

## Appendix A: Full List of Approved Recommendations

### *Prioritizing Equity in Decision-Making*

The Task Force adopted the Early Childhood Systems Reform Report <sup>1</sup> definition of equity:

“When every person, regardless of race, ethnicity, gender, age, socioeconomic status, or geographic location has the opportunity to realize their full potential of physical, social, emotional, and cognitive well-being, without limits imposed by structural inequities. Equity is ensuring everyone has what they need to be successful. This is different from equality which involves treating everyone the same.”

The Task Force identified the following historically disenfranchised groups as those who have not experienced equity in the ECE system and so, are most in need of prioritization:

- Racial and ethnic minorities, including People of Color and Indigenous people (POCI)
- Members of the LGBTQIA community
- Those experiencing multi-generational or ongoing trauma
- Those at risk of or with developmental delays or disabilities
- Those from homes where English is not the primary language
- Those experiencing homelessness or living in low-income households

### *Balancing the Needs of ECE Stakeholders*

The Task Force created a stakeholder wheel which identified particular groups who have a stake in an effective, quality early care and education system. The following stakeholders were identified, with children in the center as the prioritized population.

- Children (in the center of the wheel)
- Parents/Families
- Programs/Providers
- Direct ECE Workforce
- Indirect ECE Workforce
- Businesses/Employers
- Federal, State, Local governments
- Tribal Nations
- K12 & Higher Education

### *Essential Commitments*

- The Task Force formally acknowledges its commitment to the Mixed Delivery System, acknowledging that all types of providers and settings provide value to families and children, and family preference must be honored and respected by design.
- The Task Force also formally acknowledges that care and education cannot be separated: Every single experience a child has is a learning opportunity, making care and education inextricably intertwined. All settings within the mixed delivery system offer safety, supervision, and education to the children they serve. Learning in early childhood is based in play, interactions, and experience, and care and education cannot be separated.

### *Fiscal Impact and Revenue*

- The legislature should support and make funding available for 1) a fiscal study of each budget-related recommendation included in the plan and implementation timeline, and 2) a

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<sup>1</sup> “Early Childhood Systems Reform: Year One Report.” *Early Childhood Systems Reform Project Team*, Fall 2018, <https://mn.gov/mmb-stat/2-gen/early-childhood-systems-reform-year-one-final-report.pdf>.

comprehensive economic impact assessment of the long-term recommendations, which should consider child and family outcomes, economic impacts including potential savings, and cost to taxpayers.

- In addition, the legislature should support and make funding available for 3) a strategic financing study to identify and assess the impact of revenue options available and ways to maximize existing funding streams to cover the costs of the long-term plan.
- The fiscal study of each budget-related recommendation should follow normal legislative procedure, and the comprehensive economic impact assessment and strategic financing study for long-term recommendations should be completed by July 2026.

#### *Family Affordability Through a Reimagined Benefits Program*

All Minnesota families should have affordable access to high-quality early care and education (ECE) services. Our The Task Force vision is that the state moves toward a system where no family is paying more than 7% of their yearly income on ECE, in alignment with the federal Department of Health and Human Services affordability standard. We This Task Force proposes the following long-term affordability framework to achieve that vision by July 2031:

- A new family benefits system is built to center the child and promote brain development. This program could be called "Great Start MN Program". Existing state and federal resources and necessary new contributions are combined to form the new program, which is fully funded to cover the full cost of quality care for the true demand in the system. This means there should be enough money in the system to provide coverage based on eligibility guidelines and established family contribution schedules. With this level of funding, there would be no systemic waitlists (though program-specific waitlists may still exist) and all eligible families would have access to benefits. The new program would blend federal and state funding streams currently used for CCAP, Early Learning Scholarships, and other existing funding streams that support access to ECE as well as additional funding needed to fully support the program.
- Federal investments are maximized to minimize costs to the state. This means if federal eligibility levels increase, the state increases its eligibility levels to match accordingly over the phase-in timeline and maintains its investment efforts as federal appropriations increase. Upon commencement, eligibility immediately increases to the maximum federal level in place.
- Early care and education is affordable for lower- and middle-income families in the new system. (Note that this is also known as the Task Force's "affordability standard" and will be discussed further below). This is done in four ways:
  - Expanding income eligibility levels for existing programs at the beginning of the implementation timeline for program participation to percentage of state median income (SMI) allowed under federal law (*in alignment with short-term recommendations, as of today this is 85% SMI*)
  - Expanding income eligibility for the new program to all families by the end of the implementation timeline, in accordance with the state's clear goal to make early care and education affordable to families.
  - Eliminating contributions for lower-income families – families below 75% SMI should not be required to pay a family contribution
  - Reducing family contributions for middle-income families – families should contribute an increasing amount of income, but no more than 7% of gross income
- The system is structured to promote access to quality. Quality measures used by the state must be clear and navigable, and the benefit of quality care and education to child brain development

should be communicated. Families must have support in finding a quality program that meets their needs. The benefit program must cover the cost of quality programs, through a combination of public contribution and family contribution, and give families no financial (or other) disincentive to choose quality care.

- The new system is structured to promote family choice among provider and program types that best meet family needs. Families have the information necessary to make informed decisions about program/provider types, and can easily find the choices available to them that meet their needs and preferences. Between a combination of public contribution and family contribution, the program amount covers the cost of each provider/program type, and there must be no financial (or other) disincentive to attend the program type of family choice.

The program is easily accessible for families, given the opportunity for positive impact on child development. It does this by making participation affordable, but also by removing barriers to participation, including: reduce administrative complexity, increase access points, streamlined communications, create clear connections to other social programs, and minimize stigma.

Affordability Standard:

- Families earning less than 75% of SMI should pay no contribution.
- Families earning between 75-100% of SMI should pay a contribution between 0-2% of income.
- Families earning between 100-125% of SMI should pay a contribution between 2-4% of income.
- Families earning between 125- 250% of SMI should pay a contribution between 4-7% of income.
- Families earning more than 250% of SMI should pay a contribution of 7% of income. If the price of their chosen ECE program amounts to less than the affordability standard, they will be responsible for paying for the full amount.

Eligibility for the future state benefits program should be in line with this affordability standard by the end of the implementation timeline for this plan (July 2031). In addition:

- The affordability standard and maximum eligibility must be re-evaluated periodically, no less than every two years, to assess the impact of changes in:
  - Family Incomes, including understanding family income in comparison to inflation and cost of living
  - Costs of care, including levels of quality and increasing compensation, which may make the full cost of care more challenging for even higher income families to cover, and
  - Federal landscape – including both federal funding changes and changing requirements – which could dramatically alter costs to the state and families
- A cost study must be done alongside the periodic re-evaluation of the affordability standard to understand 1) true cost of care including varying levels of quality across provider types, 2) geographic differences in costs of care, and 3) total costs to the state. This study must also include an assessment of full system take rates and demand, in order to understand total costs to the state.
- The state should conduct an evaluation of progress of plan implementation from 2025-2031, including family demand, ability to build up the provider and workforce base, and impact of scale on quality.

*Short-term Recommendation for Family Affordability: Child Care Assistance Program*

- Expand eligibility by adjusting income requirements, including by updating income eligibility guidelines annually for inflation and increasing to the federal allowed eligibility of 85% of State Median Income (SMI).

- Expand eligibility by increasing eligible activities\*
  - Families with a caregiver in a substance use treatment program, families experiencing domestic violence, families with an incarcerated caregiver, and families with a caregiver in a mental health treatment program should be eligible for child care assistance.
  - Children who are in foster care or who are under CPS supervision should have automatic access to child care assistance programs.
  - Increase hours covered to ensure continuity of care.
  - *\*Authorized activities currently include working, looking for work, or education. In order to qualify for the program, a family must meet income guidelines and authorized activity requirements.*
- Reduce co-payments to improve affordability for lower-and middle-class families
- Make other improvements, including the following recommendations:
  - System Improvements
    - Clear policy, process, and training to create even administration of the program across counties.
    - Consider multiple entry points to meet families' needs. This could include family resource hubs or Early Learning Scholarship Area Administrators.
  - Legislative Program Changes
    - Permanent reprioritization of the Basic Sliding Fee waitlist.
  - For Further Study
    - Remove the eligibility requirement to cooperate with child support requirements, replace the eligibility requirement with education about child support enforcement and information about opting-in.
    - Make payments simpler for families: one idea could be creating a debit card linked to a provider ID with a preloaded benefit amount. This would have to be done in a non-stigmatizing way.

#### *Short-term Recommendation for Family Affordability: Early Learning Scholarships*

- Increase scholarship funding to cover the full cost of care, while increasing funds appropriated for scholarships
  - There has been some progress in raising caps in the last few years but even the highest ones for 4-star programs and children with priority status do not cover full-time care. The scholarship cap is too low to cover many providers, especially for infants.
  - Once a child receives a scholarship, they receive it annually until they enter kindergarten. By increasing the scholarship cap, this Task Force does not mean to limit the number of children receiving scholarships. Any increase in the scholarship cap should take that into consideration by also increasing total funds allocated.
- Expand age eligibility to include birth-3
  - Scholarships are currently focused on 3- and 4-year-olds (and children with priority status aged birth-4, along with younger siblings of scholarship recipients). Given what is known about brain development, scholarships should be eligible for children aged birth to five, because the earliest years are developmentally critical.
  - Once a child receives a scholarship, they receive it annually until they enter kindergarten. By increasing eligibility to children aged birth-3, this Task Force not mean to limit the number of children receiving scholarships. Any increase in the age eligibility should be met with corresponding increases in total funds allocated.
- Expand the categories included in priority populations

- Families with a caregiver in a substance use treatment, families experiencing domestic violence, families with an incarcerated caregiver, and families with a caregiver in a mental health treatment program should be eligible for priority status.
- Simplify the administrative system and reduce burden
  - Scholarships and CCAP have completely different billing and tracking systems, which causes undue burden on families and providers. Having them be in the same system would go a long way. Administrative agencies must determine the appropriate management and oversight structures to allow for this.
  - Income eligibility for scholarships is based on percentage of Federal Poverty Level (FPL), and CCAP income eligibility is based on percentage of State Median Income (SMI). To reduce confusion between eligibility guidelines, income eligibility for scholarships should be translated to be based on percentage of SMI.
  - Effective electronic systems that can be updated to meet the changing needs of families and administrators are needed.

#### *Program Funding Amounts*

This Task force recommends that Minnesota should establish early care and education funding amounts based on cost modeling, rather than market rates (as is current practice). Cost modeling will estimate the actual cost of providing care, reflective of all costs associated with running a program. This should be done across provider types, quality levels, and regions of the state.

- This should begin with modeling current costs of care and should be updated no less than every two years to take into account changes in cost elements including phase-in of Task Force recommendations (including compensation), new mandates, other recommendations or requirements including requirements to meet quality standards, and for changes in cost of living and inflation.
- Additionally, this Task Force's recommendations (including compensation) should be included in the ongoing work to create an updated Cost Modeling Report.

#### *Program Funding Processes*

- To make funding stable:
  - Public funding should be based on enrollment rather than attendance (pay for absent days).
    - This covers sick days, vacation days, and professional development days.
  - Public funding should be paid in advance of services, rather than reimbursed.
    - Ideally this is for a full month to allow for planning and preparing their services over a longer time horizon.
  - Once eligibility is established, it should remain in place for at least one year under most circumstances, resulting in continuity of state funding for enrolled children.
  - Public funding should be provided through both per child rates and base operational funding amounts that provide stable funding for fixed cost structures essential to effective services.
    - Providers need a base funding level that allows them to plan long-term.
    - Base operational funding minimizes revenue loss/provider risk caused by enrollment and eligibility changes, allowing programs to cover fixed operational costs.
    - This also supports the state's goals for increasing stability while building toward a system of increased access and quality.

- To make the funding process transparent:
  - The state's calculation methods for public funding (i.e. cost model inputs) must be clearly communicated to the public and the field; Any changes to public funding mechanisms and/or amounts are done with ample, appropriate notice by the state.
  - The state must have publicly-available, clear policies and procedures in place for how funding is to be determined.
- To make program administration simple and consistent:
  - The state should blend and braid funding to ensure providers participating in the Great Start MN Program are effectively funded.
  - The state should have one payment system rather than multiple, and one administrative state agency for the program.
  - Local administrative entities apply policies and procedures clearly and consistently.
  - Simplify paperwork for families and providers to reduce payment errors and deliver funding more effectively.
  - Require that administrative entities offer electronic processing of state program billing and payment for providers.
- To make funding equitably accessible across programs
  - The differences between schools, Head Start, centers (non-profit and for-profit), licensed family child care, and family, friend, and neighbor care are recognized, and funding is distributed to best support programs in their settings.
  - Funding that is not provided as a per child rate, such as base operational funding, must be equitable across settings based on their intended purpose.
  - Additional program funding (such as VPK, start up and incubation funding, etc.) should be equitably accessible to all settings who qualify to provide services.
  - Offer flexible provider grants that allow for innovation and specialization in early care and education services.
    - For providers offering reasonable and valuable services that exceed quality components included in the cost model, offer provider grants to cover those additional costs, rather than passing on the cost to families (ex. Infant mental health services in an area with high rates of child trauma).
- To have accountability for use of funding:
  - This system maintains family choice as a priority, where a significant portion of funding, to the extent possible, follows the child, creating opportunity for families and an ultimate accountability lever for funding through the new family benefits program.
  - The state has clear, publicly-available expectations for use of public funding.

### *Accessibility*

An equitably accessible system provides a clear process through which families can access affordable programs at all income levels and ensures availability in programs of family choice that meet individual child and family needs and expectations, given each family's unique context and circumstances.

The Task Force identified six factors that must be considered to develop an equitably accessible plan, including:

- Flexible availability (schedule and hours) and greater accessibility (geography, location) of early care and education that meets the diversity of families' needs.

- The role local communities should have in both determining access priorities for their communities and how to meet access needs.
- Resources and ability of providers to offer culturally responsive programming and environments.
- Transportation and other barriers, such as language barriers, affecting access to families' programs of choice.
- Accessibility and ease of the process through which parents determine eligibility, identify options, and secure early care and education.
- Income and other eligibility requirements that lead to public subsidy access for early care and education.

*Flexible Availability (Schedule and Hours) and Greater Accessibility (Geography, Location) of Early Care and Education that Meets the Diversity of Families' Needs.*

- Incentivize non-traditional care hours by offering higher CCAP reimbursement rates for licensed and legally non-licensed care.
- Understand and systemically support parent choice patterns (e.g. preference for Family, Friend, or Neighbor (FFN) care over licensed programs for night and weekend coverage) including systemically supporting FFN providers in understanding and meeting requirements to receive CCAP, and supporting FFN providers in offering non-traditional care hours.
- Invest ongoing resources, prioritized in areas of largest access gaps, to support new early care and education programs to startup, and existing child care programs to expand. Identify and consider incubation funding opportunities.
- Invest ongoing funding to recruit, train, and support new, qualified early educators to join the field, working in partnership with a statewide resource and referral network, training partners, community colleges and higher education institutions, with prioritization for areas of largest access gaps.
- Invest ongoing resources to support early care and education programs to improve and expand their facilities. Support local communities to identify infrastructure opportunities through local collaborations.
- Establish a regional child care facility fund that could receive requests and award funds to eligible, shovel-ready projects in focus communities where need for more child care capacity is most acute.<sup>2</sup>
- Extend funding for business supports for child care programs to stabilize the sector (currently funded through federal Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act resources).

For further study:

- State agencies should review the results of ongoing parent survey efforts to inform policy decisions, including assessing parents' wants and needs -- type, location, hours, ages, etc. in partnership with local communities, with a particular focus on historically underserved needs and communities.

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<sup>2</sup> Recommendation is in alignment with the Minnesota Business Vitality Council's Child Care Business Supports Working Group report, which Task Force members reviewed. [https://mn.gov/deed/assets/child-care-mbvc-report-acc\\_tcm1045-526238.pdf](https://mn.gov/deed/assets/child-care-mbvc-report-acc_tcm1045-526238.pdf).

- Use data to understand what capacity exists, service gaps, and determine priorities for investment.
- Conduct a study of other programs (ECE in other geographies or non-ECE programs) that have successfully invested in incubation, start up, and expansion to identify appropriate infrastructure and funding mechanisms.

*The Role Local Communities Should Have in Both Determining Access Priorities for Their Communities and How to Meet Access Needs*

- Establish a mechanism for local communities to have meaningful voice and the ability to influence state policy and resourcing decisions.
  - Consider how resources and ‘starting points’ are different among communities, in order to equitably support communities to identify and advocate for their needs.
  - Study existing structures to avoid duplicative efforts and feedback mechanisms.
  - Form local round tables with providers, school districts, local employers and chambers, and local governments to meet and devise plans that work for their communities.
  - Community-centered coordination organizations should be developed that work to align, coordinate, and make a seamless system for families with children 0-5, with coverage of the full state through regional organizations.
- Support and expand the state’s efforts around program navigation for families.
  - Provide community planning funding and support in all regions.
- Determine where there is policy flexibility to allow tailoring at the local community level and what must remain consistent across the state.
- Provide support and facilitation to help communities plan for early care and education needs.
  - Continue and expand availability of community planning supports to help localities address supply gaps in ways that meet their unique local needs.
- After further study and validation from employers, offer tax incentives to employers for investments in child care capacity by creating a Child Care Expansion Tax Credit. Provide a refundable credit to private employers that make qualified contributions to increase child care capacity within their communities.<sup>3</sup>
- Use cost modeling data to inform future financing decisions within communities.

For further study:

- Define “communities” in order to determine access priorities and determine how community voice is represented and heard. Consider looking to previous and existing work including through the Preschool Development Grant (PDG).
- Consider ways Minnesota and other states have organized for local voice, and the potential implementation considerations through stakeholder engagement.
- The state should evaluate which Minnesota programs have been successful through a formalized process, based on data, to determine programs to further invest in.

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<sup>3</sup> Recommendation is in alignment with the Minnesota Business Vitality Council’s Child Care Business Supports Working Group report, which Task Force members reviewed. [https://mn.gov/deed/assets/child-care-mbvc-report-acc\\_tcm1045-526238.pdf](https://mn.gov/deed/assets/child-care-mbvc-report-acc_tcm1045-526238.pdf).

*Resources and Ability of Providers and Programs to Offer Culturally Responsive Programming and Environments*

- To address that recruiting for culturally and linguistically responsive educators is especially difficult in rural areas, develop ECE workforce recruitment and retention programs that prioritize cultural and linguistic diversity across the ECE system. Include pathways to leadership positions and business supports for BIPOC communities.
- Include anti-bias, implicit-bias, and trauma-informed care training in required workforce trainings.
- Promote and provide readily available access to affordable, low-barrier cultural competency training across the mixed delivery system of programs and providers, including resources for members of the ECE workforce to learn about various cultures.
- Current strategies to explore may include: continually refining and encouraging use of Knowledge and Competency Frameworks, short- and long-term strategies presented in the Parent Aware Equity Report and the Parent Aware Racial Equity Action Plan.
- Providers must be funded to create culturally responsive programming and families must be supported in identifying care options that meet their needs and preferences
- Leverage connections between the Child Care Wayfinder and economic development programs by ensuring two-way information sharing between staff of the Child Care Wayfinder and workforce development programs to provide resources in training and technical assistance.<sup>4</sup>

For further study:

- Substantiate or survey families regarding demand for culturally responsive programming to validate understanding of family demand.
- Improve data systems' ability to capture and analyze data on race, ethnicity, and language spoken of the ECE workforce, as well as census data to identify care and education programs serving racially, ethnically, and linguistically diverse communities so that supports and outreach can be customized to meet local needs.
- Study other states' ability to recruit and retain a diverse workforce.

*Transportation, Language, and Other Barriers Affecting Access to Families' Programs of Choice*

- The state must better understand the systemic challenges families face in accessing ECE, and how those differ across communities. There must be a process to continually understand, assess, and address systemic barriers.
- Create a consistent process to meet families where they are and help them navigate the system through a state-provided navigator function. Help families overcome individual barriers to participation and link them with resources. Navigation could include translation services, direction to the right resources (including financial assistance and early childhood screening), providing forms in their home language, etc.
- Increase benefit programs for family access to early care and education, ensuring funds are flexible to cover a variety of costs, such as transportation; consider adding transportation vouchers to existing benefit programs.

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<sup>4</sup> Recommendation is in alignment with the Minnesota Business Vitality Council's Child Care Business Supports Working Group report, which Task Force members reviewed. [https://mn.gov/deed/assets/child-care-mbvc-report-acc\\_tcm1045-526238.pdf](https://mn.gov/deed/assets/child-care-mbvc-report-acc_tcm1045-526238.pdf).

- Leverage partnerships between public school pre-k programs and child care programs providing before- and after-school care. Having on-site care at school sites can address transportation needs, as well as provide workforce development opportunities for older students.

For further study:

- Study ‘Help Me Connect’ model, family resource center model, and other state examples of Navigator programs (within ECE or other initiatives) to understand which programs are effective and worth investing in further.
- Examine how school districts and Head Start provide transportation to enrolled families. Look to a co-op model that could include additional providers or further coordination.
- Leverage lessons learned through the Inclusive Child Care Pilot Grant Program, which is seeking to expand access to early care and education for children with disabilities.
- Conduct family focus groups to better understand some of the specific systemic barriers they face, by community. This could start through existing networks of advocates and support organizations. Some potential additional barriers:
  - Ensuring language barriers are inclusive of ASL or hearing impairments.
  - Accessing care if you are undocumented.
  - Accessing care if you don’t have access to health care (e.g., immunizations for children are required in many settings).
  - Caregivers who are not legal guardians; how can they access and advocate for kids in their care.

### *Effectiveness*

The Task Force vision for effectiveness states that: in addition to being affordable and accessible, an effective experience centers child and family well-being through a system of choice. It does this by:

- Ensuring offerings address and advance the social, emotional, psychological, cultural, physical, and intellectual needs of each child, in a trauma-informed manner.
- Providing safe, stable, secure, consistent, nurturing, and enriching environments for each child.
- Building trusting relationships founded on mutual respect between each family and their caregivers.
- Promote linguistically responsive and culturally relevant environments with a diverse workforce that reflects the families they serve and the whole state.
- Connecting families to resources and supports *they* have identified will increase their family well-being.

To achieve the Task Force’s vision of effectiveness across all providers in the mixed delivery system where all families have access to an effective early care and education environment in the location of their choice, **Minnesota’s early care and education system needs significant investment and reinvigorated focus and alignment on its importance to a thriving Minnesota.** To enable the early care and education workforce to bring this Task Force’s vision of effectiveness to reality for all children and families, Minnesota needs:

- Consistent and equitable standards and growth-oriented accountability systems,
- A healthy business environment and clear, consistently applied, regulations,
- Cohesive, high functioning infrastructure and ecosystem,
- Fair compensation and supports for the ECE workforce, and
- More, consistent, and equitable funding, which enables many of the above.

*Consistent and Equitable Standards and Growth-oriented Accountability Systems*

- Endorsement of the ongoing continuous improvement efforts for Parent Aware, including the Racial Equity Action Plan and the Parent Aware Equity Report, being implemented.
- The state should, in partnership with a diverse stakeholder body inclusive of providers of all types, complete an analysis of the option to include all licensed programs and Family Child Care providers in Parent Aware, the Quality Rating and Improvement System (QRIS). Under this structure, Parent Aware would be expanded to include a new entry standard of “licensed.” This option acknowledges that licensed programs are required to meet a certain level of basic standards and enables parents to more readily assess and compare programs through one rating system. The analysis should account for any impacts to existing pathways to achieving ratings.

*A Healthy Business Environment and Clear, Consistently Applied, Regulations*

- Endorsement of the ongoing Child Care Regulation Modernization projects conducted by the Department of Human Services (DHS), which may include alternative licensing models, abbreviated licensing inspections, and risk-based tiered violation systems. These projects are developing a report and proposed legislation to implement the new licensing tools and revised licensing standards, submitted by February 1, 2024.
- The state should continue existing opportunities to improve business acumen, including knowledge of existing resources and programs for increased access to capital, among current and new small business providers; and explore options to increase opportunities including incentives for participation. The state should consider programs focused on developing business acumen, including technology skills, for small business owners from historically disenfranchised communities and in areas with child care deserts where business development and expansion is most needed.

*Cohesive, High-functioning Infrastructure and Ecosystem*

- To fully understand the infrastructure needs of the future ECE system, including technology, staffing, and programmatic changes the state should utilize existing data and seek new information where necessary to inform planning for system changes based on the Task Force recommendations. State agencies responsible for administering ECE programs should consult intermediary structures and providers when evaluating changes.
- To better meet the comprehensive needs of children, their caregivers, and the interconnected and complex ECE system, a new and centralized governance structure with adequate funding and resources, and enhanced coordination and consolidation should be created. Any structural changes should account for interactions between the ECE system and the business community, the broader state workforce, the broader early childhood system and programs, and issues that affect Minnesota’s families.

*Qualified Workforce Recommendations: Individuals*

- Provide financial and academic support to new and current early educators as they move up the career ladder by:
  - Promoting awareness and ensuring adequate funding of existing scholarship programs (i.e. the T.E.A.C.H. Early Childhood Minnesota Scholarships <sup>5</sup>).

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<sup>5</sup> “T.E.A.C.H. Scholarships: Your Pathway to Higher Education.” *Child Care Aware of Minnesota*, <https://www.childcareawaremn.org/providers/grants-and-scholarships/teach-scholarships/>.

- Expanding awareness of and connecting eligible recipients to the Minnesota Future Together Grant program which provides tuition-free pathways for high-need careers (early childhood named as one).
- Expanding “last dollar” scholarships for students entering ECE education programs to cover the full cost of study.
- Developing a Minnesota Early Childhood Educator apprenticeship model (for example, the model currently being explored through T.E.A.C.H. National Center).
- Develop and expand opportunities to earn “credit for prior learning” to account for knowledge and competencies gained through on-the-job exposure and years of experience when entering higher education. This would include multiple ways to demonstrate knowledge and competence gained through one’s experience, including but not limited to skills tests; portfolio; demonstration.
- Support retention and professional development in the field by developing a paid peer mentorship/coaching model for the current and new ECE workforce, including a focus on BIPOC staff, to learn from and consult with seasoned professionals.

*Qualified Workforce Recommendations: Support for the Higher Education System and Training Infrastructure*

- Expand the ‘Grow Your Own’ program to include the early childhood education field (pilot currently underway).
- Expand the use of the Minnesota Transfer Pathways framework amongst existing 2- and 4-year institutions of higher education that offer early childhood education programming.
- Align information on teacher licensing qualification standards and program licensing standards for both Minnesota’s Professional Educator Licensing and Standards Board (PELSB) and the Minnesota Department of Human Services (DHS).
- Expand the adoption of MN’s Knowledge and Competency Framework in all ECE higher education programming to support standardized understanding of competencies.
- After a period of review and input from members of the workforce, update requirements to obtain teacher licensure, including to account for prior experience in the field.
- Work towards a state where ECE programming and coursework in higher education and across training settings is accessible to all students, including offering classes on nights and weekends; virtually and in-person; and in languages other than English.
- Support institutions of higher education in developing strong ECE preparation programs by establishing a new fund to support ECE and child development programs at institutions of higher education. Grant funds could be used to:
  - Subsidize programs with low enrollment; market ECE programming more aggressively.
  - Pay students for their internships and/or required student teaching; RELATED: pay “cooperating teachers” for their time supervising students.
  - Implement institution-led improvements for degree programs at 2- and 4-year colleges.
  - Support practice-based learning by developing guided pathways and capacity building, such as hiring and training well-qualified, diverse faculty.
  - Support flexible scheduling and the provision of courses in alternative locations to make coursework accessible to more students.
  - Develop cohort models that support the completion of ECE programs.
  - Develop graduate programs in ECE to support the development of educators and instructional leaders with expertise in ECE.

- Support non-higher-education programming infrastructure by establishing a new fund to support credentialing programs (including apprenticeships and training programs) that are focused on preparing ECE educators for the classroom. Grant funding could be used to:
  - Market programming more aggressively.
  - Pay students for their apprenticeships and/or training.
  - Implement institution-led improvements for credentialing programs.
  - Support practice-based learning by developing guided pathways and capacity building, such as training well-qualified, diverse faculty.
  - Support flexible scheduling and the provision of training in alternative locations to make coursework accessible to more students.
  - Develop cohort models that support the completion of programs.

#### *Diverse Workforce Recommendations*

The Task Force recognizes that to recruit, retain, and support a diverse workforce, racial inequities within the profession need to be addressed. The best levers to impact these inequities are through compensation reform, increased access to benefits, increased educational support, and focused efforts to provide supports to advance Black, Indigenous, and people of color into leadership roles within the profession.

- A study should be administered every three years to better understand the current state of Minnesota's early childhood education workforce across the mixed delivery system in terms of demographic composition, compensation, and education. Tangible outcome metrics should also be established for decreasing current wage disparities for people of color and increasing representation of people of color in advanced roles within the field. Administered every three years, the study would allow the state to measure progress towards these outcomes and make necessary adjustments to help support, develop, and retain a diverse workforce.

#### *Supported Workforce Recommendations*

- Access to mental health and wellness resources for all ECE workforce members should be strengthened and expanded, including but not limited to, through the following methods:
  - Providing time off to pursue therapeutic services
  - Bringing wellness services on-site
  - Providing subsidies for individuals to pay for needed services
  - Ensuring health care benefits include affordable coverage for mental health and wellness activities
- To allow for the voices of the frontline ECE workforce to be both heard and valued, programs employing multiple staff should ensure dedicated time for reflective supervision and regularly collect and incorporate employee feedback and input into administrative operations, curriculum design, and other programmatic improvements.
- The state should continue and expand successful programs in the areas of supporting ECE educators and students:
  - Early Childhood Mental Health Consultation (ECMHC). This program partners with mental health professionals to provide evidence-informed mental health consultation to Parent Aware enrolled early care and education providers.
  - Providing grant funding for programs in the ECE system, such as the Center for Inclusive Child Care (CICC), which provides free relationship-based professional development to early childhood educators.

- Early Childhood Mental Health Grants, which provides mental health services to children ages zero to five eligible for Medical Assistance (MA).

#### *Longer-Term Financial Compensation Recommendations*

- Currently, employers in the early care and education field are required to meet state and local minimum wage. This Task Force believes current hourly minimum wages are not adequate for workers in the ECE field, and current median wages for early educators reflect an undervaluing and under-compensation of a critical workforce whose work is highly demanded, supports the broader Minnesota economy, and supports the future of Minnesota's youngest learners.
- Minnesota believes that the early care and education workforce should be paid fair and appropriate wages that allow them to support themselves and their families; however, this Task Force respects the needs and rights of businesses to make their own business decisions. Therefore, the Task Force recommends a phased-in recommended base wage for ECE employees. The base wage recommendation is based on the DEED Cost of Living tool at the individual level and will be supported by additional funding to cover the additional costs of wages paid. The recommended base wage will:
  - Serve as a recommended floor for all members of the early care and education workforce
  - Reflect the local geographies' individual living wage
  - Reflect an appropriate wage for an entry level role in the ECE field
  - Be updated no less than every two years based on the DEED Cost of Living tool, at the individual cost of living wage.

Minnesota recognizes that achieving substantial and sustained improvements in the education and experience levels of the early care and education workforce requires investments aimed at reducing inequities in pay. To support ECE programs in attracting, retaining, and supporting a qualified workforce, the state will implement a workforce compensation grant that provides financial resources to programs paying wages at the recommended base level. As programs opt into publicly funded compensation grants, documentation and submission of compliance would be required for accountability.

- In addition to the recommended base wage, the recommended wage scale\* includes wages above and beyond the base wage. These higher wage recommendations are associated with higher levels of education and experience. The recommended wage scale should be included in cost modeling efforts (per this Task Force's cost modeling recommendation). Family Child Care providers should plan to pay themselves a recommended base annual wage (profit) equivalent to a lead role on the wage scale, to reflect their dual responsibilities as directors *and* providers of care and education. FCC providers who employ additional staff should follow the recommendations for employers, including the recommended wage scale. Increased per child rates for the increased costs associated with education and qualifications needed for higher quality programs would be provided through cost modeling and the family benefits program (Great Start MN Program). Employers hiring or retaining employees with the recommended levels of education and/or experience to provide quality care and education will be incentivized to pay those workers higher wages in alignment with the recommended wage scale. Wages at the highest level of the wage scale are commensurate with elementary school teacher salaries. Documentation of compliance would be required at the levels required for

funding received. Rules for this implementation would need to be determined through the future program administrative agency.

\*The Proposed MN ECE Professional Wage Scale has been used as a starting point for the recommended wage scale, with edits made to:

- Adjust wages based on current cost of living
- Take out references to the ECE I, II, and III levels
- Align with the Achieve career lattice and include comparable competencies for the phased-in implementation period.

Further updates are needed to:

- Reflect regional variation, in alignment with regional cost modeling. Regional variation should be determined during the planning and implementation phase.
- Fill in the comparable competencies and experience guidelines, based on thorough process inclusive of stakeholders and end-users.

Implementation:

- Over the implementation timeline, as funding to providers increases through the long-term affordability recommendations, wages should be increased for the existing workforce and new members of the field. As programs opt-in to these systems of funding, they will be able to implement wage increases in alignment with additional funding.
- Throughout the phased-in implementation timeline, employers will be incentivized to pay workers at wages commensurate with both experience and education, and to hire workers who meet educational and/or competency guidelines.
- By the end of the implementation timeline, all members of the workforce whose employers opt-in to the compensation grant will be paid a base wage equal to or above the DEED cost of living. At this point, the corresponding competencies and experience guidelines for wage incentives should be re-evaluated.

**Table 1. Recommended Base Wage**

	<b>Hourly Wage</b> <i>(2021 numbers)</i>	<b>Annual Wage</b> <i>(2021 numbers)</i>	<b>Based On</b>
Recommended base wage for all members of the workforce by 2031*	\$16.21	\$33,717	Individual Cost of Living (DEED)

\*Appropriate wage for an entry level role

**Table 2. Recommended Wage Scale**

	<b>Educational Guidelines for Role</b> <i>Aligned with MN Achieve Career Lattice</i>	<b>OR Comparable Competency and Experience Guidelines for Role **</b> <i>(To be reevaluated at the end of the implementation period in 2031)</i>	<b>Role Employees must meet statutory requirements</b>	<b>Hourly Wage (2021 numbers)</b>	<b>Annual Wage (2021 numbers)</b>	<b>Based On</b>

Wage Incentivized	CDA Certificate <i>Steps 6-7</i>	<ul style="list-style-type: none"> <li>• Qualified apprenticeship program OR</li> <li>• <b>X</b> hours of professional training AND <b>X</b> years of experience</li> <li>• AND corresponding competencies</li> </ul>	<b>Support</b> <ul style="list-style-type: none"> <li>• Support Educator in 0-5 settings</li> </ul>	\$19.40	\$40,352	Family Living Wage (DEED)
Wage Incentivized	Early Childhood-related Associate Degree <i>Steps 8-9</i>	<ul style="list-style-type: none"> <li>• Qualified apprenticeship program OR</li> <li>• <b>X</b> hours of professional training AND <b>X</b> years of experience</li> <li>• AND corresponding competencies</li> </ul>	<b>Lead I</b> <ul style="list-style-type: none"> <li>• Lead Educator in 0 – 5 settings</li> <li>• Guide Support Roles</li> <li>• FCC enrolling fewer than 10 children</li> </ul>	\$24.25	\$50,440	125% of Support
Wage Incentivized	Early Childhood Ed BA <i>Steps 10-12</i>	<ul style="list-style-type: none"> <li>• <b>X</b> hours of professional training AND <b>X</b> years of experience and corresponding competencies</li> </ul>	<b>Lead II</b> <ul style="list-style-type: none"> <li>• Lead Educator in 0 – 5 settings</li> <li>• Guide Support and Lead I Roles</li> <li>• FCC enrolling 10 or more children</li> </ul>	\$30.31	\$63,050	Parity with Elementary Teachers (125% of Lead I)

\*\*Comparable competencies and experience, aligned with the MN Knowledge and Competency Frameworks, will be defined using a human-centered design process inclusive of relevant state agency representatives, all types of ECE providers, and other relevant end-users (i.e., parents, teachers in the ECE field).

These numbers reflect statewide median data. Per the recommendation, regional data would be used for implementation.

#### *Short-Term Financial Relief Strategies Recommendations*

To support recruitment of new talent to the ECE field:

- The state should create a publicly funded program for ECE programs to provide a one-time incentive/bonus to individuals who enter the field, with awards provided after the first 6 months of employment.
  - Building on the lessons learned from the Workforce Development Grants project, a bonus (starting at \$500, evaluated yearly to account for inflation) for new employees who complete training or CDA credential and start a job in a child care and early education program.
  - A bonus (starting at \$1,000, evaluated yearly to account for inflation) for new employees who have earned an AA, BS, and/or BA degree in early care and education, complete initial training, and orientation, and start a job in an early care and education program.

To support retention of talent in the ECE field:

- Pending further study, tax benefits should be put in place to ensure ECE educators across the mixed delivery system are not unfairly penalized by earning increased wages that would disqualify them from government benefits OR a separate eligibility category should be created for the ECE workforce.
- Expand REETAIN awards so that ECE workforce members from all early care and education settings are eligible to receive one. Revise the application process for REETAIN bonuses<sup>6</sup> to make it easier for eligible individuals to take advantage of the opportunity (for example, by increasing the amount of time the application window is open, accepting rolling applications, increasing communications to all members of the workforce, etc.)
- Based on successes of and lessons learned from the Child care Stabilization Base Grant program, plan for on-going funding to programs for the stabilization of the ECE workforce. Ensure there is a mechanism in place to enforce a connection between grant funds and increased compensation and/or benefits.

#### *Benefits Recommendations*

- Healthcare Coverage
  - **Centers, Head Start:** All employees should have access to health care coverage via subsidies, reimbursements, or paid upfront costs.
  - **FCC:** An FCC health benefits program should be created that would subsidize the cost of premiums for FCC providers, including funding for health care navigators that specialize in serving child care providers.
  - If eligible, providers would enroll in Medicaid or Minnesota Care, with any premiums reimbursed.
  - If not eligible, providers would purchase health care through MNsure (state health insurance marketplace), with premiums reimbursed.
- Retirement Savings
  - **Centers, Head Start:** All employees should have access to a retirement savings plan (e.g., 401K or IRA) that includes an employer contribution and an option for employee contributions.
- Availability of additional benefits via a “cafeteria plan”
  - **Centers, Head Start:** A negotiable package equivalent to 10 percent of an employee’s salary should be made available for benefits such as: child care for employee’s own children; family member health coverage; short- and long-term disability insurance; dental insurance; optical insurance; and life insurance.
  - **FCC:** Employees working more than 20 hours per week on a regular basis should have the following benefits prorated for the number of hours worked: health care coverage, paid sick and vacation leave, paid holidays, paid planning time, and a professional development fund.
- Access to child-care subsidies for children of the ECE workforce
  - All providers should have access to child care subsidies for their own children through the raising of income eligibility limits (\*connection to affordability recommendations)
- School-based

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<sup>6</sup> “Reetain Bonuses: Financial Rewards for Committed Professionals.” *Child Care Aware of Minnesota*, <https://www.childcareawaremn.org/providers/grants-and-scholarships/reetain-bonuses/>.

- School-based ECE educators should be provided with the same benefits package option(s) as K-3 educators within their district.

#### *Time Off Recommendations*

- After further study of specific models, like that in Washington state, regional substitute pools should be created so that ECE educators are able to pursue professional development and utilize paid time off.
- Any cost modeling study completed to estimate the expense of substitute providers should assume a minimum of 5 paid days off per year per full-time ECE worker.
- All ECE Center-based and FCC providers across the mixed delivery system should be provided with and encouraged to use best practice guidance (below) when developing time off policies that are adequate to meet the need of both vacation time and sick time, whether those are separate or pooled together.
- School-based and Head Start providers should be provided with guidance for determining time off in alignment with best practices for elementary educator time off, accounting for 9- and 12-month schedules. These policies should be adequate to meet the need of both vacation and sick time, whether those are separate or pooled together.

The Task Force also investigated and voted in support of best practice guidance from “Model Work Standards” of Child Care Employment and included additional recommended guidance on how to provide benefits typical of other professions for Centers and Family Child Care.<sup>7</sup> This guidance is:

- Centers
  - Full-time employees accrue paid vacation time based on longevity in their program: minimally five days per year during the first year of employment; 10 days per year during years two through four; and 15 days per year with five or more years of employment. Part-time employees earn paid time off on a prorated basis.
  - A minimum of eight holidays are paid each year for each full-time employee.
  - Full-time employees receive at least 5 paid sick/personal days per year, which can be taken to care for sick family members, as well.
- FCC
  - The provider sets aside between five and 10 vacation days per year, which are paid in full by families enrolled in the program. Additional unpaid vacation leave may be negotiated with parents in the contract.
  - The provider receives a minimum of eight holidays per year, which are paid in full by families whose contracted hours fall on these days.
  - The provider set aside a minimum of two paid sick/personal days per year, which can be taken to care for sick family members, as well.

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<sup>7</sup> “The Model Work Standard.” *Center for the Study of Childcare Employment (CSCCE)*, 19 Nov. 2019, <https://csce.berkeley.edu/publications/report/creating-better-child-care-jobs-model-work-standards/>.