

Former Licensed Family Child Care Provider Survey

Prepared June 2020

Executive Summary

The Results Management team at Minnesota Management and Budget administered the survey in February 2020. The survey was sent to a total of 1,623 active email addresses of former licensed family child care providers, receiving 226 complete responses. Survey respondents seemed to be generally representative of licensed family child care providers who closed during that period.

Almost half of providers started their business primarily to either raise or provide child care for their own children.

The factors that most providers said had high impacts on closing were complying with regulations, completing paperwork and documentation, and a lack of benefits (e.g. health insurance).

The most utilized supports were the Child and Adult Care Food Program, Child Care Assistance Program and Parent Aware Grants. The supports that would have most helped keep providers in business longer were a greater availability of substitutes, grants to fund professional development, curriculum, equipment, or home improvement expenses, and business support (tax information, setting rates, etc.).

Overview

The Results Management team at Minnesota Management and Budget administered the survey in February 2020. Minnesota Department of Human Services Licensing Division provided a list of formerly licensed family child care providers. Using this list, we sent the survey to a total of 1,623 active email addresses of formerly licensed family child care providers. We received responses from 242 former providers, equating to a 15 percent response rate. Sixteen respondents had not actually closed their license between 2017-19 and did not continue their surveys, resulting in 226 responses.

Survey respondents were generally representative of licensed family child care providers who closed during that period by geography and by year of closure, although respondents tended to have stayed longer in business:

Table 1. Region of survey respondents compared to all providers in Minnesota

Region	Total	Respondents
7 County Metro	31%	32%
Central / West Central	28%	24%
Northeast	5%	8%
Northwest	6%	12%
Southwest	9%	11%
Southeast / Southern	15%	19%

Table 2. Number of years open of survey respondents compared to all providers in Minnesota

Years Open	Total	Respondents
Under 5	53%	42%
5 to 9	18%	19%
10 to 14	8%	10%
More than 15	20%	29%

The survey included multiple-choice and open-ended questions about the impact of different business, administrative and personal factors on their closing, as well as any usage of supports and services.

Openings & Closures

Forty-eight percent of providers stated that their primary reason for becoming a licensed family child care provider was either to raise or provide child care for their own children. Over half (51%) closed their license before they wanted to.

Figure 1. Q: What was your primary reason for becoming a licensed family child care provider?

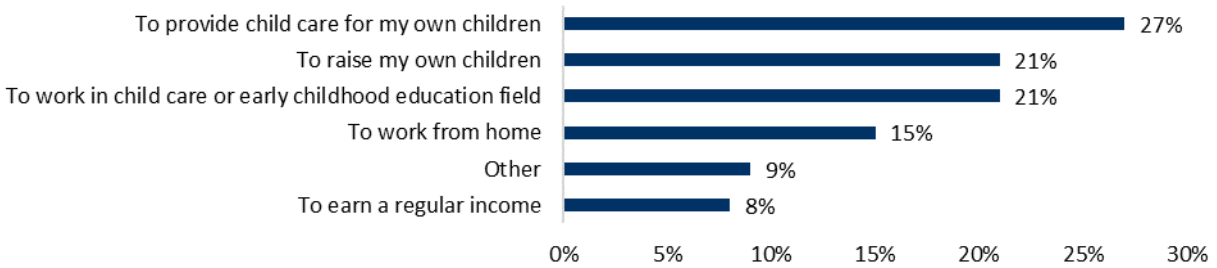
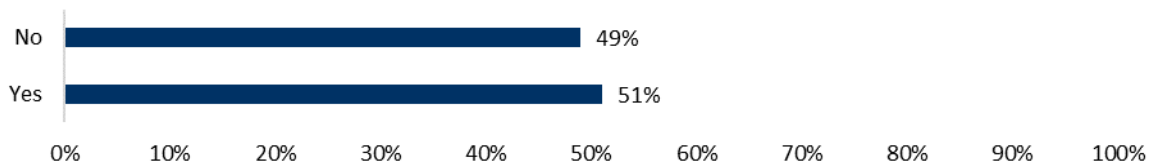


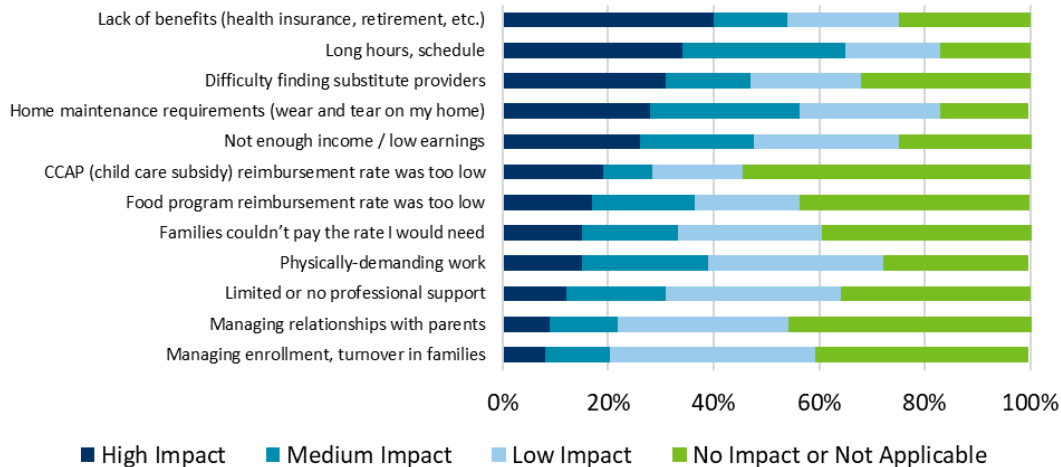
Figure 2. Q: Did you close your family child care license before you wanted to?



Business factors

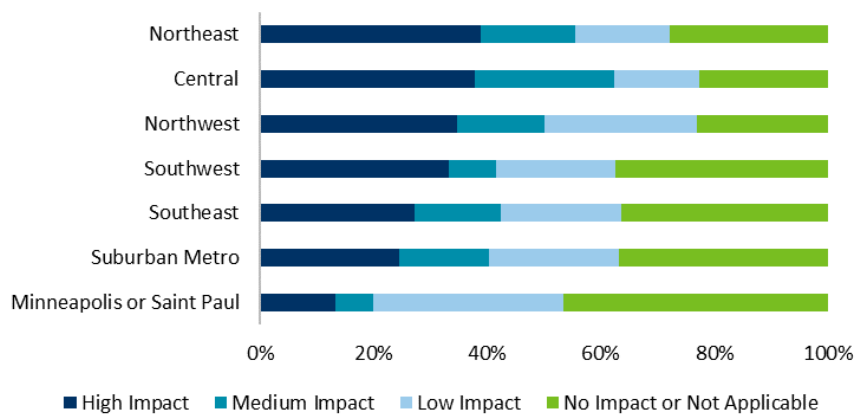
The three business factors respondents most listed as having a high impact on their closing were: lack of benefits, such as health insurance (40%), long hours (34%), and difficulty finding substitute providers (30%). The answers are not mutually exclusive, as providers could select more than one.

Figure 3. Q: How much impact did these business factors have on your decision to close your child care business?



For difficulty in finding substitutes, there were clear regional differences. Whereas in Minneapolis or St. Paul, only 13 percent of former providers listed this as having a high impact on closure, in North East, this was 39 percent.

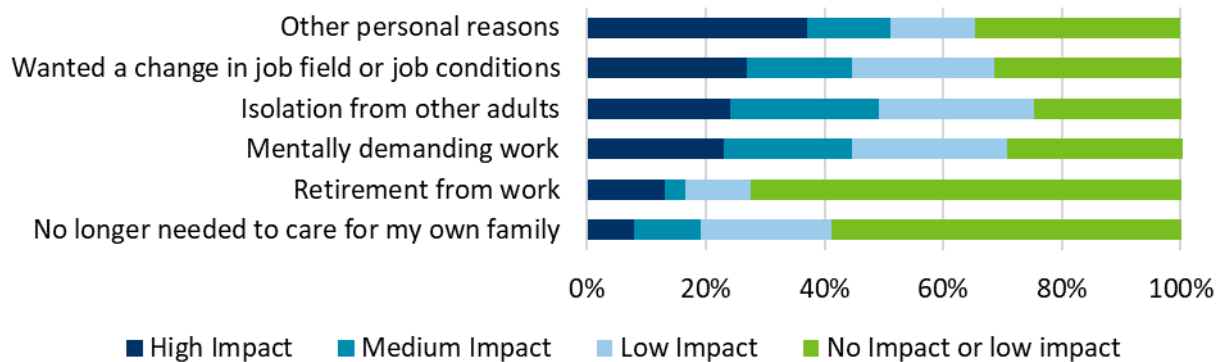
Figure 4. Q: How much impact did these business factors have on your decision to close your child care business? [Difficulty finding substitute providers], by region



Personal factors

The three personal factors respondents most listed as having a high impact on their closing were: wanted a change in job field or job conditions (27%), mentally demanding work (23%), other personal reasons (37%).

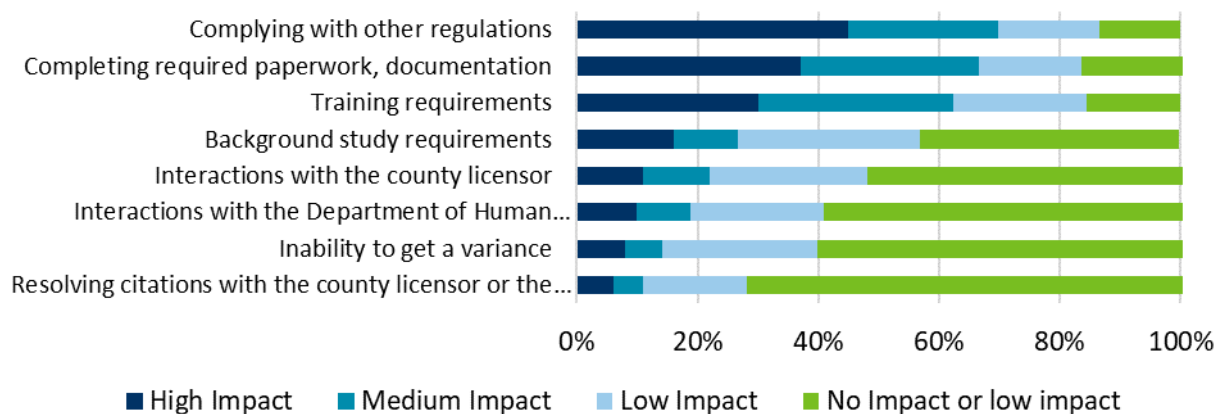
Figure 5. Q: How much impact did these personal factors have on your decision to close your child care business?



Administrative factors

The three administrative factors respondents most listed as having a high impact on their closing were: complying with other regulations – such as minor infringements or stress of unannounced visits (45%), completing required paperwork and documentation (37%), and training requirements (32%). Additionally, 78 percent said that their interactions with the county licensor had no or low impact on their decision to close.

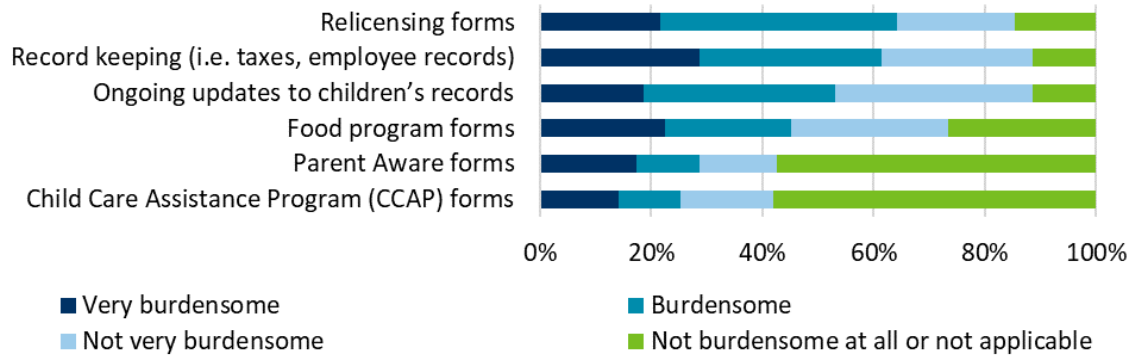
Figure 6. Q: How much impact did these administrative factors have on your decision to close your child care business?



Documentation

Many providers identified paperwork and documentation as an issue. The majority of participants responded that the following types of documentation were either burdensome or very burdensome: relicensing forms (64%), record keeping, such as taxes and employee records (61%) and ongoing updates to children’s records (53%).

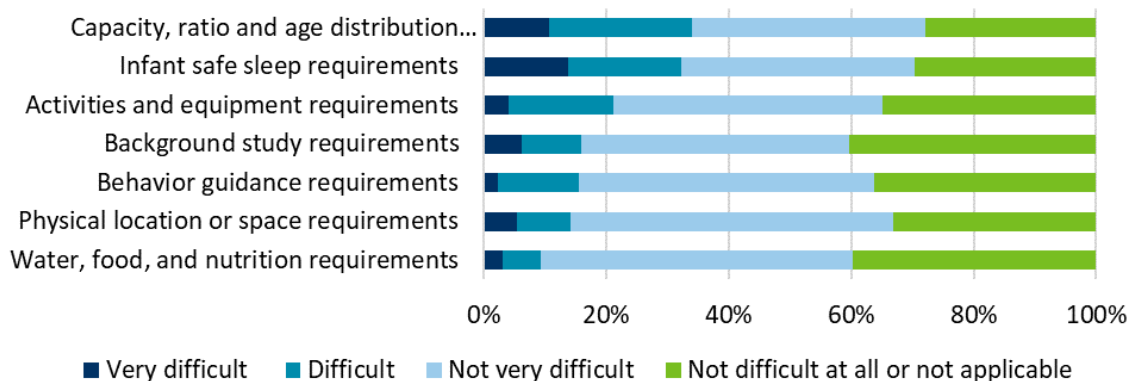
Figure 7. Q: Documentation is required as part of running a licensed child care business. To what extent were the following types of documentation burdensome for you?



Regulation

Respondents provided a lot of feedback on the burden of keeping up with changing rules and regulations. However, when asked about the difficulty of complying with regulations relating to minimum health and safety standards, the majority of respondents answered that the following regulations were either not difficult at all or not applicable, or not very difficult: water, food and nutrition requirements (91% of respondents), Physical location or space requirements (86% of respondents) and background study requirements (84%).

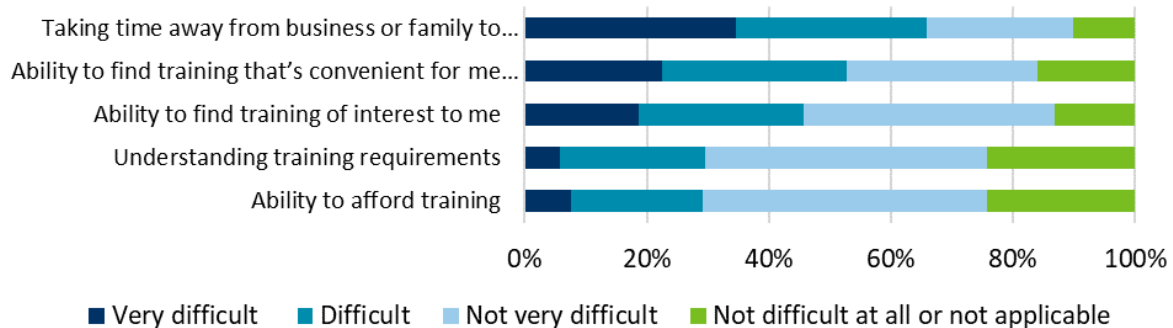
Figure 8. Q: Regulations are intended to ensure minimum health and safety standards. To what extent was complying with these regulations difficult for you?



Training

Providers generally could afford training (70% stated that their ability to afford training was not difficult or not very difficult). However, 65 percent responded it was either difficult or very difficult in that it took time away from business or family to attend training.

Figure 9. Q: Training is required for all licensed providers. To what extent were the following factors related to training difficult for you?



Supports and services

The most utilized supports were the Child and Adult Care Food Program (86%) and CCAP (40%). However, almost a fifth (18%) were not aware of any the supports listed. The supports most providers said would have helped keep them in business for longer were: greater availability of substitutes (48%), grants to fund professional development, curriculum, equipment, or home improvement expenses (43%), business support (tax information, setting rates, etc.) (42%) and guidance on finding and applying for a grant (35%).

Figure 10. Q: Did you make use of any of the following supports, payments, or assistance during the time your business was in operation?

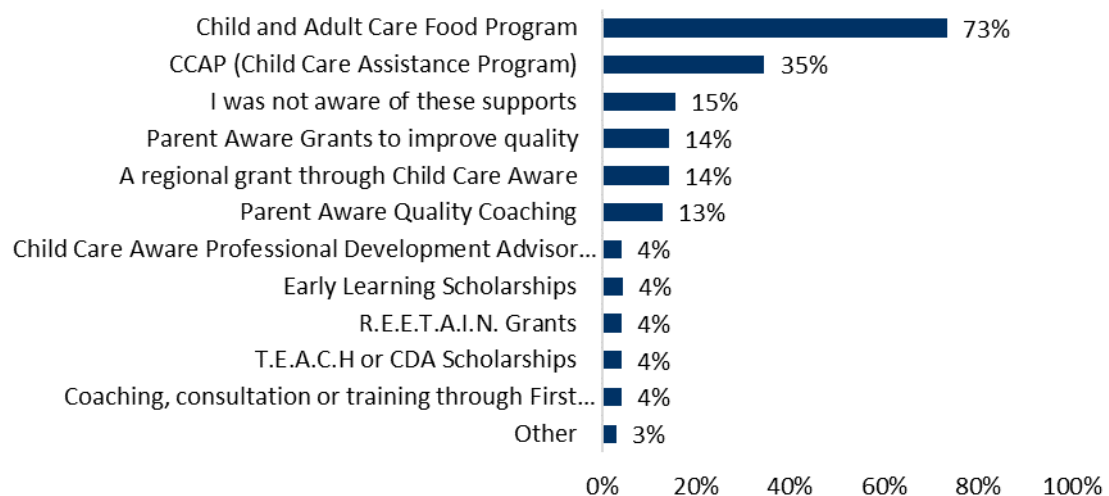
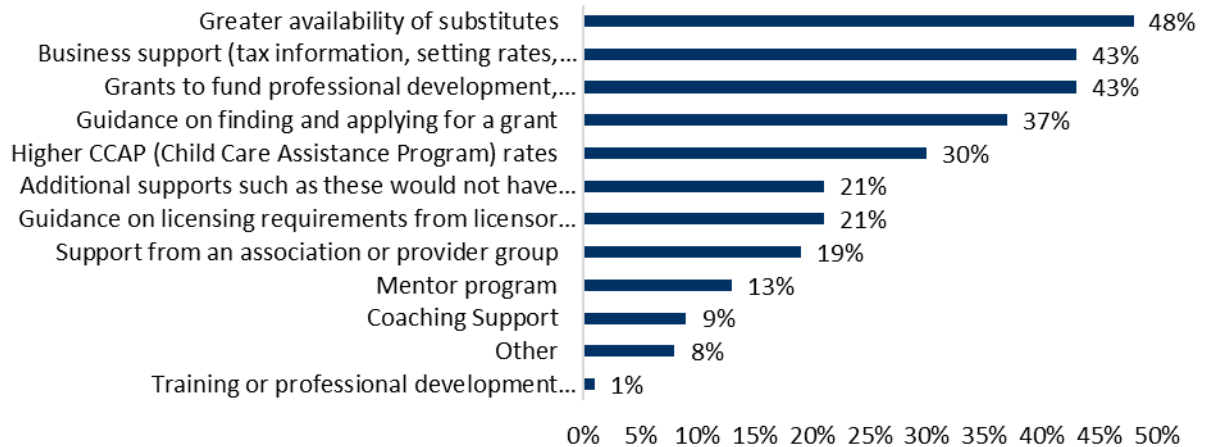


Figure 11. Q: Which of these additional supports or services, if any, would have helped you keep your child care business open for longer?



Child & Adult Care Food Program

The most widely used support service reported by respondents was the Child & Adult Care Food Program, with 86 percent answering (166) that they had used it during the time they were in business. Of these respondents who used Child & Adult Care Food Program:

- 39 percent answered that the food program reimbursement rate being too low had either a “high” or “medium” impact on their decision to close their child care business.
- Half (50%) answered that food program forms were not very burdensome, not burdensome at all or not applicable.

Figure 12. Q: How much impact did these business factors have on your decision to close your child care business? (required) (Food program reimbursement rate was too low) [only for those who answered that they used the Child & Adult Care Food Program]

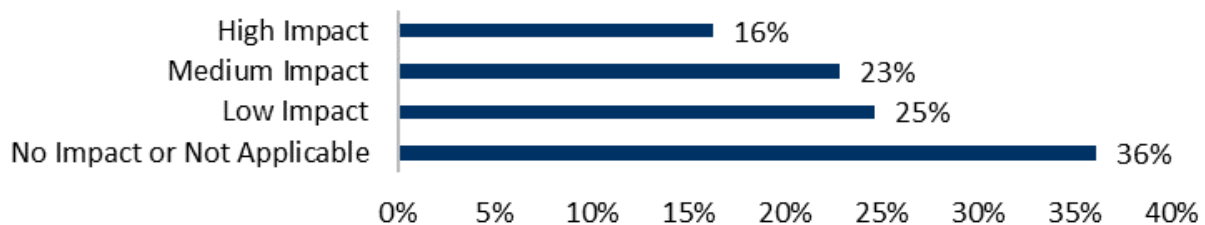
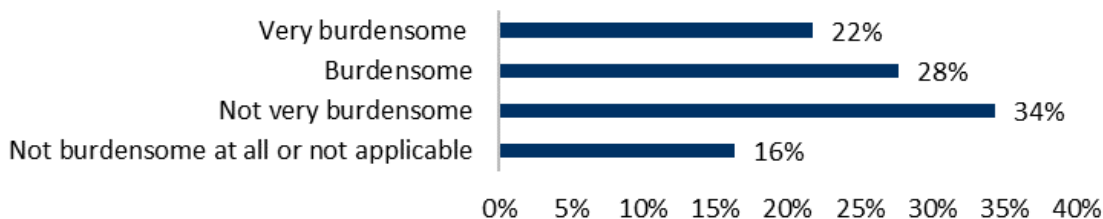


Figure 13. Q: Documentation is required as part of running a licensed child care business. To what extent were the following types of documentation burdensome for you? (required) (Food program forms) [only for those who answered that they used the Child & Adult Care Food Program]



Child Care Assistance Program (CCAP)

Forty percent of respondents (78) reported that they used CCAP when their business was in operation. Of these respondents who used CCAP:

- Half (49%) answered that higher CCAP rates “would have helped keep [their] child care business open for longer”.
- Half (49%) answered that the CCAP reimbursement rate being too low had either a “high” or “medium” impact on their decision to close their child care business.
- Over half (59%) answered that CCAP forms were not very burdensome, not burdensome at all or not applicable.

Figure 14. Q: How much impact did these business factors have on your decision to close your child care business? (required) (CCAP (child care subsidy) reimbursement rate was too low) [only for those who answered that they used CCAP]

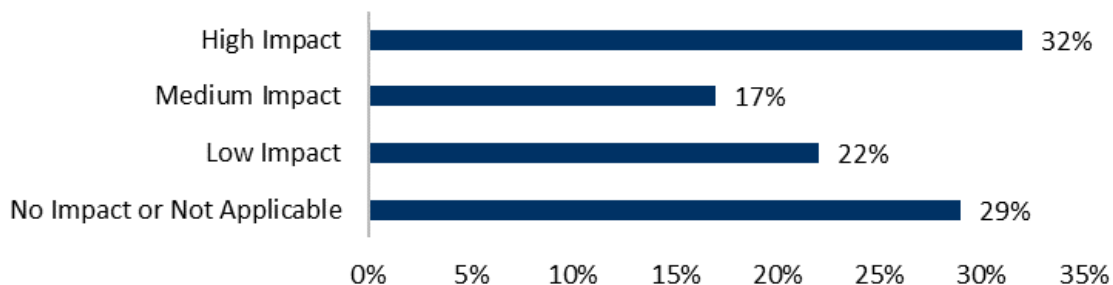
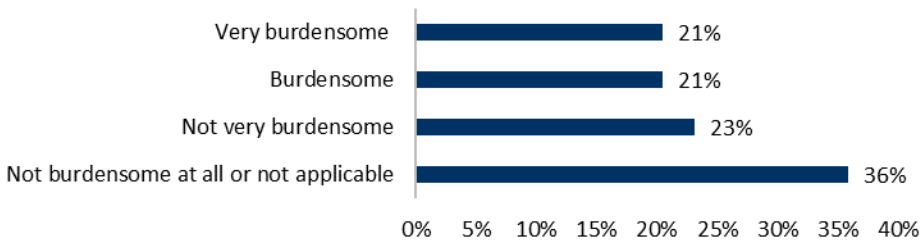


Figure 15. Q: Documentation is required as part of running a licensed child care business. To what extent were the following types of documentation burdensome for you? (required) (Child Care Assistance Program (CCAP) forms) [only for those who answered that they



Not aware of supports

Almost one fifth of respondents (18%) answered that they were not aware of the listed supports, services or assistance during the time their business was in operation. Of this group, 63 percent answered that they closed earlier than they wanted to, compared to 51 percent for the remainder of respondents.

It is worth noting that, although they answered not being aware of the listed services, some of these respondents also answered that they used some of these services. It is possible that they interpreted this as being unaware of at least some of the supports mentioned.

Closure prior to intent

Although most factors had similar impacts on providers regardless of whether they closed early or not, providers who did not close earlier than they wanted to were more likely to report the following factors as having a high impact on their decision to close:

- **Business factors:** long hours
- **Personal factors:** isolation from other adults, wanted a change in job field or job conditions

Figure 16. Q: How much impact did these business factors have on your decision to close your child care business? (long hours, schedule)

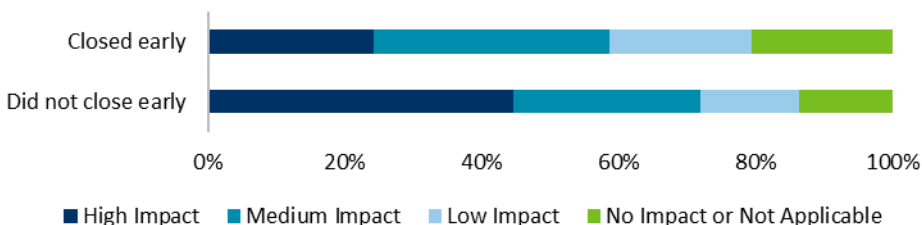


Figure 17. Q: How much impact did these personal factors have on your decision to close your child care business? (isolation from other adults)

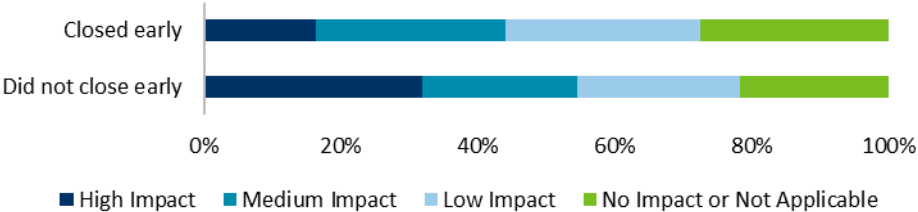
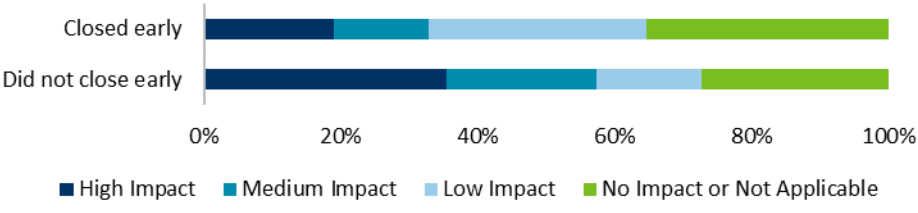


Figure 18. Q: How much impact did these personal factors have on your decision to close your child care business? (Wanted a change in job field or job conditions)



Former provider suggestions and recommendations

In addition to multiple choice answers, the survey provided respondents space for additional feedback and comments. Some recommendations mentioned are shown below, along with several associated quotes:

- Moving towards electronic documentation and record keeping
 - “Electronic Documentation would be great. Could a site be set up where the provider enters information monthly? Or an app? Let's use technology! I think electronic resources/record keeping between licensing and the provider would help tremendously.”
 - “I didn't like that they make you do the same paperwork over and over every year when it was the same. Waste of time and paper. Put it online and then if anything changes just a click of a button.”
- More established providers not having to repeat trainings multiple times
 - “Trainings were getting stale. Even though eager to learn. Tired of taking same old same old”
 - “Why did we have to take some training over and OVER? I think some should be changed to every few years after you have been in business for so long, like SBS/AHT and SIDS. It is honestly more of a waste of time for providers and could be better used for other training of interest.”
- Additional business supports (setting up an LLC, business loans, advertising and marketing)
 - “Business loans to create a nature based learning environment. Funds to be used for real estate, equipment, transportation, marketing and scholarships for families”
 - “Advertising and maybe access/subsidies to do a program outside my own home”
- Reducing paperwork requirements
 - “Mostly decided to end my Child care was because of all the things meaning rules and regulations, paperwork and requirements that forced me to close down...”
 - “The paperwork overload was what finally did me in. Between county requirements and the food program, it was too much. Food Program drop-ins, paperwork and their web-site was always having problems, was the worst.”

- Increased support, both from their regulator and mentors / other providers
 - “I would like to see a more supportive role between licensor and provider. I ran a small daycare that usually had a waiting list. I always had good inspections from my licensor. It still seemed like the licensor was looking for something to catch me on rather than using that time to support, train, encourage, or make recommendations”
 - “There weren't mentors/coaches, no startup grants...”
 - “The main reason I am no longer a licensed child care provider is because of the stringent rules. I got no support from the licensor in the way of being positive”

- Several providers felt uncomfortable with their family members (spouse, teenage children) having to be fingerprinted for a background check
 - “...Fingerprinting and increasing background study requirements on my FAMILY (not on me) where the biggest issue...”
 - “My husband was uncomfortable with fingerprinting as a requirement and felt it was an overreach”

Appendix

Table 3. Q: How much impact did these business factors have on your decision to close your child care business?

Business factors	High Impact	Medium Impact	Low Impact	No Impact or Not Applicable
Managing enrollment, turnover in families	8%	12%	39%	40%
Managing relationships with parents	9%	13%	32%	46%
Limited or no professional support	12%	19%	33%	36%
Physically-demanding work	15%	24%	33%	27%
Families couldn't pay the rate I would need	15%	18%	27%	40%
Food program reimbursement rate was too low	17%	19%	20%	43%
CCAP (child care subsidy) reimbursement rate was too low	19%	9%	17%	54%
Not enough income / low earnings	26%	22%	27%	25%
Home maintenance requirements (wear and tear on my home)	28%	28%	27%	17%
Difficulty finding substitute providers	31%	16%	21%	32%
Long hours, schedule	34%	31%	18%	17%
Lack of benefits (health insurance, retirement, etc.)	40%	14%	21%	25%

Table 4. Q: How much impact did these business factors have on your decision to close your child care business? [Difficulty finding substitute providers], by region

Region	High Impact	Medium Impact	Low Impact	No Impact or Not Applicable
Minneapolis or Saint Paul	13%	7%	33%	47%
Suburban Metro	25%	16%	23%	37%
Southeast	27%	15%	21%	36%
Southwest	33%	8%	21%	38%
Northwest	35%	15%	27%	23%
Central	38%	25%	15%	23%
Northeast	39%	17%	17%	28%

Table 5. Q: How much impact did these personal factors have on your decision to close your child care business?

Personal factors	High Impact	Medium Impact	Low Impact	No Impact or low impact
No longer needed to care for my own family	8%	11%	22%	59%
Retirement from work	13%	4%	11%	73%
Mentally demanding work	23%	22%	26%	35%
Isolation from other adults	24%	25%	26%	25%
Wanted a change in job field or job conditions	27%	18%	24%	31%
Other personal reasons	37%	14%	14%	35%

Table 6. Q: How much impact did these administrative factors have on your decision to close your child care business?

Administrative factors	High Impact	Medium Impact	Low Impact	No Impact or low impact
Resolving citations with the county licensor or the Department of Human Services (DHS)	6%	5%	17%	72%
Inability to get a variance	8%	6%	26%	61%
Interactions with the Department of Human Services (DHS)	10%	9%	22%	59%
Interactions with the county licensor	11%	11%	26%	52%
Background study requirements	16%	11%	30%	43%
Training requirements	30%	32%	22%	15%
Completing required paperwork, documentation	37%	30%	17%	17%
Complying with other regulations	45%	25%	17%	13%

Table 7. Q: Documentation is required as part of running a licensed child care business. To what extent were the following types of documentation burdensome for you?

Types of documentation	Very burdensome	Burdensome	Not very burdensome	Not burdensome at all or not applicable
Child Care Assistance Program (CCAP) forms	14%	11%	17%	58%
Parent Aware forms	17%	12%	14%	58%
Food program forms	23%	23%	28%	27%
Ongoing updates to children's records	19%	35%	35%	12%
Record keeping (i.e. taxes, employee records)	29%	33%	27%	12%
Relicensing forms	22%	42%	21%	15%

Table 8. Q: Regulations are intended to ensure minimum health and safety standards. To what extent was complying with these regulations difficult for you?

Regulations	Very difficult	Difficult	Not very difficult	Not difficult at all or not applicable
Water, food, and nutrition requirements	3%	6%	51%	40%
Physical location or space requirements	5%	9%	53%	33%
Behavior guidance requirements	2%	13%	48%	36%
Background study requirements	6%	10%	44%	40%
Activities and equipment requirements	4%	17%	44%	35%
Infant safe sleep requirements	14%	19%	38%	30%
Capacity, ratio and age distribution requirements	11%	23%	38%	28%

Table 9. Q: Training is required for all licensed providers. To what extent were the following factors related to training difficult for you?

Factors related to training	Very difficult	Difficult	Not very difficult	Not difficult at all or not applicable
Ability to afford training	8%	22%	46%	24%
Understanding training requirements	6%	24%	46%	24%
Ability to find training of interest to me	19%	27%	41%	13%
Ability to find training that's convenient for me (time offered, frequency, location)	23%	30%	31%	16%
Taking time away from business or family to attend training	35%	31%	24%	10%