



Representative Dave Pinto
Chair, Children and Families Finance & Policy Committee
503 State Office Building
St. Paul, MN 55155

February 21, 2024

Mr. Chair and Members of the Committee,

On behalf of the Start Early Funders Coalition, we are writing to express our enthusiastic support for H.F. 3681, "An Act Relating to Childcare," which aims to establish a program to assist families with the cost of childcare in Minnesota. As a concerned coalition that's deeply invested in the well-being of families and children in our state, we believe this bill represents a significant step forward in addressing the critical need for affordable, high-quality childcare services.

The rising costs of childcare present a significant burden for many families, often forcing parents to make difficult choices between work and caregiving responsibilities. This bill's establishment of the Great Start Affordability Scholarship Program is a commendable initiative that seeks to alleviate this financial strain and ensure that all children have access to the early care and learning opportunities they need to thrive.

By providing scholarships to families with children from birth to kindergarten entry and limiting the portion of income dedicated to childcare expenses, this program will make quality child care more accessible and affordable for low and moderate-income families across Minnesota. Moreover, the bill's focus on integrating existing early care and learning programs, considering community input, and maximizing federal resources demonstrates a thoughtful and comprehensive approach to addressing the complex challenges facing our childcare system.

We are impressed by the bill's commitment to equity and inclusivity, as evidenced by its eligibility criteria, which prioritize families with lower incomes and aim to ensure that no family pays more than seven percent of their annual income for child care. By targeting resources to those who need them most, this program has the potential to reduce disparities in access to early childhood education and promote the healthy development of all Minnesota children.

Furthermore, the provisions outlined in the bill regarding administration, payment practices, and family notifications reflect a strong commitment to accountability, transparency, and efficiency in the implementation of the Great Start Affordability Scholarship Program. These measures will help to ensure that funds are allocated equitably, that families are informed about available resources, and that providers receive timely and fair compensation for their services.

In conclusion, we urge you to continue to support this bill, and its passage into law. By investing in affordable childcare and supporting the early development and education of our youngest citizens, we can build a stronger, more prosperous future for all Minnesotans. Thank you for your attention to this important issue.



Sincerely,

Allison Corrado,
Public Policy Committee

Carrie Zelin Johnson
Start Early Funders Coalition Coordinator

Inam A.
Public Policy Committee.

Feb 20, 2014

My name is Dina Williams and I'm writing as part of TakeAction Minnesota's Parents + Caregivers United, a project bringing together parents and caregivers so that our kids and loved ones experience real belonging and opportunity -- and we have a life.

I urge you to support the Great Start Affordability Program and fully fund childcare for every baby and young child in Minnesota.

The high cost of childcare creates huge social and economic costs in Minnesota. All families but the extremely wealthy pay too much of their income for safe and joyful childcare, which causes stress on the vast majority of parents in Minnesota. This negatively impacts how they're able to parent their babies and young ones. It's especially terrible because psychologists agree that the early years are the most important for development and socialization. Sky high costs of childcare make it so that the few children born to very wealthy families easily have access to safe and joyful spaces to grow, learn, and socialize, while everyone else struggles to give their kids the same great start in life. And some people are forced to forgo having children that they desperately want because they can't afford to quit work or pay for childcare.

The lack of affordable childcare also has huge economic costs. Parents either spend too much of their money on childcare and can't afford other basic needs, or a parent quits their job to be full-time childcare. Both are bad for the economy because they drive down spending and drive people out of the workforce. The burden is especially hard for single parents, who can't afford to quit their job, but also already have strapped finances.

I struggle with the issues above. I currently have one daughter and my husband and I are both employed full time. Despite full time employment, the cost of childcare for our daughter is a major financial stressor. The cost of childcare has also impacted the decision to expand our family. Our dream is to have a second child and give our daughter a sibling but we cannot afford two children in childcare.

For all these reasons, I support the Great Start Affordability Program and respectfully urge you to do the same. Making sure every Minnesotan family has what they need to give their baby a great start in life should be the whole point of government, right?

Dina Williams
Minneapolis, MN 55407



February 22, 2024

Members of the Childrens and Families Finance and Policy Committee:

Second Harvest Heartland, a Brooklyn Park-based food bank serving 41 counties in Minnesota and 18 in western Wisconsin, is pleased to offer our support for HF3681 (Kotyza-Witthuhn), a bill that would ensure that working families pay no more than 7% of their income in childcare expenses.

As a food bank, our primary mission is to ensure that Minnesotans experiencing food insecurity do not go hungry. We do that by sourcing and distributing food through a network of more than 1,500 food shelves and food distribution programs. With demand for emergency food assistance higher than ever, however, we also know that emergency food distribution alone cannot end hunger in Minnesota.

To end it, we need to address hunger at its roots. That is why we are proud members of the newly formed Nourish MN coalition, a group of nonprofits advocating for policies that would provide greater economic security for more Minnesotans – including housing and childcare affordability and access to transit options.

Childcare costs in Minnesota rank among the highest in the nation and represent a serious impediment to food – and financial – security for our neighbors. HF3681 would help address this by ensuring that hardworking families, already burdened by rising costs, can afford quality childcare without sacrificing other basic needs.

We know that when life becomes unaffordable for Minnesotans, food and grocery budgets are often the first things to get cut – and sometimes eliminated altogether. That helps explain the dramatic increase in food shelf visits we've experienced over the past two years. HF3681 would reduce costs for thousands of Minnesota families, having the added benefit of allowing more parents – disproportionately women – to enter or reenter the workforce at a time where workforce shortages remain a major challenge for businesses and industries across the board.

For these reasons, we encourage your support of HF3681, which would build on the investments in childcare access made last year and make a real and lasting difference for our neighbors and their families.

Sincerely,

Zach Rodvold
Director of Public Affairs



Mission

The Nourish MN coalition envisions a Minnesota where everyone has the resources they need to thrive, and where everyone's basic needs are met—no matter their race, gender identity, income, ability, or geography. To accomplish this, we will engage in a cross-sector approach that addresses our biggest challenges at their roots, lifting up commonsense ideas to reduce poverty, end hunger, increase mobility, and make housing, healthcare, and childcare affordable and accessible for all Minnesotans.

About Nourish MN

Nourish MN is a coalition of Minnesota nonprofit organizations with diverse missions and memberships who are **committed to breaking down the silos of public policy** in recognition of the fact that the real-world impact of public policy on Minnesotans' day-to-day lives is interconnected.

Current members include:

- CAPI
- ISAIAH
- Minnesota Housing Partnership
- Move Minnesota Action
- Second Harvest Heartland

2024 LEGISLATIVE PRIORITIES

- **CHILDCARE AFFORDABILITY**
Help all Minnesota families afford high quality childcare and early learning opportunities through income-based subsidies on a sliding scale
- **A PLACE TO CALL HOME**
Update restrictive zoning laws to allow for more housing of every kind and at every level of affordability in all corners of the state
- **HOUSING OPPORTUNITY**
Expand housing choices, including in resource-rich neighborhoods, by prohibiting discrimination against renters and homebuyers based on the source of their income
- **ACCESS TO TRANSIT**
Expand free fare pilots for public transit, especially in food deserts and/or communities with disproportionately higher food insecurity rates
- **SENIOR NUTRITION**
Increase Minnesota's minimum SNAP benefit for seniors (55 years+) to \$50/month, up from \$23/month
- **MEDICAID FLEXIBILITY**
Seek a Medicaid 1115 demonstration waiver that would allow federal Medicaid funds to be used to support nutrition and housing programs, among other basic needs

Ramstad: Ideas for fixing child care keep rolling in, but most need a big change in thinking

Beyond economics, help for child care means deciding to invest in kids before age 5.

FEBRUARY 21, 2024 — 5:00AM EVAN RAMSTAD



State legislators, congressional aides, consultants, license inspectors and others met at Leo Augusta Academy in Blooming Prairie on Feb. 8 to discuss ways around fiscal problems in the child care industry.

Tales of Minnesota exceptionalism are spun so persistently by political and business leaders and news media that, when the state falls really behind on something, it feels pretty shocking.

I've felt that shock again and again since writing two columns on child care last month.

The first suggested Minnesota [policymakers should consider copying Iowa's tax breaks](#) for businesses that provide child care. The second suggested the [top-down, expensive but effective approach of Finland and other Nordic countries](#) as a model.

Numerous parents, policymakers and experts reached out to let me know I was barely scratching the surface of the problem or the solutions. Some told me about other states that do better than us.

And some said I made a mistake in the first column by writing the phrase "making child care a healthy industry again." Child care has never been a healthy industry, they said. The perception that it was healthy in the past overlooks that women were providing at relatively low cost when their career options were more limited.

I'm learning more about child care because of the role it can play in bringing more Minnesotans to work. The state's workforce is constrained by slow population growth and the exit of baby boomers into retirement. With labor force participation already at some of the highest levels in the U.S., Minnesota has to work hard on the margin to make work more attractive or simply possible. Parents of young children are in that margin.

Earlier this month, a few days before the Legislature convened its 2024 session, a handful of state lawmakers, aides to Minnesotans in Congress, child care center inspectors, consultants and others met at Leo Augusta Children's Academy, a child care center that opened in Blooming Prairie in 2022. They talked about how to extend help for child care to more Minnesotans.

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They started with creating a more graduated set of benefits rather than the cutoff that exists when a family's income exceeds \$46,423.

"The families who are hurting are middle income," Amy Hinzmann, board chair of Leo Augusta, said. "As soon as baby number two arrives, they start exiting our facility and dropping out of the workforce."

Rep. Natalie Zeleznikar, a Republican serving her first term in the Minnesota House, drove all the way from Hermantown in northeast Minnesota to Blooming Prairie, which is about 30 miles north of the Iowa border, for the meeting. A career nursing home administrator, she noted that many of the challenges in child care also exist in elder care. The state licenses people in the two fields separately, but maybe it should make it easier for prospective workers with a single caregiving standard, she said.

"We keep setting up requirements that have nothing to do with outcomes," she said.

Beyond the economic prism, the child care issue requires a deeper rethinking about families and education that hasn't taken place in America since high school attendance became common a little more than a century ago.

In essence, that rethinking boils down to erasing the line that divides childhood at age 5 in the minds of most people. Before age 5, society does relatively little for children. After age 5, it invests in them heavily via public education.

"Education doesn't start at age 5, and care doesn't end at age 5," said Elizabeth Davis, an economist at the University of Minnesota. "This idea that one of them is child care and one of them is education is a false dichotomy. Brain science certainly shows the importance of early experiences for later everything, later education, later quality of health, later labor outcomes."

A day after my first child-care column last month, Davis and three colleagues [published a study](#) showing that providing vouchers directly to parents is a hugely efficient way to increase both the use of child care services and the supply of them.

"There is expansion," said Aaron Sojourner, a Minneapolis-based economist for the W.E. Upjohn Institute for Employment Research and one of the co-authors. "If I'm a provider, it's easier for me to get by because revenue is more predictable. If I'm thinking of entering the business, I'm more likely to do it because there's more effective demand."

State lawmakers last year significantly raised the reimbursement rate to child care providers who use the federal/state Child Care Assistance to serve low-income Minnesota families. The state slashed that rate about 20 years ago and fell behind nearly all other states. In 2019, the federal government said the state would be penalized if it didn't meet minimum requirements.

The Legislature last year brought Minnesota back to where it was before the Pawlenty-era cuts, but they didn't provide any help to middle-class families. The lawmakers, however, did set a goal to get child care costs down to 7% of household income while also improving providers' finances to a level where care staff are paid around the level that school teachers are.

That's quite lofty when so many Minnesotans still view child care as a kind of welfare program rather than the economic necessity that it has become.

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