

Great Start for All Minnesota Children Task Force

Tuesday, August 30, 2022

6:00p.m. to 8:00p.m.

Virtual Meeting: WebEx

Also available by livestream to the public.

Task Force Members Present: Representative Peggy Bennett, Lydia Boerboom, Representative Liz Boldon, Shakira Bradshaw, Meghan Caine, Luciana Carballo, Oriane Casale, Kath Church, Deb Fitzpatrick, Kraig Gratke, Nancy Hafner, Debbie Hewitt, Pat Ives, Brook LaFloe, Ann McCully, Jenny Moses, Missy Okeson, Suzanne Pearl, Clare Sanford, Rena Schlottach-Ratcliff, Sandy Simar, Michelle Trelstad, Jayne Whiteford, Senator Melissa Wiklund

Task Force Members Absent: Janell Bentz, Nicole Blissenbach, Summer Bursch, Cyndi Cunningham, Barb Fabre, Karen Fogg, Senator Karin Housley, Adriana Lopez, Lauryn Schothorst, Krystal Shatek, Tonia Villegas, Amy Walstien, Cindi Yang

Task Force Consultants Present: Ellen Johnson, Afton Partners; Gerald Liu, Afton Partners; Katie Reed, Afton Partners; Kate Ritter, Children's Funding Project

Children's Cabinet Staff Present: Hannah Quinn

Welcome and Agenda

Task Force members reviewed virtual meeting protocols, voting protocols, and went over the agenda for the meeting. The agenda included five formal votes on recommendations in the areas of fiscal impact, provider pay, qualified workforce, and benefits. The agenda also included discussion of draft proposals from both Working Groups, further discussion around the vision for effectiveness including reviewing draft recommendations, and learning from co-chairs following their latest stakeholder listening session.

Meeting #9 Minutes

Members took an informal vote to approve minutes from the June 28 meeting. The minutes were approved with 18 votes.

Voting Items

Voting members took five formal votes to approve the below recommendations.

Fiscal Impact Recommendation

The legislature should support and make funding available for 1) a fiscal study of each budget-related recommendation included in the plan and implementation timeline, and 2) a comprehensive economic impact assessment of long-term recommendations, which should consider child and family outcomes, economic impacts including potential savings, and cost to taxpayers.

In addition, the legislature should support and make funding available for 3) a strategic financing study to identify and assess the impact of revenue options available to cover the costs of the long-term plan.

The fiscal study of each budget-related recommendation should follow normal legislative procedure, and the comprehensive economic impact assessment and strategic financing study for long-term recommendations should be completed by July 2026.

With 11 voting members present, the vote passed with 11 votes in favor, no votes against, and no abstentions.

Provider Pay Determination

Minnesota should establish early care and education funding amounts based on cost modeling, rather than market rates (as is current practice). Cost modeling will estimate the actual cost of providing care, reflective of all costs associated with running a program. This should be done across provider types, quality levels, and regions of the state.

This should begin with modeling current costs of care and be updated every two years to consider changes in cost elements including phase-in of Task Force recommendations (including compensation), new mandates, other recommendations or requirements including requirements to meet quality standards, and for changes in cost of living and inflation.

This Task Force's recommendations (including compensation) should be included in the ongoing work to create an updated Cost Modeling Report, carried out by First Children's Finance, with planned delivery in Fall 2024.

With 11 voting members present, the vote passed with 10 votes in favor, 1 vote against, and no abstentions.

Qualified Workforce: Individuals

1. Provide financial and academic support to new and current early educators as they move up the career ladder by:
 - a. Promoting awareness and ensuring adequate funding of existing scholarship programs (i.e., the T.E.A.C.H. scholarship program)
 - b. Expanding awareness of and connecting eligible recipients to the Minnesota Future Together Grant program which provides tuition-free pathways for high need careers (early childhood named as one).
 - c. Expanding "last dollar" scholarships for students entering ECE education programs to cover the full cost of study.
 - d. Developing a Minnesota Early Childhood Educator apprenticeship model (for example, the model currently being explored through T.E.A.C.H. National Center)
2. Develop and expand opportunities to earn "credit for prior learning" to account for knowledge and competencies gained through on the job exposure and years of experience when entering higher education. This would include multiple ways to demonstrate one's experience, including but not limited to: skills tests; portfolio; demonstration.
3. Support retention and professional development in the field by developing a paid peer mentorship/coaching model for current and new ECE staff, including a focus on BIPOC staff, to learn from and consult with seasoned professionals.

With 11 voting members present, the vote passed with 10 votes in favor, 1 vote against, and no abstentions.

Qualified Workforce: System

1. Expand the Grow Your Own program to include the early childhood education field (pilot currently underway).
2. Expand the use of the Minnesota Transfer Pathways framework amongst existing 2- and 4-year institutions of higher education that offer early childhood education programming.
3. Align licensing qualification standards between PELSB and DHS. Expand the adoption of MN's Knowledge and Competency Framework in all ECE higher education programming as a way to support standardized understanding of competencies.
4. After a period of review and input from members of the workforce, update requirements to obtain teacher licensure, including to account for prior experience in the field.
5. Ensure that ECE programming and coursework in higher education and across training settings is accessible to all students, including offerings classes on nights and weekends; virtually and in-person; and in languages other than English.
6. Support institutions of higher education in developing strong ECE preparation programs by establishing a new fund to support ECE and child development programs at institutions of higher education. Grant funds could be used to:
 - a. Subsidize programs with low enrollment; market ECE programming more aggressively.
 - b. Pay students for their internships and/or required student teaching; RELATED: pay "cooperating teachers" for their time supervising student teachers.
 - c. Implement institution-led improvements for degree programs at 2- and 4-year colleges.
 - d. Support practice-based learning by developing guided pathways and capacity building, such as hiring and training well-qualified, diverse faculty.
 - e. Support flexible scheduling and the provision of courses in alternative locations to make coursework accessible to more students.
 - f. Develop cohort models that support the completion of ECE programs.
 - g. Develop graduate programs in ECE to support the development of educators and instructional leaders with expertise in ECE.
7. Support non-higher-education programming infrastructure by establishing a new fund to support credentialing programs (including apprenticeships and training programs) that are focused on preparing ECE educators for the classroom. Grant funding could be used to:
 - a. Market programming more aggressively.
 - b. Pay students for their apprenticeships and/or training.
 - c. Implement institution-led improvements for credentialing programs.
 - d. Support practice-based learning by developing guided pathways and capacity building, such as training well-qualified, diverse trainers.
 - e. Support flexible scheduling and the provision of trainings in alternative locations to make coursework accessible to more students.
 - f. Develop cohort models that support the completion of programs.

With 12 voting members present, the vote passed with 12 votes in favor, no votes against, and no abstentions.

Benefits

Healthcare Coverage

- **Centers, Head Start:** All employees should have access to health care coverage via subsidies, reimbursements, or paid upfront costs.
- **FCC:** An FCC health benefits program should be created that would subsidize the cost of premiums for FCC providers, including funding for health care navigators that specialize in serving child care providers.
- If eligible, providers would enroll in Medicaid or Minnesota Care, with any premiums reimbursed.
- If not eligible, providers would purchase health care through MNsure (state health insurance marketplace), with premiums reimbursed.

Retirement Savings

- **Centers, Head Start:** All employees should have access to a retirement savings plan (e.g., 401K or IRA) that includes an employer contribution and an option for employee contributions.

Availability of additional benefits via a “cafeteria plan”

- **Centers, Head Start:** A negotiable package equivalent to 10 percent of an employee’s salary should be made available for benefits such as: child care for employee’s own children; family member health coverage; short- and long-term disability insurance; dental insurance; optical insurance; and life insurance.
- **FCC:** Employees working more than 20 hours per week on a regular basis should have the following benefits prorated for the number of hours worked: health care coverage, paid sick and vacation leave, paid holidays, paid planning time, and a professional development fund.

Access to child-care subsidies for own children

- All providers should have access to child care subsidies for their own children through the raising of income eligibility limits (*connection to affordability recommendations)

School-based

- School-based ECE staff should be provided with the same benefits package option(s) as K-3 educators within their district.

With 12 voting members present, the vote passed with 11 votes in favor, 1 vote against, and no abstentions.

Anticipated Vote Sequencing

Co-chairs presented slides 21 and 22, which include a timeline of anticipated future votes for the Task Force through January 2023. This schedule may change as different needs arise or additional votes are brought forward by members.

Working Group Share-Outs

Working group meeting dates, notes and live viewing information is available on the Task Force webpage: [Great Start for All Minnesota Children Task Force / Minnesota Management and Budget \(MMB\) \(mn.gov\)](https://mn.gov/greatstart/).

Family and Provider Affordability Working Group

Task Force establishing legislation directs members to develop strategies to create "a system in which family costs for early care and education are affordable", and that the plan must include “an

affordability standard that clearly identifies the maximum percentage of income that a family must pay for early care and education." The Family and Provider Affordability Working Group has presented multiple draft versions of recommendations to meet those directives, which have been reviewed by the full Task Force, with members providing feedback each time. In the August Working Group meeting, Working Group members reviewed and discussed feedback received about the previous draft of their long-term recommendations presented in July. Slides 26-30 include context and feedback considered by the group, and slide 31 contains a summary of where the group landed with a revised affordability framework. These changes include removing an income eligibility limit from the framework, making all families eligible to pay a limit of 7% of income on early care and education.

The full text of the revised draft recommendations can be found on the following slides:

- Long-term family benefits plan: the plan/process through which families will access financial assistance for ECE (slides 32 and 33)
- Affordability standard (within the long-term family benefits plan): the maximum percentage of income that families must pay for ECE (slides 34 and 35)

Discussion themes included:

- A member asked for a reminder of current eligibility standards for CCAP, and the revised eligibility recommended by the Task Force through short-term recommendations.
 - Current CCAP eligibility standards: 47% of State Median Income (SMI) at entry, 67% of SMI exit level at redetermination, and 85% of SMI exit level during eligibility period
 - Task Force short-term recommendations include a recommendation to "expand eligibility by adjusting income requirements, including by updating income eligibility guidelines annually for inflation and increasing to the federal allowed eligibility of 85% of State Median Income (SMI)."
- There are questions around the interaction with this proposed future program and the current VPK and Early Learning Scholarship Pathway II funds. There is interest in combining funding streams to meet the needs of families, and reduce duplicative efforts.
- Additional funding may be necessary to address particular needs. The proposal includes the need to evaluate progress along the way, including evaluating funding streams and where they fit within the broad affordability picture.
- The benefits cliff issue is an important one to consider, and this solution seems like an elegant way to handle that cliff as price of care fluctuates. The current system was designed to try to reduce those cliffs, but families are still affected.
- Members expressed support for the changed proposal, including for the work of the Working Group to revise the recommendations based on feedback.
- A member shared that she thinks this new proposal creates a vision and benchmark for what families in Minnesota need, and would allow for family income to not be a barrier to getting families and children the care that best meets their needs.
- The new proposal would benefit middle class families. One member shared that three quarters of her income goes towards paying for child care expenses, and if not for her spouse's income, she would not be able to afford to have her kids in care. A program like this would mean more financial security for her family, less anxiety about paying bills and covering emergency costs, and would be a major relief.

Slides 36 and 37 include data that comes from the State Demographer's office and represents the estimated number of families with children under 5 at any time between 2016 and 2020, sorted by income distribution. 43.1% of families with children under age five earn less than 85% of SMI, and 91.3% of families with children under 5 earn less than 250% of SMI. With a directional analysis that assumes one child in care, even uptake across income brackets, and costs of care at "2020 Cost Model Report" levels, 98% of public funding would go towards the costs of lower- and middle-income families.

Members have an opportunity to weigh in with further feedback on these draft recommendations. After a period of review, these recommendations will be brought forward for a vote during the September 27 Task Force meeting.

The Working Group has developed five desired attributes of a future system for program funding mechanisms:

- Funding is stable
- The funding process is transparent
- Administration is simple and consistent
- Funding is equitably accessible across settings
- There is accountability for use of funding

Slides 28-41 include a recap of discussions around program funding mechanisms and potential ideas to explore.

The next Family and Provider Affordability Working Group meeting will be on Thursday, September 15 from 1pm-3pm.

Workforce Compensation and Supports Working Group

The Workforce Compensation and Supports Working Group provided an update from their August 11 meeting. Following Working Group and Task Force discussions on qualified workforce recommendations, the group re-visited the draft compensation framework and discussed how to possibly account for experience and education in that framework. Themes and questions from that discussion can be found on slide 44. These themes require more dialogue, and the group will revisit the topic in September.

Task Force establishing legislation says that the plan must "include strategies to increase racial and ethnic equity and diversity in the early care and education workforce and recognize the value of cultural competency and multilingualism". The Working Group reviewed national recommendations for increasing equity and diversity in the workforce and compared them to the recommendations this Task Force has already endorsed. That information can be found on slides 45-47. As a next step, the group is moving to recommend the draft equity statement and workforce study recommendation on slide 48. After a period of review, these recommendations will be brought forward for a vote during the September 27 Task Force meeting.

The next Workforce Compensation and Supports Working Group meeting will be on Wednesday, September 14 from 6pm-8pm.

Draft Recommendations to Achieve Effectiveness Vision

Slides 51-53 include a summary of previous work by this Task Force around effectiveness and quality. Coming out of those discussions, a package of draft recommendations was drafted around five factors identified by Task Force members needed to achieve the vision of effectiveness:

- Consistent and equitable standards and growth-oriented accountability systems,
- A healthy business environment and clear regulations,
- Cohesive, high functioning infrastructure and ecosystem,
- Fair compensation and supports for staff, and
- More, consistent, and equitable funding, which enables many of the above.

Slide 56 includes draft recommendations for achieving “consistent and equitable standards and growth-oriented accountability systems”. Discussion themes included:

- Moving Parent Aware to a mandatory system that starts with meeting licensing standards as the first level of rating would make it easier for parents to figure out how to navigate the system. It would be easier to find and evaluate how programs could meet family needs.
- The analysis to move towards a mandatory QRIS system would need to consider FFN providers.
- There could be a connection to the long-term recommendations around affordability – there are increased costs associated with increased quality, and provider pay through a public system is connected to this question.
- What does “formal support” mean in the context of these draft recommendations? The language should be clarified and actionable.
- Members should further review the Parent Aware Racial Equity Action Plan and the Parent Aware Equity Report, as related to the first draft recommendation.

Slide 57 includes draft recommendations for achieving “A healthy business environment and clear regulations”. Discussion themes included:

- The language around “formal support” for the ongoing child care regulation modernization projects should be clarified and actionable.
- How can we look at making child care more inclusive for children with special needs? This is an important issue that involves school districts and settings across the mixed delivery system.

Slide 58 includes a draft recommendation for achieving a “Cohesive, high functioning infrastructure and ecosystem”. Discussion themes included:

- Support for addressing this issue, and need for further clarification to make the recommendation more action-oriented with clearer direction.
- Potential connection to early childhood governance.

Slides 59 and 60 include information around the factors of “Fair compensation and supports for staff” and “More, consistent, and equitable funding”. These recommendations are being handled through the Working Group process.

These draft recommendations are under a period of review and will be discussed again at the September 27 meeting. They will be finalized and brought for a vote in October.

Virtual Listening Session Report Out

Task Force co-chairs held their third virtual listening session on Thursday, August 25. Participants included representatives from non-profit organizations, a family child care provider, an early childhood social worker, and public sector employees.

Themes included:

- Workforce shortage issues continue to affect providers of all types, across the state. The ability to offer higher compensation and a competitive benefits package would help providers solve this issue. Talented people who are passionate about this work are kept out of this field because of these barriers.
- For people looking to start new businesses, including center-based and Family Child Care businesses, facility costs and availability issues are affecting the ability to start businesses.
- FFN providers and community-based organizations have fewer resources that allow them to access grant funds and other supports offered. Equitable access to those supports is important.
- Mental health supports for the workforce and children they serve, and cultural competency and responsiveness are important.

Timeline and Next Steps

As Task Force staff maintains and updates records of potential recommendations to include in Task Force deliverables, members of the public and members of the Task Force are asked to provide written input. Input can be emailed to GreatStart.TaskForce.MMB@state.mn.us.

At the next meeting, Task Force co-chairs anticipate bringing six forward draft recommendations for a formal vote:

- Long-term family benefits plan
- Affordability standard (within the long-term family benefits plan)
- Diverse Workforce recommendations

Next Task Force Meeting: September 27, 2022, 6:00-8:00 p.m.