

A GREAT START FOR EVERY CHILD

Dear Members of the House Ways and Means Committee,

We are a diverse group of individuals and organizations that has come together to build an early care and learning system that is affordable for families, high-quality for kids, and a sustainable career for teachers. We are writing today in support of the Early Learning Scholarship related provisions in the committee's omnibus budget bill.

Minnesota families are facing a serious child care affordability crisis that must be addressed by the Legislature as soon as possible. While the federal government has determined that families can afford to pay up to 7 percent of their annual household income for child care, the Economic Policy Institute estimates that a typical Minnesota family with an infant and preschooler is paying about 37 percent of its household income for child care. That's more than 5 times what is affordable. Families with more young children and/or lower incomes are paying even more.

We had hoped to work with the Minnesota Legislature to make more progress to address this crisis this year and were thrilled with the introduction of H.F. 3681, which proposed to establish Great Start Affordability Scholarships. In the end, funding the bill was not possible given the size and scope of the budget agreed to. Despite our disappointment that more was not possible, we appreciate that key policy and administrative items related to our shared principle of "streamlining assistance" or supporting assistance being delivered in a way that doesn't unnecessarily burden

Minnesota families or child care providers have moved forward in H.F. 2476 (Children and Families Supplemental Budget Bill) and are being considered for addition to H.F. 5237 (Education Finance Supplemental Budget Bill).

We are highly supportive of the inclusion of the provisions in the amendment, including prospective payments of Scholarships to providers, the payment of Scholarships based on enrollment, and the ability for available funds to be used to build administrative systems that will make the program work more efficiently and effectively for families and child care providers. We urge the adoption of the amendment to add these provisions to H.F. 5237, and their ultimate passage.

We also strongly encourage the Legislature to make child care affordability a top priority for funding in 2025. Improved administrative policies and systems are important and necessary, but funding an increase in eligibility for Scholarships as proposed in H.F. 3681 is needed to address Minnesota's child care affordability crisis.

Doing so will help more than just families struggling under the weight of enormous child care bills. It also will help Minnesota's youngest learners who need quality child care to get prepared for school and life, struggling child care providers who need more families using their services to keep their doors open, and businesses who are desperate to find enough employees during the most serious labor shortage in decades.

Sincerely,

ABC123 Child Enrichment Center

All Nations Rise

Before Racism

Bethesda All Stars Childcare Center

Center for Inclusive Child Care (CICC)

Children's Defense Fund Minnesota

Doctors for Early Childhood

First Children's Finance

Generation Next

Indigenous Visioning

ISAIAH

Jill Magnell, Child Care Owner

Kay Hendrich, Early Care Educator

Kids Count on Us

Kristy Anderson, Licensed Family

Child Care Provider

Little Moments Count

Minneapolis Youth Coordinating Board

Minnesota Alliance of YMCAs

Minnesota's Prenatal to Three Coalition

*Missy Okeson and Katie Gunderson at
Northwest Minnesota Foundation*

MN Budget Project

MN Child Care Association

MN Parents for Affordable Child Care

MnAEYC

New Horizon Academy

Northstar Prosperity

Saint Paul Promise

Start Early Funders Coalition

TakeAction Minnesota

The Family Partnership

The Sheltering Arms Foundation

Think Small

West Central Initiative

YMCA of the North



April 24, 2024

ABC123 Child Enrichment Center LLC
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Dilworth, MN 56529

Dear Members of the House Ways & Means Committee:

I am writing in support of the effort to amend language from Article 6 of the Children and Families Supplemental Budget bill (H.F. 2476) into the Education Finance Supplemental Budget bill (H.F. 5237). This language is critically important as it catches Minnesota up to what other states are doing to make child care subsidy programs, like Early Learning Scholarships, work better for child care providers like me and the families we serve.

Specifically, as a provider in northwest Minnesota I interact with child care subsidy programs in both Minnesota and North Dakota. (Specifically: 15 county agencies for CCAP and 5 regions for ELS) To use plain language, Minnesota's systems are a mess when compared with North Dakota. In Minnesota I am paid on a reimbursement basis for subsidized children despite the fact that all of my expenses occur in real time. This means that I have to cash flow expenses related to serving subsidized children and wait at least 30 days to be paid back. In case you haven't heard, child care businesses do NOT have extra cash to cover these expenses while we wait (and wait) for the state of Minnesota to cover its obligations. This is also out of step with my policies for private pay families who must pay in advance and with the North Dakota subsidy program, which pays an entire month in advance a mere 5 days (!) after I request payment.

Computer systems are another place where Minnesota is falling short. So much of what I have to do to get paid by the state of Minnesota happens on paper or through mechanisms that make extra work for me and the processors. The North Dakota payment system is simple and easy to use allowing me to file for and receive payment and submit attendance information with a much lower burden on both parties. Simply put, Minnesota has a lot of room for improvement where administrative systems are concerned. I am glad to see the state finally catching up with this plan for the Early Learning Scholarship program, though January 2026 is a long time to wait, and my center might not make it that long, as 75% of my families receive some type of subsidy.

In closing I will say that it is great to have the state working on these kinds of systems in support of children from low-income families, but I have to say that the families I see getting squeezed most are those that make too much to qualify for existing subsidy programs and too little to pay out of pocket. The state has to help middle class families afford child care. I was really excited to see the proposal for Great Start Affordability Scholarships in H.F. 3681 and incredibly disappointed it didn't move forward. Adopt this amendment to get the state's house in order where program administration is concerned and then come back in 2025 and make the significant investment in child care affordability that our providers, children, families, and communities need and deserve.

Thank you for your time,

Nicole Flick

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April 25, 2024

Members of the House Ways and Means Committee,

I want to provide support for HF2476 and its provisions focused on early childhood education. This legislation contains proposals that advance the historic work done in the 2023 legislative session and improve effective implementation of those initiatives, something that the Minnesota Department of Education (MDE) has been intensely focused on over the last year. I appreciate the inclusion of the provisions in the Governor's supplemental education budget, which will refine those newly enacted programs and provide no-cost ways the State can continue to improve.

Many of the proposals in this bill reflect changes that need to be made this session. The most notable example: last year, the Legislature, in addition to making 4,000 expiring voluntary prekindergarten spots permanent, set aside \$50 million for additional voluntary prekindergarten seats in fiscal year 2025. Voluntary prekindergarten is a critical program to support our preschoolers across the state that can work in partnership with local Head Start and licensed childcare programs. Thank you for including language increasing the program's participant cap by 5,200, to bring the program total up to 12,360. This is one year earlier than was projected and at no additional cost in this budget, a big win for our youngest learners. We know families and districts alike are asking for more capacity here, so we are excited about the growth of this program.

The bill also includes language changes necessary to fully and better implement other programs. It allows up to two percent of Head Start grant funds to be used for administrative and programmatic supports. Between the limits of federal support for state-level capacity and the increase in state Head Start funds and expanded uses passed last session, this proposal is critical for helping ensure the best support for Head Start programs.

We also appreciate the inclusion of funding to support the Summer Electronic Benefit Transfer program (Summer-EBT) and the transition to the Department of Children, Youth, and Families to ensure critical services our agency provides can be maintained.

Thank you again to Chair Pinto for carrying these provisions and to the committee for the opportunity to provide support for our youngest learners.

Sincerely,



Willie Jett
Commissioner of Education