February 7, 2023

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

On behalf of the Early Care and Education Crisis Work Group, we are writing to express our strong support of H.F. 1277. The Crisis Work Group is a broad group of organizations that came together in 2018 to address two crises impacting Minnesota's young children: 1) Worst-in-the-nation achievement and opportunity gaps, stemming in part from lack of access to quality child care; and 2) a shortage of quality child care supply for children statewide. We understand these crises are intertwined and must be addressed in a coordinated way, and each of the crises has been exacerbated by the COVID-19 pandemic.

Our Work Group strongly supports H.F. 1277, which calls for increasing investment of state funds in Early Learning Scholarships. One of the foundational priorities of the Early Care and Education Crisis Work group since our inception is increasing investments in the Early Learning Scholarship Program. It meets our basic criteria for addressing both critical crises facing Minnesota, because Scholarships start early, are targeted to children who are most vulnerable, are directly linked to quality via the Parent Aware quality rating and improvement system and are flexible so that families may chose a quality program that best meets their needs. Early Learning Scholarships 1) create consumer demand to fuel a recovery of the devastated child care sector and 2) empower low-income families to access the quality child care programs that help children avoid falling into opportunity and achievement gaps.

We urge your support and maximum possible investment in this critical program.

EARLY CARE AND EDUCATION CRISIS WORK GROUP
2023 LEGISLATIVE PRIORITIES

As the 2023 session of the Minnesota Legislature begins, it looks quite likely that significant, long-overdue investments in quality early care and education (ECE) are about to be made. That's very exciting to us. Given Minnesota's severe and worsening child care shortage and the fact that Minnesota also has some of the worst gaps in opportunity and achievement in the nation, that investment in ECE is absolutely necessary.

Significant investment is *necessary*, but the investment won't be *sufficient* unless the investment strategy is aligned with kindergarten-readiness effectiveness research. Kindergarten-readiness must be a primary goal of ECE, and we must invest with the intent of moving toward that specific goal.

That is, kindergarten-readiness research tells us that ECE investments must 1) prioritize the low-income children who are most at risk of not being prepared for kindergarten and least able to access quality programs; 2) start early in life and continue over multiple years; 3) be streamlined and flexible enough to fit each individual family's schedule, location, culture, and other preferences; and 4) demand the use of kindergarten-readiness best practices.

While we are focused on all four of those principles, we have particular concern about the fourth principle related to quality. Research from the National Institute for Child Health and Human Development shows that children in low-quality ECE programs can actually be set back, with worse problem behaviors, cognitive development, language skills, and kindergarten-readiness scores. For that reason, we particularly urge the Legislature to use research-based quality standards, as defined in the Parent Aware framework, to guide its ECE investments, just as it does with so many other types of public investments.

So, yes, Minnesota must make significant investments in ECE as soon as possible, but we want to work with the Legislature as constructive partners to ensure we invest in a research-based way, with the intent of getting children ready for school and life. That is the focus of our recommendations:

Fund Early Learning Scholarships for High Needs Children. In all regions of Minnesota, parents are facing a severe shortage of quality child care programs. In market economies, supply of services grows when consumer demand increases. Therefore, to increase the supply of quality programs, we must stimulate new consumer demand by funding Early Learning Scholarships for the 31,000 low-income children still unable to access quality ECE. Beyond addressing the shortage, this will also address a major cause of Minnesota's worst-in-the-nation achievement gaps, which pose such a huge threat to the future of our children, communities, and economy.

Incorporate Use of Best Practices into Child Care Licensing. To solve these dual crises, Minnesota must develop a system that places equal emphasis on *care and education.* Up to this point, the education component has been optional for licensed child care settings. Going forward, the child care licensing process should incorporate a base level of kindergarten-readiness best practices. Taking this step to ensure every licensed program meets the 1-Star rating in the Parent Aware system will mean that all children in regulated settings in Minnesota receive both care and education and that taxpayer investments are better aligned with the research.

Expand Subsidies for Lower-Middle Class Families. After all 31,000 children who cannot access quality early learning programs are fully served, demand could be further stimulated by expanding eligibility for Scholarships and/or a reformed version of the Child Care Assistance Program to include families earning up to 300% of the Federal Poverty Guidelines (FPG).

Leverage Data for Continuous Improvement of Programs/ Policies. To improve ECE initiatives, we must strengthen data collection, analysis, and reporting about children's program participation and outcomes, as recommended by the Minnesota Legislative Auditor's 2018 Report.

The workgroup has produced several reports that present detailed, constructive recommendations for addressing these crises. Find them at www.thinksmall.org/crisis.