



Great Start for All Minnesota Children Task Force

Meeting #10

August 30, 2022

Welcome & Agenda

Welcome from our Co-Chairs



Shakira Bradshaw

Parent of Children under 5



Jenny Moses

Children's Cabinet



Sandy Simar

Early Educator

The Task Force is supported by:

- **Children's Cabinet Staff:** Erin Bailey, Hannah Quinn
- **Facilitation Team:** Afton Partners and Children's Funding Project

Develop a plan and implementation timeline that **ensures all families have access to affordable, high-quality early care and education that enriches, nurtures, and supports children and their families.**



Guiding Principles

Guiding Principles reflect the Task Force's values and beliefs, guide how it operates, and lay a foundation for decision-making

Promote Equity	Prioritize Family Perspectives, Needs, and Choices	Support the Power of Local Communities	Build Upon our Solid Foundation	Uplift and Diversify the ECE Workforce	Recognize Implementation Realities	Expect High Quality & Effectiveness	Design for Stability, Sustainability, and Positive Impact
<p>We will prioritize a system that promotes equitable outcomes, with a specific focus on children from the POCI community and building cultural competency in ECE classrooms.</p>	<p>We will prioritize families' perspectives, needs, and choices as we make data driven and evidence informed recommendations , recognizing that all provider types and settings provide value to the system.</p>	<p>We will ensure local communities are able to define their own priorities and are supported to build the system that meets their children and families' needs.</p>	<p>We will build upon the successes of Minnesota's past and current system, lessons from other states, and the expertise and research in the field.</p>	<p>We will invest in our dedicated and capable early childhood professionals so that they have the opportunity to thrive and grow, and we will build and support a racially diverse workforce.</p>	<p>We will recognize inherent system constraints while remaining responsive to local, state, and federal landscape changes.</p>	<p>We will endeavor to create a high quality and effective ECE system that meets the needs of all of Minnesota's children and families, regardless of circumstance, knowing that the state's future workforce, economy, and resident welfare is dependent upon it</p>	<p>We will work to support funding stability for providers, educators, and staff across mixed delivery settings to ensure better service for families.</p>

Today's Goals



Vote on recommendations for fiscal & economic impact studies, provider pay calculation methods, workforce qualifications, and benefits



Discuss updates from our Working Groups on improvements to long-term affordability, provider pay processes, and workforce compensation



Discuss a draft recommendation package for meeting our vision of Effectiveness



Learn from co-chairs about the August 25th Stakeholder Listening Session

Meeting #10 Discussion – 2 hours

- 6:00 – 6:05 p.m.** Welcome, agenda, Meeting 9 minutes approval
- 6:05 – 6:25 p.m.** Formal votes on:
- Fiscal & economic impact studies
 - Process to determine provider pay
 - Qualified Workforce – Individuals
 - Qualified Workforce – Higher Education System
 - Benefits
- 6:25 – 7:00 p.m.** Affordability working group discussion
- 7:00 – 7:20 p.m.** Workforce working group discussion
- 7:20 – 7:55 p.m.** Discuss recommendations to achieve effectiveness vision
- 7:55 – 8:00 p.m.** Stakeholder session feedback and next steps

Reminder: Procedures



Open meeting law requires public bodies to **record and maintain votes** of its members. Virtual meetings require a vote by roll call.



Formal votes will include only voting members and formal votes will be held for items such as a statement on vision, or value or a recommendation to be included in the Task Force Plan.



Informal voting (ex. thumbs up) may be used to engage all Task Force members on items such as a matter of process, or an item necessary to get to a vision statement or recommendation.

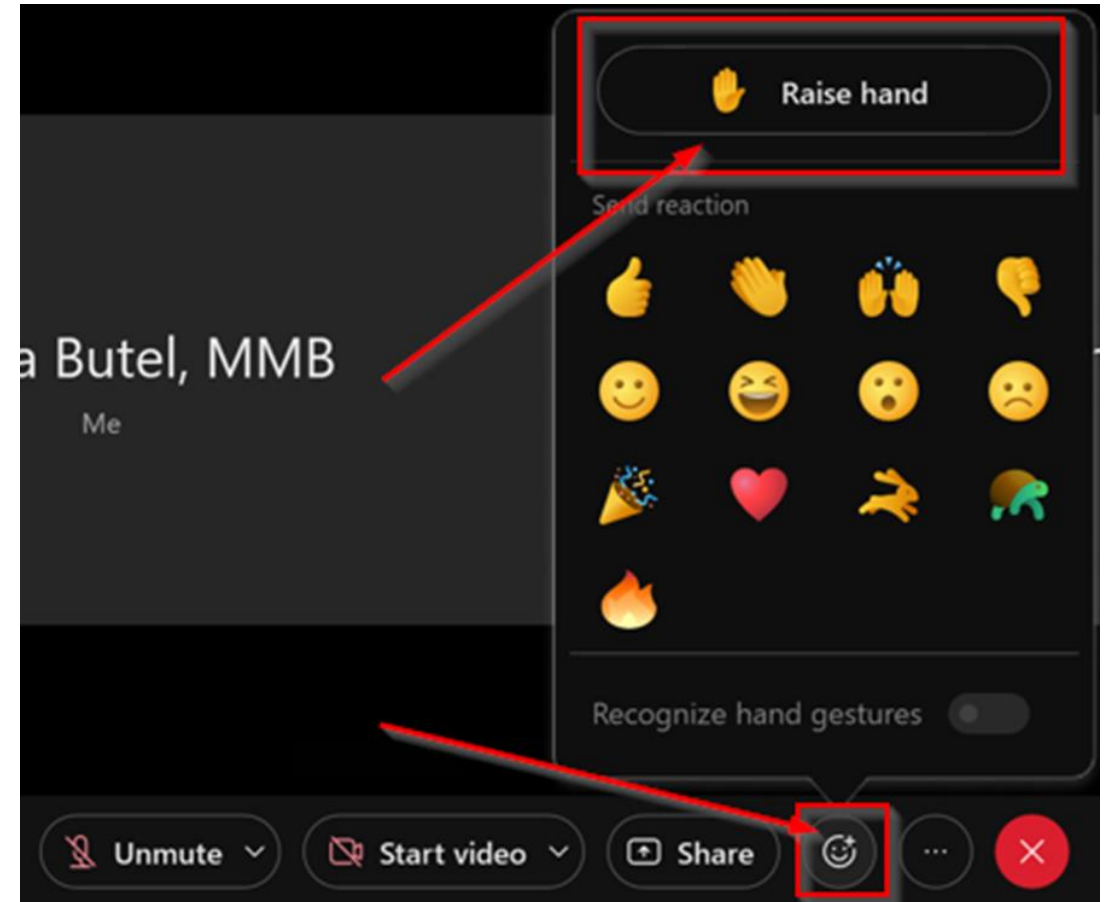


Quorum is defined as a majority of voting members.

Approval of Meeting #9 Minutes

Please indicate your approval of the minutes from meeting #9 by using the '**Raise Hand**' icon/button in WebEx.

To do this, click on the 'smiley face' icon at the bottom of WebEx. After the dialog box opens, please click on the '**Raise Hand**' icon/button if you want to approve the minutes from meeting #9.



Consensus in Recommendations

- This Task Force is a **broad coalition** and we do not expect to reach 100% agreement on all of our recommendations
- We do want to **reach consensus and buy-in** from members on our recommendations
- In order to reach consensus, we need to hear from all task force members – your ideas, your questions, and your concerns are all valuable!



Gradients of Agreement Scale adapted by Pierre Omidyar

Formal votes and anticipated vote timeline



Fiscal Impact Recommendations

Though the Task Force establishing legislation does not address the fiscal impact of our charge, we recognize that our recommendations would have significant financial implications. To fully understand these implications, we recommend the following:

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 the 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**.



Provider Pay Determination Recommendations

Per legislation, we must consider: *How provider payment rates for childcare will be determined and updated*

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 a planned delivery in Fall 2024.



Support for Individuals Qualified Workforce Recommendations

Support For 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.



Qualified Workforce System Recommendations

Support For the Higher Education System and Training Infrastructure

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 Frameworks 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.



Qualified Workforce System Recommendations (cont.)

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.



Qualified Workforce System Recommendations (cont.)

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.



Benefits Recommendations

Healthcare Coverage

- **Centers, Head Start & Schools:** 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 & Schools:** 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 & Schools:** 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 childcare 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.

Building Toward Meeting Our Charge

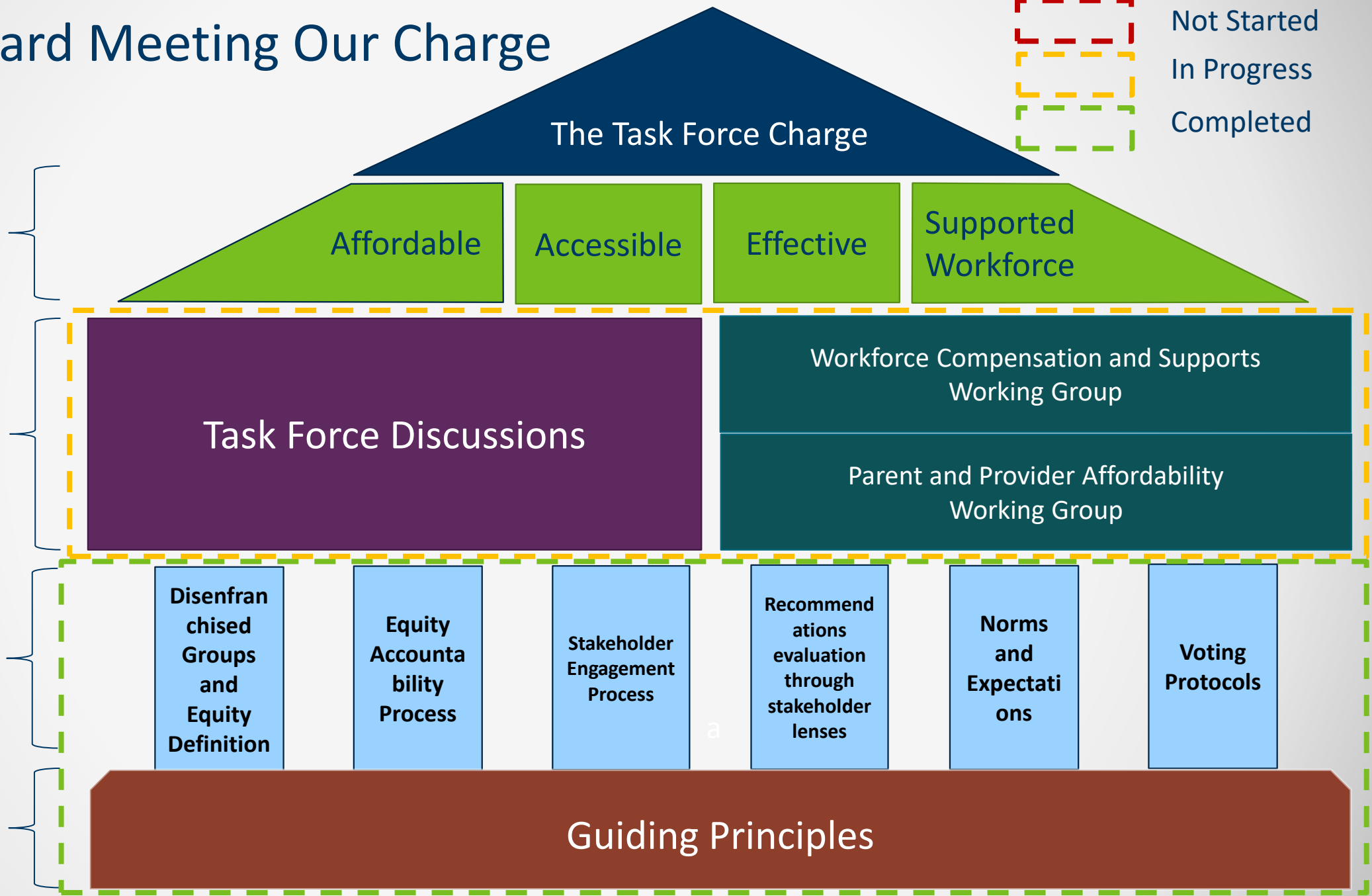
Not Started
In Progress
Completed

Goals (all equity-led)

Plan Development

Supporting Concepts / Processes

Foundation



Reminders about our deliverables

What it is

What it is not

✓ Strategic blueprint and high-level timeline for the future system

✗ Detailed implementation project plan for the future system

✓ Detailed enough to inform a legislative package

✗ Specific Bill language

✓ Thoughtful on major implementation issues

✗ Detailed enough to become administrative rules

✓ Directional understanding of future administrative roles

✗ “Job descriptions” or specific responsibilities

Vote Sequencing

Month	Affordability	Workforce	Effectiveness	Implementation
This meeting	<ul style="list-style-type: none"> • Provider Pay Determination 	<ul style="list-style-type: none"> • Benefits • Ensuring a "Qualified" Workforce 		<ul style="list-style-type: none"> • Cost Impact, Economic Impact, and Strategic Financing Studies
September	<ul style="list-style-type: none"> • Family Affordability Standard • Long-term Family Benefits Plan 	<ul style="list-style-type: none"> • Ensuring a "Diverse" Workforce 		
October	<ul style="list-style-type: none"> • Provider Pay Mechanism Improvements • Administration implications & roles in the future system 	<ul style="list-style-type: none"> • Compensation Framework 	<ul style="list-style-type: none"> • Effectiveness Improvement Recommendations Package 	<ul style="list-style-type: none"> • Implementation Priorities
November	<i>Hold for final review of draft plan; votes only for essential changes or open items</i>			<ul style="list-style-type: none"> • Implementation Timeline
December	<i>NO VOTES – reflection on draft plan and timeline</i>			
January	<i>Votes on edits for final plan and timeline</i>			

Remaining time from September - December



Working Group Share-outs and Discussion

Task Force & Working Group Structure

Endorses charge, guiding principles, deliverables, and timeline

Establishes, advises, and sets priorities for Working Groups

Reviews, adjusts, and formally approves recommendations for incorporation into a Task Force Report

Task Force

Working Groups

Take direction from Task Force

Research, analyze, and bring proposals to Task Force

- Regarding key topics/questions posed by the Task Force
- Stemming from the Charge, and
- In alignment with guiding principles

Family and Provider Affordability Working Group

GOAL: What does it mean to have an affordable system that works for families and that providers want to be a part of? How do we get there?

Voting Members	Non-Voting Members
Representative Liz Boldon	Janell Bentz, Minnesota Department of Revenue
Shakira Bradshaw, Parent Children Under 5	Summer Bursch, Minnesota Association of Child Care Professionals (MACCP)
Kath Church, Family Child Care Program	Deb Fitzpatrick, Statewide Advocacy Organization
Brook LaFloe, Tribal Representative	Missy Okeson, Minnesota Initiative Foundations (MIFs)
Jayne Whiteford, Parent Children Under 5	Clare Sanford, Minnesota Child Care Association
	Tonia Villegas, Minnesota Association of County Social Services Administrators
	Cindi Yang, Department of Human Services

Reminder: Reframing from existing systems to “attributes of the future system”

Per our charge “It is the goal of the State for all families to have access to affordable, high-quality early care and education....The goal will be achieved by...creating a system in which family costs for early care and education are affordable...”

Attributes: “a quality or feature regarded as a characteristic or inherent part of someone or something”

We want a system that:

Is built to center the child and brain development

Makes early care and education affordable for families, especially lower- and middle- class families (“Affordability Standard”)

Promotes access to quality

Promotes family choice among provider and program types that best meet family needs

Easily Accessible by Families

Maximizes federal investments to minimize costs to the State

Reminder: Deep dive into our “Affordability Standard”: *How much can families contribute to costs of care?*

- In 1998, the United States Department of Health and Human Services created a benchmark of **10%** of family income as an affordable copayment.
- The national benchmark was revised following the 2014 bipartisan reauthorization of the CCDBG. The current benchmark is **7% of income** for low to moderate income families.
 - "HHS chose the 7% benchmark to reflect U.S. Census Bureau data that showed the average percent of monthly income spent by all families on child care stayed consistent at about 7% from 1997 to 2011. Because low-income families disproportionately spend more of their income on child care compared to higher income families, HHS recommended the 7% benchmark in order to achieve parity in child care cost burden." - from the Bipartisan Policy Center
- The Child Care and Development Block Grant Reauthorization Act of 2022, introduced by Senator Tim Scott (R-SC), would establish 7% of income as a cap for family copayments (replacing the current "benchmark", which is not a required cap).
 - The bill would establish a sliding scale for copayments:
 - Families earning less than 75% of SMI would pay no copayment
 - Families earning between 75-100% of SMI would have a copayment between 0-2% of income
 - Families earning between 100-125% of SMI would have a copayment between 2-4% of income
 - Families earning between 125- 150% of SMI would have a copayment between 4-7% of income

Feedback: Long-term Affordability Recommendations

- Out of 15 total survey respondents:
 - "I really like it - I'm fully convinced": 4
 - "I like it/good enough!": 5
 - "I will support it until I learn more": 2
 - "Mixed feelings": 3
 - "I prefer something different": 1
 - "I just don't like it": 0
- Support for developing a new program (Great Start MN Program):
 - *"I hope it will be a great step towards ALL children and families getting the quality care they deserve."*
 - *"I love the way broader thinking is reflected here - moving beyond the turf wars and funding streams of today to a single, streamlined approach for the future."*
- Importance of system administration improvements:
 - *"I want to make sure this program is laid out as inclusively and easily as possible."*

Feedback: Affordability Standard

- Out of 15 total survey respondents, preference for SMI eligibility level:
 - 9 responses: 200% of SMI or above
 - None (all families should qualify): 3
 - 250%: 3
 - 200%: 3
 - 6 responses: 150% of SMI or below
 - 150%: 5
 - 125%: 1
- Out of 15 total survey respondents, preference for maximum percent of income contribution:
 - 7%: 9
 - 10%: 3
 - Other:
 - 20%: 1

Feedback: Affordability Standard

- **Eligibility:**

- *"I think there are families who make above 150% of SMI who need assistance to be able to afford child care and cutting off eligibility at this level would mean there is **a large cliff effect**... if true cost of care studies indicate that the payment rates should be higher, I think the 150% of SMI cut off may leave more families with a substantially higher burden than the affordability contribution level of 7%."*
- *"The current estimations we use for family affordability are based on market rates, which we know are a flawed model of estimating and are actually depressed because they are created around our current system of incredibly low compensation and the reality of providers charging what area families can afford... so **choosing a lower eligibility standard for families based on percentages of income at current rates that we know are flawed seems shortsighted.**"*
- *"Our public school system does not have an eligibility standard... access to child care should be universal and this program and recommendations should reflect that. **The more families that participate, the greater the support for the program.**"*

- **Income percentage cap:**

- *"I am comfortable staying at 7% for families at 150% SMI but moving up to 10% for families higher on the income scale."*
- *"Families needing childcare have significant expenses in all other areas of life and can only afford 7% of the budget on childcare."*

- **Phasing in:**

- *"We need to take care of our most vulnerable first."*

Revising our Affordability Standard based on feedback

Where have we landed, and what is our rationale?

- Our charge is to develop a plan and implementation timeline that ensures **all families have access to affordable, high-quality early care and education**. We have a **vision for all families** to have access to early care and education with a **maximum family contribution of 7%** of their income, which is a national affordability benchmark.
- We have voted to recommend increasing eligibility for the current CCAP benefits programs in the near-term (2025) to those earning **85% of SMI**, and have voted to increase funding and support for Early Learning Scholarships. This is very meaningful, immediate progress.
- Using a phased-in approach, by the end of the implementation timeline (2031), we recommend a **new benefits system** be in place, **allowing all families to pay a maximum of 7% of their income** for early care and education, which we believe is in line with our charge.
 - We recognize that implementing our full package of recommendations, including increasing workforce compensation, will likely increase the price of care.
 - Still, the price of care will not exceed 7% of income for many high-income families, and they will be responsible for paying the full price in that case.
 - Critically, this framework will allow us to **eliminate any benefits cliff** based on income. This will hold true as the price of care changes.
 - The **vast majority of public funding will go to low-to-middle income families**, yet all families will view this as a benefit. Based on current demographic data and an average cost of care at the 2020 cost model rate, **98%** of all public dollars will go to families below 200% SMI.
 - This framework simplifies administration.
- The state should use the implementation timeframe from 2025-2031 to evaluate progress, including an evaluation of family demand, ability to increase the provider and workforce base to meet increased access needs, impact of scale on quality, impact on businesses and workforce availability, and costs to the state and taxpayers.



DRAFT: Long-term Family Affordability Plan Recommendation (Slide 1 of 2)

- **All Minnesota families should have affordable access to high-quality early care and education (ECE) services.** Our vision is that the state moves toward a system where no family is paying more than 7% of their yearly income on ECE. We propose the following long-term affordability framework to achieve that vision by July 2031.
- **A new family benefits system (for example, "Great Start MN Program") is built to center the child and brain development.** Existing state and federal resources and necessary new contributions are combined to form the new program, which is fully funded to cover the full cost of quality care for the true demand in the system. This means there should be enough money in the system to provide coverage based on eligibility guidelines and established family contribution schedules. With this level of funding, ~~assuming provider capacity exists,~~ there would be no systemic waitlists (though program-specific waitlists may still exist) and all eligible families would have access to benefits.
- **Federal investments are maximized to minimize costs to the state.** This means if federal limitations on eligibility increase, the state increases its eligibility accordingly **over the phase-in timeline** and maintains its investment efforts as federal appropriations increase. Upon commencement, eligibility immediately increases to the federal level in place.
- **Early care and education is affordable for lower- and middle- class families in the new system ("affordability standard").** This is done in four ways:
 - Expanding income eligibility levels **for existing programs** at the beginning of the implementation timeline for program participation to percentage of state median income (SMI) allowed under federal law (*in alignment with short-term recommendations, as of today this is 85% SMI*)
 - Expanding income eligibility **for the new program to all families up to 250% SMI (\$237K for a family of three)** by the end of the implementation timeline, in accordance with the state's clear goal to make early care and education affordable to families.
 - Eliminating contributions for lower-income families – families below 75% SMI (\$71K for a family of three) should not be required to pay a family contribution
 - Reducing family contributions for middle class families – families **earning 75% of SMI to the income eligibility limit** should contribute an increasing amount of income, but no more than 7% **for lower- and middle- class families**



DRAFT: Long-term Family Affordability Plan Recommendation (Slide 2 of 2)

- **The system is structured to promote access to quality.** Families must understand what quality means, looks like, and how it benefits children's brain development. Families must have support in finding a quality program that meets their needs. The benefit program must cover the cost of quality programs and give families no financial (or other) disincentive to choose quality care.
- **The new system is structured to promote family choice among provider and program types that best meet family needs.** Families have the information necessary to make informed decisions about program/provider types, and can easily find the choices available to them that meet their needs and preferences. The benefit amount covers the cost of each provider/program type, and there must be no financial (or other) disincentive to attend the program type of family choice.
- ~~Family participation in the program is actively encouraged,~~ **The program is easily accessible for families, given the opportunity for positive impact on child development.** It does this by making participation affordable, but also by removing barriers to participation, including: reduce administrative complexity, increase access points, streamlined communications, create clear connections to other social programs, and minimize stigma. Benefits of increased family participation are the positive impact on economic self-sufficiency for families and healthy child development.



DRAFT recommended affordability standard, and its ramifications (slide 1 of 2)

From establishing legislation: "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. "

- DRAFT Affordability Standard:

- Families earning less than 75% of SMI (\$71K for a family of three) should pay no contribution.
- Families earning between 75-100% of SMI (\$71K-\$95K) should pay a contribution between 0-2% of income.
- Families earning between 100-125% of SMI (\$95K-\$119K) should pay a contribution between 2-4% of income.
- Families earning between 125- 250% of SMI (\$119K-~~\$237K~~) should pay a contribution between 4-7% of income.

- ~~Following further investment from the federal government, including an expansion of eligibility for CCDBG dollars:~~

- ~~Families earning between 150% 250% of SMI (\$142K \$237K) should pay between 7% 10% of income.~~

- Families earning more than 250% of SMI (\$237K+) should pay a contribution of 7% of income. ~~should pay for the full price of ECE, which, on average, currently costs 7% of income for a 3-person family at 250% of SMI.~~

- If the price of their chosen ECE program amounts to less than 7% of a family's income, they will be responsible for paying for the full amount.

- Eligibility for the future state benefits program should be in line with this affordability standard by the end of the implementation timeline for our plan (July 2031).

- ~~This Task Force's short-term recommendations (approved in our June Task Force meeting) include increasing to the federal limitation of 85% SMI at the start of the implementation timeframe (2025).~~

- ~~Using phased increases, the state should reach 150% SMI eligibility by the end of the implementation timeline (by July 2031).~~

- ~~If action from the federal government increases the maximum percent of SMI eligibility for CCDBG-funded programs, Minnesota should adopt the greatest standards funded by law and invest adequate funding to meet demand up to this income level, up to 250% of SMI.~~



DRAFT recommended affordability standard, and its ramifications (slide 2 of 2)

The affordability standard must be re-evaluated periodically (every two years) to assess the impact of changes in:

- **Family Incomes**, including understanding family income in comparison to inflation and cost of living
- **Costs of care**, including levels of quality and increasing compensation, which may make the full cost of care more challenging for even higher income families to cover
- **Federal landscape** – including both federal funding changes and changing requirements – which could dramatically alter costs to the State and families

A cost study must be done alongside the periodic re-evaluation of the affordability standard to understand 1) true cost of care including varying levels of quality **across provider types**, 2) geographic differences in costs of care, and 3) total costs to the state. This study must also include an assessment of full system take rates and demand, in order to understand total costs to the state.

The state should conduct an evaluation of progress of plan implementation from 2025-2031, including family demand, ability to build up the provider and workforce base, and impact of scale on quality, ~~in order to thoughtfully inform future program expansion toward a system of full access.~~

How would public dollars be invested? In which families?

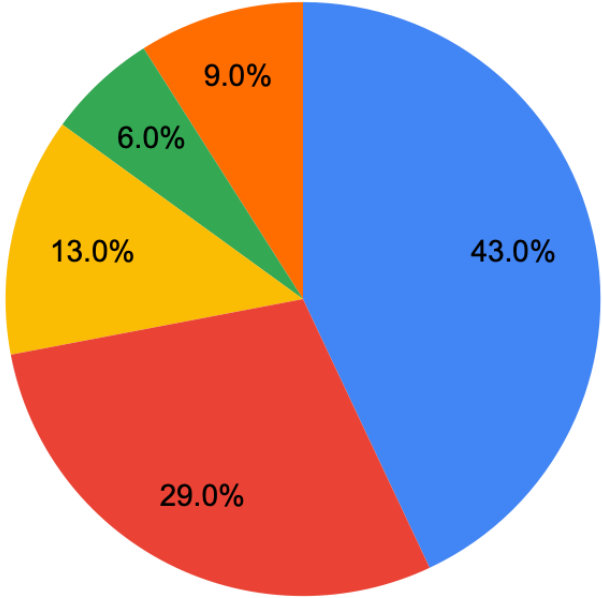
Family Income Distribution Minnesota Families with Children Under Age 5, 2016-2020			
Income Category	Number	Percent	Cumulative Percent
Under \$72,199 (<85% SMI)	103,918	43.1	43.1
\$72,199-\$127,409 (85-149% SMI)	69,496	28.8	71.9
\$127,410-\$169,879 (150-199% SMI)	31,711	13.1	85.0
\$169,880-\$212,349 (200-249% SMI)	15,039	6.2	91.3
\$212,350 and above (250%+ SMI)	21,108	8.7	100.0
Total	241,272	100.0	

How would public dollars be invested? In which families?

DIRECTIONAL ANALYSIS

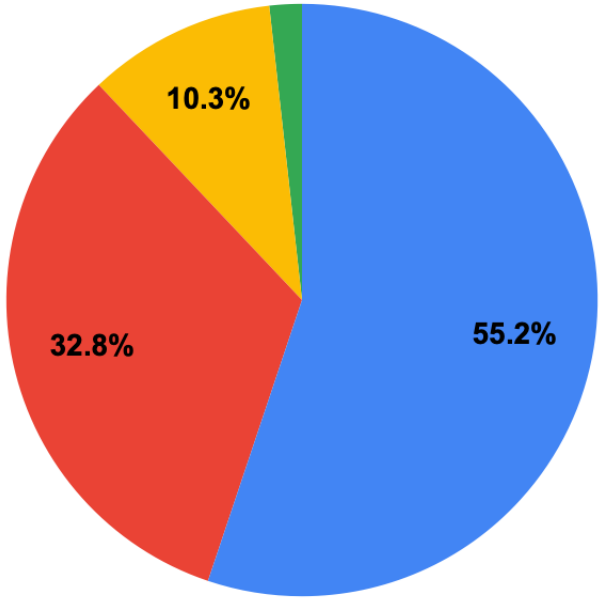
Assumes 1 child in care, even uptake across income brackets, and costs of care at 2020 Cost Model Report levels (~\$18K)

MN Family Income Distribution (2016 -2020)



<85% SMI 85-149% SMI 150--199% SMI 200-249% SMI 250%+ SMI

State Contribution by Income Level



<85% SMI 85-149% SMI 150--199% SMI 200-249% SMI

Estimated Minnesota families with children under age 5

8/31/2022

Directional analysis: estimated percent of state contribution by family income level

Program funding mechanisms: Attributes for the future system

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

Program funding mechanisms: Ideas to explore

To make funding stable:

- Providers should receive public funding based on **enrollment rather than attendance (ie. Pay for absent days)**
 - This covers sick days, vacation days, and professional development days
- Providers should be paid **in advance of services, rather than reimbursed**
 - Ideally this is for a full month to allow for planning and preparing their services over a longer time horizon.
- Providers should receive public funding through both per child rates and **base operational funding amounts** that provide stable funding for fixed cost structures essential to effective services
 - Providers need a base funding level that allows them to plan long-term
 - Base operational funding minimizes revenue loss/provider risk caused by enrollment & eligibility changes, allowing programs to cover fixed operational costs.
 - This also supports the State's goals for increasing stability as we build toward a system of increased access and quality

To make the funding process transparent:

- Calculation methods for funding (i.e.. cost model inputs) must be clearly communicated and any changes are done with ample appropriate notice
- There must be clear policies and procedures in place for how funding is to be determined

Program funding mechanisms: Ideas to explore

To make Administration simple and consistent:

- Blending and braiding should be done by administration to fund providers participating in the Great Start MN Program
- There should be one payment system rather than multiple, and one administrative agency for the program.
- Local administrative entities apply policies and procedures clearly and consistently
- Simplify paperwork for families and providers to reduce payment errors and deliver funding more effectively.

To make funding equitably accessible across programs

- The difference between schools, centers, and family child care homes is recognized, and funding is distributed to best support programs in their settings
- Funding that is not provided as a per child rate, such as base funding, must be equitable across settings based on their intended purpose
- Additional 'program funding' (such as VPK) must be equitably accessible to all settings who qualify to provide services
- Offer flexible provider grants that allow for innovation and specialization in child care services
 - For providers offering reasonable & valuable services that exceed quality components included in the cost model, offer provider grants to cover those additional costs, rather than passing on the cost to families (ex. Infant mental health services in an area with high rates of child trauma).

To have accountability for use of funding:

- Families are the ultimate accountability lever for funding in that this remains a system of choice, where a significant portion of funding follows the child.
- There should be expectations for use of any non per child rate funding

Program funding mechanisms: Ideas to explore

Total High-Quality
ECE Costs per Child



Family Income Level →



What do you like about the direction this Working Group is going?



What concerns or questions do you have?



What would you like this WG to keep in mind or consider as they continue their conversations?

Please submit feedback by Monday, 9/12, to support working group discussions

Workforce Compensation and Supports Working Group

GOAL: What do we mean by a “qualified, diverse, supported and equitably compensated” workforce, and how do we get there?

Voting Members	Non-Voting Members
Meghan Caine, Early Childhood Educator - Public school-based	Nicole Blissenbach, MN Dept of Labor and Industry
Pat Ives, Director of Licensed Child Care	Lydia Boerboom, Kids Count on Us Representative
Adriana Lopez, Early Childhood Educator - Licensed Center	Oriane Casale, Department of Employment and Economic Development
Jenny Moses, Children’s Cabinet	Cyndi Cunningham, MN Child Care Provider Information Network
Krystal Shatek, Director of Licensed Child Care	Nancy Hafner, Faculty Representative
Senator Melissa Wiklund	Debbie Hewitt, Minnesota Department of Education
	Ann McCully, Child Care Aware of Minnesota
	Michelle Trelsted, MN Community Education Association

Discussion themes: Compensation Framework & Qualifications

- How can we incentivize education without delaying workforce growth?
- It is important to not discount other ways of gaining competencies, while we still want to encourage formal education.
- How can we make sure current members of the workforce receive equitable compensation?
- It is important for all providers to see themselves in our framework.
- Tying wages to competencies/education is likely unenforceable and may be too prescriptive for businesses

What do we currently know about diversity and racial equity within the ECE field?

FACTS

- Nationally, early childhood educators are 97 percent women and are more racially diverse than the general population; 38 percent are women from the BIPOC community.¹
- Nationally, approximately two-thirds of center-based administrators (64%) and lead teachers (61%) are Caucasian compared to 39% of FCC owners and 34% of FCC assistant teachers.²
- In MN, the early care and education workforce is more diverse in its racial and ethnic composition than many other Minnesota industries. Overall, people from the BIPOC community comprise 23% of the workforce compared to only 15% across all Minnesota industries.³
- Women with African heritage educating children ages 0–5 earn an average of **\$4,395 less per year than their Caucasian counterparts.**⁴
- Among the center-based participants, educational attainment was linked to role, with center administrators more likely to have a bachelor's degree (62%) compared to lead (43%) and assistant teachers (17%).²

1. <https://www.americanprogress.org/article/still-underpaid-and-unequal>

2. <https://www.registryalliance.org/wp-content/uploads/2022/05/NWRA-2022-ECE-workforce-data-report-final.pdf> (data from 2021)

8/31/2023. <https://mn.gov/deed/newscenter/publications/trends/september-2020/early-care-education.jsp>

4. <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:b01b4ff9-52af-3820-a6c1-b58f310ffa99>

TAKEAWAYS

- The ECE field is more racially diverse than others within MN, and nationally, people of color are over-represented in entry-level roles.
- Due to the generally disproportionate educational attainment levels across racial lines and ECE wages that are tied to higher levels of education, workers of color bear the weight of wage disparity.
- As such, people from the BIPOC community continue to earn significantly less than white staff.

Current national recommendations to strengthen the diversity and quality of the ECE workforce

- Make significant public investments in ECE that support increased compensation, benefits, and improved working conditions.
- Focus investments on professional development for early childhood educators already in the workforce.
- Support enhancements to the professional development infrastructure.
- Create focused opportunities for professional development and degree attainment to ensure members of racial/ethnic and linguistic groups that have traditionally been marginalized have access to education and advancement.

How do our current recommendations stack up?

- ✓ Raise wages across all roles and all settings—starting at a living wage and moving toward parity with elementary school teachers.
- ✓ Provide short-term financial bonuses for staff entering the field (tied to education and training).
- ✓ Expand REETAIN bonuses to keep current staff in the field.
- ✓ Provide financial and academic supports to new and current early educators, including scholarships and apprenticeship options.
- ✓ Pay students for their internships or on-the-job experience while pursuing academic credits.
- ✓ Expand credit for prior learning opportunities and competency-based demonstration of skills.
- ✓ Expand mentoring and coaching programming, as well as cohort-based education options.
- ✓ Support flexible scheduling and the provision of courses in alternative locations to make coursework accessible to more students
- ✓ Include anti-bias and implicit-bias training in required workforce trainings.
- ✓ Promote and provide readily available access to affordable, low-barrier cultural competency training across the mixed delivery system of programs and providers, including resources for members of the ECE workforce to learn about various cultures.



DRAFT Equity Statement and Workforce Study Recommendation

Equity Statement: The Task Force recognizes that in order to recruit, retain, and support a diverse workforce, racial inequities within the profession need to be addressed. We believe our best levers to impact these inequities are through compensation reform and increased educational support and access to recruit, develop, and retain people of color and indigenous people into advanced roles within the profession.

Workforce Study Recommendation: A study should be administered every three years to better understand the current state of Minnesota's early childhood education workforce across the mixed delivery system in terms of demographic composition, compensation, and education. Tangible outcome metrics should also be established for decreasing current wage disparities for people of color and increasing representation of people of color in advanced roles within the field. Administered every three years, the study would allow the state to measure progress towards these outcomes and make necessary adjustments to help support, develop, and retain a diverse workforce.

Reflection on Qualified Workforce Direction



What do you like about the direction this Working Group is going?



What concerns or questions do you have?



What would you like this WG to keep in mind or consider as they continue their conversations?

Please submit feedback by Monday, 9/12, to support working group discussions

Discuss recommendations to achieve effectiveness vision

Vision for Effective ECE services Confirmed via formal vote in April Meeting (Meeting 6)

In addition to being affordable and accessible, an effective ECE experience centers child and family well-being through a system of choice. It does this by:

- Ensuring offerings address and advance the **social, emotional, psychological, cultural, physical, and intellectual needs** of each child, in a trauma-informed manner
- Providing **safe, healthy, stable, secure, consistent, nurturing, and enriching environments** for each child.
- Building **trusting relationships** founded on mutual respect between each family and their caregivers.
- Promoting **linguistically responsive and culturally relevant** environments with **diverse staff that reflect the families they serve and the whole state.**
- **Connecting families to resources and supports** *they* have identified will increase their family well-being

Quality as part of Effectiveness

- We are trying to define the experience we want for children and families. We *are not* redefining “quality” for the state, which is generally associated with quality standards
- “Effectiveness” is supported by recognized “high quality” standards and practices, they are not mutually exclusive.
- Quality standards provide a foundation for effective services.
- Quality standards do not sufficiently address **ALL** aspects we have identified in our vision for effectiveness.

Effective ECE Systems



Our discussions to date

Meeting / Date	Item discussed	Notes
Meeting 3: January 25, 2022	Defining “Effectiveness”: Breakout Group Activity	<ul style="list-style-type: none"> Simulated child/family scenario used to discuss what effectiveness looks like for each in small groups
Meeting 4: Feb 22, 2022	What makes an effective system for each child and their family?	<ul style="list-style-type: none"> Discussed vision for effectiveness and received input on suggested changes. Discussed what it would take for providers (and their workforce, across all settings) to be able to deliver on the definition for effectiveness
Meeting 5: March 29, 2022	Effectiveness definition	<ul style="list-style-type: none"> Based on small group discussion, the effectiveness vision was updated
Meeting 6: April 26, 2022	Vote on vision for effective ECE services	<ul style="list-style-type: none"> Formal vote on effectiveness definition (APPROVED)
Meeting 8: June 28, 2022	Effectiveness and Quality	<ul style="list-style-type: none"> DHS and MDE shared information on quality standards Revisit of vision for effectiveness and what it will take to offer an effective experience.
Survey: July 19, 2022	Effectiveness survey	<ul style="list-style-type: none"> Survey provided to task force members to rank the importance of each effective experience idea, gather quality standards feedback, and ideas on how to support all provider types
Meeting 9: July 26, 2022	What will it take to meet our vision for effectiveness (including quality) in each setting?	<ul style="list-style-type: none"> Reviewed survey data and central themes. Small group discussion on gaps to reach effectiveness across each setting, barriers, and action steps.

What will it take for providers/programs to offer an effective experience (per our vision)?

To achieve our vision of effectiveness across all providers in the mixed delivery system where all families have access to an effective early care and education environment in the location of their choice, **Minnesota's early care and education system needs significant investment and reinvigorated focus and alignment on its importance to a thriving Minnesota.** Our early care and education providers and workforce, as those closest to children and families, and in order to enable them to bring this Task Force's vision of effectiveness to reality for all children and families, Minnesota needs:

- 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.

What will it take for providers/programs to offer an effective experience (per our vision)?

To achieve our vision of effectiveness across all providers in the mixed delivery system where all families have access to an effective early care and education environment in the location of their choice, **Minnesota's early care and education system needs significant investment and reinvigorated focus and alignment on its importance to a thriving Minnesota.** Our early care and education providers and workforce, as those closest to children and families, and in order to enable them to bring this Task Force's vision of effectiveness to reality for all children and families, Minnesota needs:

- Consistent and equitable standards and growth-oriented accountability systems,
- A healthy business environment and clear regulations,
- Cohesive, high functioning infrastructure and ecosystem,

TO COVER TODAY

- Fair compensation and supports for staff, and
- More, consistent, and equitable funding, which enables many of the above.

WORKING GROUPS

Consistent and equitable standards and growth-oriented accountability systems

Why is this essential?

- We envision a culture of continuous improvement for our full ECE system.
- We know when given the option, families will choose high quality programs, with 68% of families with children under 5 receiving Child Care Assistance today choosing Parent Aware rated programs (despite only about 31% of programs participating in Parent Aware). All families receiving Early Learning Scholarships are required to use Parent Aware Rated programs.
- Increasing quality must feel attainable for providers across the mixed delivery system. We must address and honor the unique nature of each program type, but also compel participation in the broader goals that are shared across all programs.

What does this look like?

- Consistent, clear, and equitable standards are applied equitably across program types and monitored consistently.
- Standards are culturally competent and promote inclusion of all ethnicities & cultures.
- Accountability systems promote and incentivize quality growth and attainment.
- Access to training and coaching on implementation of the standards in the context of effectiveness for different program types.

DRAFT Recommendations:

- Recommendation 1: Formal support for the ongoing continuous improvement efforts for Parent Aware, including the Racial Equity Action Plan and Equity Report, being implemented.
- Recommendation 2: The state should, in partnership with a diverse stakeholder body inclusive of providers of all types, complete an analysis of the option to include all licensed providers in Parent Aware, the Quality Rating and Improvement System (QRIS). Under this structure, Parent Aware would be expanded to include a new entry standard of “licensed” (such as, for example, a new definition of 1 Star, with the current 4 Star Parent Aware rating structure expanded to a 5 Star structure). This acknowledges that licensed programs are required to meet a certain level of basic standards and enables parents to more readily assess and compare programs through one rating system.

A healthy business environment and clear regulations

Why is this essential?

- Child care businesses are stretched to manage the day-to-day needs of their business and the needs of children in their care. It is essential to minimize any unnecessary administrative and regulatory burden for child care business owners so that they can spend as much time as possible focused on providing effective environments for the children in their care.
- Many of Minnesota's child care providers are small businesses that contribute to the economic well-being of their local communities. When small businesses thrive, their communities' benefit. A healthy operating environment enables this.

What does this look like?

- Creating a clearer and simpler system for providers. The state should focus on simplifying regulations where possible and where health and safety would not be impacted. Some specific opportunities to consider include:
 - Ensuring clear requirements and understanding the purpose of those requirements
 - Consistent messaging across the system
 - Making licensing processes more easily navigable and less intimidating by simplifying processes, reducing paperwork, and modernizing systems
 - Ensuring that licensors have the same understanding of regulations and rules throughout the entire state and that these are applied consistently
- Offering opportunities for providers to become stronger businesses. The state can:
 - Continue successful existing trainings, such as its partnership with First Children's Finance, which has seen strong participation in business acumen training.
 - Evaluate other opportunities across the country for successful impact

DRAFT Recommendations:

- *Recommendation 1*: Formal support for the ongoing Child Care Regulation Modernization projects conducted by the Department of Human Services (DHS). These projects are developing a report and proposed legislation to implement the new licensing tools and revised licensing standards, submitted by February 1, 2024.
- *Recommendation 2*: DHS should continue existing opportunities to improve business acumen among current and new small business providers; and explore options to increase opportunities including incentives for participation. The state should consider programs focused on developing business acumen for small business owners from historically disenfranchised communities and in areas with child care deserts where business development and expansion is most needed.

Cohesive, high functioning infrastructure and ecosystem

Why is this essential?

- Infrastructure, for this Task Force's purposes, is defined as the state and regional organizational structures, systems, and supports necessary for broad successful implementation and ongoing delivery of services in line with this Task Force's vision.
- Our recommendations presume high functioning infrastructure that can readily support decision-making and fast-paced growth in family participation and provider and workforce capacity.
- Systems and structures must be momentum-reinforcing for positive system growth, rather than burdensome and outdated.

What does this look like?

- An understanding of the strengths and challenges with existing infrastructure
- A clear plan for infrastructure improvement and expansion to meet the growth envisioned in this plan
- An understanding and prioritization of investments needed

DRAFT Recommendations:

- Recommendation 1: The state must fully understand the infrastructure needs of the future ECE system, including technology, staffing, and programmatic changes. State agencies responsible for administering ECE programs should consult intermediary structures and providers when evaluating changes.

Infrastructure includes but is not limited to:

- Intermediary structures (e.g., CCR&Rs, county administrators, etc.)
- Local community collaborations
- Workforce recruitment and development systems
- Workforce scholarships
- Data and information management systems
- Eligibility determination and family navigation systems
- Quality improvement and accountability systems
- Licensing and monitoring
- Building capacity improvements and expansion

Fair compensation and supports

Why is this essential?

- At the core of this Task Force's vision for effectiveness is ensuring children form healthy, stable relationships with their caregivers. An effective ECE system, therefore, relies on a stable, qualified workforce. We cannot have an effective ECE system without continuity of care for children.
- Today's system at large provides poor wages and benefits and minimal supports. This leads to high levels of turnover and instability and limits the ability to meet high quality standards.
- Nationally, ECE workers of color are over-represented in entry-level roles and therefore the ones most negatively impacted by wage disparities across the field.
- Providing fair compensation and supports acknowledges the importance of the ECE workforce, and leads to improved stability, retention, and growth.

What does this look like?

- Increasing wages, per this Task Force's compensation framework recommendations
- Providing benefits, per this Task Force's recommendations
- Having accessible professional pathways that enable career growth, per this Task Force's recommendations
- Providing clear and equitable professional standards
- Ensuring ECE workers have access to mental health services

Recommendations:

- *Provided through Workforce Compensation and Supports Working Group*

More, consistent, and equitable funding

Why is this essential?

- When we choose to not adequately invest as a State in the ECE system, costs to the State remain. For too long, these “hidden” costs of the early care and education system have been borne by:
 - Low wages for ECE workers
 - Public assistance to support ECE workers earning low wages
 - Lost workforce participation for families who leave the workforce to care for children due to high cost of ECE
 - Long-term cost to society of insufficient ECE, including lower tax revenue, higher criminal justice costs, higher public assistance costs, higher public health costs, etc.
- Adequate funding is essential to provide an effective environment as described in this Task Force’s recommendations, notably including necessary funding for providers and fair compensation and benefits for the ECE workforce

What does this look like?

- Understanding the true cost of the system we want and that we are asking our ECE programs and workforce to provide
- Providing equitable funding to programs based on the actual cost of providing care and reflective of all costs associated with running a program across provider types, quality levels, and regions of the state
- Paying fair compensation and benefits to the ECE workforce, appropriately recognizing their contributions
- Investing in an increasingly cohesive and sustainable infrastructure

Recommendations:

- *Provided through the Family and Provider Affordability Working Group*

Listening Session Share-Out

Virtual Listening Session Report Out

Task Force co-chairs held the 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 & Next Steps

Where are we going next?

- Understanding the current state *Complete*
- Who does the system need to work for? How? *Complete*
- What is working in the system today? *Complete*
- Defining the future experience we want to see
 - What is equitable access? *Complete*
- What are the dimensions of a quality, effective experience? *In process*
- What is affordable? *Working Group*
- What is sustainable for providers? *Working Group*
- How should the workforce be compensated and supported? *Working Group*
- How do we ensure local voice and ownership?
- What capacity building is needed?
- How do we get to our goal, led by equity?

A call for written input

As Task Force staff maintains and updates our records of potential recommendations to include in our deliverables, we invite you to provide written input, outside of our regular Task Force meetings. Input should follow our normal meeting norms and procedures:

- Provide actionable ideas and potential solutions
- Apply your specific expertise
- Speak to the topics at hand for the work of the Task Force

Email ideas to GreatStart.TaskForce.MMB@state.mn.us

Task Force Meeting Dates

Draft and subject to change

Meetings will be held from **6 - 8pm** on the last Tuesday of each month, except when conflicting with anticipated holidays

- **September 27, 2022**
- October 25, 2022
- November 29, 2022 ← *last scheduled meeting before draft report*
- December 20, 2022
- January 31, 2023





Anticipated Votes Next Meeting

Formal (Statement on vision or value, recommendation to be included in the Task Force Plan)

- Long-term Affordability Recommendations
- Affordability Standard
- Diverse Workforce Recommendations

Informal (Matter of process, necessary to get to a vision statement or recommendation)

- Meeting 10 Minutes

Running list of voting Items and results

Date of Vote	Voting Item	Approved (Yes/No)?	Informal	Formal
December 21 st , 2021	November Meeting Minutes	Yes	X	
January 25 th , 2022	December Meeting Minutes	Yes	X	
February 22 nd , 2022	January Meeting Minutes	Yes	X	
	Factors of Equitable Access	Yes	X	
	Support of the Mixed Delivery System	Yes		X
	Adopting Equity Definition	Yes		X
March 29 th , 2022	February Meeting Minutes	Yes	X	
	Task Force Guiding Principles	Yes	X	
	Definition of Historically Disenfranchised Groups	Yes		X
April 26 th , 2022	March Meeting Minutes	Yes	X	
	Primary stakeholders in the ECE system	Yes		X
	Vision for effective ECE services	Yes		X
	Vision for equitable access to ECE services	Yes		X

(Continued) Running list of voting Items and results

Date of Vote	Voting Item	Approved (Yes/No)?	Informal	Formal
May 31 st , 2022	April Meeting Minutes	Yes	X	
	Statement on Care is Education	Yes		X
June 28 th , 2022	May Meeting Minutes	Yes	X	
	Short Term Recommendations for Family Affordability: Child Care Assistance	Yes		X
	Short-Term Recommendations for Family Affordability: Early Learning Scholarships	Yes		X
	Financial Compensation Recommendations	Yes		X
	Access Factor: Availability (schedule & hours) and accessibility (geography, location) of early care and education that meets the diversity of families' needs	Yes		X
	Access Factor: The role local communities should have in both determining access priorities for their communities and how to meet access needs	Yes		X
	Access Factor: Resources and ability of providers and programs to offer culturally responsive programming and environments	Yes		X
Access Factor: Transportation and other barriers, such as language barriers, affecting access to families' programs of choice	Yes		X	

(Continued) Running list of voting Items and results

Date of Vote	Voting Item	Approved (Yes/No)?	Informal	Formal
July 26th, 2022	June Meeting Minutes	Yes	X	
	Financial Relief Strategies Recommendations	Yes		X
	Time Off Recommendations	Yes		X

Next Steps

Send any feedback to:

greatstart.taskforce.mmb@state.mn.us

Stakeholder Listening Session

- **Wednesday, November 2nd (6 – 7pm)**

Working Group meetings

- **Workforce:** Wednesday, September 14th, 6-8pm
- **Affordability:** Thursday, September 15th, 1-3pm

Next Task Force meeting is:

[Tuesday, September 27th, 6-8pm](#)

