

Minnesota's early care and education system is essential to our state's economy and the healthy development of our children. In 2021, the state legislature passed, and the governor signed into law, a bill that stated, "it is the goal of the state for all families to have access to affordable, high-quality early care and education that enriches, nurtures, and supports children and their families." The research is clear: when children have access to high-quality early childhood experiences, they thrive in their earliest years. Evidence shows it also enables them, and their communities and economies, to thrive later on. That's why early care and education is critical to our state's success by supporting the current and future workforce and providing the experiences that are an important foundation to healthy child development. But high-quality early care and education is unaffordable and inaccessible for many Minnesota families who need it. Revenue limitations mean that educators and other staff who lead early care and education programs receive limited compensation packages, and these programs (the majority of which are small businesses) operate on slim or non-existent profit margins. Consequently, there are shortages of programs and educators – shortages that have been exacerbated by the COVID-19 pandemic and continue today. There is an urgent need to improve affordability, access, and compensation within the early care and education field. Simultaneously, there is an opportunity to reimagine Minnesota's early care and education system and to address problems thoughtfully to strategically advance our economic competitiveness as a state. We can and must do better.

Investing in a comprehensive, mixed delivery early care and education system is essential to our state's nearand long-term well-being. The early care and education system is critical for the state in multiple ways:

- For **young children** to have healthy social-emotional, cognitive, and physical growth during a critical time in their brain development;
- As an essential support for **parents and other caregivers** to participate in the workforce, further their own education, or meet other family obligations; and
- For the growth and vitality of **Minnesota's economy**, providing businesses with the ability to have a consistent workforce today and a well-educated workforce in the future.

An accessible, affordable, high-quality early care and education system is good for children (the future workforce), good for parents and other caregivers (the current workforce), good for businesses (needing workforce) and in turn, good for the economy and society as a whole.

The legislation that established the Great Start for All Minnesota Children Task Force directed it to establish a plan and implementation timeline to address the challenges in today's early care and education system. Embedded within the legislative charge are three key goals:

- **1.** Creating a system in which family costs for early care and education are affordable;
- **2.** Ensuring that a child's access to high-quality early care and education is not determined by the child's race, family income, or zip code; and
- **3.** Ensuring that Minnesota's early childhood educators are qualified, diverse, supported, and equitably compensated regardless of setting.





The Task Force underwent an intentional process to center children and families from historically disenfranchised communities, work across diverse stakeholder perspectives, and build on previous work and successes achieved in Minnesota. Through this process, the Task Force created a vision for an early care and education system in Minnesota that provides all families affordable, accessible, and effective early care and education services; operates as a sustainable system; and uplifts programs and the early care and education workforce. To achieve its vision, the Task Force calls on leaders in Minnesota state government to align and commit to long-term investments in

a reimagined early care and education system, prioritizing historically disenfranchised communities. Detailed challenges of the current system and recommendations to address these challenges are included in  $\underline{\text{the full report}}$ . Most notably, the state should do the following:



- The state should dramatically expand affordability of early care and education programs through a new "Great Start Minnesota Program", blending existing federal and state funding streams, along with additional funding.
- All families would be eligible for the program, no family will pay more than 7% of their income for early care and education.
- The program must promote family choice among provider and program types that best meet family needs, and it must remove barriers that have prevented family participation in existing benefits programs.
- Leading up to this new system, the Task Force presents recommendations in the full report to make meaningful, near-term improvements to existing programs to improve affordability and access for families now.

## Provide early childhood programs with adequate funding to deliver effective services for children and families.

- The state must fairly fund providers for the services they offer. Minnesota should pay programs based on the true costs of services rather than "market rates," which are used today for benefits programs. Current rates are limited by the prices families are able to pay, rather than a rate that would cover the full cost of care and allow for fair workforce compensation.
- Funding should be provided in a stable, transparent, consistent, and equitable manner, with simple administrative processes.
- Programs should be paid in advance of services and not on a reimbursement basis and paid based on enrollment rather than attendance.



## 3

## Pay the early care and education workforce a living wage.

- The early care and education system has been subsidized by paying the early care and education workforce below living wages. Poor compensation and lack of support and acknowledgement leads to persistent workforce shortages and the inability to recruit new employees.
- Minnesota must invest in early care and education programs to enable them to dramatically increase compensation for early educators and other members of the workforce by paying at least a living wage.
- The state should implement a compensation framework that increases early care and education wages aligned with experience and education, and benefits, including paid time off and health insurance, should be provided.



## Invest in increasing access to effective programs.

- To provide all families with access to an effective early care and education environment in the location of their choice, Minnesota needs:
  - Consistent and equitable standards and growth-oriented accountability systems;
  - A healthy business environment and clear, consistently-applied regulations;
  - And a cohesive, high functioning infrastructure and ecosystem.
- By combining these with an appropriately compensated and supported workforce and fairly funded programs, Minnesota can achieve a high-quality, effective early care and education system statewide.



The Task Force was directed by legislation to lay out a plan to achieve the legislative goals, including an implementation timeline running from July 2025 through July 2031. This plan and timeline appear in the full report. However, children, families, the early care and education workforce, employers, and whole communities need our action today. As such, this Task Force implores state leaders, organizations, and communities to act decisively and immediately to address the state's child care needs and set Minnesota on a stable and sustainable path where all families have access to affordable, high-quality early care and education that enriches, nurtures, and supports children and their families.

