



## Great Start for All Minnesota Children Task Force

Presented by Task Force Co-Chairs:

Jenny Moses, *Children's Cabinet representative*

Sandy Simar, *Head Start educator representative*

*Note: Shakira Bradshaw, Parent of young child representative, was unable to join*

# Task Force Charge & Goals

Develop a **plan and implementation timeline** that **ensures all families have access to affordable, high-quality early care and education (ECE)** that enriches, nurtures, and supports children and their families.

Minnesota State Statute, 2021 first special session law, Chapter 7, Article 14, Section 18 directed the creation of the Great Start for All Minnesota Children Task Force.

Must phase in the plan over no more than six years, beginning in **July 2025** and finishing no later than **July 2031**.

## **AFFORDABLE**

Create a system in which family costs for ECE are affordable

## **ACCESSIBLE**

Ensure that a child's access to high-quality ECE is not determined by the child's race, family income, or zip code

## **SUPPORTED WORKFORCE**

Ensure that Minnesota's ECE educators are qualified, diverse, supported and equitably compensated regardless of setting

# Voting Members

\*denotes co-chair

- **Pat Ives**, Director of Licensed Child Care Center (Greater MN)
- **Krystal Shatek**, Director of Licensed Child Care Center (7 County Metropolitan Area)
- **\*Sandy Simar**, Early Childhood Educator, Head Start or Community Education Program
- **Adriana Lopez** (served from November 2021-October 2022), **Johanna Villa** (served from December 2022-January 2023) Early Childhood Educator - Licensed Child Care Center
- **Meghan Caine**, Early Childhood Educator, Public School-based Early Childhood Program
- **Kathleen Church**, Family Child Care Program License Holder (Greater MN)
- **Luciana Carballo**, Family Child Care Program License Holder (7 County Metropolitan Area)
- **Senator Liz Bolden**, MN House (appointed in November 2021 as member of House majority)
- **Representative Peggy Bennett**, MN House
- **Senator Karin Housley**, MN Senate
- **Senator Melissa Wiklund**, MN Senate
- **Jayne Whiteford**, Parent Children Under 5 (Greater MN; public program)
- **\*Shakira Bradshaw**, Parent Children Under 5 (Metro; private program)
- **Brook LaFloe**, Representative of a Federally Recognized Tribe with Expertise in Early Care and Education
- **\*Jennifer Moses**, Children's Cabinet Representative

# Non-Voting Members

- **Nancy Hafner**, Faculty Representative, Early Childhood Education
- **Barb Fabre**, Indigenous Visioning Representative
- **Lydia Boerboom**, Kids Count on Us Representative
- **Suzanne Pearl**, Nationally Recognized Expert in Early Care and Education Financing
- **Summer Bursch**, Minnesota Association of Child Care Professionals (MACCP)
- **Amy Walstien**, Minnesota Business Partnership
- **Lauryn Schothorst**, Minnesota Chamber of Commerce
- **Clare Sanford**, Minnesota Child Care Association
- **Cyndi Cunningham**, MN Child Care Provider Information Network
- **Michelle Trelsted**, MN Community Education Association
- **Tonia Villegas**, Minnesota Association of County Social Services Administrators
- **Kraig Gratke**, Minnesota Head Start Association
- **Missy Okeson**, Minnesota Initiative Foundations
- **Deb Fitzpatrick**, Statewide Advocacy Organization
- **Ann McCully**, Child Care Aware of MN
- **Debbie Hewitt**, Department of Education
- **Oriane Casale**, Department of Employment and Economic Development
- **Karen Fogg**, Department of Health
- **Cindi Yang** (served from November 2021-October 2022), **Bharti Wahi** (served from October 2022-January 2023), Department of Human Services
- **Nicole Blissenbach** (served from November 2021-September 2022), **Siv Dobrolvony** (served from September 2022-January 2023), Department of Labor and Industry
- **Laurena Schlottach-Ratcliff**, Department of Management and Budget
- **Janell Bentz**, Department of Revenue

# Task Force Process

To address the aspects of the ECE system required by establishing legislation, Task Force members, staff, and facilitators **engaged with subject-matter experts, reviewed existing studies and recommendations, and refined and analyzed their proposals based on feedback** and an iterative process.

- ✓ Fifteen meetings of the full Task Force
- ✓ Two working groups on affordability and workforce compensation
- ✓ Member surveys, office hours, and one-on-one calls
- ✓ Over 40 existing articles, proposals, studies, and reports
- ✓ Four virtual listening sessions

# Task Force Essential Commitments (*pages 14-18*)

- Identifying historically disenfranchised groups who have not experienced equity in the ECE system and so are most in need of prioritization. The group agreed to **center equity** throughout their process of developing recommendations. Historically disenfranchised groups include:
  - Racial and ethnic minorities, including People of Color and Indigenous people (POCI)
  - Members of the LGBTQIA community
  - Those experiencing multi-generational or ongoing trauma
  - Those at risk of or with developmental delays or disabilities
  - Those from homes where English is not the primary language
  - Those experiencing homelessness or living in low-income households
- Formal acknowledgment of a **commitment to the Mixed Delivery System**, recognizing that all types of providers and settings provide value to families and children, and family preference must be honored and respected by design.
- Acknowledgement that **care and education cannot be separated**: Every single experience a child has is a learning opportunity, making care and education inextricably intertwined.

# Fiscal Impact Recommendations (*pages 20-21*)

Though the establishing statute did not address the fiscal impact of the legislative charge, the Task Force recognized that the recommendations would have significant financial implications. To fully understand these implications, the Task Force recommended:

1. A fiscal study of each budget-related recommendation included in the plan and implementation timeline;
2. A comprehensive economic impact assessment of the long-term recommendations, which should consider child and family outcomes, economic impacts including potential savings, and cost to taxpayers; and
3. A strategic financing study to identify and assess the impact of revenue options available and ways to maximize existing funding streams to cover the costs of the long-term plan.

# Family and Program Affordability (*pages 22-32*)

## Key Long-term Recommendations

- Create a family benefits system that provides affordable access to early care and education for all families, with an affordability standard of no more than 7% of income for all families. (*pages 24-26*)
  - This would dramatically expand affordability of early care and education programs through a new “Great Start Minnesota Program.” This new program would blend existing federal and state funding streams, along with additional funding needed to fully support the program. Under the proposed program, all families are eligible, with the maximum payment lining up with the 7% of income affordability standard.
  - The 7% affordability standard aligns with federal recommendations, and the task force recommendation means that through this benefits program and program funding that is calculated based on true cost of care, families would pay no more than 7% of their income for early care and education services. For higher-income families, this would still likely mean paying for the full cost of services – since for some families, 7% of their income does cover the full cost.
- Provide early childhood programs with adequate funding to deliver effective services for children and families. (*pages 29-32*)
  - Minnesota should pay programs based on the true costs of services (determined by cost modeling) rather than market rates. Current rates are limited by the prices families are able to pay, rather than a rate that would cover the full cost of care and allow for fair workforce compensation.



# Family and Program Affordability, continued

## Key Short-Term Family Affordability Recommendations (pages 26-27)

- Child Care Assistance Program (CCAP):
  - Expand eligibility to 85% of State Median Income (SMI) and by increasing eligible activities
  - Increase hours covered to ensure continuity of care
  - Reduce family co-payments for CCAP
  - Make permanent the reprioritization of Basic Sliding Fee CCAP waitlist
- Early Learning Scholarships:
  - Increase scholarship funding to cover full cost of care
  - Expand scholarship age eligibility to include birth-3
  - Expand priority populations for scholarships to include families with a caregiver in substance use treatment, families experiencing domestic violence, families with an incarcerated caregiver, and families with a caregiver in a mental health treatment program
- Simplify administration system and reduce burden, including by:
  - Effective electronic systems that can be updated
  - Having one billing and tracking system for both programs.
  - Making income eligibility guidelines consistently based on one metric (percentage of SMI)

# Family and Program Affordability, continued

## Key Program Funding Recommendations (pages 29-32)

- The Task Force believes the state should work toward a future system of program funding where (in addition to fair funding levels):
  - Funding is **stable**
    - Funding based on enrollment rather than attendance, and in advance of services rather than reimbursed
    - Funding should exist through per-child rates and base operational funding amounts
  - The funding process is **transparent**
    - Cost modeling should be clearly communicated, along with policies and procedures
  - Administration is **simple and consistent**
    - Funding should be blended and braided behind the scenes, with one payment system and one administrative agency for providers
    - Paperwork should be simple and electronic processing should be available
  - There is **accountability** for use of funding
    - Clear, publicly-available expectations for use of funding, family choice prioritized
  - Funding is **equitably accessible across all settings**
    - Flexibility and honoring differences in provider types

# Accessibility (pages 33-38)

## Accessibility (pages 33-38)

- The Task Force identified six factors that must be considered to develop an equitably accessible plan, including:
  1. Flexible availability (schedule and hours) and greater accessibility (geography, location) of early care and education that meets the diversity of families' needs.
  2. The role local communities should have in both determining access priorities for their communities and how to meet access needs.
  3. Resources and ability of providers to offer culturally responsive programming and environments.
  4. Transportation and other barriers, such as language barriers, affecting access to families' programs of choice.
  5. *Accessibility and ease of the process through which parents determine eligibility, identify options, and secure early care and education.\**
  6. *Income and other eligibility requirements that lead to public subsidy access for early care and education.\**
    - *\*addressed by family affordability recommendations*

# Accessibility (*pages 33-38*)

## **Examples: Accessibility Recommendations (pages 33-38)**

- Conduct a study of other programs (ECE in other geographies or non-ECE programs) that have successfully invested in incubation, start up, and expansion to identify appropriate infrastructure and funding mechanisms.
- Support and expand the state's efforts around program navigation for families, provide community planning funding and support in all regions.
- Conduct family focus groups to better understand some of the specific systemic barriers they face, by community. This could start through existing networks of advocates and support organizations. Some potential additional barriers:
  - Ensuring language barriers are inclusive of ASL or hearing impairments.
  - Accessing care regardless of immigration status
  - Accessing care if you don't have access to health care
  - Caregivers who are not legal guardians; how can they access and advocate for kids in their care.

# Effectiveness (*pages 39-43*)

## Effectiveness (*pages 39-43*)

- To enable the early care and education workforce to make the Task Force's vision of effectiveness a reality for all children and families, Minnesota needs:
  - Consistent and equitable standards and growth-oriented accountability systems;
  - A healthy business environment and clear, consistently-applied regulations;
  - A cohesive, high functioning infrastructure and ecosystem;
  - *Fair compensation and supports for the ECE workforce\**, and
  - *More, consistent, and equitable funding, which enables many of the above.\**
    - *\*addressed by family affordability and workforce compensation recommendations*

# Effectiveness (*pages 39-42*)

## Examples: Effectiveness Recommendations (pages 39-42)

- Endorsement of the ongoing continuous improvement efforts for Parent Aware, including the Racial Equity Action Plan and the Parent Aware Equity Report, and the ongoing Child Care Regulation Modernization projects.
- Continue existing business trainings and resources.
- Study infrastructure needs and programmatic changes.
- Create a new and centralized governance structure with adequate funding and resources, and enhanced coordination and consolidation, taking into account interactions between the ECE system and the business community, the broader state workforce, the broader early childhood system and programs, and issues that affect Minnesota's families.
- Complete an analysis (in partnership with a diverse stakeholder body inclusive of providers of all types) of the option to include all licensed programs and Family Child Care providers in Parent Aware, the Quality Rating and Improvement System (QRIS).

# Workforce Compensation and Supports (*pages 44-54*)

## Long-term Compensation Framework (*pages 49-51*)

- Phased-in recommended base wage for ECE employees, supported by additional funding to cover the additional costs of wages paid. The recommended base wage should:
  - Serve as a recommended floor for all members of the early care and education workforce
  - Reflect the local geographies' individual living wage
  - Reflect an appropriate wage for an entry level role in the ECE field
  - Be updated no less than every two years based on the DEED Cost of Living tool, at the individual cost of living wage.
- Recommended wage scale with higher wages, associated with higher levels of education and experience. The recommended wage scale should be included in cost modeling efforts, and Family Child Care providers should plan to pay themselves a recommended base annual wage (profit) equivalent to a lead role on the wage scale. Increased per child rates for the increased costs associated with education and qualifications needed for higher quality programs would be provided through cost modeling and the family benefits program (Great Start MN Program).
  - Wages at the highest level of the wage scale are commensurate with elementary school teacher salaries.
  - Comparable competencies and experience, aligned with the MN Knowledge and Competency Frameworks, will be defined using a human-centered design process inclusive of relevant state agency representatives, all types of ECE providers.

# Workforce Compensation and Supports, continued

## **Examples: Workforce Compensation and Supports Short-term Recommendations (pages 44-54)**

- Expand Grow Your Own program and Minnesota Transfer Pathways
- Create regional substitute pools
- Establish and conduct a workforce study every three years, with outcome metrics established for decreasing wage disparities
- Continue and expand successful programs: Early Childhood Mental Health Consultation, grant funding for professional development, Early Childhood Mental Health Grants
- Short-term financial relief strategies, including:
  - Bonus for new employees who complete training, CDA, AA, BS, or BA degree
  - On-going funding to programs for ECE workforce, with a connection between grant funds and increased compensation



Thank you!





# Governor's Budget Alignment with GSTF Recommendations

Stephanie Hogenson, Policy Director, Children's Cabinet



# Alignment: Governor's Budget Proposals (1 of 3)

## Family Affordability

- **Minnesota child and dependent care tax credit:** The proposal provides economic relief to low and middle-income MN families and reduces child care costs for 100,000 additional households. The average savings from the credit would expand from \$500 to \$1,500.
- **Child Care Assistance Program:**
  - \$15 million per year increase in funding to serve more children in the Basic Sliding Fee Child Care Assistance Program
  - Expanding eligibility to foster and kinship families
  - Permanent Reprioritization of Basic Sliding Fee Waitlist
- **Early Learning Scholarships:**
  - \$90 million per year increase to Early Learning Scholarships to serve an additional estimated 9,000 children per year
  - Expanding eligibility to birth to age five, while prioritizing children birth to age three
  - Adding children of incarcerated parents to list of priority populations
- **Targeted Mixed Delivery Early Learning Model:**
  - Establishing a forecasted full-day public pre-kindergarten program for eligible four-year-old children using a mixed delivery model comprised of school-based, Head Start, licensed community-based center, and family childcare programs, adding an estimated 13,000 slots by 2027.

# Alignment: Governor's Budget Proposals (2 of 3)

## Program Funding

- Increasing **CCAP rates to the 75th percentile** of market rate study.

## Workforce Compensation and Supports

- **Retention payments** for child care programs to strengthen their ability to recruit and retain qualified early educators and increase access to child care for families.
- Increased funding for **T.E.A.C.H. Early Childhood Minnesota Scholarships**.
- Investing more resources in the **Early Childhood Mental Health Consultation** program to expand to serve schools and Head Start.
- Creating a set aside to support non-licensed early care and education providers through **Grow Your Own programs**
- Creating a **paid family and medical leave** insurance program.
- Increasing access to **earned sick and safe time** to ensure workers can accrue up to 48 hours a year of earned sick and safe time.
- Expanding **health care coverage options**, including through a public option that will offer more choices to Minnesotans who struggle to afford private coverage, and proposing changing Medical Assistance eligibility to ensure a more equitable start for the youngest Minnesotans. This means eligible children under age 6 will remain eligible until their sixth birthday.

# Alignment: Governor's Budget Proposals (3 of 4)

## Accessibility

- Creating an **Office of Child Care and Community Partnerships** at DEED to establish a central office for partnering with the public and private sectors to address child care as an economic and workforce development issue across the state.
- Expanding DEED **Child Care and Economic Development Grants** to support child care economic development, especially in Greater Minnesota, which will assist child care providers, create much-needed new child care slots, and increase quality.
- Sustainable expansion of the **Community Solutions Fund for Healthy Child Development** at MDH.
- Establishing **Community Resource Centers** with physical and virtual access points for families, supporting relationship-based culturally appropriate programs, service navigation, and case management.
- Resources for **Help Me Connect** family navigation tool and **Full-Service Community Schools**.
- Ongoing funding for the following ARPA-funded investments:
  - **Child Care Wayfinder**, a network to support start-up of new child care programs, and expand/sustain existing programs.
  - **Empower to Educate Program** to recruit and provide child care training, job skills and job placement, targeted to economically disadvantaged individuals, to increase the number of people prepared to enter the early care and education workforce.
  - Child care **business training and supports**.

# Alignment: Governor's Budget Proposals (4 of 4)

## Effectiveness

- **Streamlining licensing application and renewal process** for family child care providers, making it easier and more flexible for providers and licensors.
- Proposing a new **Department of Children, Youth, and Families** that reimagines state government structures to elevate child, youth, and family priorities and funding needs by providing focused leadership in our executive branch and with the legislature. This new agency will bring together core programs from early childhood through youth. The One Minnesota Budget proposes a process for transitioning to the new agency and obtaining authority and resources to support the creation, alignment, and launch of a two-year process of moving core divisions beginning July 2024.