

# Memo

**Date:** 2/1/2024

**To:** Representative Dave Pinto, Children and Families Finance and Policy Committee Chair  
Senator Wiklund, Health and Human Services Committee Chair

**From:** Matthew Burdick, Director of State Legislative Relations, Minnesota Department of Human Services

## RE: Child Care Licensing Regulation Modernization Projects

As was previously shared with you, a full report on the child care licensing regulation modernization projects can be expected prior to the 2025 legislative session. Our regulation modernization project timeline has been extended largely due to changes in the Child Care [Systems Transformation \(the “provider hub”\)](#) implementation timeline, which our project is dependent upon. Furthermore, both initiatives share the same child care providers who are being asked to navigate several changes in a short period of time. In addition to the provider hub delays, there is also a desire for robust stakeholder engagement to continue to inform this important work. The purpose of this memo is to update you and your respective committee members regarding the status of the [Child Care Licensing Regulation Modernization Projects. Minnesota Laws 2021, First Special Session, Chapter 7, Article 2, sections 75 and 81.](#)<sup>1</sup> Each of the three project components is briefly addressed below. Additional information can be found in the [Child Care Regulation Modernization Project – 2023 year in review.](#)<sup>2</sup>

### 1. Weighted Risk System

Working with the National Association for Regulatory Administration (NARA), the project team completed a weighted risk system assessment in which stakeholders assigned a numerical score, or weight, to each child care center and family child care licensing standard. NARA noted that the participation of child care providers participating in the weighted risk assessment was exceptional in comparison to other states. This strong stakeholder engagement has directly informed the development of a weighted risk system which provides Minnesota with a quantifiable, objective, and stakeholder-supported method to show the potential impact a violation poses to children in care. This legislative session, the Department of Human Services (DHS) intends to propose legislation which would enable implementation of the weighted risk system once the provider hub is

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<sup>1</sup> In 2021, the Minnesota legislature passed legislation and allocated federal funding to support regulation modernization projects for both licensed family child care and child care centers,

<sup>2</sup> [https://mn.gov/dhs/assets/child-care-regulation-modernization-2023-year-in-review\\_tcm1053-606138.pdf](https://mn.gov/dhs/assets/child-care-regulation-modernization-2023-year-in-review_tcm1053-606138.pdf)

available to all child care providers. This new approach would create three tiers that regulatory standards were assigned to, with each tier corresponding to a different level of risk associated with each regulation.

## 2. Abbreviated Inspections

NARA and DHS have been developing processes to implement abbreviated inspections. These shortened licensing inspections will include:

- a subset of licensing standards commonly referred to as key indicators which can statistically predict compliance with the entirety of licensing standards
- high-risk standards informed through stakeholder engagement
- five randomly selected standards generated for each abbreviated inspection

Abbreviated inspections will be available to providers who meet eligibility criteria which was informed by stakeholder input.<sup>3</sup> Providers and licensors can expect abbreviated inspections to be implemented after the provider hub is fully implemented for both child care centers and family child care providers.

## 3. Revised Licensing Standard

In 2023, DHS conducted reviews of NARA's draft language and held several targeted stakeholder engagement activities. See the [2023 year in review document](#) for more information. In January 2024, DHS provided NARA with feedback on the initial draft of revised licensing standards. In Spring 2024, stakeholders can expect a new draft of revised licensing standards to be posted publicly. Feedback will be solicited through one-to-one interviews with providers and licensors on specific draft sections, and an online survey addressing the entire set of draft standards which will be widely available to the public to participate in and comment on.

Additional information, including information to sign up to receive email updates regarding the project, is available on the [Child Care Regulation Modernization website](#).<sup>4</sup>

Questions regarding the Child Care Regulation Modernization Projects should be sent to the project team at [ccregmodernization.dhs@state.mn.us](mailto:ccregmodernization.dhs@state.mn.us).

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<sup>3</sup> Eligibility Criteria Stakeholder Report: [https://mn.gov/dhs/assets/nara-stakeholder-engagement-abbreviated-inspection-survey-final\\_tcm1053-566579.pdf](https://mn.gov/dhs/assets/nara-stakeholder-engagement-abbreviated-inspection-survey-final_tcm1053-566579.pdf)

<sup>4</sup> <https://mn.gov/dhs/partners-and-providers/licensing/child-care-and-early-education/child-care-regulation-modernization.jsp#:~:text=In%202021%2C%20the%20Minnesota%20legislature,%2C%20sections%2075%20and%2081>