)” Presented to the Task Force, Aug. 30, 2016. According to DHS, calculations are based on the 50th percentile of the weekly rates from the 2014 Market Rate Survey. The weekly rates for cluster one (lowest price counties) and cluster four (highest price counties) were multiplied by 52 to calculate the annual price.

³⁶ Child Care Aware of America. “[State Child Care Facts in the State of: Minnesota.](#)” Presented to the Task Force, Aug. 30, 2016. Data reflects the 2015 calendar year.

Child Care Assistance Program (CCAP)

*“Low-income families, in particular single-parent families, struggle with child care... The cost of child care eats up a larger percentage of their income...limiting where parents can take their children, but in small towns with few providers, they may have little choice... Low-income parents are also more likely to work multiple jobs and non-traditional shifts, for which child care is virtually non-existent. At that point, parents must turn to what’s known as FFN, their family, friends and neighbors.”*³⁷

The primary Minnesota Department of Human Services (DHS) program to help families afford child care is the Child Care Assistance Program (CCAP). The program helps families with low-incomes pay for child care so that parents may pursue employment or education leading to employment, and that children are well cared for and prepared to enter school ready to learn. CCAP includes the Minnesota Family Investment Program (MFIP)/Transition Year (TY) Child Care Assistance Program and the Basic Sliding Fee Child Care Assistance Program.³⁸

Administration, Payment, and Eligibility

CCAP is state-supervised, administered through counties, and serves approximately 30,000 children in approximately 15,000 families in an average month.³⁹

Local agencies (counties, subcontracted agencies, or tribes) determine whether families are eligible, receive bills from providers, and then enter and approve payments to providers. Statewide in 2016, 50% of bills from providers were paid within 10 days of the end of a service period, and 85% of bills from providers were paid within 30 days of the end of a service period.

Maximum rates vary by county, provider type, age of child, and provider qualifications. The rates are set by the Minnesota Legislature and are currently the greater of the 25th percentile of the 2011 rate survey or the maximum rates in effect on November 28, 2011.

Funding has been volatile over the years—a trend that affects Minnesota’s most economically vulnerable children. In 2001, reimbursement rates were set at the 75th percentile of then-current market prices. Low reimbursement rates make it more difficult for families accessing CCAP to find providers, and more difficult for providers to open their programs to lower-income families.

Funding for CCAP in 2016 was \$249.1 million:

- \$150.6 million, including federal and state funding, for MFIP child care
- \$98.5 million, including federal, state, and county funding for Basic Sliding Fee child care⁴⁰

³⁷ Werner, 8.

³⁸ Minnesota Department of Human Services. “[Legislative Task Force on Access to Affordable Child Care: Key Issues for the Department of Human Services](#).” Presented to the Task Force, Aug. 30, 2016.

³⁹ Ibid.

⁴⁰ Minnesota Department of Human Services. “[Child care assistance: Facts and figures](#).” December 2016.

To qualify for assistance, an applicant's income must be at or below 47% state median income (\$37,263 for a family of three). Assistance ends when income exceeds 67% state median income (\$53,121 for a family of three).

Minnesota Family Investment Program (MFIP)

The Minnesota Family Investment Program (MFIP) helps families with children meet their basic needs, while helping parents move to financial stability through work. Parents are expected to work, and are supported in working with both cash and food assistance. Most families have a lifetime limit of 60 months on MFIP.⁴¹

For state fiscal year 2016, a monthly average of 15,488 children from 7,592 families received MFIP Program child care assistance.⁴²

Basic Sliding Fee Child Care Assistance

The Basic Sliding Fee program helps families pay for child care while they look for work, go to work, or attend training or school to prepare for work.⁴³

For state fiscal year 2016, a monthly average of 14,213 children from 7,520 families received Basic Sliding Fee child care assistance.⁴⁴

Approximately 5,400 families were on the waitlist for Basic Sliding Fee child care as of October 2016.⁴⁵ Fewer families are accessing Basic Sliding Fee in nearly every county now compared to 14 years ago. Based on a fiscal estimate done in 2016, it is estimated that if the Basic Sliding Fee were a forecast program, 28,000 average monthly families would be served, compared to 15,000 under current law.

⁴¹ Minnesota Department of Human Services. "Programs and services," last modified March 28, 2016, <http://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/income/programs-and-services/>.

⁴² Minnesota Department of Human Services. "[Child care assistance: Facts and figures](#)," December 2016.

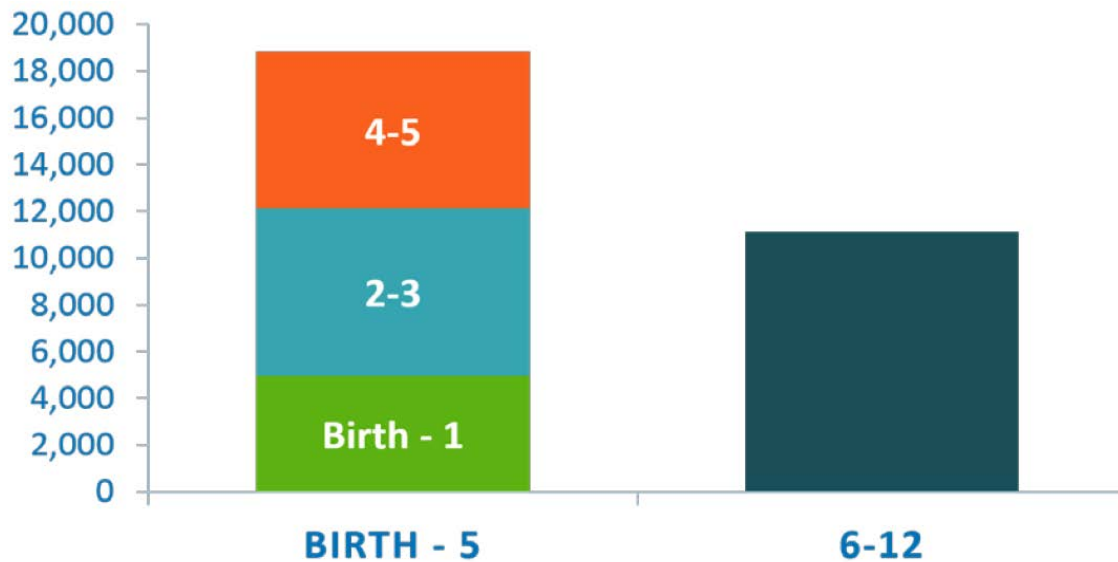
⁴³ Minnesota Department of Human Services. "Basic Sliding Fee," last modified March 27, 2016, <https://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/programs-and-services/basic-sliding-fee.jsp>.

⁴⁴ Minnesota Department of Human Services. "[Child care assistance: Facts and figures](#)," December 2016.

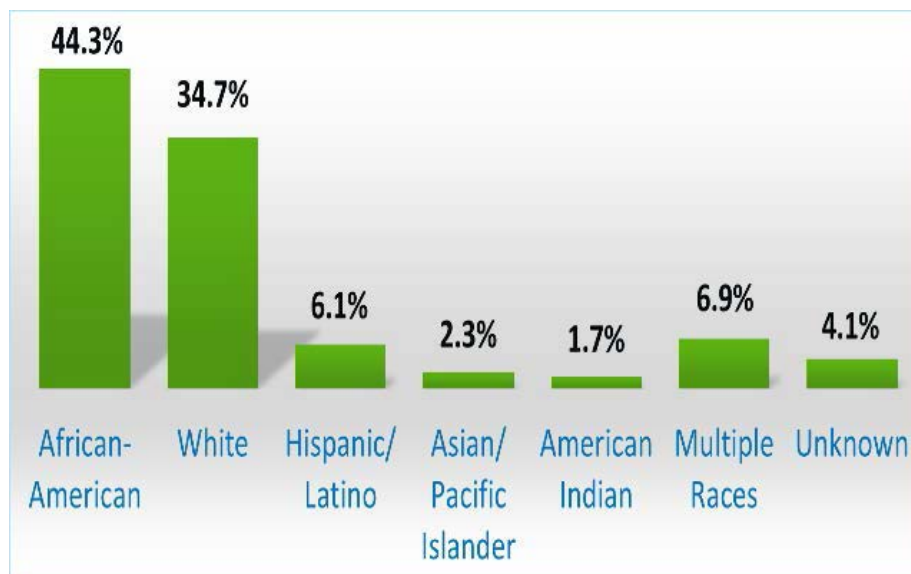
⁴⁵ Rf. Appendix II for a county list of waitlist numbers.

CCAP by the Numbers⁴⁶

Who Does CCAP Serve?

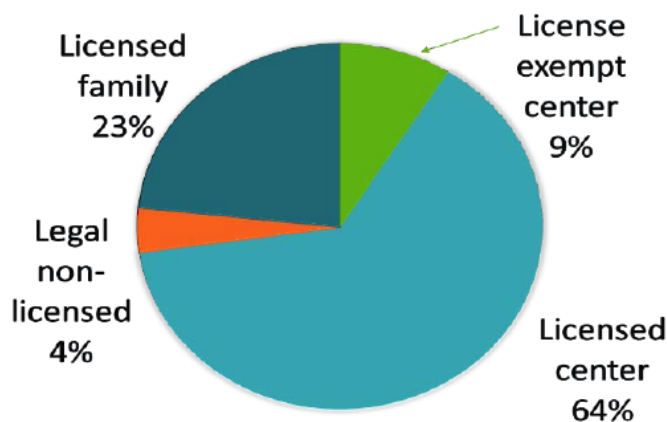


Race and Ethnicity



⁴⁶ All graphs provided via handout ("[Child Care Assistance Program](#)") from the Minnesota Department of Human Services to the January 11, 2017 meeting of the Minnesota House of Representatives Subcommittee on Childcare Access and Affordability.

What Type of Child Care Do They Use?



Providers and CCAP

Of the 8,896 licensed family providers statewide, 2,826 are paid by CCAP. Of the 1,711 licensed child care centers statewide, 1,060 are paid by CCAP.⁴⁷

In state fiscal year 2015, 64% of families receiving child care assistance enrolled their children in licensed child care centers, 23% in licensed family child care, 9% in license exempt centers, and 4% in legal non-licensed care.

Regulatory Infrastructure

The State of Minnesota licenses more than 10,600 child care providers across the state with the capacity to provide licensed care for about 228,000 children.⁴⁸ The Department of Human Services, in partnership with counties, licenses child care providers to ensure the health, safety, and well-being of children in care.

Regulatory requirements fall into three broad categories:

1. Health, safety, ratio, and other requirements
2. Training requirements
3. Background study requirements⁴⁹

⁴⁷ Rf. the chart "Minnesota Child Care Providers: Summary Statistics and CCDBG Requirements" on page 31.

⁴⁸ Department of Human Services Licensing Information System, as of January 1, 2017.

⁴⁹ Minnesota Department of Human Services. "[Legislative Task Force on Access to Affordable Child Care: Key Issues for the Department of Human Services](#)." Presented to the Task Force, Aug. 30, 2016.

Licensing for Family Child Care and Child Care Centers

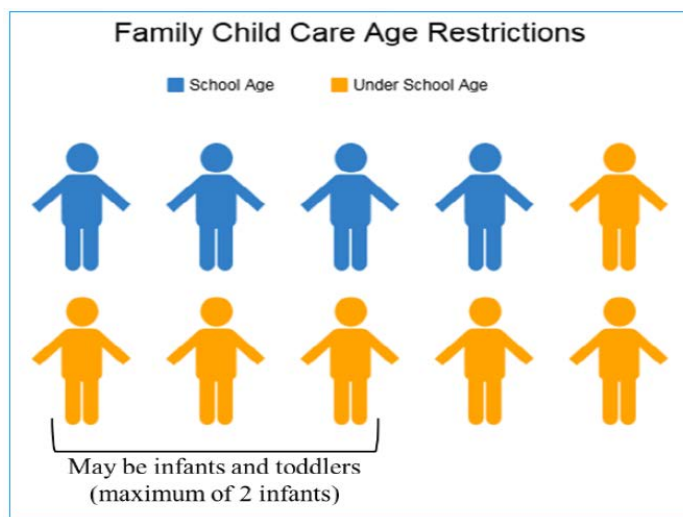
Child care centers are directly licensed by the Department of Human Services (DHS). Licenses to operate a child care business are issued by DHS, and DHS licensors perform inspections and visits.

Family child care providers are licensed through delegated authority to Minnesota's 87 counties. DHS licenses family child care providers based on the recommendation of counties, and county licensors perform inspections and visits. Counties also recommend sanctions to be issued by DHS,⁵⁰ conduct background studies and review results, and provide orientation to health and safety regulations.⁵¹

Ratio Requirements

Staff-to-child ratio and group size requirements for licensed child care settings vary for child care centers and family child care and are based on the age of children in care. Ratios are standards that ensure a minimum level of safety, supervision, and quality in child care.⁵²

Family Child Care – Ratio & Group Size⁵³



In family child care, of the non-school-age children, three may be infants and toddlers with a maximum of two infants.

⁵⁰ Minnesota Department of Human Services. "[Regulatory Infrastructure of Licensed Child Care in Minnesota](#)." Presented to the Task Force, Sept. 21, 2016.

⁵¹ Dakota County social workers. "Legislative Task Force on Family Child Care: A county licensing perspective." Presented to the Task Force, Sept. 21, 2016.

⁵² Minnesota Department of Human Services. "[Licensed Child Care Ratio and Group Size](#)." Presented to the Task Force, Sept. 21, 2016.

⁵³ Minnesota Department of Human Services. "[Regulatory Infrastructure of Licensed Child Care in Minnesota](#)." Presented to the Task Force, Sept. 21, 2016.

Age categorizations for family child care:

- Newborn: Less than 6 weeks
- Infant: 6 weeks to 12 months
- Toddler: 12 to 24 months
- Preschooler: 24 months to 5 years
- School-age child: 5 to 11 years⁵⁴

Child Care Centers – Ratio and Group Size⁵⁵

Age Category	Minimum Staff-to-Child Ratio	Maximum Group Size
Infant	1:4	8
Toddler	1:7	14
Preschooler	1:10	20
School-age child	1:15	30

Age categorizations for child care centers:

- Infant: 6 weeks to 16 months
- Toddler: 16 to 33 months
- Preschooler: 33 months to kindergarten
- School-age child: Kindergarten to 12 years⁵⁶

Training Requirements

Minnesota law requires individuals working in licensed child care settings to take pre-service training before caring for children and/or licensure. Pre-service training ensures providers have

⁵⁴ Minnesota Department of Human Services. “[Licensed Child Care Ratio and Group Size](#).” Presented to the Task Force, Sept. 21, 2016.

⁵⁵ Minnesota Department of Human Services. “[Regulatory Infrastructure of Licensed Child Care in Minnesota](#).” Presented to the Task Force, Sept. 21, 2016.

⁵⁶ Minnesota Department of Human Services. “[Licensed Child Care Ratio and Group Size](#).” Presented to the Task Force, Sept. 21, 2016.

the knowledge and skills necessary to provide a healthy and safe environment for the children in care. Many of the pre-service training requirements are focused on health and safety.⁵⁷

Pre-Service Training for Child Care Providers⁵⁸

Child Care Center (245A.40)			Family Child Care (245A.50)		
Training	Who	Hours	Training	Who	Hours
Orientation: Center's philosophy, procedures for maintaining health and safety, handling emergencies and accidents, job responsibilities, behavior guidance, maltreatment reporting	Staff and volunteers who will have direct contact or access to children and who are not under direct supervision of a staff person	No minimum specified	Supervising for Safety	License holder and adult caregivers**	6
			Child growth and development and behavior guidance	License holders and adult caregivers**	4
First aid & CPR	Teachers and assistant teachers	8*	First aid & CPR	License holder	8*
Child passenger restraint training	Staff that will place the child/children in a passenger restraint	3	Child passenger restraint training	Person that will place the child/children in a passenger restraint	3
Sudden unexpected infant death	Staff and volunteers that care for infants	0.5	Sudden unexpected infant death & abusive head trauma	License holder, adult caregivers and helpers	2
Abusive head trauma	Staff and volunteers that care for children under school age	0.5			
<p>* A minimum number of hours required for first aid and CPR is not specified. A typical combined first aid and CPR course can be up to 8 hours in length</p> <p>**For these trainings, "caregiver" means a person who provides care for more than 30 days in any 12-month period</p>					

Minnesota law also requires individuals working in licensed child care settings to take training on an on-going basis. On-going training is required to ensure providers continue to develop knowledge and skills regarding minimum health and safety standards, as well as to promote professional development skills that in turn result in higher quality learning environments. While many of the on-going requirements are specified, providers have the flexibility to take some of the annually required hours of training on a variety of different topics.

On-going training requirements were increased from eight to 16 hours in 2014, as directed by the 2013 Legislature.

⁵⁷ Minnesota Department of Human Services. "[Licensed Child Care Training Requirements](#)." Presented to the Task Force, Sept. 21, 2016.

⁵⁸ Ibid.

On-Going Training Requirements for Child Care Providers⁵⁹

Child Care Center (245A.40)				Family Child Care (245A.50)			
Training	Who	Hours	Frequency	Training	Who	Hours	Frequency
In-service	Director and staff	Varies 20-40	Every year	On-going training	License holder and each adult caregiver**	16	Every year
Providers may take the following required trainings as part of their annual in-service training:				Providers may take the following required trainings as part of their annual 16 hours of ongoing training:			
First aid & CPR	Teachers and assistant teachers	8*	Every 3 years	First aid & CPR	License holder	8*	Every 2 years
Sudden unexpected infant death	Staff and volunteers that care for infants	0.5	Every year	Sudden unexpected infant death training & abusive head trauma training	License holder, adult caregivers and helpers	2 on-year and 1 for off-year	Every year
Abusive head trauma	Staff and volunteers that care for children under school age	0.5	Every year	Child passenger restraint training	The person that will place children in a passenger restraint	3	Every 5 years
Child passenger restraint	The person that will place child in a passenger restraint	3	Every 5 years	Supervising for Safety	License holders and adult caregivers**	2	Every year
Child growth and development	Staff	2	Only first year of service	Child growth and development and behavior guidance	License holders and adult caregivers**	2	Every year
<small>* A minimum number of hours required for first aid and CPR is not specified. A typical combined first aid and CPR course can be up to 8 hours in length ** For these trainings, "caregiver" means a person who provides care for more than 30 days in any 12-month period</small>							

If a licensed provider elects to participate in Parent Aware, Minnesota's Quality Rating and Improvement System, they must meet certain training requirements. Much of the training that meets Parent Aware training requirements can also be applied towards training requirements for licensing.⁶⁰

⁵⁹ Minnesota Department of Human Services. "[Licensed Child Care Training Requirements](#)." Presented to the Task Force, Sept. 21, 2016.

⁶⁰ Minnesota Department of Human Services. "[Minnesota's Licensing and Parent Aware Training Requirements for Child Care Providers](#)." Presented to the Task Force, Oct. 17, 2016.

Cost of Training

DHS estimates the average cost for training to be \$80 per year for family child care providers and \$200 per year for child care center lead teachers.⁶¹

Safe Sleep Requirements

Legislation passed into law by the 2013 Legislature requires licensed child care providers to comply with infant-specific safe sleep standards and training requirements in order to prevent unexpected infant deaths.

Safe sleep standards and training requirements for licensed child care:

- Require a physician's directive for anything other than a back sleeping position by an infant.
- Allow an infant who independently rolls over to remain on stomach with signed parent statement.
- Clarify that nothing is allowed in the crib with the infant except a pacifier.
- Clarify that the definition of “infant” as being up to the child's first birthday.
- Outline allowable use of swaddling.
- Encourage in-person checks on sleeping infants at specific intervals and encourages the use of audio or video monitoring of sleeping infants.
- Require providers to perform monthly safety inspections of every crib.
- Require providers to check all their cribs' brand names and model numbers against the U.S. Consumer Product Safety Commission website for unsafe cribs.
- Require staff persons, caregivers, and volunteers that care for infants to receive at least one-half hour training on reducing the risk of sudden unexpected infant death (SUID) at least once a year.
- Require that, if an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib.
- Require that, when an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep.
- Require family child care providers to take “Supervising for Safety” training at orientation.⁶²

⁶¹ Minnesota Department of Human Services. “[Task Force on Access to Affordable Child Care – October 17, 2016.](#)” Presented to the Task Force, Oct. 17, 2016.

⁶² Minnesota Department of Human Services. “[Licensed Child Care Safe Sleep Standards and Training Requirements.](#)” Presented to the Task Force, Sept. 21, 2016.

Background Checks

Licensed child care requires background studies for persons other than the license applicant, including:

- An individual age 13 and over living in the household where the licensed program will be provided.
- Current or prospective employees or contractors of the applicant who will have direct contact with persons served by the facility, agency, or program.
- Volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause 1) or 3).
- An individual age 10 to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause.
- An individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause.⁶³

Sanctions⁶⁴

The DHS Licensing Division monitors and enforces the rules and statutes governing child care centers and family child care. DHS and county licensors issue correction orders when there are licensing violations found in licensed programs. When there are serious or chronic violations, or maltreatment occurs, negative actions are issued.

When licensors find licensing violations in a program, they issue a correction order. A correction order is not a sanction; rather it is a notification that the licensed program was out of compliance. After receiving a correction order, the license holder has a specified amount of time to reach compliance or request reconsideration if they disagree with the determination.

In some cases, the nature, severity, or chronicity of licensing violations can warrant action beyond a correction order. In these situations, DHS may issue a negative action. Negative actions include: fines, conditional licenses, revocation, or suspension of a license. Negative actions may also be issued when maltreatment allegations are substantiated. The Licensing Division determines which of these actions is appropriate based on the nature, severity, and chronicity of the violation(s). In addition, if there is imminent risk of harm, DHS is required to issue a temporary immediate suspension pending the completion of an investigation.

According to Minnesota law, license holders have due process rights and may request reconsideration of a correction order or the issuance of a conditional license, and they may appeal a sanction. Reconsiderations and appeals follow different legal processes but allow the license holder to challenge DHS findings. ■

⁶³ Minnesota Department of Human Services. "[Regulatory Infrastructure of Licensed Child Care in Minnesota](#)." Presented to the Task Force, Sept. 21, 2016.

⁶⁴ Minnesota Department of Human Services. "[Licensed Child Care Sanctions](#)." Presented to the Task Force, Sept. 21, 2016.

B. Federal Child Care and Development Block Grant Reauthorization

Background

Federal legislation passed in 2014, known as the Child Care and Development Block Grant (CCDBG) Act, made significant changes to health and safety standards that apply to licensed child care providers and child care providers that receive child care assistance payments. The Act also made significant changes to eligibility and other policies in the Child Care Assistance Program (CCAP). Finally, the Act outlined requirements for increased transparency to the public about child care choices.

The CCDBG is administered by the Office of Child Care in the federal Department of Health and Human Services and is implemented by the Minnesota Department of Human Services (DHS). According to the U.S. Administration for Children and Families,

The Child Care and Development Fund (CCDF) is the primary Federal funding source devoted to providing low-income families that are working or participating in education and training with help paying for child care and improving the quality of care for all children. It provides child care financial assistance for 1.4 million children each month throughout the United States, U.S. Territories and Tribal Nations. A majority of these children are under the age of five, allowing CCDF to support early childhood education and care for hundreds of thousands of young children. Additionally, CCDF investments in improving the quality of care benefit millions more of the nation's children who do not receive a child care subsidy but participate in child care programs that benefit from these quality investments, such as teacher training.⁶⁵

While the CCDBG directs all states to make quality and eligibility changes, Minnesota's increased federal allocation does not cover the cost of all the new requirements. Minnesota already has in place a number of the new federal requirements, but there are several that are new to the state. However, state funding has not been passed to bring Minnesota into compliance with the requirements of the CCDBG.

Task force members received testimony from representatives of DHS about the state's road to compliance, CCDBG requirements, and costs associated with implementation.

Costs to Meet Federal CCDBG Requirements

According to DHS, the estimated cost to meet federal requirements last year was \$50 million for the 2018-19 biennium for changes in child care eligibility and program requirements. In addition, the costs to increase CCAP rates based on the most recent survey at the time, also a federal

⁶⁵ U.S. Administration for Children and Families. "[Overview of 2016 Child Care and Development Fund Final Rule](#)."

requirement, was \$69 million in 2018-19. Finally, there were health and safety costs that were federal requirements that totaled \$14 million in 2018-19. These costs will be different when updated based on revised forecast numbers and implementation timelines.

CCDBG Reauthorization Requirements

The following outlines requirements of the CCDBG:

Health and Safety Requirements for Child Care Providers

- Annual inspections for licensed child care centers and licensed family child care programs, and annual inspections for license-exempt centers that receive child care assistance payments. Currently licensed child care centers and licensed family child care programs receive a licensing inspection at least once every two years (as required by state law), and license-exempt centers do not receive an inspection (no requirement under law).
 - Cost to counties: Based on conversations with the counties, DHS learned that there are approximately 104 FTEs in counties doing licensing inspections for family child care programs. DHS estimated that the CCDBG annual inspection requirement would result in a 50% increase in the workload for county family child care licensors resulting in the need for approximately 52 FTEs across all counties. The costs would total about \$4,769,000 for counties to help meet the new CCDBG annual inspection requirement.
 - Cost to DHS: To help facilitate annual inspection of child care centers, annual inspections of license exempt centers, and oversight of county licensing activities, the governor recommended an investment of \$7.5 million in FY17 to meet new federal health and safety requirements
- Annual inspection requirement for legally non-licensed providers who are not related to the children served and who participate in the Child Care Assistance Program. Currently no inspections are required.
- Expanded background study requirements, to include fingerprint based national criminal history record checks and other checks.
- Enhanced health and safety requirements, including prevention of infectious diseases; prevention of sudden unexpected infant death; medication administration; prevention and response to allergic reactions; building and physical premise safety; prevention of abusive head trauma; emergency preparedness and response planning; handling of hazardous materials and bio-contaminants; precautions in transporting children; first aid and CPR. Many of these are already addressed in current licensing requirements, and those that are not will need to be added.
- Orientation and on-going training on the above health and safety requirements. Many of the training topics are already required, and those that are not will need to be added.
- Licensing monitoring and inspection reports, as well as the number of deaths, serious injuries, and instances of substantiated maltreatment, must be made available by electronic means, in a consumer-friendly and easily accessible format. Most of this information is already available on DHS Licensing Information Lookup for child care centers, but not for family child care.

- Requirement for a statewide child care disaster plan for coordination of activities and collaboration among state agencies and others to plan for an emergency or disaster. Licensed programs are required to address a man-caused event (such as violence at a child care facility) as part of their emergency preparedness and response planning.
- Qualification and training requirements for licensors in related health and safety requirements, and in all aspects of licensing requirements. These requirements are more specific than what Minnesota law currently requires for licensors.

Child Care Assistance Program Eligibility Policies

- 12 month redetermination period. Eligibility would be determined every 12 months instead of every six months, as is required under current law.
- 12 month eligibility period regardless of changes in income (as long as income does not exceed 85% of state median income⁶⁶) or temporary change in work, training, or education activities. Currently eligibility ends following a 15 day notice if income exceeds 67% of state median income.⁶⁷ Currently eligibility may end or the amount of assistance may be reduced depending on the type of change in work, training, or education activity.
- When a parent's work, training, or education activity ends during 12 month eligibility period, states have the option to continue assistance or to end assistance following a three month job search period. Currently families are allowed up to 240 hours of job search per year (families with an approved MFIP Employment Plan are not subject to this limit), eligibility ends following a 15 day notice if parent is not participating in an allowed activity. If states do not choose this option, they must continue assistance until the end of the 12 month eligibility period.
- States must limit reporting requirements between redeterminations to items that impact eligibility or items needed to contact the family or pay providers. Currently families are required to report many changes, including changes in income, activity, and household composition.
- Requires states to establish payment policies that reflect generally accepted payment practices for child care providers. Currently payment is made for up to 10 holidays and up to 25 absent days per year.
- Establishes an asset limit of \$1 million. Currently there is no asset limit.
- Requires expedited enrollment of homeless children prior to receiving required documentation. Currently there is no expedited enrollment process.
- Requires states to conduct a market rate survey or use alternative methodology, and describe how payment rates are established, taking into account the cost of providing higher quality services. Currently a market rate survey is conducted and payment rates are determined by Minnesota statute.

The following page includes a table comparison of current regulations versus proposed CCBGDG requirements.

⁶⁶ 85% of state median income is \$67,392 for a family size of three.

⁶⁷ 67% of state median income is \$53,121 for a family size of three.

Minnesota Child Care Providers | Summary Statistics and CCDBG Requirements

1/6/2017

Provider Type	Family/In-Home					
	Legal Non-Licensed (Relative Only)		Legal Non-Licensed (Non-relative)		Licensed Family Child Care	
Statewide Providers	306 (Receiving CCAP)		355 (Receiving CCAP)		8,896	
CCAP Children served	660		803		9,012	
Statewide Capacity	Unknown		Unknown		104,187	
	<i>Current</i>	<i>Proposed in 2016*</i>	<i>Current</i>	<i>Proposed in 2016*</i>	<i>Current</i>	<i>Proposed in 2016*</i>
Oversight Mechanism	CCAP Registration	CCAP Registration	CCAP Registration	CCAP Registration	County License	County License
MN Background Study Req?**	Yes	Yes	Yes	Yes	Yes	Yes
MN + FBI Background Study Req?***	No	Not a federal requirement	No	Federal requirement	No	Federal requirement
First Aid/CPR Training Req?	Yes	Yes	Yes	Yes	Yes	Yes
# of CCDF 10 Health and Safety	Few	Few	Few	All	Most	All
Inspection Frequency Req.	None	None	None	Annual	Biennial	Annual
Announced Inspections?	No Inspections	No Inspections	No Inspections	Yes	No	No

Provider Type	Center-Based			
	Licensed Child Care Center		License Exempt (CCAP)	
Statewide Providers	1,711		584 (Receiving CCAP)	
CCAP Children served	30,584		4,670	
Statewide Capacity	123,605		Unknown	
	<i>Current</i>	<i>Proposed in 2016*</i>	<i>Current</i>	<i>Proposed in 2016*</i>
Oversight Mechanism	State License	State License	CCAP Registration	Certification
MN Background Study Req?**	Yes	Yes	No	Federal requirement
MN + FBI Background Study Req?***	No	Federal requirement	No	Federal requirement
First Aid/CPR Training Req?	Yes	Yes	No	Yes
# of CCDF 10 Health and Safety	Most	All	None	All
Inspection Frequency Req.	Biennial	Annual	None	Annual
Announced Inspections?	No	No	No Inspections	Yes

* = changes proposed to comply with CCDBG Reauthorization

** = DHS currently conducts "conditional" FBI checks when a subject has a BCA record that indicates the person does/may have a record in another state.

*** = Minnesota and FBI studies are conducted at the same time with one fee

Sources: LNL & LE providers (FFY16; ACF800); CCAP children served (FFY16; ACF800); LFCC and LCCC providers and capacity (LIS as of 1/1/17)

III. Recommendations

A. Overview

Task force members received input, testimony, and recommendations from over 50 child care providers, child care organizations, parents, guardians, state and county officials, and concerned Minnesotans over the course of four months. As outlined in the report, members carefully analyzed the scope of the state’s child care environment, including the workforce shortage caused by family child care providers exiting the field; the regulatory climate for family- and center-based providers; and affordability concerns for both parents and providers.

In short, the recommendations: 1) address the regulations and relationships between the Minnesota Department of Human Services (DHS), county licensors, and providers that are, in part, causing a “mass exodus” of in-home family child care providers, while at the same time ensuring the state’s world-class quality and safety standards are maintained;⁶⁸ 2) advise reforms, funding, and policies related to addressing costs of care for low- and middle-income families; and 3) encourage business and community partnerships to address local needs and spur economic growth.

The task force recognizes that multiple, interconnected factors contribute to providers leaving the field and that there is a national trend of increasing child care costs. While the issue is immense and will require a great deal of time and continued effort to remedy, the recommendations will provide a starting point for meaningful reform.

Members note the critical importance of affordable child care to the economic vitality of our state. Testimony made clear the stress that a lack of affordable child care options can place on a family. Minnesota’s tight and expensive child care market can be a burden to working parents, many who often face unpredictable schedules and low wages. Families’ voices and stories were heard and their testimony appreciated.

Task force members also want to underscore the fact that the child care field is a valued industry and an honorable profession. It is a central pillar of the economy. Members were continually impressed by the heartfelt passion and dedication providers conveyed via testimony and which they bring to the children and families they serve. Child care is a field that requires long hours, relatively low pay, and a great deal of sacrifice. Providers persevere even though other careers with less stress and better wages are available. They do it for the love of the children, and they make sacrifices because they recognize their communities need them. Members are grateful for their commitment.

⁶⁸ Werner, 5.

B. Goals to Guide Legislative Action

1. Improve the regulatory and relational environment between the Minnesota Department of Human Services, county licensors, and child care providers.
2. Address affordability issues for families.
3. Encourage business and community partnerships to address local needs and spur economic growth.

C. Task Force Recommendations

Regulatory

1. **Develop consistency and uniformity in regulatory enforcement; improve relationships and communication between the Minnesota Department of Human Services (DHS), county licensors, and child care providers; and improve fairness in compliance measures.**

One of the most discussed issues for family child care providers is a lack of consistency by licensors county-by-county in the interpretation and enforcement of rules and statute. This prompts providers to act as their own advocates and legal experts during monitoring visits, fearing county licensors may inconsistently apply the law and rules. The unpredictable nature of these visits has caused a great deal of stress and anxiety for providers to a point that many have decided not to continue in this field of work.

Many providers noted that the perceived nature of relationships between DHS/counties and providers has also shifted in the past few years, from one that is supportive to one that is punitive. Many providers shared passionately that they feel like a targeted group. While not always the case, many providers have said that monitoring visits have devolved from teaching opportunities and technical assistance for quality improvements, to hostile encounters where licensors seek to search until something negative is found.

Communication and transparency from DHS and county licensors to child care providers is also inconsistent and needs extensive improvement. Changes in law or new rule interpretations are not always made clear prior to monitoring visits, nor are DHS or the counties always responsive to providers. In addition, many providers do not reach out and ask questions for fear they will be given a correction order as a result.

As a result of both the current relational environment and inconsistent communication patterns, corrections orders may be issued that are open to interpretation. These orders, which indicate non-compliance that Minnesota statute states “does not imminently endanger the health, safety, or rights of the persons served by the program,” may serve as a “scarlet letter” for providers. Even if correction orders are under appeal or have been overturned, providers must publicly post them in their home or facility for two years. The order is also posted on the DHS website for two years. Providers may also have no knowledge that the order is being considered until weeks after their monitoring visit when they are notified in the mail. Providers have noted that living in this anxiety-

producing level of unknowing has contributed to some providers exiting the industry. While improvements are necessary in this area, it is important to ensure the state maintains its high quality and safety standards.

Steps the legislature and/or DHS and counties may take to implement the recommendation include:

- Develop and implement uniform training for county licensors, including rules, statutes, and providers' rights.
- Target changes in policy and procedures that help to create a healthy environment in which monitoring visits are supportive, not punitive, and used to target technical assistance and provide other supports in order to improve quality.
- Ensure the time length of monitoring visits is reasonable.
- Establish a safe communication process for providers to ask questions without fear of immediate negative actions.
- Initiate regular, uniform communications from DHS or licensing staff to providers to address frequent questions in the field, any new interpretations providers should be aware of to be in compliance, and include a feedback loop for providers to send in a question for clarification without fear of a future correction order based on the question.
- Ensure ample notice time to providers about statutory or rule changes before violations are issued on those changes.
- Consider developing tiered, consistent discipline levels that reflect the severity of an issue. For example, issue a "fix ticket" instead of a correction order to provide guidance on minor issues that require the provider to document a fix in a short window of time.
- Implement an immediate feedback system of potential compliance orders before the licensors leave the home or facility, and allow providers the opportunity to fix issues on the spot.
- Consider making it a requirement for licensors to seek clarification from DHS when there is a dispute, before issuing an order.
- Communicate a clear appeals process to providers.
- Consider changing statute language to allow removal of the public posting of corrections orders that have been overturned.
- Put in place protections for providers from false accusations that can damage or close their business.

The legislature should re-examine this issue following any changes or reform improvements made during the 2017 Legislative Session.

2. Ensure training is accessible, relevant, and affordable; and broaden and deepen the trainer pool.

In 2014, training requirements for providers doubled from eight to 16 hours per year. As a result, training costs doubled, as did the cost of hiring substitutes, who are few and far between and are also required to have training. The task force also heard repeatedly that training courses are difficult to find, especially in Greater Minnesota. Providers often

drive hours to attend classes. Availability of trainers from communities of color and access to training that reflects cultural competencies is also limited.

Providers agree and statistics show that our state does better in quality than many other areas in the United States.⁶⁹ Training is an important element of achieving a high degree of quality. However, requirements should be relevant—not redundant—accessible, and affordable.

Steps the legislature and/or DHS and counties may take to implement the recommendation include:

- Conduct a review of training requirements to ensure they are relevant, accessible, and affordable; reduce redundancies and streamline courses if possible; and use data on compliance issues to determine areas of emphasis for training offered (i.e., teach where the trends are).
- Determine ways to broaden and deepen the trainer pool. Consider looking into rules that may unnecessarily restrict the number of trainers and review the Training of the Trainer requirements to open eligibility for more trainers.
- Determine ways to encourage providers from communities of color and American Indian communities to become trainers.
- Determine ways to provide better access to training that reflects cultural competencies.
- Consider streamlining the required training components into one 2-hour class as an annual refresher.
- Simplify training requirements for helpers/substitutes.
- Assess and clarify who needs training (e.g., the husband of a child care provider is not allowed to hold his own child in care during the day unless he has training).
- Align “annual” and “license period” training requirements.
- Consider expanding county or community solutions for providers who do not have internet access to sign up for and track training courses.
- Promote and look into ways to reduce the cost of training (e.g., technical service grants to bring trainers to Greater Minnesota).
- Consider business courses as part of relevant training options that include classes on business models, pricing strategy, and tax accounting.
- Encourage community training opportunities through partnerships with schools, public health, Child Care Aware, initiative foundations, etc.
- Support mentor programs that are provider-to-provider based, designed to support the goals and needs of the provider, and focused on the providers’ needs and driven by what they need to build their business.

3. Additional recommendations for DHS.

- Streamline and reduce redundancies in paperwork.

⁶⁹ Minnesota ranks 10th in the nation for quality child care using center data according to the 2013 Child Care Aware report “[We Can Do Better](#): Child Care Aware of America’s Ranking of State Child Care Center Regulations and Oversight.”

- Coordinate nighttime and statewide meetings with providers, not just day-time metro meetings, before initiating any changes.
- Communicate to the state and providers about potential burdens for each proposed regulatory change.
- Review applicability to determine whether Rule 2 and Rule 3 child care programs should be exempt from the Positive Supports Rule.

Affordability

Child care remains one of the most significant expenses in a family budget, yet family child care providers and center workers are only earning an average hourly wage between \$8 and \$10. In short, families cannot afford to pay more, but providers cannot afford to charge less.

Task force members believe the issue of affordability for both parents and providers should be scrutinized to determine ways to address cost drivers. A cost and regulation comparison between states, especially those that border Minnesota, would be beneficial for long-term recommendations. At present, there are some levers to help address affordability, as listed below.

1. Reform and invest in the Child Care Assistance Program (CCAP).

During testimony, many parents and providers advocated for increases to the CCAP provider reimbursement rates and the Basic Sliding Fee program. CCAP helps low-income families access needed child care services.

Currently, CCAP rates are the greater of the 25th percentile of the 2011 rate survey or the maximum rates in effect on November 28, 2011. Compared to 2001, reimbursement rates were set at the 75th percentile of then-current market rates. According to testimony, low reimbursement rates make it more difficult for families accessing CCAP to find providers, and more difficult for providers to open their programs to lower-income families. In addition, about 5,400 families are on the waitlist for Basic Sliding Fee child care assistance.

Another area of concern is lack of access to child care providers of color and American Indian providers. Increasing reimbursement rates and program funding to serve more families could help to sustain current providers and encourage additional providers to enter the field.

Several policy reforms would help make CCAP work better for families and providers. Some of these reforms are required by the most recent federal reauthorization of the Child Care and Development Block Grant program (CCDBG).⁷⁰ These changes include extending authorization periods to allow parents to keep assistance when they find work; allowing families to stay on assistance when moving between counties; and speeding up reimbursement time.

⁷⁰ Rf. page 28 about the CCDBG.

Any significant influx of state funds should be done in conjunction with reform, including efforts to simplify participation for both families and providers and support consistency of care for children.

Steps the legislature may take to implement the recommendation include:

- Increase CCAP provider reimbursement rates. Members varied in recommending increases from the 25th percentile to either the 50th or 75th percentile, tied to varying degrees of reform to the system. Decisions to increase the reimbursement rates above the 85th percentile should be made carefully, including examination of the impact of higher reimbursement rates on private pay rates. In addition, the legislature may consider having CCAP provider reimbursement rates reviewed and updated with each new survey of the child care market.
- Increase funding for the Basic Sliding Fee program so more eligible families can access assistance.
- Change eligibility for CCAP from six months to twelve, providing for greater stability for children and providers.
- Allow child care providers who are guardians of foster care children to be eligible for CCAP reimbursement for that child.

2. Determine ways to address costs for middle income families, whether through targeted funding, tax policy, or community/business investments in child care.

Middle income families are often feeling the squeeze when it comes to finding and affording child care. They are often ineligible for assistance and can be priced out of other options. With the high cost of care and the provider shortage, some parents have decided to quit their jobs and stay home to care for their children. This is causing a “ripple effect” on economies across the state.⁷¹

Many of the success stories the task force heard included intentional partnerships when a community came together to address their specific child care needs. Funding from many local, regional, state, and federal outlets helped make those goals a reality. This strategy helped families of all income levels find and afford care.

Steps the legislature and/or communities may take to implement the recommendation include:

- Consider investing in new or expanding existing child care tax credits for middle-income families.
- Encourage communities and businesses to examine local needs to develop specific solutions through partnerships.
- Study and share community success stories to help others. If they are proven models, consider ways to support duplication statewide.
- Consider new solutions to the child care shortage, such as provider-owned child care cooperatives.
- Consider incentives for businesses to invest in on-site child care.

⁷¹ Werner, 1.

Long-term Discussions

The following are ideas brought forward by members and the public that can be considered by the 2017 Legislature and beyond.

1. Consider the creation of an independent board for child care providers.

As indicated by the regulatory recommendations above, providers are wary of contacting DHS or their county licensors for fear of receiving a correction order based on their question; due to inconsistent communication; or because they will not receive a response. The idea of an independent board was put forward for consideration by the task force. It was supported by some family child care providers under the condition that it is independent from DHS.

The board could have a variety of responsibilities, including housing an advocate/liaison for providers; acting as an outside entity for the appeals process; conducting and reviewing exit interviews for providers leaving the field; acting as an oversight board to handle appeals of wrongfully issued violations and to provide license holders a place to challenge improper interpretations; auditing training and regulations; and approving changes to interpretation.

2. Encourage more people to enter and stay in the child care provider workforce.

Future legislatures might consider a boost in the child care provider workforce supply through a variety of mechanisms, including loan forgiveness, tax credits, or scholarships for credentials.

3. Consider ways to address emergency child care assistance for families fleeing abuse.

According to advocates for survivors of domestic violence, many families fleeing abuse will lose their jobs due to an inability to secure child care. Future legislatures might consider ways to address this issue, whether through areas of refuge or waivers for providers to increase access to short-term child care.

Closing Notes on the Federal Child Care and Development Block Grant Reauthorization

The federal Child Care and Development Block Grant reauthorization includes some reforms and funding policies that providers and child care organizations agree are helpful to our child care system. However, members believe the 2017 Legislature needs to use careful scrutiny during the committee process to ensure that changes to regulations—and costs associated with them—do not adversely affect providers and cause an even greater shortage.

Testimony from many family child care providers mentioned that the added requirements in an already paper- and regulatory-laden field may drive more providers out of the profession or may deter potential providers from entering the field. Members advise chairs of relevant committees to take time to review the requirements and pay careful

attention to the implementation of the block grant such that the goal of continuing to improve our child care system for children, parents, and providers is met.

In addition, committees may consider exploring licensing renewal timelines, such as whether providers who do not accept CCAP may do licensing renewals every two years if they choose, and those who accept CCAP do licensing renewals yearly, as established by the block grant requirements. Attention should also be paid to avoid the creation of unfunded mandates and to limiting the addition of full-time equivalents to support implementation of the block grant requirements. ■

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Appendix I. Task Force Agendas and Minutes

Legislative Task Force on Access to Affordable Child Care

Meeting 1

August 30, 2016
1200 Minnesota Senate Building
Time: 6:00 – 8:00 pm

1. Introduction of Members
2. Review Task Force Charge
3. Overview of House Select Committee on Affordable Child Care and 2016 Session Actions
4. Presentation on current status of child care in Minnesota
5. Review preliminary work plan and identify additional member priorities
6. Public comment period

LEGISLATIVE TASK FORCE ON ACCESS TO AFORDABLE CHILD CARE
MINUTES

Senator Wiklund, Co-Chair of the Legislative Task Force on Child Care, called the meeting to order at 6:04 p.m. on Tuesday, August 30, 2016, at the Minnesota Senate Building, Room 1200, in Saint Paul, Minnesota.

Legislative Assistant Nathan Coulter noted the roll.

Select Committee Members present:

WIKLUND, Melissa, Co-Chair
FRANSON, Mary, Co-Chair
JOHNSON, Alice
SENJEM, David
PERSELL, John

Select Committee Members excused: Representative Tony Albright, Representative Peggy Flanagan, Senator Carla Nelson.

Ann McCully, Child Care Aware of Minnesota, spoke about the current state of child care in Minnesota, and how it compares to the rest of the country.

Jerry Kerber, Inspector General, Minnesota Department of Human Services, spoke about the Department's work within the child care industry and answered questions of the task force and the public.

Jim Koppel, Assistant Commissioner, Children and Family Services, Minnesota Department of Human Services, spoke about the Department's work within the child care industry and answered questions of the task force and the public.

Senator Wiklund opened the meeting to public testimony.

Desiree Rotter, Child Care Provider;
Heidi Hagel Braid, First Children's Finance;
Cyndi Cunningham, Child Care Provider;
Clare Sanford, Minnesota Child Care Association;
Hollie Saville, Minnesota Association of Child Care Professionals.

The meeting was adjourned at 8:18 p.m.

Senator Melissa Wiklund, Co-Chair

Nathan Coulter, Legislative Assistant

LEGISLATIVE TASK FORCE ON ACCESS TO AFFORDABLE CHILD CARE

Meeting 2: Regulatory Infrastructure

Co-Chairs: Rep. Mary Franson & Sen. Melissa Wiklund

Meeting:

Wednesday, September 21, 2016
6:00 p.m. to 8:00 p.m.
1200 Minnesota Senate Building

Agenda:

- I. Call to Order, Chair Mary Franson**
- II. Approval of Minutes from August 2016 Meeting**
- III. DHS Overview of Child Care Regulatory Structure**
 - Jerry Kerber, Inspector General
- IV. County Overview of Family Child Care Licensing**
 - Warren Chaffee, Dakota County Social Service Supervisor
 - Susan Erickson, Dakota County Social Worker
 - Jolene Swan, Dakota County Social Worker
- V. Discussion about Issues Related to Regulation Heard on the Select Committee on Affordable Child Care Tours**
 - Chair Mary Franson
- VI. Discussion by Providers Regarding Regulations**
 - Julie Seydel, Minnesota Association of Child Care Professionals (MACCP), Anoka County
 - Arianne Bromberg, Family Child Care Inc. (FCCI), Olmsted County
 - Jen Bestgen, Family Child Care provider, Olmsted County
 - Chad Dunkley, CEO, New Horizon Academy and Kinderberry Hill, President, Minnesota Child Care Association
 - Danette Allrich-Osano, Licensed Child Care Provider, Ramsey County
 - Kelly Martini, Child Care Provider, Avon
 - Clarissa Johnston, Rainbow Kids Child Care, Mounds View
 - Lisa Thompson, Thompson Family Child Care, St. Paul, President, CCPT - AFSCME Local 3400
 - Stacy Boysen, TBC Family Child Care
- VII. Public Testimony**
- VIII. Adjournment**

MN House Contact: David Larson, david.larson@house.mn, 651-296-5621.

**LEGISLATIVE TASK FORCE ON ACCESS TO
AFFORDABLE CHILD CARE
STATE OF MINNESOTA
SECOND MEETING: SEPTEMBER 21, 2016**

MINUTES

Representative Franson, Co-Chair of the Legislative Task Force on Access to Affordable Child Care, called the meeting to order at 6:08 p.m. on Wednesday, September 21, 2016, at the Minnesota Senate Building, Room 1200, in Saint Paul, Minnesota.

Legislative Assistant David Larson noted the roll.

Task Force Members present:

FRANSON, Mary, Co-Chair
WIKLUND, Melissa, Co-Chair
JOHNSON, Alice
SENJEM, David
ALBRIGHT, Tony
FLANAGAN, Peggy
PERSELL, John

Task Force Members excused: Senator Carla Nelson

Jerry Kerber, Inspector General, Minnesota Department of Human Services, spoke about the Department's regulatory work within the child care industry and answered questions of the task force and the public.

Warren Chaffee, Dakota County Social Service Supervisor, Susan Erickson, Dakota County Social Worker, and Jolene Swan, Dakota County Social Worker, spoke about the roles of counties in family child care licensing.

Representative Franson opened the meeting to public testimony.

Julie Seydel, Minnesota Association of Child Care Professionals (MACCP), Anoka County;
Arianne Bromberg, Family Child Care Inc. (FCCI), Olmsted County;
Jen Bestgen, Family Child Care provider, Olmsted County;
Chad Dunkley, CEO, New Horizon Academy and Kinderberry Hill, President, Minnesota Child Care Association;
Danette Allrich-Osano, Licensed Child Care Provider, Ramsey County;
Kelly Martini, Child Care Provider, Avon;
Clarissa Johnston, Rainbow Kids Child Care, Mounds View;
Lisa Thompson, Thompson Family Child Care, St. Paul, President, CCPT - AFSCME Local 3400; and
Stacy Boysen, TBC Family Child Care.

The meeting was adjourned at 9:05 p.m.

Representative Mary Franson, Co-Chair

David Larson, Legislative Assistant

Legislative Task Force on Access to Affordable Child Care
Meeting 3
October 17, 2016
1200 Minnesota Senate Building
Time: 6:00 – 8:00 pm

Agenda:

1. Call to Order
2. Review Agenda, Approve Minutes from September meeting, Review Work Plan (5 minutes)
3. Review current provider levels: (25 minutes)
 - Charge 1: Review the loss of child care providers in the state
 - Task: Evaluate access to culturally appropriate child care
 - Task: Consider options for exit interviews with providers who leave the child care field or choose not to be relicensed
 - RuralMN.org – Marnie Werner
 - Think Small – Cisa Keller
 - DHS
 - MACSSA (exit interview task) – Kareem Murphy
4. Review child care provider retention and support strategies: (25 minutes)
 - Task: Consider creation of a board of child care to be responsible for all matters related to licensing of child care providers, both in-home and center-based
 - Task: Consider uniform training requirements for county employees and their supervisors who perform duties related to licensing
 - Career Pathways and Workforce Development
 - High-level discussion of higher ed opportunities for child care and education credentials
 - Readout from DHS on two work groups who are meeting on related topics
 - DHS
 - MACSSA (Board of child care and uniform training requirements tasks)
5. Training: (40 minutes)
 - Task: Review the current preservice and in-service training requirements for family child care providers and child care center staff. Include availability, cost, delivery methods for:
 - Training for licensing
 - Training for Parent Aware Rating System (Include information on how this training aligns with Minnesota's Career Lattice and Minnesota's Knowledge and Competency Framework for Early Childhood and SchoolAged Care Practitioners)
 - DHS
 - Models for training delivery
 - Bloomington – Karen Cadigan
 - Greater MN
 - Rochester – Sandra Simar
 - Pine County – Wendy Walburg

6. Public Testimony (25 minutes)

7. Adjournment

**LEGISLATIVE TASK FORCE ON ACCESS TO
AFFORDABLE CHILD CARE
STATE OF MINNESOTA
THIRD MEETING: OCTOBER 17, 2016**

MINUTES

Senator Wiklund, Co-Chair of the Legislative Task Force on Access to Affordable Child Care, called the meeting to order at 6:04 p.m. on Monday, October 17, 2016, at the Minnesota Senate Building, Room 1200, in Saint Paul, Minnesota.

Legislative Assistant Nathan Coulter noted the roll.

Task Force Members present:

WIKLUND, Melissa, Co-Chair
FRANSON, Mary, Co-Chair
JOHNSON, Alice
ALBRIGHT, Tony

Task Force Members excused: Senator Carla Nelson, Senator David Senjem, Representative Peggy Flanagan, and Representative John Persell.

A quorum was not present.

Members briefly reviewed an updated task force work plan that shows meeting-by-meeting progress to meet statutory charges and tasks.

Marnie Werner, Research Director, Center for Rural Policy and Development, gave a presentation on “A quiet crisis: Minnesota’s child care shortage”.

Cisa Keller, Director of Early Childhood Quality Development, Think Small, testified about access to culturally appropriate child care.

Members of the Minnesota Association of County Social Service Administrators (MACSSA), Ramsey County Commissioner Toni Carter and Liz Dodge, Chisago County Social Services Director, testified about the option of counties providing exit interviews with providers who leave the child care field or choose not to be re-licensed. Reggie Wagner, Deputy Inspector General, Licensing Division, Minnesota Department of Human Services (DHS), added to the discussion, in addition to that of uniform training options for county licensors.

Deb Swenson-Klatt, Manager, Child Development Services, DHS, presented on career pathways and workforce development for child care providers. Mary Kelsey, Licensing Section Manager, DHS, answered questions from members.

Toni Carter and Liz Dodge testified again about two task force tasks: first, the creation of a board of child care to be responsible for all matters related to licensing of child care providers, both in-home and center-based; and second, to consider uniform training requirements for county

employees and their supervisors who perform duties related to licensing.

The following testifiers discussed models for child care training delivery:

Dr. Karen Cadigan, Early Childhood Specialist, Bloomington-Richfield Public Schools;
Joan Bulfer, Health Promotion Specialist, Bloomington Public Schools;
Sandra Simar, Education Director, Families First; and
Wendy Walburg, Director of Child Care Aware, Pine Technical and Community College.

Senator Wiklund opened the meeting to public testimony.

Karlene Dunaisky, The Backyard Playschool;
Clare Sanford, Director of Government and Community Relations, New Horizon
Academy;
Alli Zomer, Director of Operations, Especially for Children;
Jennifer Bestgen, Family Child Care, Inc., Olmsted County;
Lisa Thompson, Thompson Family Child Care;
Jennifer Parrish, Minnesota Association of Child Care Professionals; and
Amy O'Brien, Child Care Provider.

The meeting was adjourned at 9:03 p.m.

Senator Melissa Wiklund, Co-Chair

Nathan Coulter, Legislative Assistant

LEGISLATIVE TASK FORCE ON ACCESS TO AFFORDABLE CHILD CARE

Meeting 4: Cost and Affordability

Co-Chairs: Rep. Mary Franson & Sen. Melissa Wiklund

Meeting:

Monday, November 14, 2016

6:00 p.m. to 8:00 p.m.

1200 Minnesota Senate Building

Agenda:

- I. Call to Order, Chair Mary Franson**
- II. Approval of Minutes from September and October Meetings**
- III. DHS: Overview, Child Care Assistance Program, Child Care Development Block Grant Reauthorization, and Pathways Forward**
 - Jim Koppel, Assistant Commissioner, Children and Family Services
 - Elizabeth Roe, Manager, Child Care Assistance Program
 - Deb Swenson-Klatt, Director, Child Development Services
- IV. First Children's Finance: State of Minnesota Child Care Businesses**
 - Heidi Hagel Braid, Regional Director, Minnesota, North Dakota and South Dakota
- V. Public Testimony**
 - Alli Zomer, Director of Operations, Especially for Children
 - Valley Hintzen, parent
 - Priscilla Williams, parent
 - Karen DeVos, Little Learners, Ada
 - Amanda Lederman
 - Kari Schmitz
 - Kayla Jones
 - Amanda Mason
 - Clare Sanford, Chair, Government Relations, Minnesota Child Care Association
 - Chad Dunkley, CEO, President, Minnesota Child Care Association
 - Kim Leipold, board member, Association of Minnesota Family Child Care Licensors
 - Hollee Saville, Happee Hollee's Childcare
- VI. Adjournment**

**LEGISLATIVE TASK FORCE ON ACCESS TO
AFFORDABLE CHILD CARE
STATE OF MINNESOTA
FOURTH MEETING: NOVEMBER 14, 2016**

MINUTES

Representative Franson, Co-Chair of the Legislative Task Force on Access to Affordable Child Care, called the meeting to order at 6:06 p.m. on Monday, November 14, 2016, at the Minnesota Senate Building, Room 1200, in Saint Paul, Minnesota.

Legislative Assistant Nathan Coulter noted the roll.

Task Force Members present:

WIKLUND, Melissa, Co-Chair
FRANSON, Mary, Co-Chair
JOHNSON, Alice
ALBRIGHT, Tony
FLANAGAN, Peggy
PERSELL, John

Task Force Members excused: Senator Carla Nelson, Senator David Senjem.

Senator Melissa Wiklund moved to adopt the August 30, 2016 meeting minutes, the September 21, 2016 meeting minutes, and the October 17, 2016 meeting minutes. **THE MOTION PREVAILED.**

Jim Koppel, Assistant Commissioner, Department of Human Services (DHS), Elizabeth Roe, Manager, DHS, and Deb Swenson-Klatt, Director, DHS, testified about the Child Care Assistance Program and the Child Care Development Block Grant.

Heidi Hagel Braid, Regional Director, First Children's Finance, testified about the business practices of Family Child Care.

Representative Franson opened the meeting to public testimony.

Clare Sanford, Director of Government and Community Relations, New Horizon Academy;
Alli Zomer, Director of Operations, Especially for Children;
Valley Hintzen, Parent;
Priscilla Williams, Especially for Children;
Karen DeVos, Little Learners;
Amanda Lederman, Minnesota Child Care Association;
Kari Schmitz, Minnesota Child Care Association;
Kayla Jones, Parent;
Amanda Mason, Provider;
Chad Dunkley, CEO, Minnesota Child Care Association;

Kim Leipold, Association of Minnesota Family Child Care Licensors;
Hollie Saville, Happie Hollie's Childcare;
Stacey Stout, Parent;
Bharti Wahi, Children's Defense Fund;
Danielle Jones, Parent;
Toniesha Thompson, Parent; and
Rasheeda Jenkins, Parent.

The meeting was adjourned at 8:27 p.m.

Representative Mary Franson, Co-Chair

David Larson, Legislative Assistant

Appendix III. County-by-County: Families on the Basic Sliding Fee Wait List

CHILD CARE ASSISTANCE PROGRAM
Number of Families on the Basic Sliding Fee Waiting List October 2016

Agency	First Priority Students	Second Priority Comp TY	Third Priority Port Pool	Fourth Priority Veterans	Fifth Priority Other	Total Waiting List	Agency	First Priority Students	Second Priority Comp TY	Third Priority Port Pool	Fourth Priority Veterans	Fifth Priority Other	Total Waiting List
Aitkin	0	0	0	0	0	0	Meeker	0	0	0	0	0	0
Anoka	0	0	0	0	469	469	Mille Lacs	0	12	3	1	37	53
Becker	0	0	0	0	0	0	MNPrarie	0	0	0	0	0	0
Beltrami	0	0	0	0	0	0	Morrison	0	0	0	0	0	0
Benton	0	0	0	0	88	88	Mower	0	0	0	0	0	0
Big Stone	0	0	0	0	0	0	Nicollet	0	0	0	0	0	0
Blue Earth	0	0	0	0	0	0	Nobles	0	0	0	0	0	0
Brown	0	0	0	0	0	0	Norman	0	0	0	0	0	0
Carlton	0	0	0	0	0	0	Olsted	0	35	3	1	240	279
Carver	0	0	0	0	39	39	Otter Tail	0	0	0	0	0	0
Cass	0	0	0	0	0	0	Pennington	0	0	0	0	0	0
Chippewa	0	0	0	0	0	0	Pine	0	0	0	0	0	0
Chisago	0	0	0	0	0	0	Polk	0	0	0	0	0	0
Clay	0	0	0	0	0	0	Pope	0	0	0	0	0	0
Clearwater	0	0	0	0	0	0	Ramsey	71	123	44	4	861	1,103
Cook	0	0	0	0	10	10	Red Lake County	0	0	0	0	0	0
Crow Wing	0	0	0	0	24	24	Red Lake Nation	0	0	0	0	0	0
Dakota	0	0	0	9	517	526	Renville	0	0	1	0	21	22
Des Moines Valley HHS	0	0	0	0	0	0	Rice	2	2	1	0	51	56
Douglas	0	0	0	0	0	0	Roseau	0	0	0	0	0	0
Fillmore	0	0	0	0	0	0	St. Louis	0	0	0	0	0	0
Freebom	0	0	0	0	0	0	Scott	0	20	4	1	109	134
Goodhue	0	0	0	0	0	0	Sherburne	0	0	0	0	0	0
Grant	0	0	0	0	0	0	Sibley	0	0	0	0	0	0
Hennepin	0	29	0	0	1948	1977	Stearns	0	0	0	0	196	196
Houston	0	0	0	0	0	0	Stevens	0	0	0	0	0	0
Hubbard	0	0	0	0	0	0	Swift	0	0	0	0	6	6
Isanti	0	0	0	0	4	4	Todd	0	0	0	0	0	0
Itasca	0	0	0	0	0	0	Traverse	0	0	0	0	0	0
Kanabec	0	0	0	0	0	0	Wabasha	0	0	0	0	0	0
Kandiyohi	0	0	0	0	0	0	Wadena	0	0	0	0	0	0
Kittson	0	0	0	0	0	0	Washington	6	20	11	0	365	402
Koochiching	0	0	0	0	0	0	Watsonwan	0	0	0	0	0	0
Lac Qui Parle	0	0	0	0	0	0	White Earth	0	0	0	0	0	0
Lake	0	0	0	0	0	0	Wilkin	0	0	0	0	0	0
Lake of the Woods	0	0	0	0	0	0	Winona	0	0	0	0	0	0
Le Sueur	0	0	0	0	0	0	Wright	0	0	0	0	0	0
SWHHS	0	0	0	0	0	0	Yellow Medicine	0	0	0	0	10	10
McLeod	0	0	0	0	0	0							
Mahnomen	0	0	0	0	0	0							
Marshall	0	0	0	0	0	0							
Martin-Faribault	0	0	0	0	0	0							
Statewide Totals								79	241	67	16	4,995	5,398

Des Moines Valley HHS includes Cottonwood and Jackson counties

SWHHS includes Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock counties

MNPrarie includes Dodge, Steele, and Waseca counties

Total number of counties reporting a waiting list for the month.

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Appendix III. Final Report Recommendation Submissions

Task force co-chairs accepted submissions from the public to be considered by members for the final report recommendations.

The following individuals and organizations submitted recommendations:

- Cyndi Cunningham, Cyndi's Daycare
- Kelly Martini, daycare provider
- Jessica Anderson, Children's Defense Fund—Minnesota
- Paul Double, Councilman At-Large, City of Winona
- Sara Benzkofer, Minnesota Association for the Education of Young Children (MnAEYC), Minnesota School-Age Care Alliance (MnSACA)
- Joan Bulfer, Bloomington Public Health
- Association of Minnesota Family Child Care Licensors (AMFCCL)
- Dianne Haulcy and Chong Lee, Voices and Choices for Children Coalition
- Ann McCully, Child Care Aware of Minnesota
- Ariane Bromberg, Family Child Care, Inc. (FCCI), Olmsted County Child Care Association
- Barbara Wagner, Executive Director, Minnesota Licensed Family Child Care Association (MLFCCA)
- Chad Dunkley, President, Minnesota Child Care Association (MCCA)
- Jennifer Parrish, Public Policy Director, Minnesota Association of Child Care Professionals (MACCP)
- Jean A., Cornerstone
- Jennifer Davis, parent and prospective child care center owner