

Early Childhood Finance and Policy Committee
Tim Penny Testimony
October 3, 2019

A 2016 report from the Center for Rural Policy and Development (CRPD) spotlighted a “quiet crisis” in our state: the serious lack of child care. Three years later this crisis is no longer so quiet. This has become a major barrier—not only for the economic wellbeing of families, but also for the ability of our communities to thrive.

When child care is lacking or less than the quality standard we now expect – children, especially those in high risk settings, are impacted most. There is ever increasing data that shows children who aren’t engaged in high quality child care before age 5 are impacted over a lifetime. (Perry Preschool Study). It impacts not only school readiness, it reduces third grade reading levels, age 14 achievement, and high school graduation rates. This changes the entire lifetime trajectory for these children.

A 2017 update to the CRPD report estimates that there is a shortage of 35,447 slots outside of the Twin Cities metropolitan area. Two-parent households that would like to have both parents working but lack child care end up having to make the choice between career advancement and family well-being. Parents sometimes choose to withdraw from the workforce or move to a different community where they can find child care. Single-parent households face impossible choices when child care is unavailable. With an already tight labor market, Greater Minnesota businesses need all who want to be active in the workforce.

When businesses make decisions about operations in our region – if child care is not available – the ultimate loss is the main streets of our region. Families are making real decisions about where they live and work based on all of these factors. Some move to larger population centers in the region – while others – make the difficult decision to leave their roots and locate where they can thrive.

This loss not only impacts their familial unit – it leaves a larger and sometimes irreversible impact on the small towns and communities that they are leaving. It impacts tax base which results in less services and ability to offer desired amenities such as community centers and other community offerings.

As you can see – child care has a ripple effect far beyond the children being served and it is imperative we continue to work on creative and innovative solutions so we keep Greater MN thriving.

The Minnesota Initiative Foundations Early Care & Education Programming

The [Minnesota Initiative Foundations](#) (MIFs) are working collaboratively with numerous partners in the public, private and nonprofit sectors to be part of the solution for Greater Minnesota.

Founded in 1986 and representing all 80 counties in Greater Minnesota, the Minnesota Initiative Foundations share the goals of supporting the existing child care supply while advancing opportunities to increase availability and access to high-quality care.

The MIFs are working with communities to identify solutions and provide technical expertise for child care solutions. Oftentimes the assumption is that building a new child care center will solve the problem, but we know this is not always the case. We are working with communities on individualized action plans, along with providing locally-based training for new and existing child care providers. For rural areas where providers face barriers for continuing education, the MIFs can provide the training and technical assistance to keep them in the child care field.

A large piece of the child care shortage puzzle is ensuring that the providers we do have decide to stay in the field. Greater Minnesota lost 15,000 licensed, family-based child care slots between 2006 and 2015, according to the CRPD. Some in-home providers are “aging out” while others have chosen other employment paths. Family-based child care is a challenging, labor-intensive field that requires licensure and ongoing training and long hours. It demands child development and business skills, and, despite the strain on family budgets to pay for their child’s care, the compensation for frontline child care workers is typically low and offers few if any benefits. Supporting the field as a whole, both existing providers and those considering entering this work, is equally as important as promoting expansion.

The MIFs work with numerous partners to offer different tools depending on the organization, including business loans or grants to support in-home and center-based child care, and training for child care providers. Providers who attend these trainings receive credit (clock) hours and many have moved on to [Parent Aware](#), Minnesota’s quality rating system. According to the early childhood organization [Think Small](#), providers that become Parent Aware-rated are twice as likely to stay in business than non-rated programs.

The MIFs stand ready to continue our role in addressing the rural child care shortage and in providing quality training so that all children are placed on a path to success. We thank this committee – and the legislature as a whole for your growing interest in this issue and your support for solutions to this vital challenge.

Additional resources:
Early Childhood studies

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- [Legislative Task Force on Access to Affordable Child Care \(January 2017\)](#)
- [A quiet crisis: Minnesota’s child care shortage \(Center for Rural Policy and Development, September 2016\)](#)
- [Greater Minnesota's Child Care Center Wage & Rate Survey Results \(Minnesota Initiative Foundations, March 2017\)](#)
- [Workforce of Today, Workforce of Tomorrow \(U.S. Chamber of Commerce, June 2017\)](#)

- [Kids Can't Wait: 2017 Legislative Agenda \(Children's Defense Fund, January 2017\)](#)
- [It's time for an ambitious national investment in America's children \(Economic Policy Institute, April 2016\)](#)
- [United Way of NE Minnesota Child Care Study Results](#)