



Dear Members of the Health and Human Services Conference Committee:

Kids Can't Wait -- a coalition of nonprofit, faith, child care, and business advocates – thanks you for the bi-partisan investments in the Child Care Assistance Program included in the House and Senate bills. As you deliberate, we appreciate the opportunity to highlight two important proposals that will move our state closer to meeting the needs of our providers and families.

Provider Rate Increases

Increasing provider reimbursement assures families using the Child Care Assistance Program have participating providers in their area, improves the pay, retention and quality of providers, and moves Minnesota toward the federally recommended 75th percentile. The House proposal moves rates to the 50th percentile *using entirely federal funds*. This is not a new idea - Minnesota reimbursed providers at the 75th percentile nearly two decades ago – we are simply aiming to restore what our state once had.

We support using the federal funds dedicated to the Child Care & Development Block Grant to make these changes and the option to use additional available federal funds to make more progress on rates. As our state moves to fully open its economy, we must ensure the Child Care Assistance Program rates are more sustainable for providers, that these providers can remain in business or expand, and that families statewide can access the high-quality care and education every Minnesota child deserves.

Waitlist Reforms

Reprioritizing the Basic Sliding Fee waitlist helps ensure that additional funding will benefit more families. Current policy prioritizes families transitioning out of the Minnesota Family Investment Program (MFIP) for participation in Basic Sliding Fee Child Care Assistance Program. But Child Care Assistance Program for families transitioning out of MFIP can be covered by a different funding stream. This change would prioritize other families, who without this change often wait years to access assistance. While families wait for Child Care Assistance Program to become available, parents have to choose between less desirable (or less safe) care or remaining out of the workforce.

Reprioritizing the waitlist means the additional \$35 million in federal CARES /CRSSA funds flowing into the Basic Sliding Fee program over the next three years will reach *new* families and keep currently employed parents in the workforce.

We urge you to improve provider reimbursement rates and address current waitlist policy that keeps more families from accessing Child Care Assistance Program supports.

These proposals support use of federal funds to directly benefit both families and providers, reaping dividends for not only for Minnesota families and children, but also employers and our economy.

**Children's Defense Fund – Minnesota
Elders for Infants
ISAIAH
Joint Religious Legislative Coalition
Legal Services Advocacy Project
Main Street Alliance Minnesota**

**Minnesota Budget Project
Minnesota Child Care Association
Minnesota Prenatal to 3 Coalition
Minnesota Alliance of YMCAs
People Serving People
Voices & Choices for Children Coalition**