

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

Thursday, June 9, 2022

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

Virtual Meeting: Microsoft Teams

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

Working Group Members Absent: Representative Liz Boldon, Jayne Whiteford

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 feedback on and revisions to draft family affordability recommendations, and understanding the current provider pay structure and 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

Draft Recommendations Package

Slide 16 includes the timeline for review and revision of the draft affordability recommendations based on feedback from the full Task Force. Note: the long-term family affordability recommendations will not be brought forward for a vote during the June 28 task force meeting, as feedback indicated further discussion and revision is needed.

Slides 17-20 show feedback received, and proposed edits based on feedback regarding the draft short-term recommendations for child care assistance. Discussion themes included:

- In the May Task Force meeting and in the survey responses, there is concern over making these recommendations adequate and realistic, while also meeting the charge the group has been given. How can we find bipartisan support and areas of consensus?
- It will be helpful to provide additional rationale and explanations as a narrative around these recommendations.
- The child support cooperation requirement in Minnesota is a state rule, and is not required by the federal government. Many states do not have that requirement for their child care assistance programs. The reasoning should be included when discussing this recommendation.
- Members are comfortable with the revised recommendations being brought forward for a vote at the June 28 Task Force meeting.

Slides 21-24 show feedback received, and proposed edits based on feedback regarding the draft short-term recommendations for Early Learning Scholarships (ELS). Discussion themes included:

- Some feedback indicated support for expanding the ELS program over expanding child care assistance. The working group talked about this feedback, and discussed that though they had considered that type of expansion, the current structure of federal funds in the child care assistance program provides an opportunity to use that funding to serve more families.
 - There are pros and cons to both current benefits programs, and it is important to acknowledge the current infrastructure, laws, and policies around them.
 - A short-term expansion of child care assistance program could set the stage for a long-term expansion, with the idea that federal funds would be the first to be drawn upon, in line with regulations.
- Regarding the recommendation to mirror the CCAP eligibility expansion, the group discussed that these areas of expansion make sense in both programs in order to serve families who most need stable and affordable early care and education due to children experiencing adverse childhood experiences. Language edits are needed in order to better reflect the ELS program – there are no “eligible activities” in ELS, rather, these categories would need to be added to the list of factors that lead to priority status.
- There was a question about current eligibility requirements for ELS in comparison to CCAP. Slides 58-60 were added as an appendix to review the current eligibility requirements. Currently, income requirements are measured in percent of State Median Income for CCAP and Federal Poverty Level for ELS. Members suggested that a recommendation should be added to align those requirements in order to reduce confusion.
- Members are comfortable with the revised recommendations being brought forward for a vote at the June 28 Task Force meeting.

Slides 25-27 show feedback received, and proposed edits based on feedback regarding the draft long-term family affordability recommendations. These proposed edits are a starting point, as further discussion and revision is needed. Discussion themes included:

- It will be important to provide more narrative and explanation around these recommendations as they evolve.
- Something that was brought up during the May Task Force meeting was the idea that these changes would create an entitlement system, which may not be well received broadly. How can we look at the charge of the task force and ensure we meet those goals, while keeping implementation realities in mind?
 - Two members expressed that children over the age of 5 are entitled to education through public schooling, why does that not apply to younger children, given the importance of early education to childhood development?
- The group should focus on prioritizing the needs of children and the long-term benefits of investing in early learners. How can we balance personal beliefs and convictions with implementation realities?
 - Further engagement with stakeholders is needed on these topics.
- Can we get additional data or information on how increased benefits to families would affect workforce participation?
- It would be helpful to get data on how many families with young children in Minnesota fall into each income bracket, and what percent of public investment would be going to each income bracket.

Members reviewed slides 30-34, which show what expanded eligibility for benefits would look like under different family structures and income levels, including expected public and family contribution levels. Slides 35-37 include potential options for long-term recommendations, an overview of the legislative requirement for the Task Force to set an affordability standard, and discussion question around what the group needs to do to move forward. Discussion themes included:

- Is there a way to create a “Plan B” that would be a scaled-back version of the current draft recommendations? Continued need to balance big picture transformational changes with what is possible.
- We should look again to the “Transforming the Financing of Early Care and Education” report to see an example of a phased-in approach.
- It will be important to discuss quality across provider types.
- A small group will meet to discuss the questions on slide 37, including formulating what we could do to move beyond current affordability systems, and bring ideas back to the full working group.

Program Funding

Members reviewed slides 40-53, which include an overview of current funding through CCAP and ELS, an illustration of the difference between market price and true cost, information about ongoing cost modeling efforts, current rates of reimbursement for CCAP and ELS and the process for accessing those funds, and common pain points previously identified by members.

Discussion themes included:

- Funding cannot solve all problems in the system, but it can incentivize behaviors. Recommendations should include funding systems structured around driving towards what we want to see.
- The current system of setting CCAP reimbursement rates based on market price causes geographic discrepancies that do not reflect actual cost of providing care. An example was given from St. Louis County, the market price reflects the maximum amount families can pay, which

might be lower than other counties – but the cost of providing care isn't lower. This may be true in many counties.

- More discussion is needed around voluntary pre-k and funding pre-k throughout the mixed delivery system.
 - One pain point identified is the hours of pre-k programs can make it hard for families to find after school care, especially for 4-year-olds. One idea is to leverage partnerships to provide onsite after school programs, including employing high school students as a workforce recruitment effort. This idea was noted and incorporated into the access factors recommendations.

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

Next Working Group Meeting: July 14, 2022, 1:00 p.m. – 3:00 p.m.