

February 23, 2021

RE: Support of HF 1125

Mr. Chair and Committee Members:

As the President and CEO of Think Small I am writing in support of HF 1125 **Refundable tax credit established for qualified child care professionals.**

Think Small has been a member of Transforming Minnesota's Early Childhood Workforce Leadership Team, looking at multiple compensation-supporting strategies for MN's child care professionals since 2016. This type of refundable, quality and education-linked credit for providers is one of that group's recommendations, as it was from the NGA's ECE Workforce Compensation Advisory Group for MN.

This credit would be a significant step forward in recognizing our child care providers for the professionals and essential pieces of our economy they are. We have improved incentives to become Parent Aware rated over the years, and this would add another tool to reward that commitment to quality as well as well as recognize investments in their education, which we know yield better outcomes for children.

Think Small conducted a survey in 2015-17 that demonstrated family child care providers who did not participate in Parent Aware had a closure rate of almost three times the closure rate of Parent Aware-participating providers in Minneapolis and Saint Paul (24% vs 9%). That is a good data point, but this would go a step further in helping those providers access additional compensation to strengthen their ability to stay in the field even further.

Please feel free to contact me if you have questions or need additional information. Thank you in advance for your support of Minnesota's child care providers.

Sincerely,



Barbara Yates
President and CEO, Think Small