

EARLY CARE AND EDUCATION CRISIS WORK GROUP 2022 LEGISLATIVE PRIORITIES

Regardless of what happens at the federal level, there are 31,000 low-income Minnesota children under age five who *still* can't access high-quality child care programs. This early learning opportunity gap is at the root of Minnesota's worst-in-the-nation achievement gaps. Most of those children will enter kindergarten before any potential new federal funding comes their way.

At the same time, Minnesota faces a severe shortage of early care and education (ECE) programs that threatens our families, children, and economy.

Given the state's \$7.7 billion general fund surplus and over \$1 billion in still unallocated American Rescue Plan Act federal funds, there is no better time address those two crises, by taking these steps.

Fund Early Learning Scholarships for High Needs Children. In all regions of Minnesota, parents are facing a severe shortage of quality child care programs. In market economies, supply of services grows when consumer demand increases. Therefore, to increase the supply of quality programs, we must stimulate new consumer demand, by funding Early Learning Scholarships for the 31,000 children described above. Beyond addressing the shortage, this also would address a major cause of Minnesota's worst-in-the-nation achievement gaps, which pose such a huge threat to the future of our children, communities, and economy.

Demand Use of Best Practices for Child Care Assistance Program (CCAP) Children. Now that CCAP reimbursement rates are at or above the 30th percentile, we should ensure that CCAP supports are linked to quality, via the Parent Aware Ratings, and that children receive continuous access to quality care from birth to kindergarten entry. Requiring quality standards is necessary because research indicates

that children in low-quality programs can actually be set back. If this reform is enacted, expansion of CCAP is warranted.

Expand Subsidies for Lower-Middle Class Families. After all 31,000 children who cannot access quality early learning programs are fully served, demand could be further stimulated by expanding eligibility for Scholarships and/or a reformed version of CCAP to include families earning up to 300% of the Federal Poverty Guidelines (FPG).

Increase Supply of Quality ECE Programs. We support programs that build supply of newchild care capacity, as long as they are linked to quality, as measured by the Parent Aware Ratings, and tailored to meet the needs of communities and provide appropriate support to all types of early learning programs.

More Quality Improvement Help. To help expanding and new providers get up and running, we must expand quality improvement, capacity-building, coaching, and technical assistance initiatives.

Leverage Data for Continuous Improvement of Programs/Policies. To improve ECE initiatives, we must strengthen data collection, analysis, and reporting about children's program participation and outcomes, as recommended by the Minnesota Legislative Auditor's 2018 Report.

Establish Department of Early Care and Education. To make ECE funding streams more accountable and streamlined, we should create one state department to coordinate all related policy and funding.

The full report elaborates on these recommendations, and is available at www.thinksmall.org/crisis.

