



**Date:** December 30, 2021

**To:** Senator Jim Abeler, Chair, and members of the Senate Human Services Reform, Finance and Policy Committee

Representative Dave Pinto, Chair, and members of the Early Childhood Finance and Policy Committee

**From:** Cindi Yang, Director, Child Care Services Division, Department of Human Services

## **RE: Child Care One-Stop Regional Assistance Network Plan**

During the 2021 special session, the Minnesota Legislature and Governor Walz enacted [Laws of MN 2021, 1st Special Session, Chapter 7](#). Article 2, Section 79 and Section 84(a) of this law directed the Minnesota Department of Human Services to use funds from the American Rescue Plan Act of 2021 to develop a plan to establish a Child Care One-Stop Assistance Network in consultation with stakeholders. Please find a copy of this plan below.

# Child Care One-Stop Regional Assistance Network Plan

## Purpose of the Child Care One-Stop Regional Assistance Network

To address barriers for individuals wanting to start a licensed family child care program or licensed child care center, the Minnesota Legislature required the Minnesota Department of Human Services (DHS), in consultation with county agencies, child care providers, and stakeholders, to develop and implement a plan to create a Child Care One-Stop Regional Assistance Network. The Network is charged with assisting child care providers and individuals interested in becoming child care providers with establishing and sustaining a licensed family child care program or child care center. The plan must include:

- An estimated timeline for implementing the assistance network through the Child Care Aware system;
- An estimated budget for the assistance network;
- A strategy to raise awareness and distribute the network's contact information statewide to licensed family child care providers, group family child care providers, and child care centers;
- Any legislative proposals necessary to implement the assistance network.

The Minnesota Legislature allocated \$3 million over three years from the American Rescue Plan Act to establish the Assistance Network, which must be implemented through the child care resource and referral system, also known and referred to as Child Care Aware.

This plan was created by a DHS-convened work group consisting of representatives from Child Care Aware, counties, Tribes, a child care center director, a family child care provider, First Children's Finance, Minnesota Initiative Foundations, DHS Licensing, and the Minnesota Children's Cabinet. A full list of Work Group members can be found in Additional Resources.

## Goals and Outcomes

The goal of the One-Stop Assistance Network is to increase access to child care for families by maintaining and increasing the number of spaces for children by supporting individuals and organizations to **establish, sustain, and expand** licensed child care programs.

Since the beginning of the administration, the Governor and Lt. Governor have prioritized access to child care. Using a data-driven approach, they set a goal for agencies to collaborate and increase family access to child care by at least 20 percent. Target outcomes for the One Stop Assistance Network goal above will be developed in alignment with this goal and informed by available data, current funding levels, network capacity, and connections to related initiatives.

## Legislation

### CHILD CARE ONE-STOP ASSISTANCE NETWORK

- (a) By January 1, 2022, the commissioner of human services shall, in consultation with county agencies, child care providers, and stakeholders, develop a plan to establish a one-stop regional assistance network of

individuals with: (1) experience or expertise starting a licensed family child care or group family child care program, or a child care center; or (2) technical expertise regarding state licensing statutes and procedures. The one-stop regional assistance network will assist child care providers and individuals interested in becoming child care providers with establishing and sustaining a licensed family child care or group family child care program, or a child care center.

(b) The plan to establish a one-stop regional assistance network shall include:

1. An estimated timeline for implementing the assistance network through the child care resource and referral system in Minnesota Statutes, section 119B.19;
2. An estimated budget for the assistance network;
3. A strategy to raise awareness and distribute the network's contact information statewide to licensed family child care providers and group family child care providers, and to child care centers; and
4. Any necessary legislative proposals necessary to implement the assistance network.

The child care resource and referral system in Minnesota Statutes, section 119B.19, shall begin implementing the plan according to the established timeline.

## Background

**Child Care Aware System.** As directed by the Legislature, the One-Stop Assistance Network will be implemented by the Child Care Aware of Minnesota system. DHS currently uses state and federal dollars to fund Child Care Aware to:

- Provide referrals to families searching for child care;
- Develop resources to meet the child care service needs of families;
- Increase the capacity to provide culturally responsive child care services;
- Coordinate professional development opportunities for child care and school-age care providers;
- Administer and award child care services grants;
- Cooperate with the Child Care Aware Coordinating Office and its member programs to develop effective child care services and child care resources; and
- Assist in fostering coordination, collaboration, and planning among child care programs and community programs.

Child Care Aware of Minnesota is divided into District level services, of which there are five; Region level services, of which there are 17; a statewide Coordinating Office; and a Tribal coordinating entity (a map and list of Child Care Aware of Minnesota agencies can be found in Additional Resources):

- Districts coordinate and deliver professional development training for child care and early childhood programs, distribute grants for programs to improve their quality and recruit programs for Parent Aware, Minnesota's Quality Rating and Improvement System.
- Regions provide coaching to child care programs that are participating in Parent Aware, and establish meaningful partnerships with organizations in their community. Each District is comprised of multiple Regions, and DHS contracts with 13 agencies to deliver these services.
- The Child Care Aware of Minnesota-Coordinating Office provides statewide coordination of these services, as well as direct services and supports for individuals working in the child care and early education field.
- Minnesota Tribal Resources for Early Childhood & Care (MNTRECC) provides coordination of these services among Minnesota's 11 federally recognized Tribes, as well as with the Child Care Aware system.

Each local agency, MNTRECC and the Coordinating Office will employ individuals as part of the One-Stop Assistance Network. They will provide direct services to individuals and programs using the strategies outlined below. They will also participate in statewide coordination of the One-Stop Assistance Network, led by the Coordinating Office.

**One-Stop Assistance Website.** The Coordinating Office will create and maintain a One-Stop Assistance Network website, to serve as a central source of information for providers and individuals interested in becoming a licensed provider. The website will include:

- Tools for assessment of interest and understanding of different child care program types and career options;
- Information on resources available, such as grants, training, business supports and Parent Aware;
- Overview of licensing process and timeline, including requirements that might need to be met prior to submitting an application for a license and links to the appropriate licensing agency, local ordinances and permits, policies and contract development, training requirements; and
- Information on how to connect to local Child Care Aware staff.

Information and resources on the website will be available in Hmong, Somali and Spanish minimally.

**DHS Child Development Services One-Stop Specialist.** DHS will employ one FTE in the Child Development Services unit to support this effort. Duties will include the following:

- Policy Development
- Implementation support in coordination with the Child Care Aware system
- Coordination with other state staff on policy and implementation strategies
- Technical assistance for interested individuals or existing providers to address barriers at the state agency level

**Scope of One-Stop Assistance Network support.** The work group identified a number of barriers that most often prevent providers from establishing, sustaining, or expanding licensed child care programs. These barriers include challenges navigating confusing and complex processes, lack of awareness of or access to available resources, lack of knowledge and support around business practices, lack of information available in languages other than English, and costs of startup equipment and materials. The work group designed the strategies the One-Stop Assistance Network will use (described in detail below) to address these barriers through enhanced technical assistance, connection to resources, and coordination across systems.

The work group also identified a need to significantly increase the number of individuals entering the child care field in order to address the state's child care shortage. For this reason, the scope of the One-Stop Assistance Network includes a strategy around identification and recruitment of individuals interested in becoming licensed providers, in addition to strategies around supporting self-selecting and existing providers.

Some of the barriers identified by the work group are outside the scope of the One-Stop Assistance Network to address at this time. However it will be important for the One-Stop Assistance Network staff to understand and help navigate these barriers. Currently, individuals applying for a license may only become aware of many of these barriers after a license has been applied for, causing delays in a license being issued. These barriers include:

- Delays in obtaining inspections for fire, building, or health codes, or delays caused when the building/space does not meet inspection requirements.

- Access to individuals with expertise in facility design who understand the requirements needing to be met prior to submitting an application for a license.
- Variation in building codes and zoning ordinances by locality. Further, zoning ordinances for commercial property can be complicated, and may prohibit rental property from being used as a child care business.
- Ability to attract qualified staff and to offer wages competitive with other industries.
- Potential household members who are undocumented.
- Lengthy background study process for some, depending on results.
- Inconsistent processes for family child care licensing from one county to another. In addition, cultural differences can lead to different expectations for assistance from licensors.
- Access to technology.

The work group did discuss policy changes that could address several of these systemic barriers and make the licensing process easier for new providers to navigate. These changes are discussed in the “Legislative Recommendations” section below.

**Related Initiatives.** The One-Stop Assistance Network is one of several child care capacity building initiatives that the 2021 Minnesota Legislature passed into law. As the One-Stop Assistance Network is implemented, Network staff will need to be aware of and coordinate closely with these initiatives. Related initiatives include:

- \$3 million for workforce development grants to provide economically challenged individuals the jobs skills training, career counseling, and job placement assistance needed for a career path in child care, also to be implemented through the Child Care Aware system.\*
- \$1 million for the Retaining Early Educators through Attaining Incentives Now (REETAIN) child care provider retention grant program.\*
- \$2 million for the Teacher Education and Compensation Helps (TEACH) program for higher education scholarships. The legislature also made small changes to the authorizing language for this program.\*
- \$3 million for child care business training and consultation to help child care providers build, strengthen and acquire business skills.\*
- \$22.5 million for child care providers or facility improvements, minor renovations, and related equipment and services, including assistance meeting licensing requirements.\*
- \$200,000 for shared services innovation grants to help start shared services agreements and provide economies of scale for family child care businesses.\*
- \$8 million over two biennia for child care capacity building grants, with \$5 million administered by the Department of Employment and Economic Development and \$3 million by the Minnesota Initiative Foundations.
- \$100,000 for the Child Care Alternate Licensing Model project to review child care models that are not currently in state statute.\*
- \$2,760,000 for the Child Care Center and Family Child Care Regulation Modernization projects to update licensing standards and to develop a risk-based model for monitoring and compliance.\*

\*Initiatives funded by American Rescue Plan Act funds

## Equity Analysis

The One-Stop Assistance Network work group used a process of centering equity that recognizes the goals may vary across racial and ethnic communities, and that engagement is critical to ensuring services are designed in a way that meets the needs of all racial and ethnic groups in Minnesota.

The group established that Black, Indigenous and People of Color (BIPOC) families are more likely to be experiencing barriers to child care, and that specialized outreach is needed to ensure access to child care that is culturally relevant and responsive. Also, the group identified barriers unique to BIPOC and non-English speaking individuals to become licensed, and discussed strategies for addressing those barriers.

Based on this information, the following elements are needed to ensure barriers are addressed:

- Child care capacity-building staff and financial incentives need to be strategically targeted to ensure child care needs are met for BIPOC families.
- Materials for outreach and licensing supports need to be culturally relevant and available in more languages than just English.
- One-Stop Network Staff and child care licensors need to help bridge understanding of requirements across cultural differences.

## Strategies

Strategy	Resources needed	Milestones
<p><b>Outreach and recruitment.</b> Identify and recruit individuals interested in becoming a licensed child care provider. Includes:</p> <ul style="list-style-type: none"> <li>• Building partnerships with local entities who may have relationships and connections with potential providers.</li> <li>• Providing services that are accessible to individuals whose primary language is not English.</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing in Child Care Aware regions, distributed based on percent of families with low access to child care and languages spoken</li> <li>• Staffing in the statewide Coordinating Office for marketing &amp; communications, project management, data analysis and direct support to individuals</li> <li>• The Statewide Coordinating Office will oversee market research, branding and messaging, and</li> </ul>	<ul style="list-style-type: none"> <li>• Contract execution with Child Care Aware, January 2022</li> <li>• Hiring and training staff, March 2022</li> <li>• Marketing and outreach campaign, April 2022</li> <li>• Website development, launch April 2022</li> </ul> <p>By July 1, 2022, One-Stop Assistance Network fully implemented.</p>
<p><b>Startup process navigation.</b> Provide technical assistance, resources and support to individuals interested in starting a licensed child care program through one-on-one support and a website, which includes:</p> <ul style="list-style-type: none"> <li>• Assessment of interest and understanding of the different program types and career options in child care.</li> <li>• Providing information on resources available, such as grants, training, business supports and Parent Aware.</li> <li>• Walking interested individuals through an overview of licensing process and timeline, including:               <ul style="list-style-type: none"> <li>○ An understanding of requirements that will be needed in order to be granted a license (facility</li> </ul> </li> </ul>		

<p>requirements, background study requirements, inspection requirements)</p> <ul style="list-style-type: none"> <li>○ An understanding of items that will be needed prior to submitting an application (policies and contract development, secured location, local ordinances and permits.)</li> <li>● Access to start-up kits, which would include items needed to meet licensing requirements and to put programs on a path to success.</li> <li>● Individualized assistance based on need, including coaching or mentoring, communities of practice and navigation of the licensing and business start-up process.</li> <li>● Providing services that are accessible to individuals whose primary language is not English.</li> <li>● Cross-state-agency coordination by the DHS One-Stop Specialist to ensure that information and resources stay up to date and any process changes are communicated clearly.</li> </ul>	<p>design and maintenance of a One-Stop Website</p>	
<p><b>Continuing support for existing programs.</b> Support retention and expansion of child care programs by sharing information about resources available, such as grants, training, business supports and Parent Aware. Includes:</p> <ul style="list-style-type: none"> <li>● Individualized assistance based on need, including coaching or mentoring, communities of practice.</li> <li>● Sharing information about resources available, such as grants, training, business supports and Parent Aware.</li> <li>● Providing services that are accessible to individuals whose primary language is not English.</li> <li>● Cross-state-agency coordination by the DHS One-Stop Specialist to ensure that information and resources stay up to date and any process changes are communicated clearly.</li> </ul>		
<p><b>System coordination and policy development.</b> Engage in continuous process improvement by gathering data and feedback to identify areas for improvement. Includes:</p> <ul style="list-style-type: none"> <li>● Establishing feedback loops between staff of the One-Stop Assistance Network, individuals and child care programs receiving services, and DHS staff to share information about common challenges or barriers and identify areas for process improvement.</li> </ul>	<ul style="list-style-type: none"> <li>● Staffing at DHS and the Child Care Aware Coordinating Office</li> </ul>	<ul style="list-style-type: none"> <li>● Hiring staff, April 2022</li> </ul>

<ul style="list-style-type: none"> <li>• Coordination among state agencies by the DHS One-Stop Specialist to identify opportunities for greater collaboration or streamlining at the state and local level.</li> <li>• Collaboration between the DHS One-Stop Specialist, DHS Family Child Care Ombudsperson, and point people across DHS divisions and other state agencies to assist in resolving barriers to startup in particular situations that cannot be resolved through other channels.</li> </ul>		
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## Timeline

The One-Stop Assistance Network will be implemented by July 1, 2022.

Action item	Target date
Contract execution with Child Care Aware	January 31, 2022
Hiring and training Child Care Aware staff and new DHS One-Stop Specialist	Hired: March 31, 2022 Trained: April 30, 2022
Website development	March 31, 2022
Resource development	April 30, 2022
Marketing and outreach campaign	Developed: January 31, 2022 Implemented: March 31, 2022

## Budget

One-Stop Assistance Network	FY22	FY23	FY24	FY25	Total
ARPA	500,000	1.25 million	1.25 million		<b>3 million</b>
CCDF*	350,000	1.2 million	1.2 million	1.2 million	<b>3.95 million</b>
Other funding source				1.2 million**	1.2 million
<b>Total</b>	<b>850,000</b>	<b>2.45 million</b>	<b>2.45 million</b>	<b>2.4 million</b>	<b>8.15 million</b>

\*Child Care Development Fund (CCDF) is the amount of funding committed by DHS to this initiative as a part of its federal CCDF allocation.

\*\*The \$1.2 million is amount of funding needed to continue the One-Stop Assistance Network in FY25.

## Legislative Recommendations

The legislature directed the Department to include in this plan any legislative proposals necessary to implement the One-Stop Assistance Network. This report includes recommendations for carrying out the One-Stop Assistance Network on-going, as well as recommendations to address other needs related to expanding access to child care in Minnesota.



## **Implementation**

The work group recommends the Minnesota Legislature pass an authorizing statute for the One-Stop Assistance Network, and an appropriation of base funding to continue this work beyond fiscal year 2024.

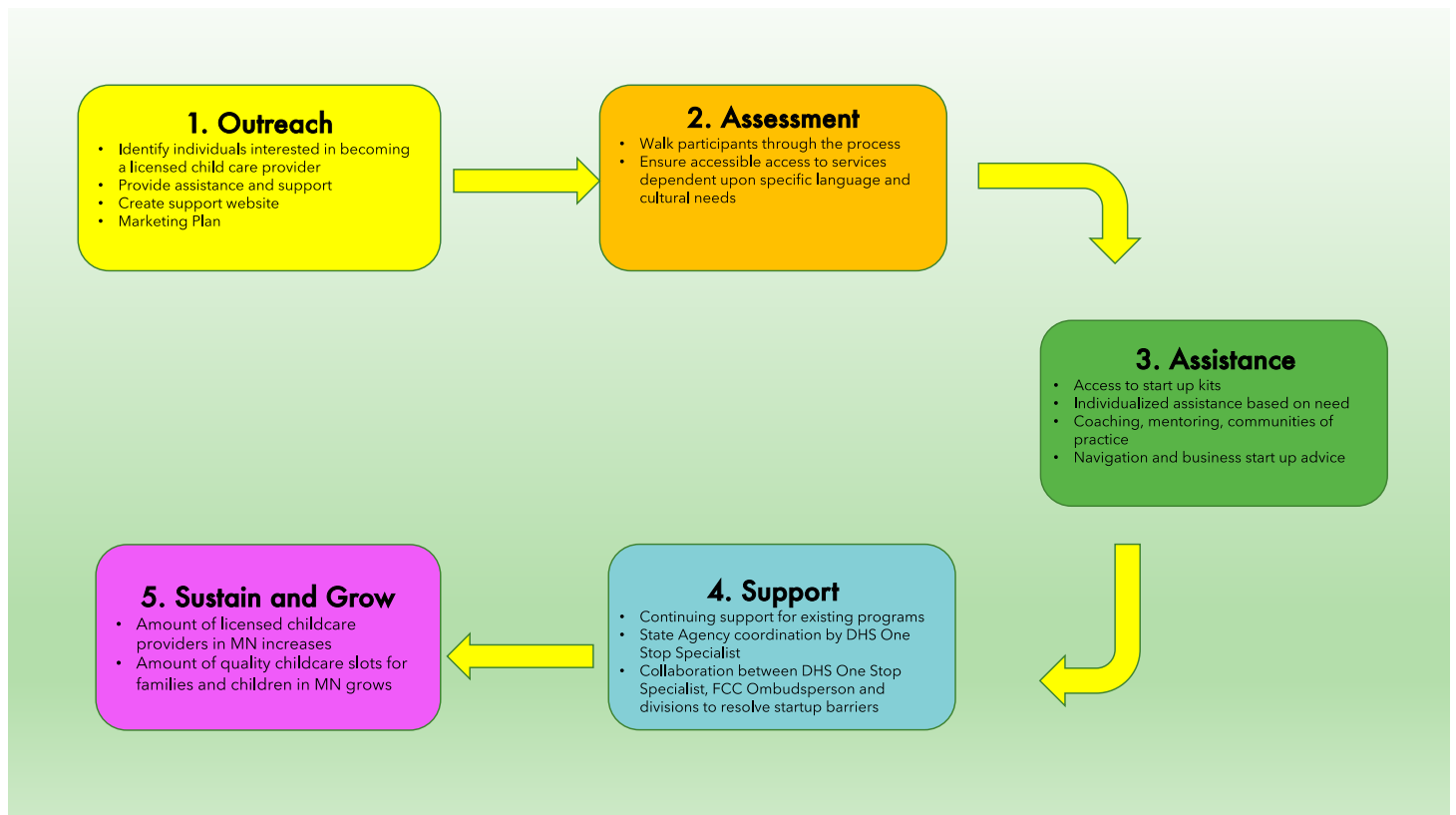
With this work expected to yield an increase in child care programs starting up, there will likely be an increase in licensing applications, an increase in required inspections from other state and local agencies, and an increase in Parent Aware participation. The workgroup discussed the need for additional funding to support these potential demands in related services.

## **Related Needs**

The One-Stop Assistance Network is designed to help providers navigate existing processes for starting and sustaining child care programs. While the Legislature did not require the plan to include recommendations for legislative proposals to make the process of starting and sustaining child care programs easier, the work group discussed several ideas that state policy makers might take into consideration. These ideas include:

- Address the inconsistency in family child care licensing practices across Minnesota’s 87 counties due to variability of funding available, by utilizing ideas which could include:
  - Streamlining the licensing process
  - Creating measures to centralize some licensing processes to DHS
  - Allocating additional funding to counties to reduce licensor caseloads
  - Establishing maximum licensor caseloads
- Support infrastructure for coordination and continuous improvement across multiple state agencies whose systems and processes impact child care.
- Explore the option of embedding licensing requirements in the Parent Aware Rating process (i.e. awarding a One-Star Rating in Parent Aware to licensed programs). Some research shows programs that participate in Parent Aware are more likely to stay in business.

## Theory of Change



## Additional Resources

### Work Group Membership

*Eric Haugee, co-chair*

*Kelly Monson, co-chair*

Barb Wagner

Michelle MacGregor

Donna Gainor

Michelle Tautges

Cisa Keller

RaeJean Hansen

Sara Stebbins

Teri Steckelberg

Angela Butel

Jacque Paulsen

Becky Littlewolf

Susan Sauls

Shirley Toby

Nancy Berndt

Nicole Atkinson, facilitator

DHS Child Development Services

Child Care Aware of Minnesota

DHS Family Child Care Licensing

DHS Center Licensing

DHS Center Licensing

Sourcewell

Think Small

Southern Minnesota Initiative Foundation

Families First of Southern Minnesota

First Children's Finance

Minnesota's Children's Cabinet

Main Square Montessori, Center director, Winona

Leech Lake Band of Ojibwe

St. Louis County Social Services (MACSSA)

Family Child Care provider, Hennepin County

Scott County Licensor

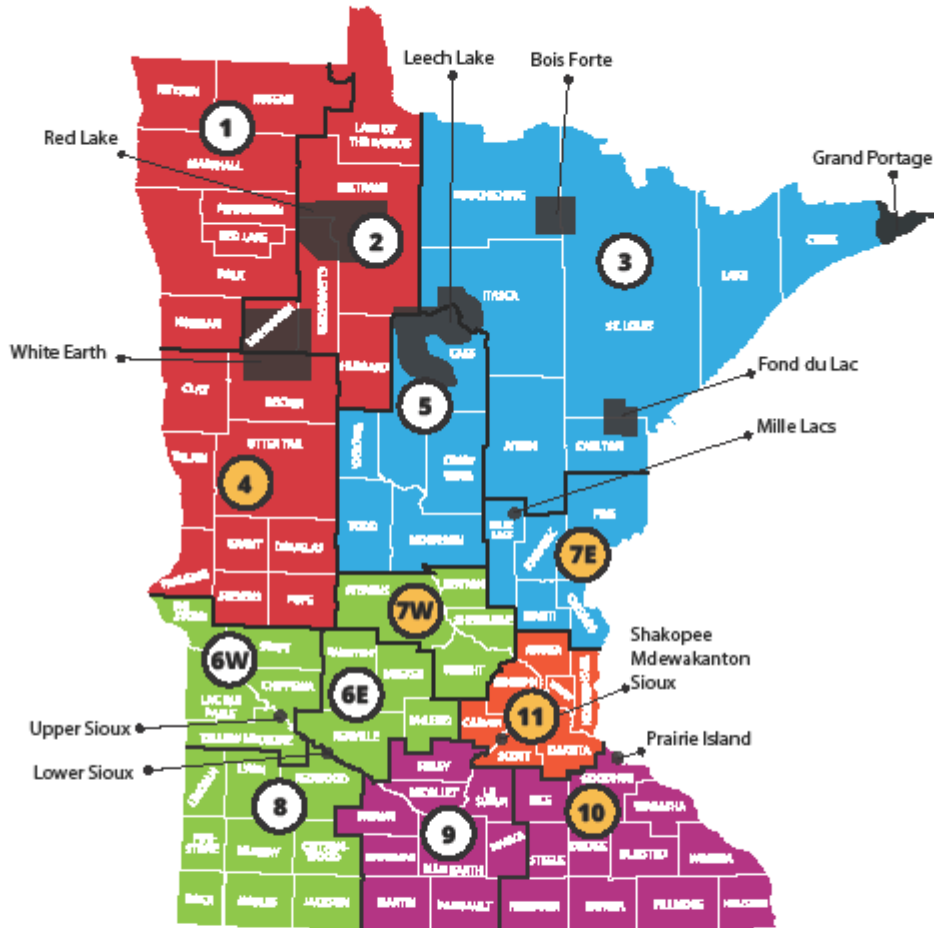
DHS

# Map and List of Child Care Aware of Minnesota Agencies



## Statewide Service Areas

Updated August 2021



- Northeast District
- Northwest District
- West/Central District
- Southern District
- Metro District
- Tribal Regions (MNTRECC Resources)
- 1 Governor's Economic Development Regions
- Region Borders
- 4 District Office Headquarters

Child Care Aware and its partner agencies help Minnesota families find the quality child care their children need to grow and support the professional growth of child care professionals. Local services are delivered by an agency in each Region; some services are coordinated across multiple regions by one agency in each District.

Connect with your local Child Care Aware agency: call 888.291.9811 or go online to [ChildCareAwareMN.org](http://ChildCareAwareMN.org).

## Statewide Contacts

### Child Care Aware of Minnesota Coordinating Office:

Suite 820, 10 River Park Plaza, St. Paul, MN 55107 | 651.290.9704 | [ChildCareAwareMN.org](http://ChildCareAwareMN.org)

### Minnesota Tribal Resources for Early Childhood Care (MnTRECC)/Tribal District:

190 Sailstar Drive, Cass Lake, MN 56633 | 800.551.0969 | [www.mntrecc.net](http://www.mntrecc.net)

## District & Region Agencies

### NORTHWEST DISTRICT REGIONS 1, 2 & 4

#### Region 1

Tri-Valley Opportunity Council  
East Grand Forks, MN  
800.543.7382 | [www.tvoc.org](http://www.tvoc.org)

#### Region 2

Mahube-Otwa CAP  
Park Rapids, MN  
218.732.7204 | [www.mahube.org](http://www.mahube.org)

#### Region 4 (DISTRICT OFFICE)

Lakes & Prairies CAP  
Moorhead, MN  
218.512.1500 | [www.caplp.org](http://www.caplp.org)

### NORTHEAST DISTRICT REGIONS 3, 5, 7E & Leech Lake

#### Region 3, 7E (DISTRICT OFFICE)

Pine Technical & Community College  
Hermantown and Pine City offices  
800.890.5399 | [www.pine.edu](http://www.pine.edu)

#### Region 5

Mahube-Otwa CAP  
Wadena, MN  
218.632.3600 | [www.mahube.org](http://www.mahube.org)

#### Leech Lake

Leech Lake Early Childhood Development  
Cass Lake, MN  
800.551.0969 | [www.llboearlychildhood.com](http://www.llboearlychildhood.com)

### SOUTHERN DISTRICT REGIONS 9 & 10

#### Region 9, 10 (DISTRICT OFFICE)

Families First of Minnesota  
Mankato & Rochester offices  
507.287.2020 | [www.familiesfirstmn.org](http://www.familiesfirstmn.org)

### WEST/CENTRAL DISTRICT REGIONS 6E, 6W, 7W & 8

#### Region 6E

United CAP  
Cosmos, MN  
320.235.0850 | [www.unitedcapmn.org](http://www.unitedcapmn.org)

#### Region 6W

Prairie Five CAP  
Montevideo, MN  
320.269.6578 | [www.prairiefive.com](http://www.prairiefive.com)

#### Region 7W (DISTRICT OFFICE)

Milestones  
Waite Park, MN  
320.251.5081 | [www.milestonesmn.org](http://www.milestonesmn.org)

#### Region 8

Southwestern Minnesota Opportunity Council  
Worthington, MN  
507.376.4195 | [www.smoc.us](http://www.smoc.us)

### METRO DISTRICT REGION 11

#### Anoka, Hennepin, Ramsey & Washington County (DISTRICT OFFICE)

Think Small  
Minneapolis & St. Paul offices  
651.641.0305 | [www.thinksmall.org](http://www.thinksmall.org)

#### Dakota County

360 Communities  
Burnsville, MN  
952.985.5300 | [www.360communities.org](http://www.360communities.org)

#### Scott & Carver County

Scott Carver CAP  
Shakopee, MN  
952.496.2125 | [www.capagency.org](http://www.capagency.org)