

## FCCTF Duty #5 Alternative Child Care Delivery Systems

**Work group duty charge:** Develop recommendations for alternative child care delivery systems that could be more financially viable in smaller communities with unmet child care capacity needs in greater MN, which could include new licensure models for large group family child care or small capacity child care centers.

For each recommendation, there are different groups that may have a role in helping to move an idea forward. Rather than write out separate recommendations for each group around the same idea, this work group used the table designed by workgroup duty #4 to summarize what the recommendations are and who they are directed to.

Recommendation and priority	Legislative	DHS	Counties	Providers	Other
<p><b>1)</b> Recommend legislation that provides DHS authority to develop a process for models of alternative child care delivery models not fully permissible under existing statute and rule that protect child health and safety and provide more financial viability with a focus on smaller communities in Greater Minnesota that have unmet child care capacity needs.</p> <p>There is currently demand for alternative child care delivery models that existing statute and rule doesn't allow. However, there is a lack of analysis and consensus on what specific changes would address child care business challenges and unmet child care needs while protecting health, safety and development needs of children. This process would allow for idea generation and evaluation of outcomes to better determine recommendations for specific statute and rule changes to create effective alternative child care delivery models that meet the demands of potential providers, communities and families. These could include flexibilities to allow for franchise models of family child care in which there is clear designation of responsibility and liability, staffing structure, education, training and experience requirements, etc. It could also allow for increases in capacity and staffing ratios and structures that are between existing family child care and child care centers. Proposals should be minimally evaluated on the following:</p> <ul style="list-style-type: none"> <li>• Liability (for the property, the care of the children, compliance, etc.)</li> <li>• Community support</li> <li>• Financial viability</li> <li>• Capital and business support access</li> <li>• Staffing structure and education/experience requirements</li> <li>• Geography (focus on child care shortage areas particularly in Greater Minnesota)</li> </ul> <p>This process would also require a report from DHS to provide an evaluation of the ideas generated and implemented in order to inform recommendations to create alternative child care delivery models by changing the statutes governing child care licensing and regulations. Authority to approve these ideas could be time limited; however, the programs should continue to remain licensed through an evaluation process that incorporates existing licensing requirements and the evaluation criteria above.</p>	X	X			Philanthropy

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<p>2) Minnesota already has Special Family Child Care options in statute that allow for flexibility that should be further promoted and utilized. We recommend increasing awareness and providing supports and resources for providers and communities to understand these provisions and navigate the existing family child care options in statute, including the “pod models” where multiple family child care providers operate under one roof that is already included in the Special Family Child Care statute.</p> <p>Recognizing that these options often necessitate additional capital and initial investment, we recommend the legislature, philanthropy and businesses support communities and prospective providers with business support, site assessment and financial modeling to ensure viability of these models as well as funding to support communities and interested providers to start and maintain facilities licensed as Special Family Child Care.</p>		X	X		Philanthropy Child Care Supporting Organizations
<p>3) Provide financial supports, tax credits or bonds to support communities and businesses in purchasing, renovating or leasing properties for child care facilities, including leveraging underused space in anchor institutions such as nursing homes, hospitals, religious facilities, etc. Prioritize these supports to existing providers seeking to expand or modify their program.</p>	X	X			Philanthropy
<p>4) Develop a framework in statute for franchise or “corporate” model of family child care ownership. This framework would need to ensure clear designation of the responsible authority and oversight while still allowing for flexibility and innovation to develop programs that meet the demands of potential providers, communities and families. North Dakota statute could be a model to inform this framework.</p>	X	X			