

**Great Start for All Minnesota Children Task Force
Family and Provider Affordability Working Group Meeting**

Thursday, May 12, 2022

1:00 p.m. to 3:00 p.m.

Virtual Meeting: Microsoft Teams

Working Group Members Present: Kathleen Church, Shakira Bradshaw, Janell Bentz, Summer Bursch, Deb Fitzpatrick, Missy Okeson, Clare Sanford, Tonia Villegas, Jayne Whiteford, Cindi Yang

Working Group Members Absent: Representative Liz Boldon, Brook LaFloe

Task Force Consultants Present: Katie Reed, Afton Partners; Brytain Tate, Afton Partners, Gerald Liu, Afton Partners; Kate Ritter, Children’s Funding Project; Ashley Brooks, Children’s Funding Project

Children’s Cabinet Staff Present: Hannah Quinn

Welcome and Agenda

Working Group members reviewed virtual meeting protocols, Task Force Guiding Principles, and went over the agenda for the meeting. The agenda included a discussion of draft family affordability recommendations, and a discussion of the current family benefits process.

Review

Members reviewed the Working Group Charge:

Define what an affordable ECE system that *works for families* and that *providers want to be part of* looks like in Minnesota and how it can be achieved.

Legislation determines that the Task Force must consider:

- The maximum percentage of income that families must pay for ECE
- The process through which families will access financial assistance for ECE (infrastructure, benefit mechanisms, and financing mechanisms)
- How provider payment rates for childcare will be determined and updated
- How to streamline funding and reduce complexity in plan administration
- Roles in administering the plan (including state agencies, local agencies, and community-based organizations)
- How to maintain and encourage the further development of Minnesota's mixed-delivery system in the plan

Planned sequencing of discussions:

February	Introductions & Overview
March - May	Family Affordability: <ul style="list-style-type: none"> • Eligibility • Co-payments • Accessing Benefits
June - July	Provider Sustainability: <ul style="list-style-type: none"> • Determining provider pay levels • Provider pay process challenges
August	Administration

	<ul style="list-style-type: none"> • Streamlining funding and reducing complexity • Roles in plan administration
September – October (TBD)	Finalize Recommendations

Review of April 14 Meeting

Slides 16-18 include a review of the last working group meeting, along with feedback the group received when reporting out to the full Task Force on April 26:

- Consider Paid Family Leave as a family affordability mechanism
- Important to consider Early Learning Scholarships Pathways 1 and 2 separately because they have different distribution and impact
- Consider the impact of Voluntary PreK on provider/program sustainability
 - *To be covered in Full Task Force discussions on Effectiveness and our Working Group provider and program discussions upcoming*
 - Consider the impact on Family Child Care sustainability with a concern there may be fewer full day preschool-eligible children (look to data to understand uptake)
 - <https://education.mn.gov/MDE/fam/elsprog/vpk/>

Impact Assessment: Draft Recommendations Package

In advance of this meeting, Working Group members reviewed draft recommendations around family affordability which were developed through previous meetings and considered the following impact assessment questions:

- Taken together, **how well would these recommendations improve the current state of affordability for families?**
 - What is missing?
 - What would you change?
 - Out of this package of improvements, what would you prioritize?
- What impact would this package of improvements have on **historically disenfranchised children and families and their communities?**
- How would **other stakeholders** be impacted by these recommendations?
- What could be **unintended consequences** to these recommendations?

Members reviewed slides 21-26, which show answers to these impact assessment questions submitted in advance.

Discussion themes included:

- It is important to communicate the stark reality of the current lack of affordability for families when presenting any recommendations. The reasons why this work is important, including data and examples on current costs, will be important to include in the recommendations package.
- Summaries of current programs are helpful and should be presented in a more detailed comparison that shows the difference in benefits families across the state can access.
 - The recommendations could be presented through the lens of individual families experiencing the current system.
- An important piece to the puzzle is potential funding mechanisms, which has not yet been addressed. There will need to be work done to calculate how much the recommendation package will cost and potential funding sources for implementation.
 - Is there a way to study taxpayer willingness to fund the early care and education system? It was suggested that this group can look to national polling, examples from other state, and the SPARK initiative in St. Paul.
- The group should work to understand how the federal funding allocations are determined and how to maximize access to federal funds under the current system.

- One focus needs to be how to fund the infrastructure and implementation of a future system, including how to simplify the system for easier navigation by families and providers.
- One recommendation is a card analogous to an EBT card, that would be preloaded with funding to go directly to providers. Any implementation of this idea would need to be done in a non-stigmatizing way.
- One potential recommendation the group hasn't explored yet but was suggested is a strategy of tax breaks for parents with children going to early care and education programs, or tax incentives for businesses to fund child care for their employees.
- The group agreed to strike a potential recommendation that income for program eligibility be measured by net income instead of gross income, after reviewing feedback from the MN Department of Human Services (DHS).
- The group agreed to strike a potential recommendation that families receiving scholarship funds meet with providers regarding budget in order to prioritize stability, after reviewing the current Award Planning Agreement.
- The group agreed to strike a potential recommendation regarding prioritizing stability in the absence of fully funding the cost of care, after discussing the merits of instead recommending fully funding the cost of care.

Accessing Benefits

Slides 31-33 illustrate the current processes for families to access CCAP and Early Learning Scholarships.

Discussion themes included:

- It is important to eliminate the Basic Sliding Fee waitlist for families applying for CCAP. That is a real hinderance to low-income families accessing early care and education.
- The variation between program administration is a problem that members have heard about. It is important to look at ways to create a more coherent system that is easy to navigate.
- Some families cannot access the internet, so we cannot rely only on online systems for ease of navigation.
- Families need a more streamlined process for accessing all types of benefits.
- If the long-term recommendations are implemented and there is a large influx of additional families eligible for benefits, the infrastructure and support of systems will be important.

Next Steps and Close Out

The group will identify someone to report out from this meeting at the next full Task Force meeting. Future meetings will occur on the second Thursday of each month (listed below), from 1pm-3pm.

- Thursday, June 9
- Thursday, July 14
- Thursday, August 11
- Thursday, September 8
- *October TBD*

Next Working Group Meeting: June 9, 2022, 1:00 p.m. – 3:00 p.m.