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My name is Mike Huber. I am a teacher and administrator from Seward Childcare Center in Minneapolis. I am here to speak in support of House File 3225.

The bill reimburses for families receiving Child Care Assistance 15% above the maximum rate for centers or family child care providers rated 3 or 4 stars in the Parent Aware Program. Our center is part of the Parent Aware pilot study. We are in the middle of the process and have received our initial 3 star rating.

Our childcare center is not fancy. Most of our furniture is decades old, including a few tables that are more than 50 years old. We have a laptop computer used both for administration and for occasional use in the classroom. Our center has put most of its investment in teachers.

Our center has a pay scale that increases for teachers who have a Masters degree. We offer health and retirement benefits. This has allowed us to attract and retain experienced, educated teachers. All but one teacher has been with us for five years or more, two have been with us for over ten years; this in a field where the average center has complete turnover every five years.

In the past year, as part of Parent Aware, we have invested about \$1500 of our own money in training for our teachers (and at least \$500 in facilities improvement) to meet the requirements to get the 3 star rating and hopefully move up to a four star rating at the end of the year-long process.

We are proud of our Parent Aware rating, but the quality of care results in higher costs. We are a non-profit and our rates cover our expenses with a small amount for an equipment reserve fund. There is not much of a financial cushion. Our expenses keep going up so our tuition goes up as well. The tuition we receive from families receiving funding from the Child Care Assistance Program (CCAP) has not kept up with our basic expenses. For the past several years we have capped the tuition for the families receiving funding from CCAP while raising the tuition for the other families.

Currently only about 10% of our families receive CCAP so it has not been a huge financial burden, but if we did have more families receiving the funding, we would be put in an extremely difficult financial situation.

I support House File 3225 for two basic reasons:

The first is financial. It would help childcare centers like ours (and family care providers) continue to provide quality childcare for working parents. If a center like ours goes out of business, it means that all the working parents we serve have to scramble for childcare. It is possible that the children could end up in substandard care or that the parents could be forced to take time off work, possibly losing their jobs. I believe that childcare is essential if we are going to decrease the numbers of unemployed.

Any time a business goes under, jobs are lost and the businesses they relied on are also hit. The childcare industry also touches every employer who has working parents on their payroll.

The second reason is moral, but has financial implications as well. A majority of brain development happens in the first five years of life. This is the time children need quality and responsive care. This can come from parents or relatives, but the reality for most families is that a child will spend significant time with a childcare provider. It is our society's responsibility to make sure that the experience with the childcare provider is high quality. If not for the sake of what's right then for the sake of investing now for a future return.

Many of you have heard Art Rolnick from the Federal Reserve talk about Early Childhood Development Programs as economic development initiatives. I'll just give a short quote. He says, "The return on investment from early childhood development is extraordinary, resulting in better working public schools, more educated workers and less crime." It's important to note that this return on investment comes from studies looking at children from low income families. These are the families that would be affected by House File 3225.

I think this bill is one step toward a stronger future for Minnesota's economy and for Minnesota's children. Thank you.