

Testimony - HF3605

Chair Gomez and members of the House Committee on Taxes,

My name is Kylie Cooper, and I am here to speak in favor of HF3605. I am the executive director of Rise Early Learning Center, a non-profit early childhood care program in St Louis Park that opened at the start of 2024. Each member of the committee has no doubt heard of the challenges that exist in running a childcare program - low margins that often result in low, stagnant wages for staff and heightened costs of tuition shouldered by parents. 82% of our annual budget is allocated to staff salary and benefits. The remaining 18% is for general operations, food, and facility needs. My program is incredibly fortunate to be obligated to cover only the common area maintenance fees, thanks to our landlord CommonBond Communities - this rent cost would be near 10% of our annual budget, leaving us with the difficult decisions of cutting pay, services, or raising tuition. With the burden of rent alleviated, we have been able to implement pay parity for our teachers with St. Louis Park Public Schools and maintain low ratios to ensure the best quality of care and education for our students. We are able to serve a population of children at varied socioeconomic levels and to meet the needs of families who come through our doors every day.

Right now, if our program were to own our space, we would be entitled to a property tax break, but there is nothing that extends that break to programs who rent their spaces. The implementation of this model disproportionately disadvantages programs who are new, or who may not have the capital upfront to purchase their own spaces - or programs like mine who are built in a model of community collaboration. At this point, child care programs need incentives to be bold, to expand, and to grow. This bill is a step in the right direction that enables programs to allocate funds where they can be the most impactful - the pockets of parents and the pockets of providers, without adding a penalty to the property owner.

This bill is correcting an inequity that already exists in the marketplace, and will have a noticeable impact for non-profit centers. I urge successful passage of the bill.

Thank you for your time and consideration,  
Kylie Cooper