



# MN Parents for Affordable Child Care

“We just had a third baby and will be paying \$861/week for three kids. At that point we have to decide what’s more important health insurance and a job that literally just pays for daycare...or staying home on one income and no health insurance... Our system is broken. My husband is a veteran and we can’t get any help when he gave all when he served.”

**Requested Anonymity  
Sherburne County, MN**

“Our daycare bill is...almost \$1,700 per month! I know many mothers that have quit their career... This is something our family has not considered, as I carry our family’s health insurance. ...I hope there can be a better plan to allow childcare to be more affordable in the very near future.”

**Angela D.  
Hibbing, MN**

“I couldn’t believe we were paying as much as a mortgage, over \$1,248 per month. We didn’t qualify for any scholarships or discounts. We decided to stop daycare. We couldn’t afford to keep going, so my husband dropped to part-time work, and we asked grandparents to help as well. Middle class families like mine desperately need affordable childcare.”

**Rachel K.  
Blaine, MN**

“It is extremely disheartening to work hard at good paying jobs yet be stretched so thin financially... We currently pay \$350 per week for our one child... This cost is preventing us from being able to save for a home, grow our family, and put any money back into the local economy.”

**Emma H.  
Savage, MN**

“I recently had twins, and the cost of childcare for our family is now over a third of our family's income, despite both my husband and being working professionals. Neither my husband or I can afford to stop working, but we literally can't afford to work because childcare is so expensive. The lack of affordable childcare is about to push my family into poverty and I feel powerless to change anything.”

**Grace G.**  
**Grand Marais, MN**

“My husband and I are excited to welcome our first child this April, but we are already overwhelmed by the costs and limited availability of affordable childcare in our state. Every parent I talk to has similar concerns and feels stretched thin.”

**Jessie A.**  
**Roseville, MN**

“I have a 19-month old that we just put in daycare this past fall. We are barely affording childcare so we can work to afford our other bills. I am a registered nurse at Children's Hospital and I love my work. I would be devastated if I couldn't work due to not being able to afford childcare. \$1200 a month is not something to be taken lightly. We could be using that for our son's savings for his future . . .”

**Natalie O.**  
**St. Paul, MN**

“We currently pay \$2450/month for childcare for two of our children. This is not even for full time care - this is for half days! This leaves very little for us to be able to pay our bills on time, and in the case of an emergency we would be strapped.”

**Becca H.**  
**Anoka, MN**

# A GREAT START FOR EVERY CHILD

## Dear Members of the House Children and Families Finance and Policy Committee:

We are a diverse group of individuals and organizations that has come together to build an early care and learning system that is affordable for families, high-quality for kids, and a sustainable career for teachers. We are writing today to urge you to pass H.F. 3681 to work as quickly as possible to make child care more affordable for hard working Minnesota families.

**Child Care Affordability Crisis.** Minnesota families are facing a serious child care affordability crisis that must be addressed by the Legislature as soon as possible. While the federal government has determined that families can afford to pay up to 7 percent of their annual household income for child care, the Economic Policy Institute estimates that a typical Minnesota family with an infant and preschooler is paying about 37 percent of its household income for child care. That's more than 5 times what is affordable. Families with more young children and/or lower incomes are paying even more.

These child care costs – often larger than the cost of college tuition, a home mortgage, or rental housing – are crushing hard-working young families at a stage of their lives when they haven't yet had an opportunity to build up their earning capacity and savings. As a result, many families are being forced to tap into their savings, go into debt, forgo employment, or not have children.

We look forward to working with the Minnesota Legislature to address this crisis as soon as possible. Our group is aligned in support of child care affordability legislation that meets the following principles:

- **Prioritize Assistance.** We support prioritizing assistance for middle class families that are closest to the existing benefits cut-off “cliff.”
- **Streamline Assistance.** We support assistance being delivered in a way that doesn't unnecessarily burden Minnesota families or child care providers.
- **Fast-Track Assistance.** We support helping families in a way that can be easily and swiftly implemented, starting the fall of 2024.

We enthusiastically support H.F. 3681 because it is consistent with all of our principles. Rep. Kotyza-Witthuhn and her Senate counterpart Sen. Grant Hauschild listened to experts in the field, including the parents and providers most impacted, and did an excellent job capturing their needs in this legislation. Again, we strongly encourage the Legislature to make child care affordability a top priority. Doing so will help more than just families struggling under the weight of enormous child care bills. It also will help Minnesota's youngest learners who need quality child care to get prepared for school and life, struggling child care providers who need more families using their services in order to keep their doors open, and businesses who are desperate to find enough employees during the most serious labor shortage in decades.

Doing that will strengthen Minnesota's families, communities, and economy. In other words, it will help all Minnesotans.

Again, we strongly encourage you to pass H.F. 3681, and we look forward to working with you to address this urgent crisis.

Sincerely,

*ABC123 Child Enrichment Center*

*All Nations Rise*

*Before Racism*

*Bethesda All Stars Childcare Center*

*Center for Inclusive Child Care (CICC)*

*Children's Defense Fund Minnesota*

*Doctors for Early Childhood*

*First Children's Finance*

*Generation Next*

*Indigenous Visioning*

*Jill Magnell, Child Care Owner*

*Kay Hendrich, Early Care Educator*

*Kids Count on Us*

*Kristy Anderson, Licensed Family*

*Child Care Provider*

*Little Moments Count*

*Minneapolis Youth Coordinating Board*

*Minnesota Alliance of YMCAs*

*Minnesota's Prenatal to Three Coalition*

*Missy Okeson and Katie Gunderson at*

*Northwest Minnesota Foundation*

*MN Budget Project*

*MN Child Care Association*

*MN Parents for Affordable Child Care*

*MnAEYC*

*New Horizon Academy*

*Northstar Prosperity*

*Saint Paul Promise*

*Start Early Funders Coalition*

*TakeAction Minnesota*

*The Family Partnership*

*The Sheltering Arms Foundation*

*Think Small*

*West Central Initiative*

*YMCA of the North*

Daniel Rogge  
5909 York Ave S  
Edina, MN 55401

November 12, 2023

Dear Members of the Children and Families Finance and Policy Committee:

I am writing to urge you to do something NOW to address child care and preschool affordability in the state of Minnesota. I am a full-time working, single father of two sons and I earn \$63,000 per year pre tax. I recently applied for an Early Learning Scholarship from the organization Think Small. In response to my application I was told, and I quote, "Your annual gross income is over the income limit for the number of people in your household" and "please feel free to contest this decision" and "keep us in mind if the above (references the financial benchmarks) changes in the future."

Those words are damaging and heartless, cold and not what I perceived this great state to be. What they are saying to a struggling father is "once you lose your home, can't pay for food, childcare and preschool, resubmit your application and we might help." "We won't help you to stay out of poverty, but when you get there, give us a call!" This is unacceptable. This isn't the Minnesota I know. But it's clearly the true Minnesota currently.

The state of Minnesota has made it clear, that I am not eligible for ANY assistance. Of any kind. I thank God every day for what the boys and I have. Many, many families have less. **But, what the state has told me, denying every application for assistance I have submitted for is this: Until the boys and I reach a level of poverty, you can't help me.**

I understand there are budget restrictions. But I am using this letter as my personal plea to the state to please consider reform to this antiquated, out dated and biased system for approval for state funded programs. Per state financial benchmarks, my income suggests that I shouldn't have any problem caring for my two boys by myself. The algorithm used to determine my eligibility looks at my annual gross income (before taxes), the number of people in my household and what I pay for medical expenses/insurance.

Out of my income I pay for my mortgage. Our electricity. Our water. Our sewer. Our garbage. All services I must pay for. And I do. I also pay for food every month. I have a 4- and 6-year-old. They tend to eat a lot. And for their clothing, shoes, and other basic items they need. Add on top of that inflation. Then there is the cost of childcare. **As a full time working single father, without the help from their mother to co-parent, I'm spending \$600-\$700 a week on childcare. That's daycare and nanny help while I'm working. In addition, I have the expense of**

**preschool for my youngest son, the cost? \$1,500 per month. After taxes, I take home around \$54,000.00. You do the math, it clearly doesn't add up. Ends don't meet.**

My boys and I don't need much to keep what we have. What I have been fighting to keep. We just need a little help. Just a little help for God's sake. I hope this letter will reach the right eyes. I hope changes are made and made soon.

Sincerely,

Daniel Rogge

FAMILIES NEED

HIGH QUALITY

AFFORDABLE

CHILDCARE

NOW!

QUALITY CHILDCARE IS TOO EXPENSIVE FOR TOO MANY FAMILIES, AND THEY ARE FEELING IT IN THEIR POCKETBOOKS EVERY DAY.

DESPITE HISTORIC INVESTMENTS IN CHILDCARE AND EARLY LEARNING IN 2023, WE STILL NEED TO LOWER COSTS FOR ALL FAMILIES AND ENSURE A GREAT START FOR ALL MINNESOTA CHILDREN.



# THE ANSWER IS SIMPLE

## 2024 IS THE TIME TO MAKE CHILDCARE AND EARLY LEARNING AFFORDABLE!

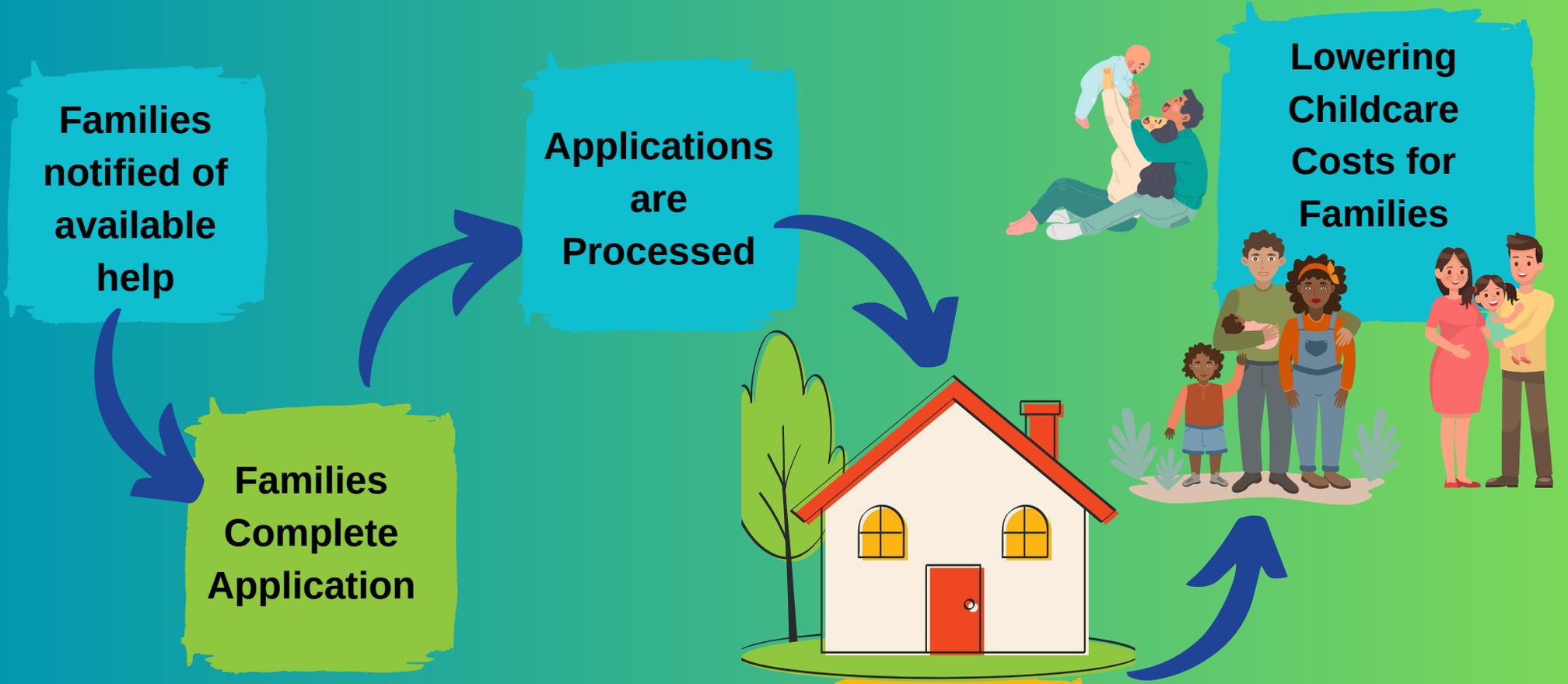
### This program will:

- Provide monthly payments for families to directly reduce their childcare bills.
- Use existing infrastructure to cut down on administrative cost and complexity.
- Make an investment that could benefit 85% of all families with children 0-5 across MN.
- Put Minnesota on a path towards affordability for all Minnesota families in which **no family pays more than 7% of their annual income on childcare.**
- Aim to pay providers up front and credit families on their monthly childcare bills.
- Begin by fall of 2024.

**A family has to make \$243,000/year to pay no more than 7% of their annual income for just one infant in MN!**

### YEARLY COST OF CHILDCARE IN MINNESOTA

# How it works



Providers receive payments for families

**A GREAT START FOR EVERY CHILD**



February 22, 2024

Representative Dave Pinto, Chair  
Children and Families Finance and Policy Committee  
State Office Building, Room 200  
St. Paul, MN 55155

Representative Hodan Hassan  
Economic Development Finance and Policy  
State Office Building, Room 10  
St. Paul, MN 55155

Chair Pinto, Chair Hassan, and Committee Members,

On behalf of the Minneapolis Regional Chamber, I write today to express support for the proposed measures for addressing child care affordability in HF 3681. The Minneapolis Regional Chamber represents over 1,600 businesses of all sizes across the Twin Cities Region. When we poll our members on the top issues facing their business, access to affordable childcare consistently ranks in the top five. We know that reliable, affordable child care options are an impetus for parents to enter the workforce, particularly parents of color and those living in rural communities.

**Impact on the Workforce of Today.**

Minnesota is experiencing a very serious child care affordability and accessibility crisis. At a time when Minnesota businesses are struggling in the face of the most challenging labor shortage in decades, we continually hear that the lack of affordable child care is keeping Minnesota parents who want to work out of the workforce. Minnesota families are facing child care bills that are larger than the cost of a mortgage. These bills come at a time of life when young families simply have not had a chance to build up their earning capacity or savings.

**Impact on the Workforce of Tomorrow.**

The lack of affordable, quality child care not only impacts today's workforce it also impacts the workforce of tomorrow. Research indicates that children who can't access quality early learning programs using kindergarten-readiness best practices are disproportionately likely to start kindergarten behind, not catch up in later grades, drop out of school, generate life-long taxpayer expenses, and be unprepared to be the educated employees Minnesota businesses desperately need to win in the global economy. That's a huge long-term problem for Minnesota businesses, and the Minnesota economy upon which we all depend.

**Demand-Side Help is a Must.**

The Minnesota business community is working on creative solutions to increase the supply of quality child care programs, and we know the state is too. However, after new programs are created, too often parents simply can't afford the tuition that is necessary for these new child care facilities to cover operating expenses.



It's abundantly clear to us that we need to work both sides of the equation: increasing demand by helping middle class families afford child care bills and continuing to work on the supply side to ease barriers to entry for start-up providers.

**Support for Child Care Affordability Legislation.**

We appreciate that this legislation builds on the successful Early Learning Scholarship model, rather than creating yet another new program. The Scholarship approach has been proven effective and has earned unusually broad support from the Minnesota business community and a bipartisan group of state legislators. Another advantage of the model is that it demands quality, meaning the use of kindergarten-readiness best practices. Children need and deserve quality programs, and economists stress that quality is necessary to maximize taxpayers' return on their investment (ROI).

Another key advantage of the Scholarship approach embedded in HF 3681 is that it gives Minnesota parents the flexibility they need to find programs that fit their schedule, location and other needs and preferences. "One-size-fits-all" doesn't work for Minnesota parents, this proposal gives parents options.

We strongly support public investment in improving child care affordability, however, the size of the investment must make sense in the context of a fiscally responsible budget, both in 2024 and in subsequent years as the Legislature continues work on this issue. By doing so, we can move one step closer to building a more affordable and stable child care system – one that every Minnesotan deserves. Thank you for considering our support on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Weinhagen', written in a cursive style.

Jonathan Weinhagen  
President & CEO  
Minneapolis Regional Chamber



February 21, 2024

To Whom it May Concern:

We are writing to encourage the Minnesota Legislature to work with us and across party lines to do more to help middle-income families afford quality child care. Specifically, we support the proposed measures for addressing child care affordability in HF 3681 and SF 3790 and view them as a necessary part of the solution to the child care crisis that Minnesota is facing.

**Impact on the Workforce of Today.** Minnesota is experiencing a very serious child care affordability and accessibility crisis. At a time when Minnesota businesses are struggling in the face of the most challenging labor shortage in decades, we continually hear that the lack of affordable child care is keeping Minnesota parents who want to work out of the workforce.

Minnesota families are facing child care bills that are larger than the cost of college tuition or a mortgage. These bills come at a time of life when young families simply have not had a chance to build up their earning capacity or savings.

Existing government child care subsidy programs currently have a steep eligibility cliff that leaves behind hard-working, middle-class families. For instance, if a family of four earns even one dollar more than the current eligibility level of about \$55,000 per year, they are unable to qualify for assistance. Because of this eligibility cliff, we are even seeing parents forgoing raises or extra hours to retain government program eligibility. This obviously creates a perverse incentive in the labor market.

**Impact on the Workforce of Tomorrow.** The lack of affordable, quality child care not only impacts today's workforce it also impacts the workforce of tomorrow.

Research indicates that children who can't access quality early learning programs using kindergarten-readiness best practices are disproportionately likely to start kindergarten behind, not catch up in later grades, drop out of school, generate life-long taxpayer expenses, and be unprepared to be the educated employees Minnesota businesses desperately need to win in the global economy. That's a huge long-term problem for Minnesota businesses, and the Minnesota economy upon which we all depend.

**Demand-Side Help is a Must.** The Minnesota business community is working on creative solutions to increase the supply of quality child care programs, and we know the state is too. However, after new programs are created, too often parents simply can't afford the tuition that is necessary for these new small businesses to cover operating expenses.

An academic paper recently released by the Upjohn Institute analyzed an increase in public funding for child care subsidies in Minnesota. It found that increasing public investment in support of helping parents access child care programs results in a significant increase in available child care slots. The fact that an increase in demand leads to an increase in supply is not a surprise to our members who see market forces at work every day, but this research proves the point to any skeptics.

It's abundantly clear to us that we need to work both sides of the equation: increasing demand by helping middle class families afford child care bills and continuing to work on the supply side to ease barriers to entry for start-up providers. Supply-side solutions are necessary, but they're not sufficient.

**Support Child Care Affordability Legislation.** For these reasons, we support HF 3681 and SF 3790, legislation that seeks to help make quality child care more affordable.

We appreciate that this legislation builds on the successful Early Learning Scholarship model, rather than creating yet another new program. The Scholarship approach has been proven effective and has earned unusually broad support from the Minnesota business community and a bipartisan group of state legislators. Another advantage of the model



is that it demands quality, meaning the use of kindergarten-readiness best practices. Children need and deserve quality programs, and economists stress that quality is necessary to maximize taxpayers' return on their investment (ROI).

Another key advantage of the Scholarship approach embedded in HF 3681 and SF 3790 is that it gives Minnesota parents the flexibility they need to find programs that fit their schedule, location and other needs and preferences. "One-size-fits-all" doesn't work for Minnesota parents, this proposal gives parents options.

We also appreciate that this bill was introduced without a specific appropriation level. We strongly support public investment in improving child care affordability. However, the size of the investment must make sense in the context of a fiscally responsible budget, both in 2024 and in subsequent years the Legislature works on this issue.

Thank you for considering our position on this critical issue. We look forward to working with you to improve child care affordability in Minnesota.

Sincerely,

Matt Baumgartner, MBA  
President  
Duluth Area Chamber of Commerce



Since 1978, WomenVenture has provided entrepreneurs of all ages, cultures, races, and income levels with the tools and resources to achieve economic success through small business ownership.

Our training and lending programs are structured to be accessible for all, regardless of business experience or income level. In the last year, WomenVenture has provided more than 5300 hours of training to emerging entrepreneurs and disbursed more than \$1.7M in loans to local businesses.

## Our Impact

In the last fiscal year, WomenVenture's impact reached across the Twin Cities, rural Minnesota and western Wisconsin.



1232

Clients Served



8614

Consulting Hours



5333

Training Hours



499

Jobs Created by  
Clients



47

Child care businesses  
supported



24

Jobs created by  
child care clients

## Mission, Vision, Values

Our Mission is to empower women to achieve their economic goals by building profitable and sustainable businesses that transform communities.

Our Vision is a world where women-owned businesses are the economic engine that powers our world.

Our Values are inclusion, impact, and innovation.

WomenVenture has prioritized advocacy work for women and BIPOC entrepreneurs in the fundamental and economically critical industries of child care. This industry has traditionally leveraged the female workforce and improving economic development opportunities within these industries will have positive ripple effects throughout our economy and communities.

Tonya Paige is the owner, founder, and educator of Tonya's Lullaby In-Home Care. WomenVenture is honored to support Tonya and to share her passion and love for the children she teaches. Tonya's childcare journey started in 1995 after becoming a parent and seeing the struggles those having children faced of not being able to afford quality childcare.



Tonya Paige  
Tonya's Lullaby  
In-Home Care

After 20 years of providing childcare, the industry was struggling due to the 2008 recession, people were losing their jobs and did not have room in their budgets to spend on childcare, so they were using free alternatives. During this period, Tonya started her transition out of the business. She was training to be a foster care home and fostered two children, one of whom she adopted and is now 11 years old. To provide for her family, she turned to the corporate world, working in business development and HR at UPS for 8 years. She knew this was not what she was meant to do, she had a passion and drive for childcare that never went away.

Tonya took the first steps back into the childcare industry by doing research and taking cohort leadership courses. In April of 2022, she became the assistant director for KinderCare and was there for a year. During that time, she saw how childcare centers worked, she saw the quantity versus quality and thought "I can do this on my own." Tonya's Lullaby In-Home Care was then brought to life in June of 2023.

A lot changed in the time that Tonya took off from being a childcare provider. This time around she found herself with a much smaller support system, having to worry about bills and keeping a roof over her and her daughter's heads. Still, she put everything she had into buying her house and starting this business. She said, "I have the vision, just not the resources."

Coming back after so many years, Tonya was worried that her age and the changing world were going to make it difficult to gain enrollment, but she found with her seasoned experience and resources from WomenVenture, there was no lack of inquiries.

In May of 2023, she started her journey with YourVenture. "WomenVenture has been such an intricate piece in my program. They listen; they hear." Tonya expressed that she has gotten the support from WomenVenture and the childcare team that she needed in the places where she struggled the most.

As the owner and educator, Tonya has big dreams for Tonya's Lullaby. She hopes to eventually expand her business, but not in the most conventional way. When providers expand, they are stretching their relationships with the children and families. She would like to eventually buy another home for childcare because children learn better in a space that looks familiar. Tonya knows that when childcare centers expand, the dynamic tends to shift, and relationships weaken. If she can keep putting her love and passion into the business, even when expanding, she knows it will be successful.

The advice Tonya would share with other childcare providers and entrepreneurs is to create your own environment, develop your own experience, and let the kids help create it. You are valued and make a difference in children's lives; you are the beginning of their future.



February 21, 2024

Dear Chair Pinto and the Members of the Minnesota House Children and Families Finance & Policy Committee:

We write in support of HF 3681 to assist families with the cost of child care.

At Greater Twin Cities United Way, our mission is to unite changemakers, advocate for social good, and develop solutions to address the challenges no one can solve alone. Together with our partners, we touched over 500,000 lives across the 9-county metro area. As an organization that partners with over 100 nonprofits and coalitions across the Twin Cities region and state, we know a holistic approach to Household Stability, Educational Success and Economic Opportunity is key to providing the foundation for individuals and families from low and moderate incomes to move towards prosperity. A clear demonstration of prosperous and thriving families is their ability to access safe, quality, and affordable early child care.

Eighty percent of a child's brain development occurs by the age of 3. Affordable and reliable early child care lays the foundation for a child's academic achievement, positive social-emotional development, and lifelong learning. Additionally, it enables parents to pursue employment and educational opportunities, contributing to the economic stability and upward mobility for families. By ensuring access to accessible and affordable early child care, we empower families to create a brighter future for themselves and their communities.

Greater Twin Cities United Way supports continued investment into child care that creates access for families with low and moderate incomes. We know that access to affordable, safe, and quality early child care is more than a matter of convenience but a critical factor in ensuring the well-being and success of children and parents throughout the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie L. Lewis".

Stephannie L. Lewis  
Interim Director, Advocacy & External Engagement  
Associate Vice President, Community Impact  
Greater Twin Cities United Way

A handwritten signature in blue ink, appearing to read "Shannon Smith Jones".

Shannon Smith Jones  
Senior Vice President, Community Impact  
Greater Twin Cities United Way