

A photograph of two young children sitting on a light-colored carpet in a classroom. The child on the left is a young girl with long dark hair, wearing a pink sweater, holding a small wooden toy. The child on the right is a young girl with curly hair, wearing a yellow dress with white polka dots, playing with colorful blocks. In the background, there are educational posters on the wall and a red chair.

Filling the Child Care Gap: Licensing Innovation in Minnesota

State of Minnesota: Minnesota IT Services

Category: Digital Services Government to Business

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Executive Summary

Minnesota’s child care system has approximately 8,500 licensed and certified child care centers and providers, who serve hundreds of thousands of families in the state. Most of these centers and providers have used an outdated paper-based licensing and certification process that slowed operations down for them and agency staff at the Department of Human Services (DHS) and across the state’s 87 counties.

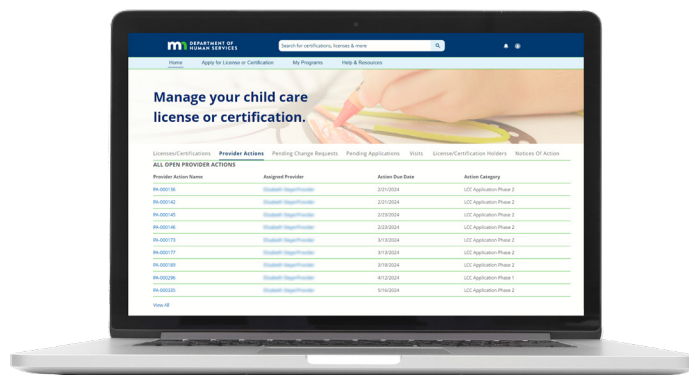
While center-based providers have had consistent growth year over year, family child care or in-home providers have experienced a long trend of decreasing numbers. Recent data shows that since 2014, in-home provider closings have outpaced openings leading to an average year over year decrease of about 5%. From 2014 to 2024, the total number of in-home providers has decreased about 40% from approximately 10,000 to 6,000 providers contributing to a shortage of available child care for families. Over 700 in-home providers have closed in the last year alone and 20% of surveyed child care providers expected to close within a year and 50% were unsure of their future viability (sources: [TPT Almanac](#) and [TPT Almanac](#)).

These concerns prompted the transformation initiative developed by DHS in partnership with Minnesota IT Services (MNIT) that launched the Provider Hub in 2023. The Provider Hub is a user-friendly web platform that simplifies licensing and certification processes. It allows providers to apply for, submit information about, and manage their license online. The Hub’s successful launch led state lawmakers to approve expanding the Provider Hub to all human services license types.

Why it matters: The new Provider Hub gives Minnesota’s child care providers an online self-service option **for the first time**. With faster processing, 24/7 availability, multi-lingual support, improved data integration, and transparency into the process, **the Hub streamlines the work of 10 different systems**.

Idea

The Minnesota Department of Human Services licenses child care centers and family child care providers, and certifies licensed-exempt child care centers across the state. Child care center licensing and certification functions include applying for licensure, compliance monitoring inspections and investigations, changes in license information, and adjustments to policies and statutes.



For a long time, Minnesota’s child care licensing, certification, and subsidy registration processes relied heavily on paper documentation with manual entry and were managed in separate state and county agencies. Child care providers were spending too much time on administrative tasks instead of caring for children. Agency staff used about 10 different systems to process provider license and certification requests from start to finish.

The data was often duplicative, insufficient for effective regulatory oversight, and vulnerable to discrepancies, leading to licensing delays and raising program integrity concerns.

Licensing and the Child Care Assistance Program (CCAP) are in separate business areas at DHS, so data sharing between the business areas and the CCAP agencies was complex, inefficient, and incomplete. Some data points were only available on paper and others required manual entry into one or more systems by agency workers, leading to approximately 80% of the information collected by CCAP to be duplicated across business areas.

To strengthen the child care sector, improve efficiency, enhance oversight, promote equity, and drive broader government transformation, DHS started the Child Care Hub. The initiative was driven by a clear business rationale, acknowledging the critical role of child care in the state's economy, family well-being, and child development.

- Access to quality child care is crucial for Minnesota's economic health, especially for low-income families. The Provider Hub supports providers, enabling increased workforce participation and economic productivity.
- The Provider Hub streamlines processes, reducing time spent on paperwork for providers and agencies. This efficiency translates into cost savings and better resource allocation, benefiting both providers and taxpayers.
- By integrating data and providing real-time dashboards, the Provider Hub addresses data gaps in child care regulation, enabling informed decision-making to ensure compliance and improve outcomes for children and families.
- The Provider Hub promotes equity by simplifying processes, providing multi-language support, and ensuring mobile access.
- Through human-centered design and cross-agency collaboration, the Provider Hub serves as a model for government innovation. Its lessons and capabilities can be applied across domains, maximizing return on investment and improving service delivery outcomes.

Human-Centered Design

The team prioritized human-centered design through the phases of developing the Hub. This meant researching potential future users, creating user personas to guide the process, and asking for continuous feedback from users. Dozens of surveys and more than 35 workshops with users helped guide the development process.

Providers

These groups care for children from infancy through school programs (before and after school and summer programs), in homes, or small and large facilities. The providers spend large parts of their days in the rooms with children and sorting through an administrative process that was paper-based, time-consuming, and unclear/inconsistent.

They wanted an easy, guided licensing process, easy to navigate regulations, and less room for licensor interpretations of those regulations. Access to this kind of resource would free them up to engage with families and prioritize caring for children.



Certified Child Care Provider



Licensed Child Care Center Provider



Family Licensed Child Care Provider

Staff

These groups work with child care providers to manage certification and licensing, process paperwork and conduct facility and home visits. Paper-based processes were inefficient and limited cross-county communication led to a lot of duplication. There was little communication about internal processes. These staff at DHS and in county offices wanted streamlined and transparent internal processes with less paperwork to efficiently guide providers through the process state.



DHS Licensing Staff



CCAP Agency Staff



County Licensing Staff

Implementation

DHS and MNIT collaborated to create a cross-functional team to develop a product that could be continuously improved based on user feedback. They set clear priorities and parameters as they began the process of transforming the state's child care licensing system.

Minnesota took a people-first approach by deeply engaging with system users and partners to ensure that the Provider Hub met real user needs. This involved investing in user research, experience mapping, and continuous feedback loops, providing a blueprint for other states aiming to enhance their systems.

The team used modular, Agile development methods throughout the Provider Hub's creation. Minnesota was able to deliver value faster by building and releasing functionality in phases, incorporating user feedback, and adapting to changing needs.



I have really enjoyed the workshops and very much appreciate you taking the time and effort to get feedback from those of us that are doing the day to day work for licensing.

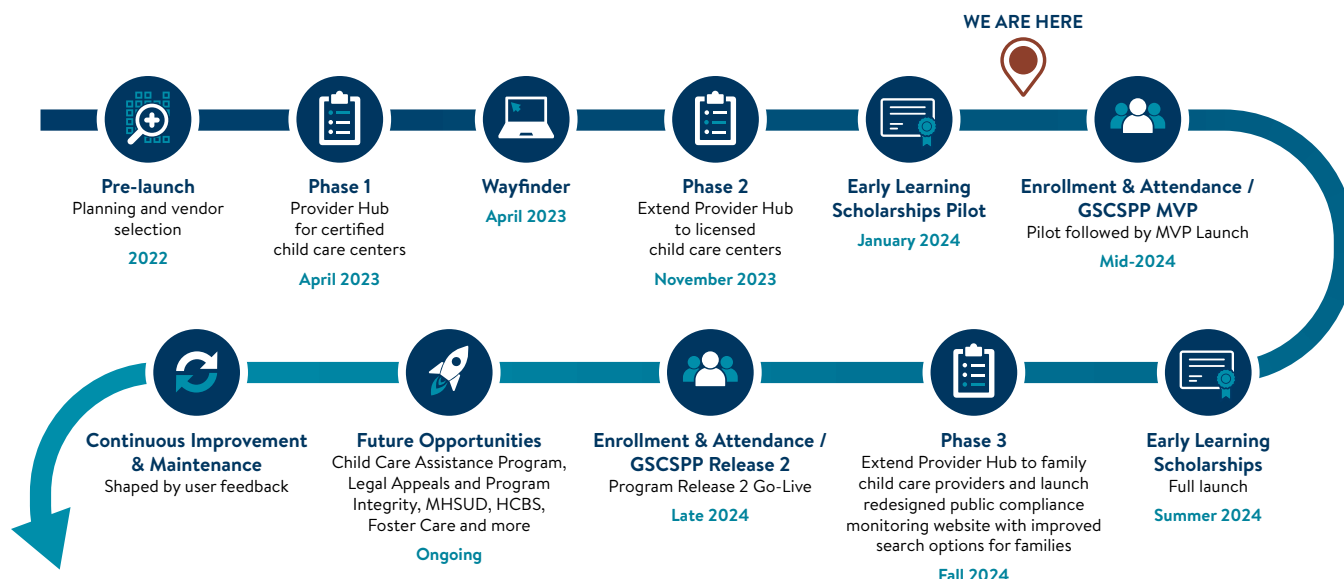
Family Child Care Provider, Change Network Participant

It is refreshing to have conversation with you! Wishing/hoping more providers can have the same positive interactions w/DHS!

County Licensor, Change Network Workshop



Provider Hub Journey



Phasing the Product

The phased approach allowed for focused development, incremental delivery of value, and incorporation of learnings from each phase into the next.

The project was funded through a combination of state and federal funds. The initial budget for Phases 1-3 was approximately \$9 million, covering:

- Salesforce licenses and development.
- Systems integration.
- User experience design and research.
- Project management and governance.
- Organizational change management.
- Training and user support.

Additional funding is being sought to support future enhancements and expansion to more provider types.

The modern, secure, and adaptable technical foundation for the Provider Hub sets the stage for continuous innovation and the best long-term outcomes for families, child care providers, business owners and government agencies in Minnesota.

- **Cloud-based platform:** The Provider Hub is built on the Salesforce software platform, a leading cloud-based solution for customer relationship management and application development. This platform ensures scalability, reliability, and ongoing innovation.
- **Modular architecture:** The Hub's interconnected modules for specific business functions (e.g. licensing, provider registration, public search) enable seamless data exchange and workflow management, adapting to evolving needs without disrupting the system.
- **Configurable workflow engine:** Complex processes can be constructed quickly to reflect policy changes, while reducing the need for custom coding.

- **Robust security measures:** Multi-layered security features protect sensitive personal and business data through encryption, multi-factor authentication, role-based access, and real-time monitoring, meeting industry standards and regulations.
- **Accessibility by design:** The Hub’s user interface follows WCAG 2.0 guidelines, providing a usable resource for people with disabilities, advancing equity, and complies with ADA regulations.
- **Mobile-friendly design:** The interface adapts to different devices and screen sizes for a seamless experience on desktop computers, tablets and smartphones. Child care providers can access the Provider Hub anytime and anywhere. This is particularly important for family child care who may not have regular access to a desktop computer or a stable internet connection.

Impact

| BEFORE THE PROVIDER HUB | AFTER THE PROVIDER HUB |
|--|---|
| Paper-Based Processes: Applying for and maintaining licensing and certification, and reporting changes was time-consuming and prone to errors. | Online Self-Service: Providers can now complete all licensing and certification functions online. The user-friendly interface guides them through each process, with built-in validation to reduce errors. |
| Limited Availability: Providers could only submit forms and receive updates during business hours, often requiring trips to the post office or county offices. Language barriers were common, with most forms and instructions available only in English. | 24/7 Availability: The Provider Hub is available 24/7, so providers can work on their applications and reports at their convenience. The mobile-friendly design supports access to the system from any device. Multi-language support (English, Spanish, Somali, Hmong) breaks down language barriers. |
| Slow Processing Times: Paper forms and manual data entry caused long waits for application and change processing. Providers often waited weeks or months for approvals, affecting their ability to help families. | Faster Processing: By automating data flow and cutting manual handoffs, the Provider Hub has reduced processing times. Providers receive real-time confirmations and status updates, allowing them to plan their operations with greater confidence. |
| Siloed Data: Provider information was scattered across various systems and paper files, making it hard for agencies to see the full picture of a provider’s status or history. This made oversight and data-driven decisions difficult. | Integrated Data: The Provider Hub serves as a central repository for all provider data, giving agencies a 360-degree view of each provider. This enables more effective monitoring, risk assessment, and support. Automated data sharing with other systems further reduces silos. |
| Limited Transparency: Providers had little insight into the progress of their applications or requests, leading to frustration and feeling powerless in navigating the system. | Improved Transparency: Providers now have real-time visibility into the status of their applications and requests. They receive alerts on any actions needed, improving communication and trust. |

While we are still refining and measuring metrics, qualitative data from the first two phases show that this initiative is reducing manual processes and simplifying access to data. We know that by **streamlining 10 different systems into the Hub**, Minnesota can better address the critical challenges faced by child care providers, agency and county staff, and families across Minnesota.


This product supports the goals of the DHS Strategic Plan, DHS Service Delivery Transformation, the Technology Advisory Council (TAC), and the Governor's One Minnesota Plan to make Minnesota the best state for children and families, by improving services for families, empowering providers to focus on quality of care, and enabling data-informed policy decisions.


- **Reduction in time spent by providers on licensing processes:** We expect significant time savings for providers as they shift from paper-based to online processes. Anecdotal feedback suggests providers are already experiencing these benefits.
- **Data quality and completeness:** By validating data at the point of entry and reducing manual data entry, we expect to see improvements in data quality.
- **User satisfaction scores:** We are conducting regular user surveys to gauge satisfaction with the new system. Initial results from providers show overall positive feedback, with users appreciating the convenience of a self-service digital experience.
- **Successful rollout and adoption:** We are closely monitoring system performance and usage during each phase of rollout. Metrics like number of users onboarded, transactions processed, and support requests handled help us ensure the system is stable and meeting user needs.

- **Efficiency gains for agency staff:**
By automating manual processes, we anticipate time savings for licensing and certification staff.
- **Improved communication and transparency:**
By enabling real-time status tracking and notifications, we aim to improve communication between providers and agencies. We are tracking metrics like time to respond to inquiries and percentage of applications processed within target timeframes.

Long-term success, measured by improved societal outcomes for children and families, fuels ongoing modernization efforts. DHS plans to continuously improve the experience for users and launch a redesigned public search and compliance monitoring website for child care. Further plans include integrating top Child Care Management Systems and expanding the Hub to other human services licenses for centralized management, to benefit providers who hold multiple licenses.

The implementation of the Provider Hub has brought about a significant transformation in the licensing and certification environment for child care providers in Minnesota.


Child care is essential to our economy, our communities and our families and children. It's important to have an easy-to-use licensing system so our hard-working providers can get everything they need, all in one place, online. This will allow providers to spend more time with the children and less time on the paperwork.


Jodi Harpstead
Commissioner, Department of Human Services