

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

Thursday, September 15, 2022

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

Virtual Meeting: Microsoft Teams

Working Group Members Present: Shakira Bradshaw, Kath Church, Deb Fitzpatrick, Missy Okeson, Clare Sanford, Jayne Whiteford

Working Group Members Absent: Janell Bentz, Representative Liz Boldon, Summer Bursch, Brook LaFloe, Tonia Villegas, Cindi Yang

Task Force Consultants Present: Katie Reed, Afton Partners, Gerald Liu, Afton Partners; Kate Ritter, 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 finalizing the long-term family benefits recommendations based on Task Force feedback, a discussion around program funding improvement recommendations, as well as a discussion on implementation planning.

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 - August	Provider Sustainability: <ul style="list-style-type: none"> • Determining provider pay levels • Provider pay process challenges

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

Long-term Family Benefits Recommendations Package

Slides 16-17 include Task Force survey feedback on the latest version of the draft long-term family benefits recommendations package. Slides 18-21 include the draft language for the program and affordability standard, and slide 22 includes reflection questions for the group to consider. Working Group members reviewed these slides and discussed the feedback and proposed edits.

Discussion themes included:

- Task Force feedback is largely positive, appreciative of the work, and the only further edits needed are to clarify language and intent.
- Further clarity is needed around the point that says federal investments are maximized to minimize costs to the state. The current language may be blending two concepts: that federal eligibility guidelines may change, and federal investments may change. The recommendations should be clarified to reflect that the state should opt in to future funds, as well as increase eligibility along with federal guidelines.
- “Income” should be clarified to be in line with other programs, reflecting gross income.
- A recommendation to clarify that families should carry eligibility for a year was discussed, which will be added to the program funding package of recommendations.
- The language under the attribute that says the system is structured to promote access to quality should be edited to clarify intent that families understand state measures of quality.
- The last sentence under the point that the program is easily accessible for families may need to be struck, as it could be misinterpreted.
- Regarding the affordability standard, the language currently says it “must be re-evaluated periodically (every two years)”. Members suggested a change to have it read “must be re-evaluated periodically, no less than every two years”.
- In discussing the reflection questions, members raised the issue of weighing in on whether programs be allowed to charge families additional funds for additional services on top of the family contribution schedule. After discussion, the group decided not to recommend adding language on that topic, but to allow details to be determined during implementation.
- Members also discussed the connection to quality and the draft recommendations under effectiveness, including the recommendation to complete an analysis to include all licensed programs in the state QRIS. One factor to consider is how programs can reach higher rating standards, which “unlock” more funding, without having the funding to improve quality. This discussion is connected to both the affordability recommendations and the effectiveness recommendations.

The Working Group is comfortable with these recommendations, incorporating the edits discussed, being brought for a vote at the September 27 Task Force meeting.

Program Funding Mechanisms

Members reviewed slides 24-31, which include a reminder of what program funding is, a recap of challenges identified around program funding, and draft program funding recommendations based on previous discussions. The group paused to discuss the draft recommendations related to each program funding attribute.

Discussion themes included:

- Funding is stable
 - This attribute is related to the earlier point raised on continuous eligibility, as that would allow for stable funding for the family and the provider.
 - An example of a current pain point around stable funding is the differences in how and when providers are reimbursed by current public funding programs. A provider shared that she has to, in some cases, wait two months after services in order to receive reimbursement payments. Some administrators are not able to pay via direct deposit, and there are challenges in business planning when the reimbursement schedule is not quick and consistent.
- The funding process is transparent
 - No changes were suggested.
- Administration is simple and consistent
 - While these recommendations include recommend one payment system and one administrative agency for the program, the Task Force has previously discussed the idea that families should have multiple points of entry for services. These ideas are not mutually exclusive, and one payment system would help providers, while multiple points of entry for families could help both families and providers.
 - Simplifying paperwork is an important goal.
 - Electronic processing options are important as well. One idea is around linking access to fingerprint data.
- Funding is equitably accessible across settings
 - Is this an appropriate place to discuss special education funding?
 - Start-up costs came up in the discussion, which were addressed through previous Task Force recommendations around equitable access.
- There is accountability for use of funding
 - Accountability for use of public funding is essential, and efficient delivery on taxpayer funds needs to be expected.
 - “Any non per-child rate” should be struck, as clear expectations should apply to all funds. The group can look to the current requirements on base grant funding for examples of accountability measures.

Administration

The group was not able to spend significant time on this agenda item, and will revisit it in their October meeting. They will be coming up with loosely defined roles for affordability program administration to be embedded within the overall Task Force implementation timeline.

Next Steps and Close Out

Kath Church will report out from this meeting at the next full Task Force meeting. There is one remaining scheduled Working Group meeting, which have occurred on the second Thursday of each month, from 1-3pm.

Next Working Group Meeting: October 13, 2022, 1:00 p.m. – 3:00 p.m.

