



## Written Testimony to House Early Childhood Finance and Policy Committee re: Omnibus Budget Proposal

April 6, 2021

Dear Chair Pinto & Members of the Committee:

ISAI AH is a statewide organization comprised of over 200 congregations, 30 mosques, and hundreds of other organizations. Altogether, the institutions we help organize represent over half a million Minnesotans. Our mission is to enable people to organize for racial, social and economic justice, and build a democracy that respects every person's dignity and a caring economy where everyone can thrive.

We also organize Kids Count on Us, a statewide coalition of 512 childcare centers across the state. Many of these centers serve children and families utilizing the Childcare Assistance Program and other public funds. We want to express our gratitude for this Omnibus budget bill that goes a long way in addressing the long-standing neglect and underinvestment in early childhood education and learning.

Over twenty years ago, Minnesota's CCAP rates were slashed from the federal maximum of the 75<sup>th</sup> percentile of the market rate standard. They have remained unconscionably low for too long. In raising CCAP rates to at least 50<sup>th</sup> percentile, this bill is a great start to getting back to the federally allowed maximum level. We look forward to exploring other ways to make sure Minnesota once again attains the 75<sup>th</sup> percentile in the near future.

Childcare is expensive. For most working families, the cost is many times over the federal government recommendation of seven percent of annual income. At the same time, the early childhood educators and caregivers with whom we trust to teach and nurture children at the most critical stages of life development are severely underpaid. As some of the lowest wage earners in the entire economy, nearly 25% of Minnesota's early childhood workforce relies on public benefits to help make ends meet. This bill's investment in the workforce through the federal stabilization grants is a great step towards compensation levels that truly match the needs.

We also appreciate the focus on structural and governance reform in this bill. It is long past time Minnesota has a single state agency in charge of all early education and leaning programs. The early childhood governance report will help move us in that direction. We also know that we need a long-term plan for affordability, fair compensation, and quality and the Great Start for all Minnesota Children taskforce will help move us there as well. Finally, for too many childcare providers, the current quality rating system, Parent Aware, does not meet the diverse needs of centers barely able to stay afloat. We hope the evaluation of Parent Aware can help move us to a more equitable evaluation system.

We strongly support this bill because it invests in some of the most critical areas of Minnesota's economy – young children and their teachers. It is an important step in making Minnesota a place where the where all kids can thrive in nurturing early educational environments and all early education and care workers receive earn a dignified wage commensurate with the immense value they give to our community.

Sincerely,

Doran Schrantz, Executive Director, ISAI AH