



April 5, 2022

Re: Early Childhood Finance and Policy Budget Omnibus Bill (HF4735 DE2)

Dear Chair Pinto and Members of the Committee:

ISAI AH is a statewide organization comprised of over 200 congregations, 30 mosques, and hundreds of community organizations. Our Kids Count on Us Coalition is comprised of 512 childcare centers throughout the state serving thousands of families with children between the ages of zero to five. 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.

Young Minnesotans between the ages of zero to five of every race, place, and creed deserve access to affordable, safe, and enriching childcare programs and educational opportunities. While we are disappointed not to see financial eligibility for the childcare assistance program increased so more families could access affordable care and education, we understand the financial restrictions placed upon the committee made for some difficult choices.

Under such constraints, this omnibus bill still goes a long way to addressing key funding gaps in our childcare system. We are especially appreciative of the following provisions:

- **Increasing Childcare Assistance Rates to the 75th Percentile (Article 1 Section 5)**

It is long past time Minnesota caught up with many other states and raised reimbursement rates to the federal recommendation of 75% of the current market rate. We applaud this approach and hope these changes will encourage and incentivize more center-based and family care providers to serve families and children enrolled in the program.

- **Expanding Childcare Assistance Program Eligibility by Changing the Definition of Family (Article 1 Sections 1-3)**

This simple change to the childcare assistance program recognizes the diverse array of family types that need access to childcare. This provision would help children currently ineligible for the program, simply because they are part of a foster family or kinship family, access childcare.

- **Reprioritizing the Childcare Assistance Program Waiting List (Article 1 Section 4)**

The best way to ensure all eligible families can access the childcare assistance program is to forecast the basic sliding fee program. While this bill does not take that approach, it does take a much-needed step towards reducing waiting lists by making reprioritization permanent.

- **Continued Funding for Stabilization Grants to Childcare Providers and Teachers (Article 2)**

We know the stabilization grants have been critical for all childcare providers since they were first introduced nearly two years ago under the name public health grants. We enthusiastically support this approach to continue that type of funding because it provides a critical investment for our children, our families, and our workforce.

- **Cost Estimation Model (Article 1 Section 15), Wage Scale (Article 1 Section 16), and Modernizing Information Technology (Article 3 Section 3) Proposals**

These three provisions will go a long way towards creating a stable and sustainable early care and education system. For too long, providers have been reimbursed and workers have been paid using inaccurate and outdated methods. In addition, our information technology systems are not properly equipped to serve our current childcare programs. We look forward to the changes that will be brought forward through the work directed in these provisions.

We appreciate the work of all members on these issues and look forward to helping pass the strongest bill possible for our youngest learners and the professionals who teach and care for them every day.

Sincerely,

Lars Negstad, Policy Director, ISIAAH