



Preschool Development Grant Update & Early Childhood Governor's Budget Recommendations

Children's Cabinet, MDE, MDH & DHS

Stephanie Hogenson | Policy Director, Children's Cabinet

Children's Cabinet Structure & Goals

- Children and family focus
- Children's Cabinet governance and charge
 - 10 agencies in statute + 12 additional
 - Gov/Lt. Gov Co-chairs
- Advisory Councils
 - Children's Cabinet
 - State Advisory for Early Childhood Education and Care



MN to be the best state for children to grow up

Child-Centered Government
Whole Family Approach

Results-Based Accountability

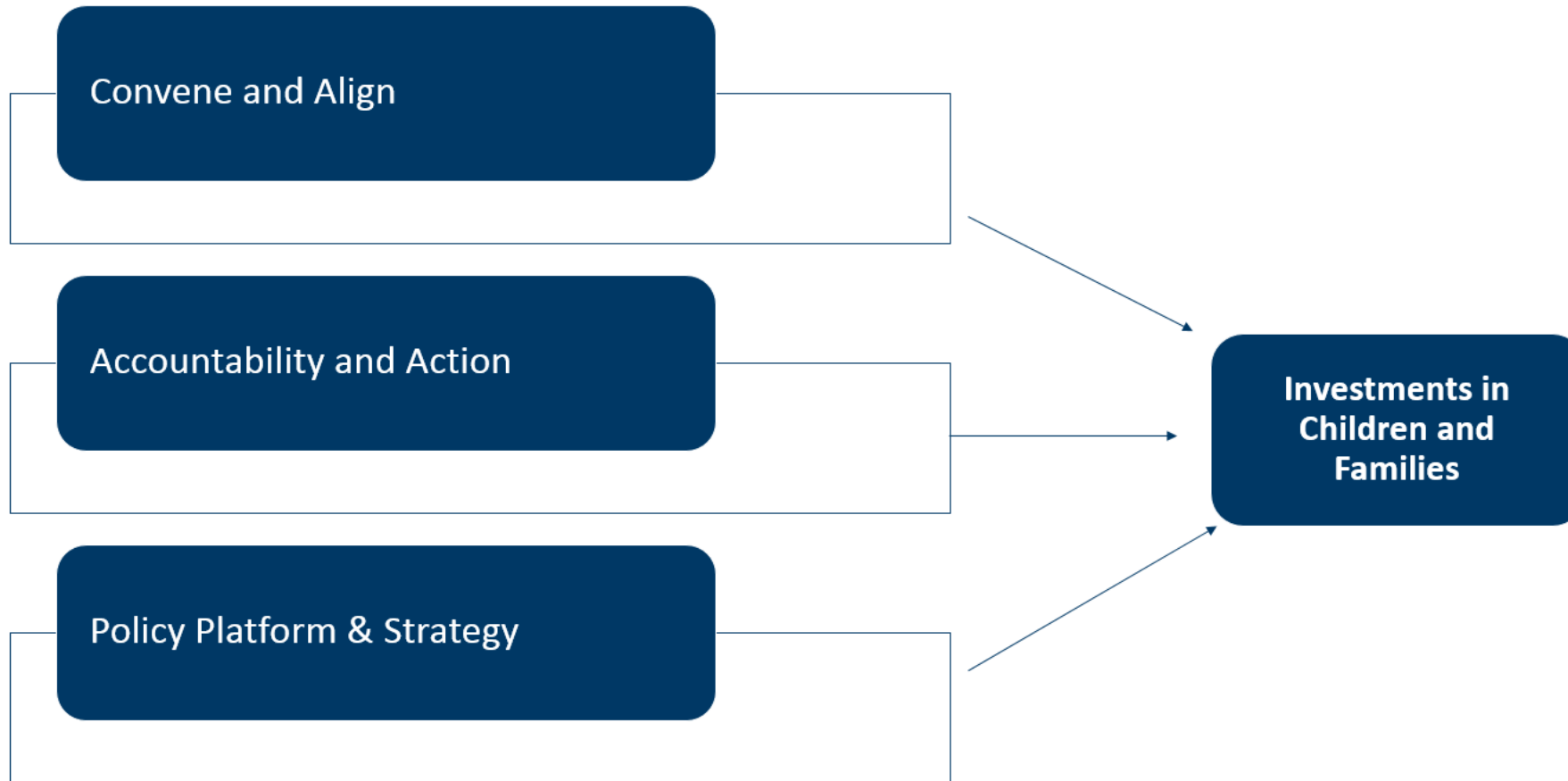
Healthy
Beginnings

Child care and
education

Mental health
and well-being

Housing
stability

Educational
Opportunity



Aligning Policy Around Children and Families

Cross-Agency Presentation Outline

- **Preschool Development Grant Overview & Update**

- Three-year \$26.7 million grant from the U.S. Department of Health and Human Services
- Drives cross-agency whole family priorities
- Leverages Children's Cabinet leadership structure to advance equity and align education and care systems across state

- **Early Childhood Governor's Budget Proposals Overview**

- MDE
- MDH
- DHS





Preschool Development Grant

Amanda Varley | Preschool Development Grant Manager

Mission

Minnesota's Preschool Development Birth through Five grant focuses on supporting families with young children by improving collaboration between state programs so they can be born healthy and thrive within their communities.

Grant Overview

In partnership with the departments of Education, Health, and Human Services, along with the Children's Cabinet, the Preschool Development Grant (PDG) aims to align education and care systems across the state. The three-year \$26.7 million federal grant ends December 30, 2022.



Guiding Principles: Racial Equity • Trauma-informed • Geographic Responsiveness • Everything is Connected • Whole Family • Agencies Working Together • Belonging



**Inclusive
and Responsive
Practices, Programs
and Policies**

Preschool Development Grant Builds on Past Coordination

- **Timeline of Recent Cross-Agency Systems Efforts:**
 - Race to the Top: 2012 to 2015
 - Two-Generation Policy Network: 2016 to Present
 - Early Childhood Systems Reform: 2017
 - Created a shared vision across agencies.
 - Preschool Development Grant: 2019 to 2022
- **Shared Vision and Priorities:** [Needs Assessment](#) & [Strategic Plan](#)



Preschool Development Grant 2020-2022 Strategic Plan Summary



“There are so many hoops. You have to tell them about your entire life before you can access just a little bit of help. I only go for help when I really, really need it.”

Parents, Minneapolis

“Look at employment strategies holistically, taking mental health, addiction, and living situations into account and providing assistance where needed.”

Providers, Duluth

“Create the system to work for individuals, families, and communities; not making the individuals, families, and communities bend to the system.”

Participant from Leech Lake Tribal Nation

“Trauma informed care is missing. [We] need more people trained in trauma informed care.”

Community Needs Assessment Respondent



“Again, it comes to trust – there is not trust for communities of color and indigenous communities.”

Public Meeting, New Hope

“Strengthen relationships between Somali community and school with lessons from the Somali community who speaks the language and can be a strong language and cultural translator.”

Somali Parents, St. Paul

“I hear so many people who connect with a job, but the hours do not work for their child care, their vehicle is not reliable, they do not have the right clothes.”








Providers, Otter Tail County



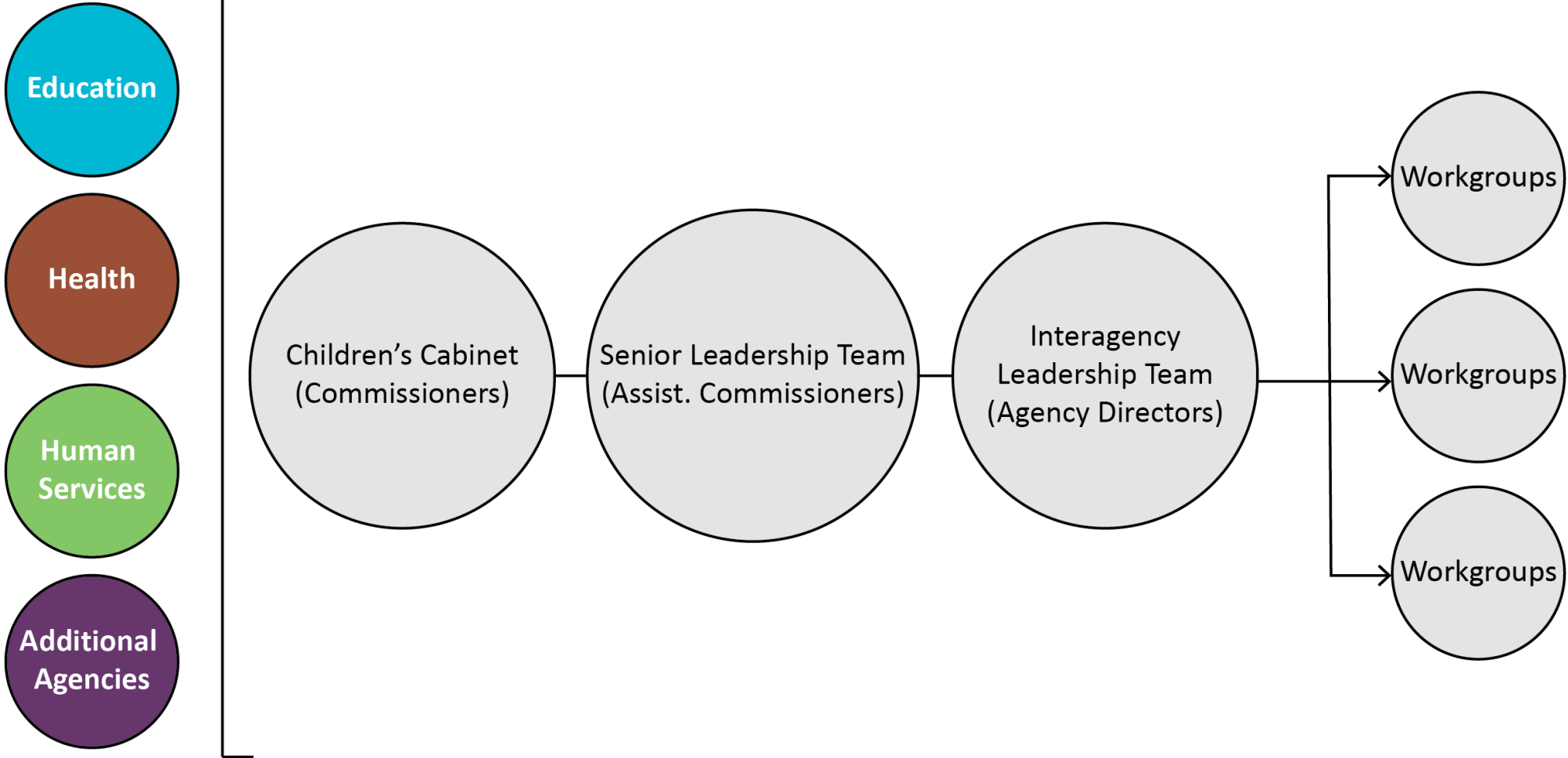
“A lot of these intersect, and you can't have one without the other.”

Child Care Providers, Minneapolis

Grant's Guiding Principles

-  **Intersectionality**
Intersectionality refers to the concept that overlapping social identities that impact the experience of an individual.
-  **Interagency Collaboration**
Given the intersectionality of the issues impacting children and families – interagency collaboration is needed to support solutions and dismantle structures perpetuating inequities.
-  **Racial Equity**
Disparities that fall primarily along racial lines, with African American and American Indian communities experiencing the brunt of these inequities.
-  **Geographical Responsiveness**
Geography is often included as a factor when discussing equity but is rarely explicitly discussed.
-  **Trauma and Healing Informed**
Trauma is a response of physical, mental or emotional distress in reaction to overwhelming adverse experiences.
-  **Whole Family System**
Whole family approaches focus on creating opportunities for and addressing needs of both children and the adults in their lives together.
-  **Belonging and Inclusion**
Inclusion in the community and our connections with one another enhance or weaken well-being and trust within communities.

Shared Leadership



Grant Activities



Explore Technology to coordinate eligibility and services.



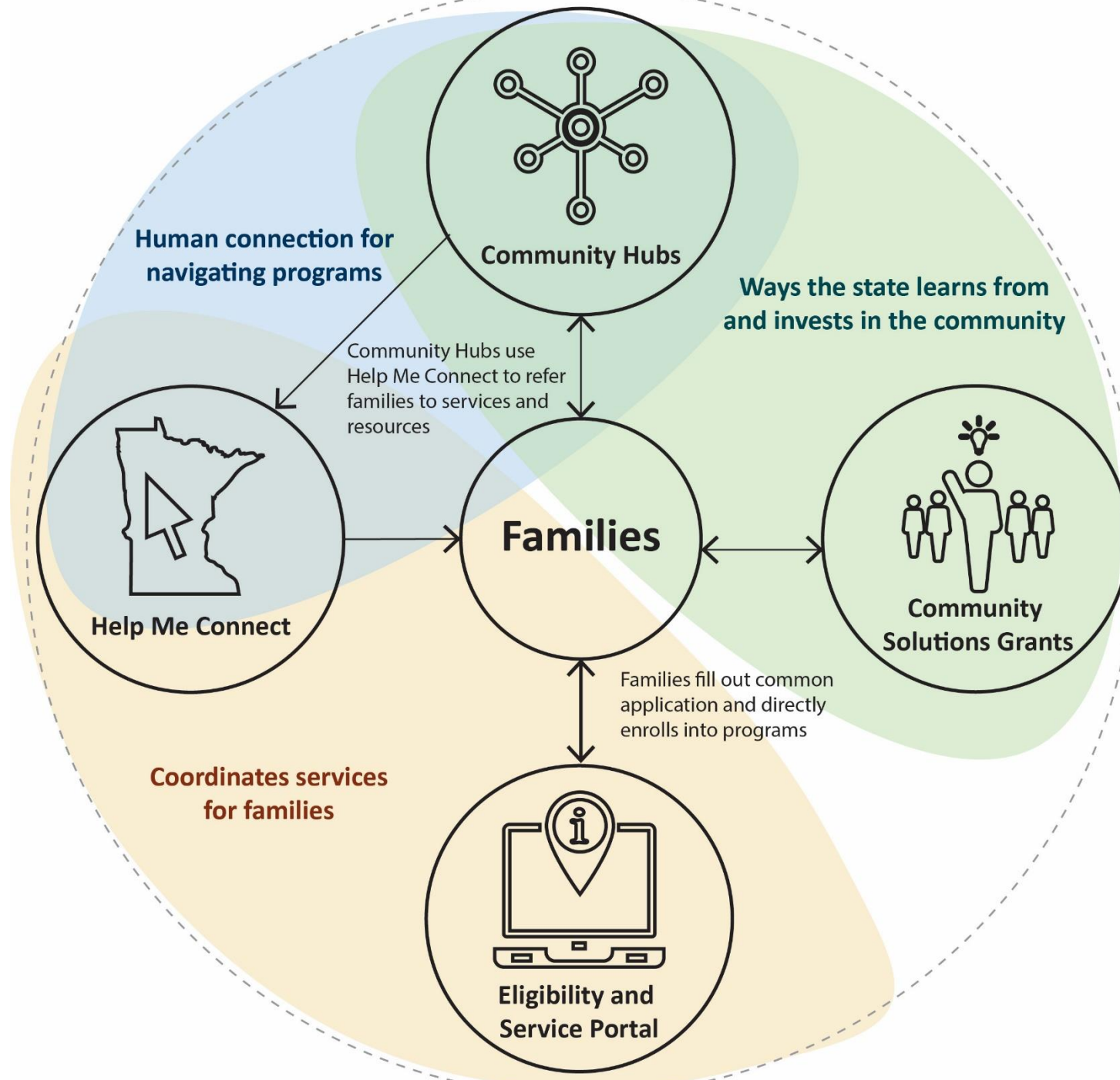
Fund Help Me Connect, a system to connect families and those working with families and direct referral to programs and services.



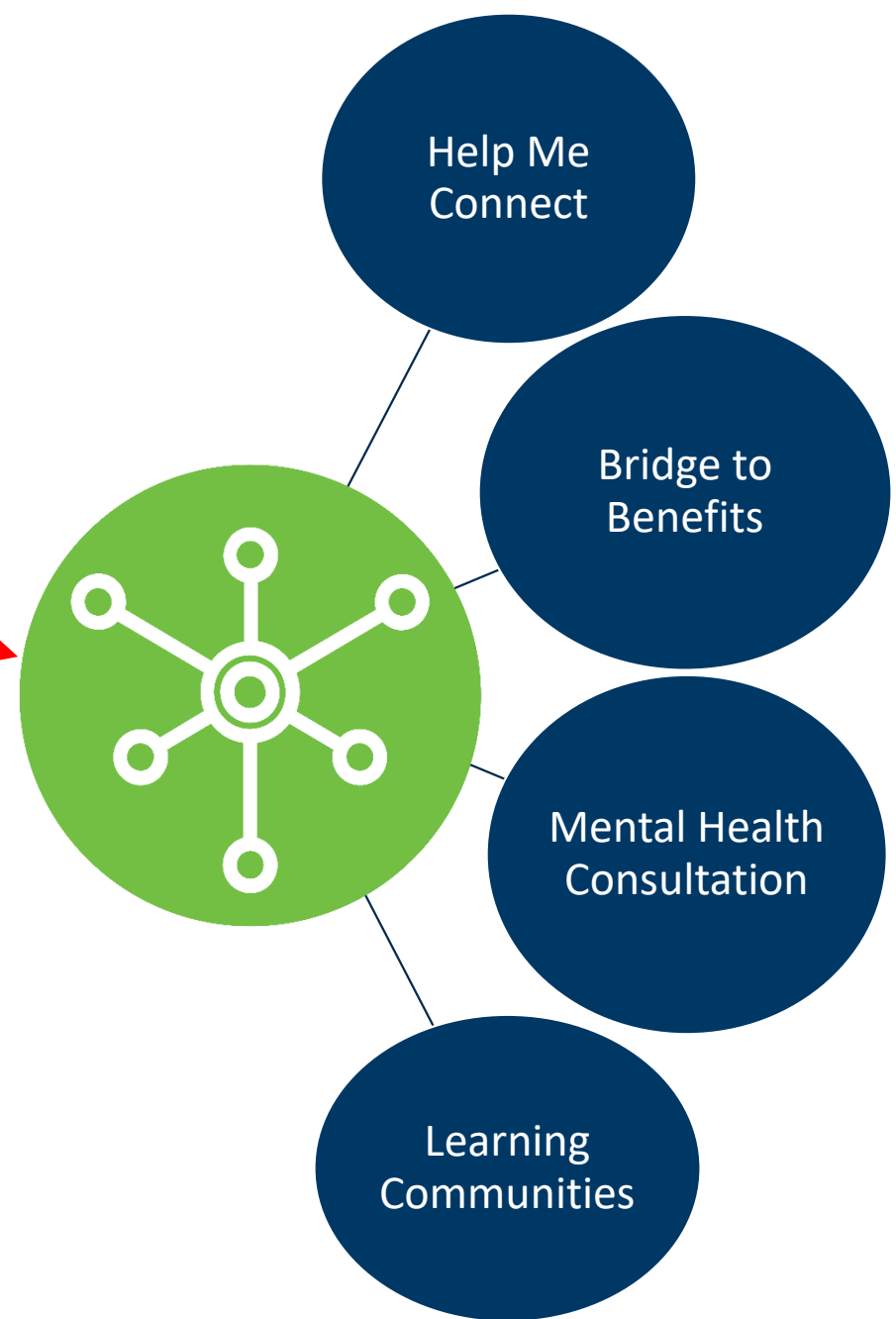
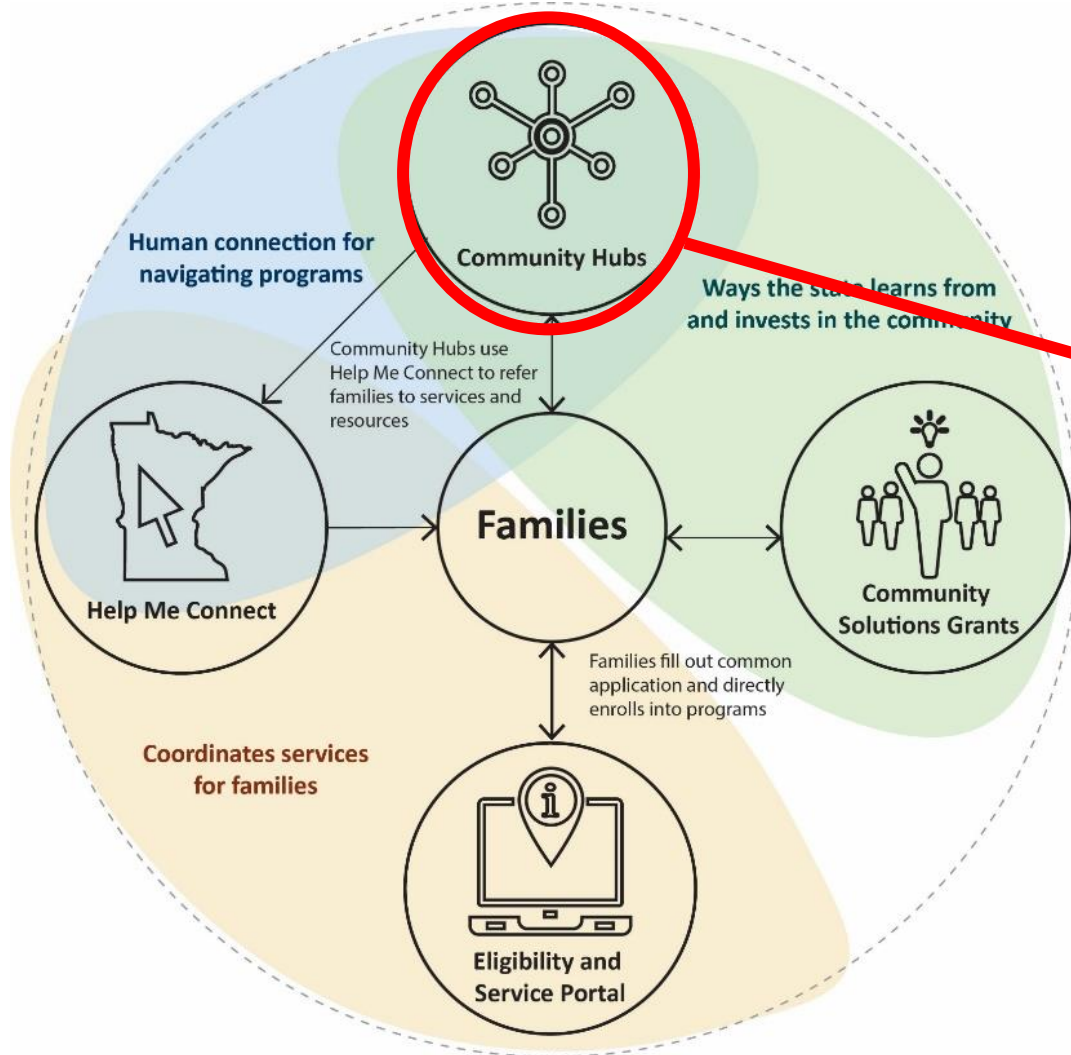
Pilot 4-10 local, cross-agency hubs in the state as a prevention strategy and in testing Help Me Connect.



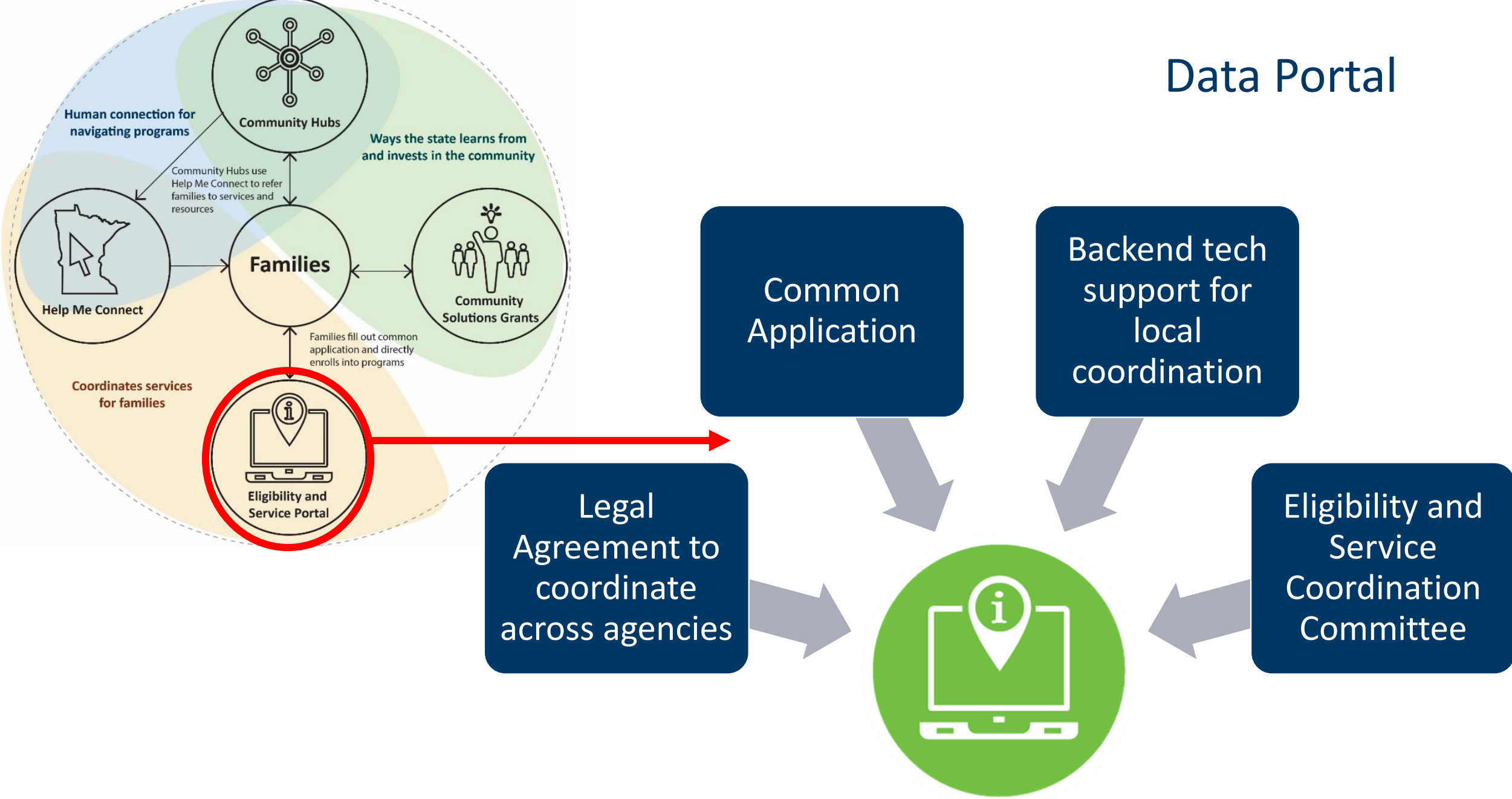
Invest in community solutions of community-identified challenges, prioritizing people of color and American Indians.



Community Hubs

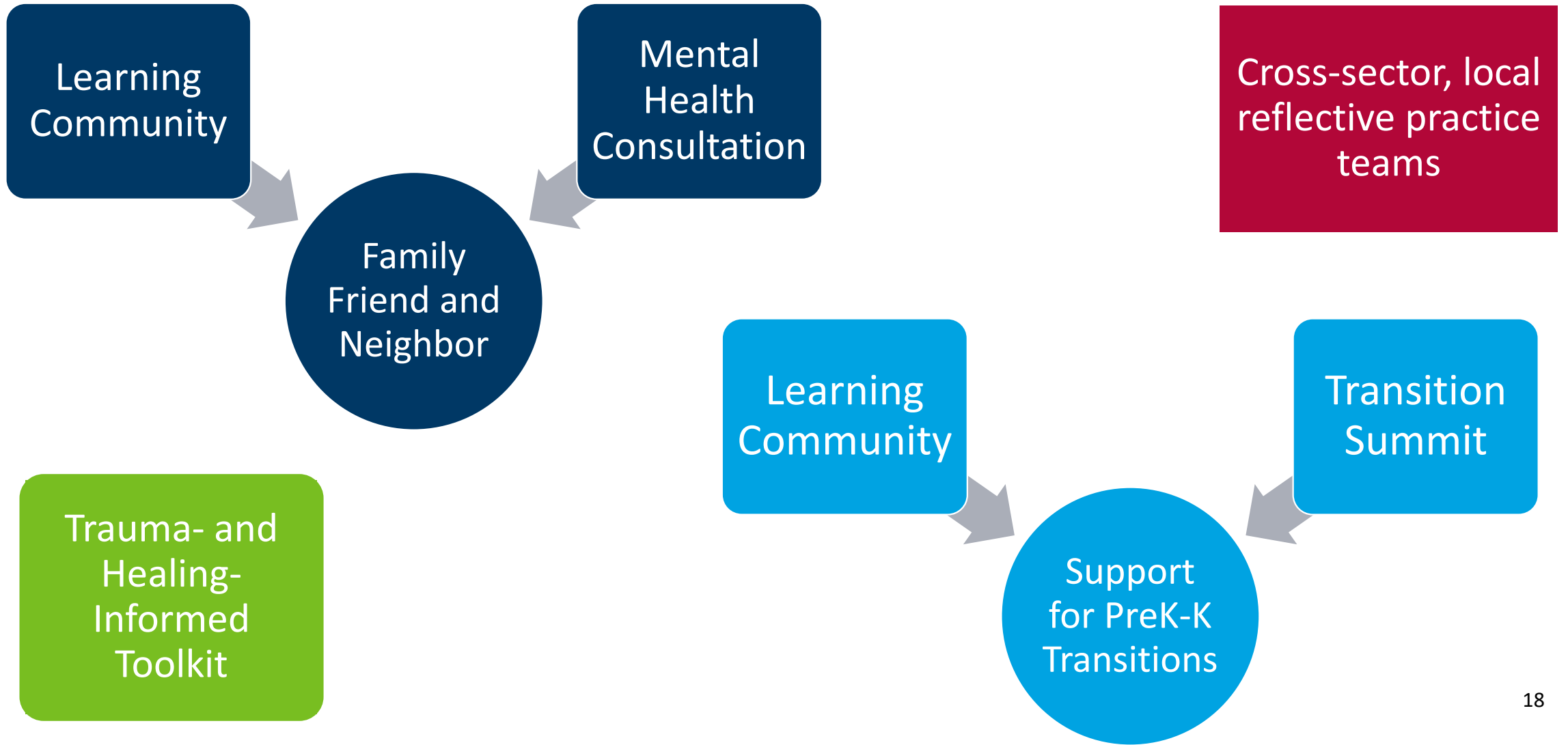


Data Portal



- Embedding of Knowledge and Competency Framework additions:
 - Cultural responsibility
 - Multilingual learners
 - Trauma-informed
- Advancing *Transforming the Early Childhood Workforce* recommendations
- Creating recommendations for the state on the early childhood business model

Additional Activities



Federal Technical Assistance Supports

Federal Technical Assistance Goals:

- Trauma and healing coaching for state staff
- Analysis of COVID waivers
- Mapping of eligibility criteria
- Workforce recruitment and retention

Additional Activities

- Participation in multi-state learning communities (listed on right)
- Fiscal map consultation



Bringing It All Together

- Needs Assessment & Strategic Plan Update in 2022
- Sustainability plan by December 31, 2021
- Community Engagement
- Tribal Nations Focus
- Evaluation



Guiding Principles: Racial Equity • Trauma-informed • Geographic Responsiveness • Everything is Connected • Whole Family • Agencies Working Together • Belonging

**Inclusive
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Questions?



Governor's 2021 MDE Early Childhood Budget Proposals

Bobbie Burnham | Assistant Commissioner

MDE Budget Proposals Overview

- Summer Package
- Maintain VPK Seats
- American Indian Early Education Package
- Other Items

School Age Care and Youth Programming - \$15.947 million in Federal Funds

- This proposal allocates GEER funds to address areas of need in school-age care and youth programming.
- The funds would be used to support school-age care, before/after/summer school youth wrap-around programming, and access to high-quality childcare services and supports.
 - \$6.473 million will support school-age care staffing and administration.
 - \$3 million will provide access to increased before, after, and summer school wrap-around services, and
 - \$6.473 million will reduce the Early Learning Scholarship waitlist to the extent possible

Expand Preschool for 4 and 5 Year Olds during the Summer (\$20 million)

- Rate of \$4,800 per child (up to \$400 per week up to 12 weeks) to cover 4,166 children.
- Children 4 or 5 years old on 9/1/2020 but that were not enrolled in kindergarten and were eligible in 2020-21.
- Targeted at those most underserved.
- Programs must offer a minimum of six instructional hours a day for five days a week, for between 10 and 12 weeks.

Voluntary Prekindergarten

- Funding to maintain 4,000 VPK and School Readiness Plus (SRP) seats set to expire in FY22
- Require Kindergarten Entry Profile for all VPK and SRP students and MDE produces reports

Item	FY22	FY23	FY22/23	FY24	FY25	FY24/25
VPK	18,673	21,061	39,734	21,043	20,999	42,042
Entry Profile	735	504	1,239	704	504	1,208
Total	19,408	21,565	40,973	21,474	21,503	42,977

**In thousands*

American Indian Early Education

- Tribal Early Learning Package (\$3.3 million annually)
 - Up to \$285,000 grants to each of the 11 Tribal Nations to increase family engagement and education, increase language and literacy outcomes through language revitalization, enhance teaching practice, and efforts to support teacher diversity.
- Tribal Head Start Set-Aside (no cost)
 - Designate 10.72% of total Head start annual allocation to Tribal Head Start programs

Other Early Learning Proposals

- Ensure the membership hours for kindergarten students with a disability (875) are the same as average daily membership calculation for other kindergarten students (850)
- Ensure that students receiving Early Childhood Special Education Part B 619 Services are able to receive EL services as well as breakfast reimbursements consistent with their peers in Voluntary Prekindergarten and School Readiness Plus.
- Reduce time to select a program for Early Learning Scholarship to allow the award of more funds.

Item	FY22	FY23	FY22/23	FY24	FY25	FY24/25
Kindergarten	69	77	148	77	77	154
ECSE	628	747	1,375	799	846	1,645

**In thousands*

Thank you!



MDH Presentation to House Early Childhood Policy and Finance Committee 2/16/2021

- Minnesota has significant disparities in birth outcomes by race, ethnicity, and income
- Reinstate fetal and infant mortality reviews committees that sunset in 2001
- Identify and understand the causes and context of fetal and infant deaths, particularly in communities experiencing disproportionate impact
- Establish case review teams
- Recommendations taken forward to community action committees

FY22-23: \$622,000 GF



Maternal Morbidity and Death Studies

FY 2022-2023

- Black and American Indian communities are disproportionately affected by maternal deaths
- Proposal adds maternal *morbidity* reviews to maternal mortality reviews
- Review maternal death cases and establish a system to review a sampling of maternal morbidity cases
- Recommendations improve clinical practice and solutions will be community driven

FY22-23: \$396,000 GF

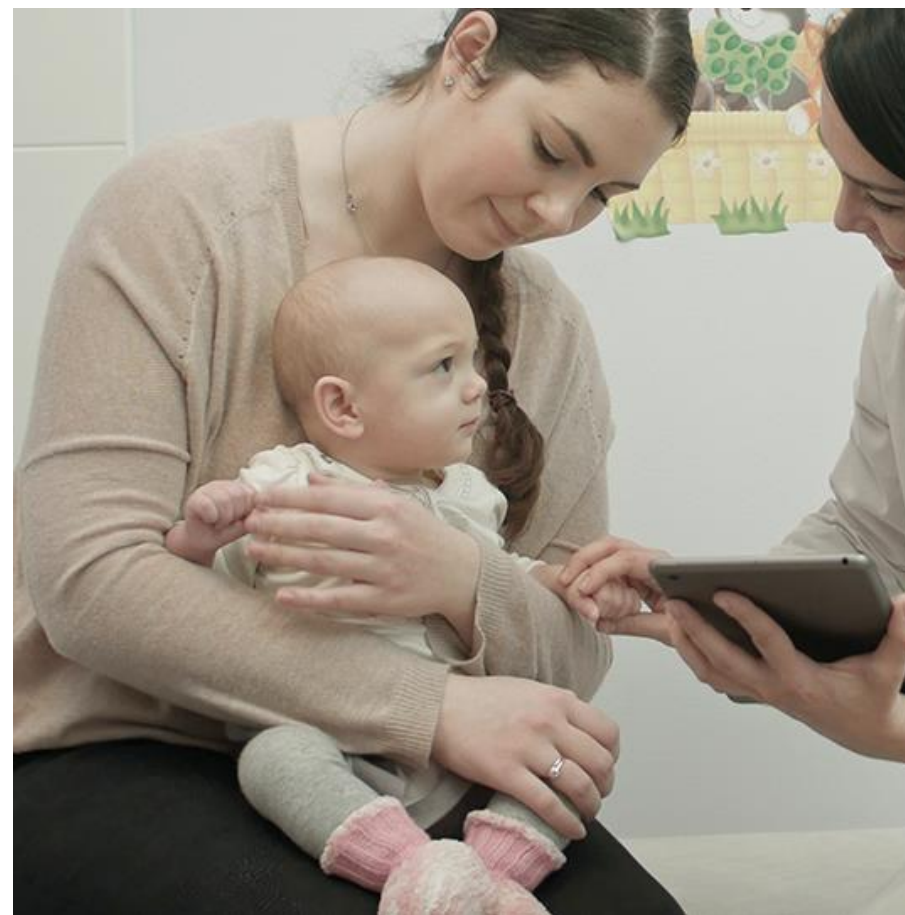


Right-sizing Family Home Visiting grants

FY 2022-2023

- Nurse Family Partnership (NFP) funds established in 2015
- State evidence-based home visiting funding established in 2017
- Communities select family home visiting model that best serves their needs
- Medicaid reimbursement for nurse-based home visiting increased resulting in increased revenue for implementing agencies

FY22-23: (\$800,000) GF



Right-sizing Fetal Alcohol Syndrome grants

FY 2022-2023

- General fund appropriation for FAS grants is \$2 million annually
- Proof Alliance (formerly MOFAS) receives this funding to provide education, screening, early identification and support
- Historical annual underspending by grantee led to recommendation

FY22-23: (\$234,000) GF





Thank you.

Governor's Proposal to Increase Maximum Rates Child Care Assistance Program

Lisa Bayley | Acting Assistant Commissioner

February 16, 2021

Child Care Assistance Program - Overview

The Child Care Assistance Program (CCAP):

- Helps pay for child care while parents work or go to school
- Helps ensure children are well cared for and prepared to enter school

About 15,000 families and 30,000 children served throughout the state:

- 60 percent are age five or younger, about 40 percent ages six to thirteen



CCAP can reduce impact of racial and economic inequities

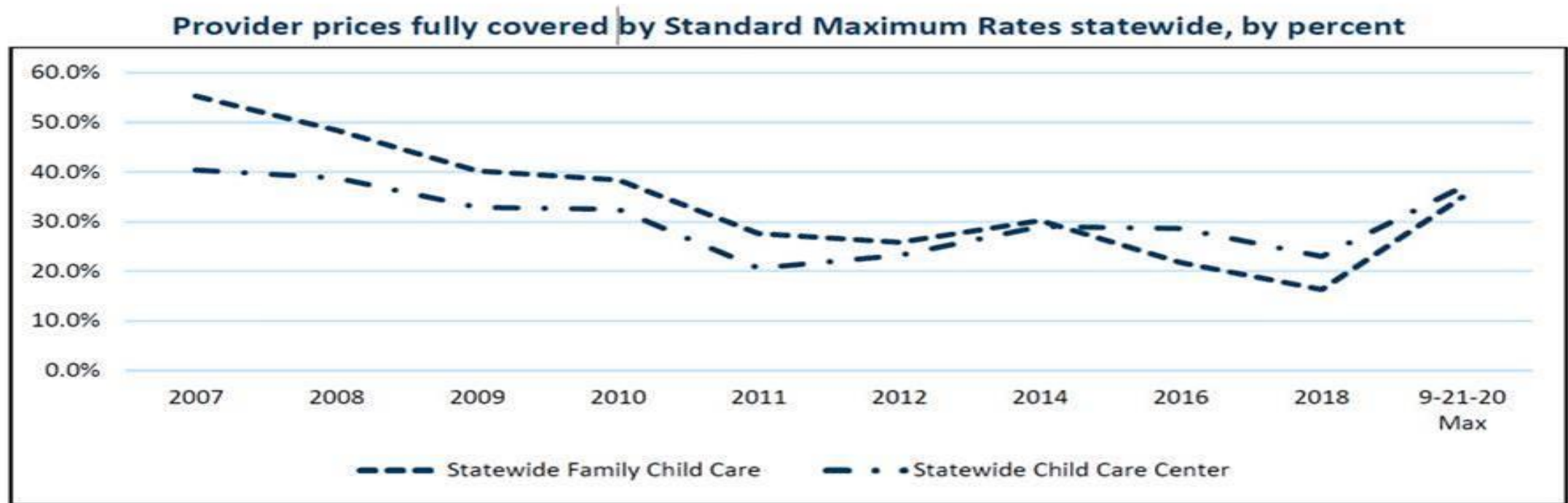
CCAP Goals:

Race and Ethnicity of children—SFY2020	Percent of CCAP caseload, SFY2020
Black/African American	54.4
American Indian	1.0
Asian/Pacific Islander	1.4
Hispanic/Latino	5.3
Multiple Races	6.9
White	26.3
Other	4.7

- Help families receive child care payment assistance to have access to employment and educational opportunities
- Increase access to safe, affordable, quality child care so that children are well cared for, and learning opportunities are supported
- Support providers who serve families receiving child care assistance by ensuring they receive payment comparable to what they would receive from private pay families.

Federal Compliance - Temporary Progress Made in 2020

- Rates set at 25th percentile of prices reported by providers, using 2018 data.
- Progress made in 2020 allowed more access to the market.



Federal Law and Guidance

- **To be compliant with Federal law, CCAP must provide equal access to care.**
 - Rates must be updated after every market rate survey
 - Rates must be at a sufficient percentile to provide equal access, compared to private pay market.
- **Equal access: The federally recommended benchmark to ensure equal access is to set rates at the 75th percentile of the most recent market rate survey**
- Minnesota's rates were last set at the 75th percentile of the most recent survey in 2002
- Minnesota's current rates, set at the 25th percentile last year, was the lowest measure of access allowed
- Minnesota avoided penalties and sanctions by meeting this point in time benchmark; a penalty letter received in 2019 gave Minnesota until Sept. 30, 2020 to comply.

Current Minnesota State Law

Directs the department to conduct Market Rate Surveys every three years and restricts rates to 25th percentile of rates, using 2018 data:

- [Minnesota Statutes 119B.02, subd. 7](#) states that the commissioner shall conduct the Child Market Rate Survey **every three years** to determine the 75th percentile for like-care arrangements in county price clusters.
 - Prior survey done in 2018, another is underway for 2021
- [Minnesota Statutes 119B.13, subd. 1](#) states the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be the greater of the 25th percentile of the 2018 child care provider rate survey or the rates in effect at the time of the update.

Governor's Proposal for Child Care Assistance Program Maximum Rates

- The Governor's Proposal increase states used for CCAP reimbursements to the 30th percentile of the most recent market rate survey.
- Results in anticipated increases in 2022 and 2025, based on most recent market data.
 - Keeps Minnesota in compliance for updating with each new market rate survey
 - Prepares for potential increase in threshold to maintain minimum compliance
- This cost is \$47.5 M in FY 2022-2023 and \$85.2 M in FY 2024-2025
 - **Costs of rates increases are covered by the Federal Child Care Development Block Grant (CCDBG)**
 - Small system update costs of \$ 12,000 , requested from General Fund
 - Congress increased grant awards beginning 2018 to support states that cover these costs

Benefits of Increasing Maximum Rates

- Reduce families out-of-pocket expenses
- Increase providers' willingness to accept families receiving CCAP
 - Providers who accept low payment rates struggle to find resources needed to offer quality care
- Improve likelihood that CCAP families find a provider who meets their needs
- Help providers improve the quality of their services
- Avoid risk of financial penalties applicable to the grant funds

Status of Other States- October 2019

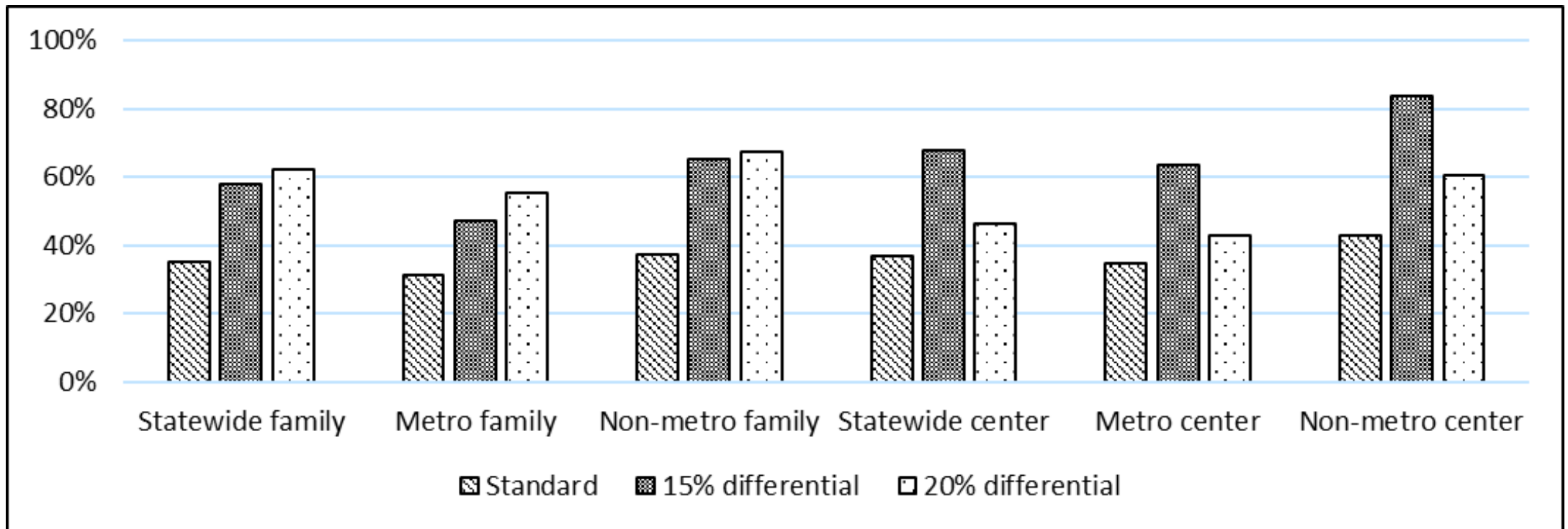
22 States had all payment rates above the 25th percentile (using current market surveys), including some neighboring states:

- Iowa: 45th – 75th percentile of 2017 rates, effective in 2019
- North Dakota: 75th percentile of 2017 rates, effective in 2018
- South Dakota: 75th percentile of 2017 rates, effective in 2018

- **Eight states set payment rates at the 75th percentile**

Expected Outcome- Increases access to high quality care

Percent of Prices Fully Covered, by Groups of Providers indicated – when Standard, 15% or 20% Quality Differential Maximum Rates Apply



Thank you!