

March 25, 2022



Representative Dave Pinto  
Chair, Early Childhood Finance and Policy Committee  
503 State Office Building  
Saint Paul, MN 55155

Dear Chair Pinto and Members of the Committee,

The Minnesota Child Care Association (MCCA) is excited to see House File 4418. Much like improvements proposed in the federal Build Back Better Act, this bill would allow Minnesota to explore both a child care cost estimation model and a child care provider wage scale. Both efforts could be used to inform and transform how Minnesota supports child care for children and families and the professionals who deliver it.

Currently Minnesota relies on a child care provider Market Rate Survey (MRS) primarily to inform Child Care Assistance rates. The MRS has its flaws, mainly that 1) it is conducted only every 3 years, and costs can change dramatically during that time, 2) the MRS is voluntary and often struggles to achieve robust provider participation, and 3) current market rates do not reflect the true cost of providing quality care *and* compensating early educators appropriately. When providers do respond to the MRS, the tuition rates reported are often those being charged to families but supporting near-poverty wages for providers. We cannot continue to (poorly) fund a child care system on the backs of a low-income workforce that is nearly all women and disproportionately women of color.

A cost estimation model would allow Minnesota to review the myriad pieces that go into providing child care at different levels of quality, in different settings, for different ages, and across different geographies. It could form the basis of recommendations to support child care at levels that allow for appropriate provider compensation, education and training, developmentally-appropriate curriculum, supplies, and facilities, fixed costs, and more. It would provide a much clearer and more nuanced picture of what it takes to do this work well, and doing it well is what we owe children, families, and providers.

MCCA worked extensively with Congressional staff during the drafting and amending of Build Back Better to ensure that its cost estimation model included a solid list of considerations to accurately reflect true costs that providers experience (or would want to experience, in the case of having sufficient resources to significantly raise compensation). We are excited to continue to refine that work on the state level in Minnesota, and move towards a more equitable and comprehensive method of determining financial support for quality child care to thrive.

Sincerely,

A handwritten signature in cursive script that reads "Clare J. Sanford".

Clare Sanford  
Chair, Government Relations, Minnesota Child Care Association