

# Minnesota digs itself C36.10 into hole on child care

PIONEER PRESS DEC: 15 '05

There's a line of people that starts at the steps of the state Capitol and snakes through every community in Minnesota. Waiting in that hypothetical line is every group that believes it deserves the money that has finally become available in Gov. Tim Pawlenty's 2006 state budget forecast issued late last month.

Yet those who deserve to be at the front of that line can't even hold a place in it because they're too busy trying to figure out who can watch their kids while they go to work. One single mother in Maplewood is looking for a roommate to help pay for housing for her and her 2-year-old daughter, after her child care co-payment skyrocketed from \$63 a month to \$508. Another parent had to sell her car even though she had just accepted a new job in Eagan, because the

state deems her poverty-level income enough that she no longer receives child care assistance. And there's a double-income family with three kids in Fridley that got a two-week notice from the county that their assistance would be terminated, so the mother quit her job to stay home with the kids. These sorts of things don't make sense. Our state is doing things that make it harder for families to be self-sufficient.



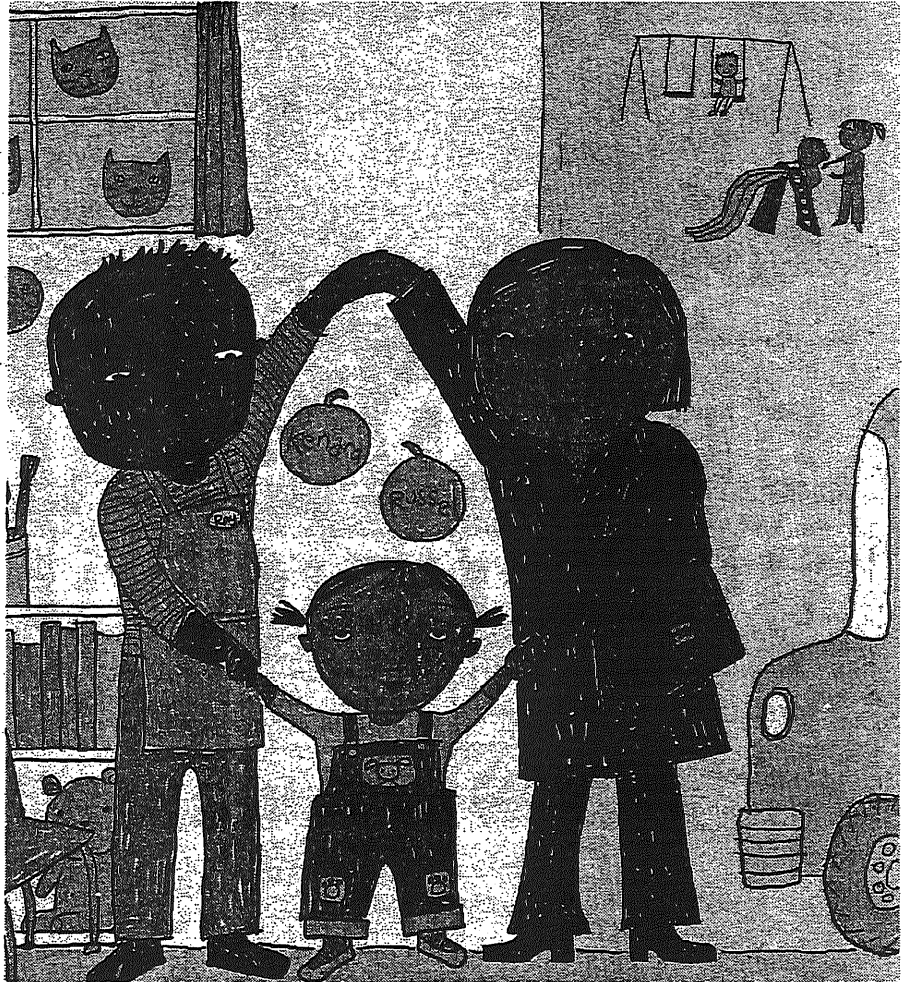
ANN  
KANER-ROTH

In 2002, child care advocates predicted Minnesota was on its way to becoming a "cold Arkansas" — that Minnesota would eventually dip so low in the rankings as to rival the likes of Arkansas, a state that ranks among the lowest in standards, accessibility and quality in child care.

Then, many more in our community expanded that bleak outlook to compare our state to Mississippi, which is even lower in the rankings and, not coincidentally, ranks dead last in child well-being. Now the prediction has come to pass: Minnesota is ranked below both Arkansas and Mississippi in the level of subsidies that help low-income working families pay for child care. In fact, we've hit close to rock bottom, ranking 34th in income eligibility nationally.

Ironic, isn't it, that our state, with the highest number of working women and one of the lowest unemployment rates, can't keep up when it comes to its investment in child care? We've slipped so far that we've caught the attention of the federal government.

In a letter dated Sept. 15, Joyce Thomas of the U.S. Department of Health and Human Services wrote to Kevin Goodno,



KNIGHT RIDDER TRIBUNE

commissioner of the Minnesota Department of Human Services: "We are concerned that a system of child care payments that does not reflect the realities of the market makes it economically infeasible for many providers to serve low-income children — undermining the statutory requirements of equal access and parental choice." She goes on to say that Minnesota's current system "may not ensure access to child care of a comparable quality as care purchased by parents of higher income who are not eligible for assistance."

Child care is a "public good": We should invest in care because it supports our youngest citizens and benefits all of society. In fact, economist Art Rolnick of the Federal Reserve estimates a \$17 return on investment to taxpayers for every \$1 invested in early childhood education. Just like strong buildings need solid foundations, young children require a good foundation to be

successful in life.

Minnesotans have a tradition of accomplishing what they put their minds to. If we want to, we can create a child care system that is affordable for all families.

Pawlenty has indicated in a number of presentations across the state that he is moving to the next stage of his governorship — a stage during which a top priority will be investing more in early childhood education. Maybe, with the new budget forecast, he's ready to look beyond those standing in line waiting for money for things like stadiums and check in on families that are hunkered down, jobless, waiting for the break they need to get back to work.

*Kaner-Roth is executive director of Child Care WORKS, a statewide coalition of organizations and individuals that have been educating about and advocating for quality care in Minnesota.*

# Minnesota a leader in kids' health coverage

C36

● Our data show that the state's share of low-income, uninsured children isn't going up.

STAR TRIBUNE DEC 18 '05

By KEVIN GOODNO  
and DIANNE MANDERNACH

The Dec. 12 editorial "Covering kids or moving backward?" reached the mistaken conclusion that we have lost ground in our quest to ensure that all Minnesota children have adequate health care coverage, and it leaves the impression that we have particularly failed low-income kids.

The numbers simply don't bear that out. According to Minnesota Department of Health data, nearly 95 percent of Minnesota children have health care coverage. The uninsured rate among low-income children in Minnesota is substantially lower than the national rate. About 12 percent of low-income children are uninsured, according to MDH da-

ta. The MDH numbers are based on household surveys with larger sample sizes and a survey intended to measure health coverage, as opposed to the data source used by the Georgetown University study cited in the editorial. The Georgetown study itself indicated that its data were used because that was the only way to make state-by-state comparisons, and that individual states may have more accurate state-specific information. In addition, the number of Minnesota children enrolled in public health care programs between 2001 and 2004 increased by 55,400, from 267,600 to 323,000.

In making its arguments, the editorial missed three important points.

First, it contends that the percentage of low-income children without health care coverage went up from 1996-97 to 2003-04, citing the Georgetown report.

In fact, the change in percentage of children without insurance in Minne-

sota was statistically insignificant in the report. The MDH data showed essentially the same thing — there was no increase in the percentage of uninsured low-income children in Minnesota between 2001 and 2004. Minnesota kids essentially held their ground at a time of unprecedented budget pressures. That's good news.

Second, the editorial failed to explain why other states are making such rapid progress with the federal program known as S-CHIP. Minnesota has been well ahead of the game in providing health insurance for low-income children. In 1993 we launched MinnesotaCare, which became the model for S-CHIP.

The fact that we had generously expanded health care coverage for children meant that we were not able to fully take advantage of S-CHIP funding to cover additional children. Our progress naturally "slowed" compared with other states as they followed our lead and began catching up

to our significant head start.

It's also important to note that we are a very generous state, providing coverage to families with higher incomes than other states. Children under age 2 in families with incomes up to 280 percent of the poverty line are eligible for state health care programs; so are children age 2 and older in families with income up to 275 percent of poverty.

Finally, the editorial claims that budget reductions proposed by the Pawlenty administration and enacted by the 2003 Legislature are partly to blame for the supposed downturn in coverage for kids.

There's no question that 2003 was a difficult time economically for the state, and as a large part of the budget, human services needed to make significant reductions. But our core principle in making these reductions was to first protect the most vulnerable — chief among them children.

We did require more frequent eligi-

bility reviews to make sure people really qualified for our programs, which caused some children to lose coverage. We also eliminated most coverage for those who were in the country illegally or for a limited time, which also affected some kids. But our goal was to protect kids, and to a remarkable extent, we did. In fact, since January 2003 more than 14,000 children have been added to Minnesota's public health care programs.

United Health Care again this month named us the "healthiest state" — a distinction we have held for 10 of the past 16 years. That doesn't mean there's not room for improvement, but Minnesotans should be proud that we continue to be a national leader in providing health care coverage for our children.

Kevin Goodno is commissioner of the Minnesota Department of Human Services. Dianne Mandernach is commissioner of the state Department of Health.

# Editorials

Editorials represent the institutional voice of the Star Tribune. They are researched and written by the Editorial Department, which is independent of the newsroom.

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STAR TRIBUNE DEC 11 '05 C36

# Covering kids or moving backward?

• A new study suggests that Minnesota has lost its lead.

Between 1996 and 2004, something remarkable happened in the nation's health care system. The number of adults without health insurance went up and up, yet the number of uninsured children went down and down.

Using an innovative federal program known as S-CHIP, the nation's governors extended medical insurance coverage to some 4 million children, and the percentage of kids without insurance plummeted.

In Minnesota during that same period, something equally remarkable was happening: The share of poor children without health insurance was going up. In fact, Minnesota was one of only nine states where the percentage of low-income children lacking health insurance went up between 1996 and 2004.

While the percentage of poor children without coverage dropped 21 percent nationally, in Minnesota it rose by 11 percent.

These numbers are contained in a sweeping new study from Georgetown University, but they will come as no surprise to anyone who has watched Gov. Tim Pawlenty and the Legislature these last three years.

By insisting that Minnesota fix its budget deficit without raising taxes, they had to make dramatic cuts in the state's health care system — chiefly Medical Assistance for poor families and MinnesotaCare for the working poor — and in so doing they whittled away steadily at a system that had made Minnesota a national leader.

While the governor and the Legislature focused on adults, the state's own forecasts showed that several thousand children would lose coverage they otherwise would have had.

State officials say their own data, using a different and more accurate survey, show a lower rate of uninsurance than the Georgetown study and a steady increase in the number of children on public programs. But the Georgetown study suggests that this expansion still was not enough to keep pace with need at a time of rising poverty rates, or to keep up with other states.

As lawmakers debated changes to Medical Assistance and Minne-

sotaCare, Republicans argued that Minnesota was so far ahead of other states that they could squeeze and squeeze and still leave their state a leader.

Well, not quite. The Georgetown study shows that Minnesota remains slightly above average in covering low-income kids, but that it has slipped from No. 7 to No. 22. That is to say, behind states such as Alabama, Arkansas, Maine, Nebraska, South Carolina, Wyoming and Michigan.

This isn't just about bragging rights among states, or even compassion for the poor. Health insurance for children is an indicator of a state's long-term thinking and capacity to innovate.

Research shows that children with health insurance are more likely to have regular doctor visits, less likely to miss school, less apt to suffer complications from ailments such as asthma and ear infections, and less likely to develop chronic diseases as they age.

When a state insures its children, it is insuring its future. It's time for Minnesota to stop thinking of these children as a liability and remember that they are an asset.

Of course it's good to see Minnesota's budget back in the black after three years of arduous work at the Legislature. But it's misleading and shortsighted to say that Minnesota hasn't suffered because of the choices lawmakers made.

### THE UNINSURED

How Minnesota has ranked in health insurance for low-income children:

- 1996-97: No. 7 (tie)
- 2003-04: No. 22 (tie)

### SOURCES OF COVERAGE

Minnesota has long had the nation's lowest percentage of uninsured people. But a new study by the Kaiser Family Foundation shows that this is due mainly to employer coverage, not government programs. The share of low-income Minnesotans with private health insurance in 2001 was far above the national average, while the share using public programs was roughly at or below the national rate.

## EDITORIALS

# Where it all begins

C36.10

## Wilder study zeroes in on state's child care challenges

PIONEER PRESS DEC 8 '05

The public perception of early childhood education is changing. First, it's more accepted that children thrive in high-quality early childhood programs that prepare them for kindergarten. What appears as "play" to a child may also educate. Second, a good child care program ties in nicely with a successful welfare reform program. Newer employees leaving public assistance need stable, affordable child care in order to keep a job.

And now for the hurdle: Low-income families can't afford the better programs. Their kids might be in the care of a relative or older sibling who is clueless about or indifferent to academic enrichment. Later, on their first day of school, these 5-year-old children are already academically and socially behind their peers. The achievement gap gets an early foothold.

A recent study by the Wilder Research Center examined the difficulties low-income families have with child care in Minnesota. Working families with the lowest incomes spend 28 percent of their income on child care, according to the study that was commissioned by the Minnesota Department of Human Services.

Those low-income families also report that they pretty much take whatever child care they can get, especially if they do not speak fluent English. Also, relatives, friends and neighbors provide almost half of the child care in Minnesota at all income levels. Finally, a third of the families who are eligible for a child care subsidy don't receive one, presumably because they are not aware of their eligibility.

If perceptions of early childhood education are changing, they're moving slowly in light of the above factors. Our recommendations are these:

- Revisit state changes to child care co-pay amounts and eligibility requirements. We know of families who once paid \$32 in monthly co-payments for childcare who now pay \$200. The co-payment increases and changes in eligibility based on income created hardships and instability among some Minnesota families. The study reported that the average annual cost for child care was \$5,781.

- Acknowledge the link between stable child care and stable employment for parents. Without the first, the second is impossible.

- Encourage employers to inform their employees about pre-tax child care opportunities offered through work.

- The Wilder study recommended that grandparents be able to take Early Childhood Family Education classes that would help them develop youth-enrichment programs. ECFE could also offer classes to older siblings who are responsible for child care and child safety. We agree with both suggestions.

- Realize that the achievement gap has roots in inequities in school-preparedness. The gap will never close if children of color do not receive early enrichment programs.

- See the overlaps between quality child care, job stability and student achievement.

The solutions might take restored resources and a different attitude on many levels toward early childhood education and equity. Minnesota needs all the talent it can foster, and owes a special obligation to its most vulnerable and youngest residents.

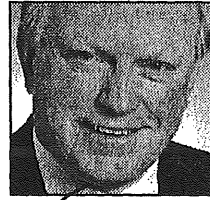
# Cutbacks made by Legislature hurt quality child care

PIONEER PRESS DEC 6 '05 C36.10

It should not come as a surprise that the vast majority of Minnesota's child care centers lack the quality that we as a state should expect (Pioneer Press story, Nov. 29). Indeed, after several years of decreased funding and devastating cuts to child care by the Legislature, we should hardly expect otherwise.

In 2003, the governor and Republicans in both the House and Senate made \$86 million in cuts to state child care programs, the most drastic being a freeze on child care reimbursement rates at the 2001 level. They also eliminated incentives to improve quality, tacked on new fees for child care centers and increased co-pays for families on child care assistance.

These added costs meant child care centers were unable to improve their quality of care and, in many cases, had



✓ JOHN HOTTINGER

to close their doors altogether. In fact, the cost of child care has increased so rapidly that many low-income families have completely dropped out of child care, leaving more than 20,000 children unaccounted for in

terms of what kind of care they receive while their parents are at work or school.

Recognizing the harm imposed on parents and child care centers when the governor proposed this past legislative session to continue the freeze, the Senate DFL plan lifted the freeze and restored some of the cuts to child care. The Senate Early Childhood Committee, which I am honored to chair, also put forward a number of initiatives to improve quality and give parents the tools they need to make informed decisions about child care and prepare their children for kindergarten. Our proposal over-

whelmingly passed the Senate.

Unfortunately, the Republican-controlled House of Representatives doesn't even have a committee devoted to early care and education and therefore few of these issues received hearings in the House. As a result, some of the larger funding issues for child care were dealt with in the Health and Human Services Conference Committee and therefore got lost in the shuffle when having to figure out how to fund health care.

Given these barriers, the Senate accepted a final outcome that will hurt Minnesota families, including indefinitely extending the child care freeze — \$61 million worth — and doing nothing to improve quality. Minnesotans are accustomed to a high quality of life and expect quality schools and safe communities, but unfortunately the tradition of excellent and affordable early childhood care and education programs in Minnesota is being diminished.

Some of the larger funding issues for child care got lost in the shuffle when having to figure out how to fund health care.

The bottom line — which the article correctly points out — is that if we want to improve the quality of child care in the state, we're going to have to find a way to pay for it.

Research shows that the No. 1 economic development, crime reduction and educational policy improvement of the state would be to invest resources in our youngest citizens. I believe this is an investment well worth making.

*Hottinger is a DFL state senator from St. Peter. He chairs the Senate Early Childhood Policy and Budget Committee.*

E12-72

# St. Paul's choice: Invest in pre-K

STAR TRIBUNE DEC 5 05

● Preschool education deserves more support from the state.

The national and local research is clear: When youngsters arrive at kindergarten ready to learn they are more likely to succeed in school. That's the thinking behind the St. Paul school board's smart decision to retain programs next year for more than 500 4-year-olds. Understanding the value of a solid educational start, directors voted to allocate about \$2 million to the programs, even though that amount will likely have to be trimmed elsewhere from the district budget.

They should not have to choose between preparing the littlest learners and other worthy programs for urban K-12 kids. St. Paul and other Minnesota schools need more state help for early education.

Unfortunately, in recent years, legislative actions have moved in the opposite direction. Millions have been cut from early education programs such as ECFE (Early Childhood and Family Education) and Head Start. And for the first time in three years, the Legislature has chosen not to fund the state-wide school readiness survey.

St. Paul programs at 13 sites, including the community kindergarten for low-income children, English language learners and special education students, were financed by the state through the 2003-04 school year. But that funding was cut when Department of Education officials decided the district could not spend kindergarten funding on 4-year-olds. So for the

## MINNESOTA PRESCHOOLERS

• A 2004 state Department of Education school readiness survey found that only about half of all 4- and 5-year-olds entering school were fully prepared for kindergarten.

• For more research information, go to Ready for K ([ready4k.org](http://ready4k.org)); the Foundation for Child Development ([ffcd.org](http://ffcd.org)); or the National Institute for Early Education Research ([nieer.org](http://nieer.org)).

past two years the district has supported the programs on its own.

In Minneapolis, the successful High Five program was scaled back, leaving hundreds of needy 4-year-olds without a quality preschool experience.

A plethora of local and national studies show that's the wrong way to go. For every dollar invested in preschool, society gets three to four dollars in return. To their credit, the Legislature's Early Childhood Caucus is working to bring that message home to their colleagues.

Usually an education leader, Minnesota has been lagging in this arena. Now that news of a surplus has brightened the state's economic forecast, preschool funding should rise on the priority list.

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# Visions of fiscal plums dance in her head

STAR TRIBUNE DEC 4 '05



**Lori Sturdevant** columnist

• State surplus prompts thoughts of needs that have gone underfunded for too long, like child care and student aid.

Wish lists and letters to Santa are back in season. I wonder how many lists and letters were spoiled on Wednesday, when state government leaders announced that the shiny new surplus in the current two-year budget was already spoken for.

Ah, what Minnesota could do with an extra \$700 million!

Not that I begrudge the school districts that money, mind you. It was borrowed from them in 2002 and 2003, via the bookkeeping artifice of delayed payments. Those payments need to be put back on schedule, if for no other reason than to make them available for borrowing again some soggy day. This newspaper stands foursquare for sound manage-

ment of the public purse, and I know enough to stand foursquare with my employer.

But I'm permitted a little fiscal musing now and then — and after the magically disappearing state revenue surplus was revealed last week, my musings turned to Lisa Nihart.

Nihart is a 29-year-old mother of three children, ages 7, 3 and 9 months. She and her husband live in Fridley. He works as a shop technician; she's a veterinary clinical assistant. Together, their take-home pay was, until recently, about \$2,600 a month. That's not much for a family of five, but with the help of a child care subsidy from the state, they were getting by.

In fact, because that program

allowed Nihart to move her kids from an elderly neighbor's care to a New Horizons center, her kids were thriving. "I saw significant improvement. My daughter's verbal skills were much better," she said.

All that came to an abrupt end in October, when Nihart received notice from Anoka County that her child care subsidy was being withdrawn. The reason she was given: insufficient state funds.

Her costs at New Horizons would increase from \$171 per month to an impossible \$675 per week.

Nihart said she cried when she told the New Horizons staff that her children wouldn't be back. She scrambled for alternative arrangements for a few weeks, to no avail. Very unhappily, she told her employer that, at least for now, she is only available to work on Saturdays.

She also applied for welfare. "I don't know where else to turn," Nihart said. "Why do

they take away the help that families need the most?"

Dear Santa: Please put a few hundred million spendable dollars on the state's balance sheets — and then make legislators see that the \$150 million they've cut out of child care subsidies in the past three years should be restored.

Put it back in a way that gets more low-income kids into high-quality programs. Then Lisa can go back to work, knowing that her kids are getting the preparation they need for school.

Hmm. That's only \$150 million. Can I have another \$100 million for higher education — and can it go mostly to student aid?

The big tuition increases in recent years have been especially hard on students from families with incomes less than \$60,000. The State Grant Program's assumption that even the poorest student should be able to come up with 46 per-

cent of the cost of his or her college education isn't realistic — not with the price of a year living on campus at the University of Minnesota now topping \$18,000.

A recent University of Minnesota report says that, between 1992 and 2002, college participation rates for students from Minnesota low-income families fell 17.2 percent. That's not acceptable in a state that wants to be a knowledge-economy contender.

Then how about \$50 million to take the edge off the double-digit property tax increases that are popping up all over the state right now? Not every property owner needs to be spared. Many of them still owe an amount that's affordable and reasonable, compared with what comparably housed peo-

ple in other states pay.

But lower-income and fixed-income homeowners need help, and Minnesota has an income-related property tax relief program tailor-made for them. It's called the "circuit breaker" for short, and it could stand a \$50 million infusion just now.

That adds up to \$300 million. Say! That's just about the amount left over in the state treasury from the last two-year budget — \$317 million. That money has been parked in something called the Tax Relief Account — but that account has been used in a variety of ways in the past. Maybe it can be again.

Maybe Minnesota has a Santa Claus.

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C36-10  
EDITORIALS

EARLY CHILDHOOD EDUCATION WORKS

# Focus on the smallest among us

PIONEER PRESS DEC 2 '05

**W**e'll say it again. And again. Children absolutely and positively need high-quality daytime care while their parents are at work. Why?

The kids who are the most academically, emotionally and behaviorally prepared for kindergarten arrive there from child care programs that teach rather than baby-sit. Yet in Minnesota and Wisconsin, few children receive what they need and crave, mostly because the effective programs cost more.

An evaluation by Child Trends, a nonpartisan research organization, shows that nearly all of Minnesota's 3- to 5-year-old children attend licensed child care centers that meet minimal thresholds for excellence. Only 25 percent were rated "good." Four percent were below minimal standards. The remainder of the centers fall into a vast middle ground of mediocrity. The children are safe, yes. They're fed and protected. But their caregivers are not trained to help them develop academically and emotionally.

A comparison to a Wisconsin study of a year ago isn't perfect, but it does give a snapshot of the overall quality of child care in that state. In December the Wisconsin Child Care Research Partnership and the University of Wisconsin released rankings of 1,392 child care settings. Forty-six percent were ranked as "mediocre" in quality. Only 5 percent were ranked as superior; 23 percent were above average. The study was the foundation of an initiative by Wisconsin Gov. Jim Doyle to rank child care centers on the basis of quality, and provide monetary awards to the best centers. The proposal was defeated along party lines.

It's not like any of this should come as news. Fed economist Art Rolnick has shown us the return on investing in early education. The drumbeat about quality early childhood programs has sounded from pulpits and podiums across the state. Archbishop Harry Flynn and Lutheran Bishop Peter Rogness focused on quality early education programs in their "Focus on Poverty" tour early this year. Educators, business owners and elected officials in the Itasca Project developed the "Mind the Gap" report that advocated for an improvement in early childhood programs. Several Itasca members, joined by members of Greater Twin Cities United Way, produced "Close the Gap: A Business Response to our Region's Growing Disparities." There, too, quality early childhood education was emphasized. University of Minnesota President Robert Bruininks, long an advocate for high-quality early childhood programs, heads Itasca's early childhood task force.

Yet in the next breath, someone will scream about that pesky achievement gap between white and minority children. Why is the state and its public education system failing its kids of color?

Young children in the care of trained child care teachers who hold college degrees in early childhood education learn more. Child care programs that include professional curricula teach more. What appears to be play can double as an enriching academic exercise, if the right people are in charge. And yes, child-care centers with trained professionals do cost more.

The Ready4K child advocacy group is working toward a rating system now that informs parents of the quality of programs. The Ready4K plan could recommend that parents who pay the child care sliding fee would pay less if they chose a high-quality child care program. Or the group may recommend that the state advocate for higher federal child care tax credits that would benefit middle-income families.

Does Minnesota really want to close the achievement gap? A part of that solution surfaces only if the smallest learners get the help they deserve.



# Editorials

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STAR TRIBUNE OCT 20 '05 E12.72

## State should study school readiness

• A valuable survey of kindergartners had the plug pulled.

Surveys of kindergartners in the last three years have been a canary-in-the-coal-mine indicator for Minnesota's future — and a sputtering canary at that. That's why it's a shame the survey isn't being conducted this year. It wasn't funded by the 2005 Legislature.

The surveys found that fewer than half of the kids tested were fully ready for the math and language lessons that kindergarten offers them. About 12 percent were badly behind in preliminary learning in social areas; the remainder were judged "in process."

In today's education-driven economy, those are disturbing findings. They spurred interest in the quality and availability of early childhood education in Minnesota, rallying business people, educators and policymakers to common cause for little kids — until the plug got pulled.

It's not that the state Education Department did not want the survey continued. In fact, said state early childhood/school readiness specialist Barbara O'Sullivan, the department wanted it enlarged. Surveys in 2002, 2003 and 2004 sampled 5 percent of kindergartners; the department wants a 10 percent sample, combined with parent interviews. That would carry about a \$500,000 price tag, she said.

If that sounds steep to legislators, they should think again about the information's value. The survey's findings were more than at-

ention-getters. Knowing which children are coming to school poorly prepared, and in what ways they are lagging, is essential to helping them catch up.

Gleaning that knowledge does not make Minnesota a "nanny state," as some conservatives claim. It puts helpful information in the hands of those already entrusted with the nurture of young lives.

The Legislature continued to support voluntary developmental assessment of younger children by school districts, and allowed those assessments to be made as early as age 3. That's a positive step.

But the Legislature said no to appeals by mental health professionals to include a standardized social and emotional development assessment in those screenings. That decision, too, needs rethinking. A child's social and emotional growth is an important component of school preparedness. Refusing to assess it makes the screening incomplete, and deprives parents of an early alert that might forestall real trouble for a schoolchild later.

There is nothing constitutionally, developmentally or morally magic about age 5 when it comes to education. In fact, research suggests that the most important learning in a child's life happens before age 5. If this state is serious about educating every student to his or her full potential, then, at a minimum, the state should monitor the learning little kids do.

### READY FOR SCHOOL?

Last year, a survey of Minnesota children about to enter kindergarten measured their readiness levels in five categories and showed where the most help was needed.

Category	Not ready	In process	proficient
Physical development	4 percent	30 percent	67 percent
Personal, social development	9	39	51
The arts	7	40	53
Language and literacy	13	40	47
Mathematical thinking	12	42	46

Source: School Readiness Year Three Study, Minnesota Education Department, 2004

# Early childhood education plan that's worth a look

PIONEER PRESS OCT 16 '05

We've long been fans of Minneapolis Federal Reserve economist Art Rolnick, who has made a name for himself arguing in favor of the importance of early childhood education.

Elz. 72

He has also made a name for himself by being one of the most pointed critics of public financing of private enterprises, including sports stadiums. Indeed, he argues quite convincingly that the only net economic development to result from the building of the Metrodome is the patio at Hubert's, the sports bar across the street from the stadium.



Art Rolnick



Rob Grunewald

We'll part company with him on his "no net benefit" argument on stadiums but think he has an interesting new proposal when it comes to early childhood development. Instead of investing the state's money in new stadiums for the Gophers, Twins and Vikings, Rolnick and fellow Federal Reserve economist Rob Grunewald argue that the money should be spent on a scholarship fund for families with at-risk children. Their paper, "A Proposal for Achieving High Returns on Early Childhood Development," argues that any successful program must also include parent mentoring.

## PAY FOR PERFORMANCE

What's new — and somewhat controversial — in this latest study is that the authors argue that the scholarships should be outcome based, "meaning that they would include incentives for achieving significant progress toward the life and learning skills needed to succeed in school." That's important because it can

be argued that current government programs are underfunded, many also fall short when it comes to accountability. Under Rolnick's plan, parents would be free to choose the provider and all providers would be accountable for specific results. In short, the program would make use of market forces and, unlike previous government programs, have a specific measurement and a definition of failure.

To defend this new approach, the economists note that Head Start only gets about \$7,000 per child, but estimate that funding a high-quality preschool program requires between \$9,500 and \$15,000. Most would see this as a funding problem, but Rolnick and Grunewald think administration is the bigger obstacle to success.

"We think Head Start is underfunded," the authors write. "We do not, however, think the problem can be solved by more funding alone. Another top-down, heavily bureaucratic system "is unlikely to yield consistently high returns." Instead, they propose a more market-oriented system that "keeps decision-making about individual programs at the micro level with (early childhood development) providers."

## ADMINISTRATIVE OVERHEAD

To make their point, Rolnick and Grunewald cite "Noble Bet," a 1996 large-scale demon-

stration project that hoped to serve 7,600 at-risk kids ages birth to 5 in Pittsburgh. The average cost per child was estimated at \$4,000 to \$5,000 and \$59 million was budgeted over a five-year period. Where the program got bogged down was in administrative costs.

"Money and decision-making flowed from the central oversight board, through neighborhood organizations and ultimately to (early childhood development) providers." The result?

"Three-and-a-half years into the program, the initiative fell far short of its enrollment targets. Instead of enrolling 7,600 children, fewer than 700 were being served."

Why?

The program costs were much higher than projected and significant resources went to the program's "infrastructure and the bureaucratic abyss," the authors note. And the program left out perhaps the most important component to early childhood development: parents. "Instead of resources going directly to parents, they are spent on projected infrastructure needs of the industry."

## A SCHOLARSHIP FUND

Rolnick and Grunewald propose that a test program in Minnesota be more market-oriented by creating a permanent scholarship fund for all at-risk children. This would require establishing a \$1.5 billion trust — about equal to what it would cost in public and private funds to build stadiums for the Gophers, Twins and Vikings. Invested in corporate AAA bonds, the fund would earn about \$90 million a year, enough to serve all the at-risk 3- and 4-year-olds in the state and pay for parent mentoring and teacher training.

"Providing (early childhood development) to at-risk ch-



## MORE INFORMATION

The Federal Reserve's early childhood investment proposal: [www.minneapolisfed.org/research/studies/earlychild/draft\\_eed\\_proposal.pdf](http://www.minneapolisfed.org/research/studies/earlychild/draft_eed_proposal.pdf)

provides the highest rate of public return," the economists argue.

Surely readers don't need reminding that the greatest blemish on the state is our continued failure to educate children of color. Minnesota suffers from one of the widest educational achievement gaps between whites and blacks in the nation.

We agree with the Fed economists that simply throwing

more money at the problem isn't going to fix it. Some urban schools already spend upwards of \$15,000 per child when state and federal money is factored in. And, as Rolnick and Grunewald note, the so-called education premium is greater than ever.

"Twenty years ago the education premium, the average value of a college degree (four years or advanced degrees) over a high-school degree, was worth 40 percent more in terms of lifetime earnings," the authors wrote. "Today that premium has grown to over 70 percent, and we think it is still growing."

Moreover, early childhood education done right yields impressive results.

"The total benefit cost-ratio is now estimated at \$17 for every dollar invested," the

authors said. "The benefit-cost ratio in respect to benefits that went to the general public is almost \$13 to \$1."

"We find that the return to (early childhood development) is extraordinary whether compared to most dollars invested in conventional economic development or even to opportunities in the private sector," Rolnick and Grunewald argue. "If using public subsidies to influence the location decision of private companies is the wrong way to promote economic development, what is the right way? Invest in human capital."

While we don't see the two sorts of investments in the stark either/or terms outlined by Rolnick and Grunewald, we strongly support their push for more spending on early childhood education. It's just a smart investment.

# Child care

## *Cuts in state aid hurt the poor*

It's a choice between evils for too many low-income families.

With fewer state child-care dollars available, many parents are forced either to accept low-quality, cheaper child care or to leave their children alone — or with siblings who are too young to baby-sit. And when good care options dry up, working poor parents often worry about their kids during work and rack up frequent absences in order to handle care crises. Some are forced to quit their jobs to stay at home with kids, an alternative that can drive them deeper into poverty and government dependence.

Lower-income parents don't deserve to be backed into that kind of corner. Instead, federal and local government should enhance child-assistance programs and stop cutbacks on those budgets.

Doing so would address negative trends found in a recent study by the National Women's Law Center in Washington, D.C. Its survey of national child-care programs showed that between 2001 and 2004, most states decreased assistance and remained at less than adequate levels in 2005. Minnesota is among the states that have lost the most ground; the law center's report found that this state has slipped to the middle of the pack on several indicators and ranks 40th when comparing median incomes and child-care eligibility.

Since 2003, Minnesota has cut just over \$200 million from child-care assistance programs. Those reductions prompted eligibility changes that denied more poor families child-care

help. Lawmakers also increased parent copays and froze reimbursement rates for providers — despite the fact that their costs have gone up.

Some local legislators argue that the state's benefits for child care are still generous and that the law center report fails to acknowledge recent gains. But that view is questionable because many families opted out when eligibility became tighter. The needs didn't decrease or go away; the state simply made it harder for families to access state help.

Minnesota has generally made substantial progress toward helping its lower-income residents. Through the Minnesota Family Investment Program (MFIP) and other efforts, recent census data shows that the state has a 7.2 percent poverty rate, less than half the national average. And relative to other states, Minnesota employment rates are high — including the fact that about 75 percent of all women in the state have jobs.

Yet those gains could be eroded if child-care support for all those workers continues to drop. In addition to the problems parents encounter with limited options, the children's futures are also put at risk. Research shows that attending quality day care or preschool gives economically disadvantaged kids a better chance to succeed in school.

As the law center report illustrates, government cuts in child-care support have had bad consequences. Minnesota can and should do better for its youngest disadvantaged citizens.

## EDITORIALS

CHILD CARE SPENDING  
PIONEER PRESS SEP 22 '05

C36.10

# Minnesota eating its seed corn

New statistics on state child care spending show a widespread disconnect between what is known about the advantages of a good-quality child care program, and an unwillingness to adequately fund those programs in Minnesota.

A report from the National Women's Law Center shows that states across the country have made reductions in subsidized child care programs. Minnesota is among them, with tightened eligibility requirements and reduced provider rates over the past three years.

Disadvantaged children who attend high-quality child care programs start school just as prepared as children from the middle class. A formal child care program that uses an academically enriching curriculum greatly equalizes opportunity.

Yet support for child care programs ebbs and flows in Minnesota. Hundreds of families dropped out of child care programs when co-pays increased after the 2003 legislative session. Child care providers, too, felt the pinch when their reimbursement rates were frozen three years ago. State DFLers successfully won back some child care funding this past session. Starting in January, child care providers will receive a 1.75 percent reimbursement increase, for a total of \$7.2 million. Families, too, will welcome reductions in co-payments for a total state cost of \$4.1 million. The total state budget for child care subsidies in 2006 is \$168.5 million. That will rise to \$175 million in 2007.

While we welcome this renewed commitment from the state, the see-saw funding approach creates its own set of problems. Families who were declared ineligible are now eli-



KIGHT RIDDER TRIBUNE

gible; child care centers can finally expect a small bump that barely makes a dent in inflationary losses over the years.

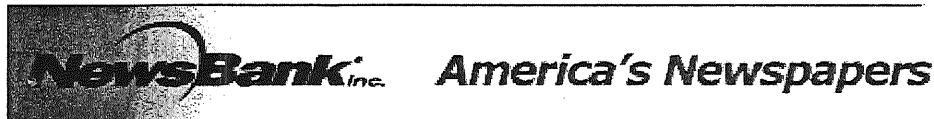
We'd prefer a binding commitment for child care that outlasts political storms. This might sound revolutionary, but the issue is nonpartisan. Children who start school without a solid foundation fall behind and stay behind throughout the elementary grades. Later, they're more likely to drop out of school and become unem-

ployed or underemployed. The need for educated workers grows by the year. It's incumbent on every adult with any influence on a child to ensure that he or she is ready to learn, a goal that extends past party affiliation.

In addition, access to affordable child care is an essential steppingstone from the welfare rolls to a job. If we really want to help poor people make the transition from welfare to work, we need to invest in child care and stop viewing such

spending as a convenient target in tough times.

Minnesota, once a trailblazer in educational initiatives, now falls somewhere near the back of the pack with its child care programs, says the National Women's Law Center. The 2006 funding increase should brighten the horizon somewhat, and aim the state in the direction of adequately funding child care and early childhood programs. It's time to connect the dots as a state and do what's best for kids.



Paper: Star Tribune: Newspaper of the Twin Cities (Minneapolis, MN)

Title: Minnesota's driver

If education, says Rolnick

July 31, 2005

A new state budget has finally been set. But the debate that delayed it until one week past shutdown has continued in subsequent weeks: What was the best thing the 2005 Legislature did to secure Minnesota's economic future? Was it sparing the state's biggest businesses and top earners - the "job creators," in Gov. Tim Pawlenty's parlance - from a tax increase? Or was it boosting the state's investment in education?

The top research economist at the Minneapolis Federal Reserve Bank says there's no contest. "Education is what it's all about," Art Rolnick told a Citizens League audience last week. "Nothing else comes close in importance." A summary of Rolnick's talk can be found at [www.citizensleague.net](http://www.citizensleague.net).

Spending on transportation and health care are important, he allowed, but they don't drive the economy. Taxing business minimally is a good goal, because those taxes fall invisibly and regressively on labor and consumers, he said. Minnesota could do better in that regard.

But overall, low taxes aren't the key to economic success, Rolnick argued. If they were, high-tax states like Minnesota, Massachusetts and New Jersey would not have thrived in the last three decades. If they were, we'd add, the new auto assembly plant being built by Toyota wouldn't be in Ontario, Canada, but in one of the Southern states that were offering the Japanese automaker huge tax incentives.

If education is what matters most, then Minnesotans should take care to sort the spin from the facts about the 2005 Legislature's education investment. The increase in K-12 funding is being sold as the biggest in more than a decade - and in nominal dollars, it is. But that claim relies on a combination of state and local dollars, and does not take inflation and enrollment change into account. Considering just state spending and comparing inflation-adjusted dollars per capita, Minnesota's K-12 investment in the new biennium will decline 1.4 percent from the previous one.

Higher education also received a welcome funding increase this year. But the boost went only halfway toward restoring the state money the University of Minnesota and the MnSCU system lost in 2003. Adjust for inflation and expected enrollment growth, and the nominal increase for the next two years washes out to almost flat funding per student, as the graph below shows.

New money was in shortest supply for the learners whose education might matter most - those up to 5 years old. Despite efforts by Rolnick and a spirited advocacy coalition of business people and educators to step up investment in early learning, Head Start and Early Childhood Family Education got tiny increases. Support for child care for low-income families was cut so deeply that high-quality, center-based care - the kind that produces the best school readiness results - was put out of the reach of most of them.

Minnesotans need to tune out the crowing politicians, look at the trends in education funding, and ask: If education is the driver in today's economic race, is Minnesota going to stay among the leaders?

Fewer dollars for scholars

State funding per full-year-equivalent student in the MnSCU system, adjusted for inflation since 2000. Estimates are made for 2005-06 and 2006-07:

'99 \$5,148 (base year)

'07\* \$3,628

\*Estimate

Source: MnSCU

(Microfilm for complete chart).

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Section: NEWS

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# Who pays?

## Skimp on child care, and all do

"Most people pay for their own child care," explained state Rep. Fran Bradley, R-Rochester, during a House debate on July 13, when he was asked why child care financing help for low-income families was shrinking again in the human services spending bill he sponsored.

So it is. Of the 670,000 Minnesota children under age 12 who spent time last year in the custodial care of people other than their parents, only about 56,000, or 8 percent, were from families who qualified for a state subsidy. To be eligible for the help, a family of three must have an annual income below \$28,158 when it enrolls. Thirty-two states — including Mississippi — set their eligibility limit higher.

All but the poorest of families that receive state help also pay a portion of their own child care. Child care copayments are pegged to a family's income. In addition, child care providers whose rates exceed the state's reimbursement — last year, about half of all child care centers and a third of licensed family-based providers — expect families to pay the difference.

It's that expectation that's become a rub for low-income families. When the 2003 Legislature froze reimbursements at the 2001 level, many low-income families saw their share of the costs spike to unaffordable heights. The state's help was no longer enough to keep them enrolled.

Some 10,000 children whose family incomes qualified them for a child care subsidy didn't use it in 2004. What those kids did while their parents worked isn't known. But a survey of subsidy-eligible parents in Ramsey County found that 27 percent of them reduced the hours they worked and 12 percent quit their jobs because they could no longer afford child care. Nearly one out of five applied for additional public assistance.

So when formal child care becomes too expensive for poor Minnesotans, who pays? Employers who lose workers, for one. Taxpayers who pay for welfare and food stamps, for another.

But the biggest cost is borne by the children themselves and their contemporaries in the Minnesota they will inherit. Studies show that poor children enrolled in high-quality child care programs score as well on school readiness exams as do more

### WHAT SUSAN PAYS

Susan, a single mom with an infant and a preschooler, has an annual income of 175 percent of the federal poverty guideline, or \$28,158. In 2002, her out-of-pocket cost to place her two children at a child care center would have been \$95 per month. Today, depending on where she lives in Minnesota, the cost ranges between \$287 and \$371.

### WHAT MARY PAYS

Mary is also a single mom with two small children, but she earns \$32,180. In 2002, she would have paid \$151 per month to enroll them in a child care center. Today, she would only qualify for state help if she entered the program when she was earning Susan's wage level or below. With the help, she still would pay between \$448 and \$532 per month.

Source: Child Care Works.

affluent children. That's not true of poor children from informal child care arrangements. Research also says that kids who arrive in kindergarten ready for its lessons have an academic and social advantage that can last a lifetime. Those who arrive unprepared often fail to catch up.

Knowing all that makes it hard to understand why the 2005 Legislature allowed only a measly 1.75 percent increase in the state's child care-provider reimbursement in the coming two years. That skimpy increase is \$61.5 million less than the state would have spent on child care if the reimbursement freeze had been lifted. The result is bound to be more families leaving formal child care arrangements, and more kids arriving at school without the preparation they need to succeed.

Long ago, policymakers held that society's interest in a child's learning did not begin until age 5. That notion is woefully outdated. So should be legislative indifference to at-risk kids who need high-quality child care the most, but whose families can least afford it. What should be obvious in 2005 is that education-rich child care is both a private benefit and a public good, and that making it affordable for all families is a smart investment in a better Minnesota.

# Is third place good enough for Minnesota?

PIONEER PRESS JUL 29 '05

C36

Minnesota is still a wonderful place to raise kids, but a national survey released this week shows slippage in critical areas. Communities, parents and policy-makers need to come together to decide if “pretty good” is good enough when it comes to the status of children in Minnesota.

The annual Kids Count report by the Annie E. Casey Foundation ranked Minnesota third in the country, based on such criteria as children’s health, educational gains and opportunities, and family finances.

The 2005 Kids Count report, based on 2003 data, shows that the state has lost ground in five of 10 measures, stayed the same in three areas and improved in two. Wisconsin also lost ground in five of the measures, but improved its national ranking by one place to No. 10.

Just five years ago, Minnesota topped the rankings and Wisconsin came in at No. 4. The statistics are clearly trending downward.

The areas where Minnesota is slowly losing ground are these:

■ **Increases in child and teen death rates.** Minnesota went from 18 deaths per 100,000 children under the age of 14 to 23 deaths per 100,000 children. The number of deaths among teens rose from 52 per 100,000 teens to 57 per 100,000 teens. Among teens, motor vehicle accidents are the most common cause of death, followed by drowning and burns. Accidental injuries, such as falls, are the leading cause of death for young children.

Common-sense remedies exist to safeguard kids. State lawmakers took the lead this past session by passing a law (which takes effect Monday) that prohibits younger drivers from using a cell phone while driving. The law will cut back on distractions for teen drivers and, we hope, reduce the number of crashes.

■ **Family employment.** In 2000, 23 percent of children lived in families where neither parent had full-time, year-round employment. That changed to 26 percent in 2003, for a total of 322,900 children statewide. That increase was higher than the national average.

We’ve long argued that the state child-care subsidy was an important and wise

investment as families left welfare for jobs. However, child-care funding was reduced by \$86 million for the 2004-05 biennium. The Kids Count report is based on 2003 statistics, which suggest that an even higher percentage of kids now live in families without full-time employment. Ample research shows that a community that invests in its young spends less money later on remedial costs.

■ **Housing.** We weren’t surprised to see that 60 percent of Minnesota’s low-income families with children spent more than 30 percent of their income on housing. That’s the national average.

Several promising housing initiatives are aimed at improving the affordability of shelter for low-income workers and to promote home-ownership. This past legislative session, housing advocates successfully campaigned to reduce property taxes for affordable rental units in 2006. In St. Paul, the Payne-Lake Community Partnership is taking a strategic approach to increasing home-ownership among immigrants, people of color and low-income residents on the East Side. And St. Paul’s Housing 5000 program, which has developed close to 5,000 new housing units in the city since 2002, put an appropriate emphasis on keeping a large percentage of the new homes affordable.

■ **Nuclear families.** Minnesota saw a 5 percent increase in the number of children living in single-parent households, for a total of 282,000 children.

■ **Healthy babies.** The number of low-birth-weight babies increased by 3 percent, to 4,251 births.

In other categories, Minnesota fared better. The teen birth rate decreased by 10 percent between 2000 and 2002. Also, Minnesota, Vermont and Wisconsin had the fewest number of teens who were neither in school nor working.

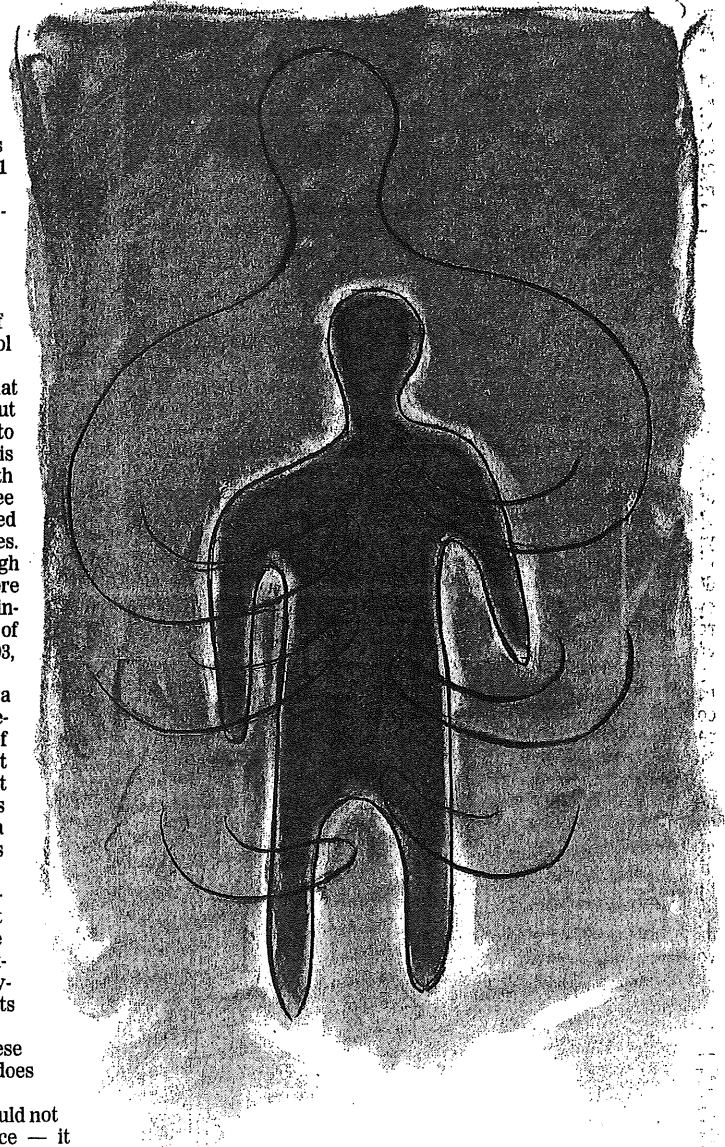
We were also happy to see that the national high school dropout rate declined. Our neighbors to the east and west shined in this category: Wisconsin and North Dakota were among the three states with the most improved high school graduation rates. Thirty-eight states had fewer high school dropouts, nine had more dropouts, and three states maintained the same percentage of dropouts from 2000 to 2003, including Minnesota.

The 2005 Kids Count data book is the 16th composite state-by-state report on the status of children in the United States. It provides an important snapshot of the well-being of Minnesota’s children, this time presenting a good news/not-so-good news result.

Policy-makers who are content with the status quo are apt to express indifference if the state slips further in the rankings. It’s pretty apparent, however, that kids suffer when adults settle for “good enough.”

The downward trend in these indicators bothers us, and it does not invite easy solutions.

What is clear: Minnesota should not settle for second or third place — it should strive to be the best state for raising children.



USEFUL LINKS

**Kids Count report:** [www.aecf.org/kidscount/sld/databook.jsp](http://www.aecf.org/kidscount/sld/databook.jsp)

**Children’s Defense Fund:** [www.cdf-mn.org/kidscount.htm](http://www.cdf-mn.org/kidscount.htm)

# Left behind

## *Needy kids lost child care help*

The final days of state budget dealmaking two weeks ago presented an awful choice: Should money be spent to cover costly cancer treatments for low-income people insured by MinnesotaCare, or on child care for needy children?

The tots lost. The rates the state pays child care providers, frozen since 2001, will be allowed to climb just 1.75 percent in the coming two years. That "soft freeze" saves \$61.5 million.

Sadly, it does not save high-quality, center-based child care for thousands of children whose economic circumstances already place them at risk for underachievement.

The state's skimpy reimbursement to child care providers will make that option unaffordable for thousands of families, and for some, unavailable. Chad Dunkley, CEO of New Horizons Child Care, reports that scores of child care centers have already stopped accepting children whose bills are paid in part with public dollars. More will do so as a result of the Legislature's latest action. In neighborhoods where a majority of children come from low-income families, child care centers have been closing. That trend, too, will continue.

As a result, rather than saving Minnesota money, the Legislature's choice will likely cost taxpayers more in the long run — more in remedial education, social services, corrections, and lost human potential.

Our argument is not that the Legislature made the wrong call at the session's end. It's that the choice that confronted lawmakers was unworthy of this compassionate, prosperous state. Minnesota can afford to both assure the working poor access to lifesaving medicine and give its youngest citizens a chance to succeed. Both are critical investments in the resource most vital in the 21st century — human capital.

The Legislature treats child care subsidies for low-income families as a human services program, making tots compete for funding with the frail, diseased and disabled, or as a worker-support program, aiding employees and employers. That puts kids in the wrong fiscal company.

Child care is better understood as early childhood education, since it is the only preschool most working-class children experience. It ought

### **MORE INFORMATION**

Extensive research on early childhood education issues can be found at [minneapolisfed.org/research/studies/earlychild/](http://minneapolisfed.org/research/studies/earlychild/)

Those who wish to support advocacy on behalf of early childhood education can find out how at [ready4k.org](http://ready4k.org)

to stand alongside other education programs for funding, as Head Start and Early Childhood Family Education already do. If it does, it should compete quite nicely. Quality early education for at-risk kids — of the sort more often found in center-based care than in other child care arrangements — has been shown to produce a higher rate of return than almost any other investment the public sector can make.

While it cut child care subsidies, the Legislature took a baby-step forward with Head Start, which got a \$4 million increase, and ECFE, which got \$5.5 million more. It also scraped up \$1 million for the new Minnesota Early Learning Foundation, a business-backed project to study and expand the best practices in early education. While that's a pittance compared with the \$15 million a business task force sought for the effort, it could be the start of something big.

The Legislature did well to expand preschool screening for 3-year-olds, to detect developmental deficiencies early. But it also should have made mandatory a school readiness assessment for all 5-year-olds, as the business task force urged. Instead, that assessment was not funded, though the state Education Department might be able to continue the spotty assessments done now with existing funds.

Al Stroucken, CEO of H.B. Fuller Co. and the head of the task force, put a chipper face on the Legislature's response to the group's call for more investment in little learners, calling it "a good beginning."

We cannot be as charitable. Taking another \$60 million away from child care subsidies in the next two years, after an \$89 million cut two years ago, is a step backwards for needy children — and for Minnesota's future. If the 2006 Legislature has surplus dollars to spend, child care should have first claim on them.



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Our perspective

~~STAR TRIBUNE MAY 20 05~~

# Indivisible

## *Fund both child care, learning*

Any adult who has spent an hour in the close company of a wide-awake 3-year-old knows that the encounter defies neat description as either "child care" or "education." Those discrete categories can't fully describe adult interaction with a fast-learning tyke. A child's caregiver is her teacher too.

Nevertheless, that false dichotomy persists in the bills affecting young children that the Legislature is this week attempting to reconcile. What the Legislature defines as child care assistance for low-income families is being considered by human services conferees. The K-12 education negotiators are weighing spending for what the lawmakers call early childhood education.

That division might be convenient for grown-ups. But separating state money for little kids into child care and education pots could be harmful for thousands of Minnesota's 3- and 4-year-olds. It allows the Republicans who control the House to claim that they're boosting state investment in preschool education, while at the same time withdrawing \$68 million from child care support for needy families over the next two years.

The House has gone along with Gov. Tim Pawlenty's proposal to continue a freeze in reimbursement for providers of subsidized child care, which is fixed at 2001 levels. That might sound like a crimp on child care centers or licensed family day care providers — and in places where low-income families predominate, it will be. There, child care providers, unable to raise rates, will be forced to cut staff and expenses; some are likely to go out of business.

But elsewhere, the freeze's effect

will be higher out-of-pocket costs for low-income families. Child care providers will raise their rates as usual, and expect low-income families to pay the difference between stated prices and the state's reimbursement. That, in turn, will push some low-income children out of center-based or licensed family day care, and into informal care of unknown quality. By state administrators' estimate, the freeze will cause 700 families per month in the Minnesota Family Investment Program alone to drop out of the subsidized child care program.

How could the 21 House GOP members of the new Early Childhood Caucus find it acceptable to force thousands of poor children out of formal day care? It may be because few of them sit on the jobs committee, where child care subsidy legislation was drafted. More serve on the education committee. The House education bill includes a \$15.5 million increase in Early Childhood Family Education (ECFE), an acclaimed preschool and parenting education program that serves people at all income levels, and is popular in the suburbs.

That's \$5 million more than the Senate spends on ECFE. In the Senate, a single committee oversees all early childhood programs. It rejected the reimbursement freeze, and partially rolled back cuts in eligibility for child care subsidies enacted in 2003, leaving less money for ECFE than the House found. Ideally, both of these strong programs would be fully funded. But in a less-than-ideal legislative session, the Senate's choice better reflects the reality that for 3- and 4-year olds, child care and education are indivisible.

# Child care quality

## *Gaps in the Minnesota system*

Minnesotans go about life assuming that their state is safer, cleaner and more regulated than most places. So for many it came as a shock to open last Sunday's paper and read a special report on child care which disclosed that in Minnesota a day-care center can remain open even after 73 license violations, that an adult can open a day-care operation without knowing even the most basic hazards of Sudden Infant Death Syndrome and that the state requires less training to open a home day-care business than to become a manicurist.

The special report "Child Care: How Safe?" noted that most day-care providers are devoted and skilled people. Child care experts say that most parents are meticulous in choosing a day-care provider and are happy with their arrangements. Nevertheless, the state has an important obligation to ensure high levels of quality and safety, and it is plain from Sunday's report that Minnesota now lags behind many of its neighbors.

This state of affairs is especially galling in Minnesota. The state regularly leads the nation in the proportion of working mothers, with nearly three out of four mothers of preschoolers holding jobs outside the home. These women make a huge contribution to the state's economy, and it's disturbing that the state can't guarantee that their children will be safe while they are at work. Worse, Minnesota was a child-care leader 10 and 15 years ago; most national experts now regard it as an also-ran.

In an industry so sprawling, pri-

vate and diverse as child care, no state can guarantee perfection. But Minnesota needs to study how other states do a better job on several measures:

► **Staff training.** For home day-care providers, Minnesota requires only a one-day course in CPR and first aid, plus six hours of training in child development and child care. The Legislature's attitude seems to be that anyone can be a baby sitter. But there is now substantial research that better training produces better outcomes for young children, a fact that most other states have acknowledged.

► **Surprise inspections.** State officials say they do conduct large numbers of unannounced visits. But that is not required by state law, and child-care providers say that licensing visits, even when technically unannounced, often come on a predictable cycle.

► **Inspectors' workloads.** State statistics show that licensers get to child-care centers more often than the law requires, once every two years. Nevertheless, Minnesota's licensing inspectors have much larger caseloads than their counterparts in Wisconsin, Iowa and neighboring states.

The Legislature has debated these issues periodically, and this year the Pawlenty administration is seeking a modest budget increase for licensing staff. What's most troubling, however, is that these concerns will be dismissed in the Legislature's prevailing "average is good enough" attitude.

Average is not good enough — not for Minnesota, and not for its very youngest children.

# What society loses when we cut child care

By Chad Dunkley

A 4-year-old girl from Bloomington has spent much of the past year living away from her mother and two older siblings.

Her mother can no longer afford child care because her co-pay increased significantly, the result of cuts to child care assistance programs in 2003, so she is forced to drive her little girl two hours away to Grandma's house, where the child stays from Sunday night to Friday night. Each week this family is torn apart. The little girl doesn't understand money, taxes or politics. All she understands is the hurt of being separated.

This family's story is one of hundreds across the state, of working families struggling to find child care options. Those

stories were enough to make 300 business leaders join the Minnesota School Readiness Business Advisory Council (MSRBAC) and take a stand on the state's lack of commitment to early childhood education. Nationally, business leaders and legislators from both sides of the political spectrum are rallying together on this issue, yet in Minnesota, a majority of legislators continues to ignore it and the damage that funding cuts have caused.

In 2003, \$86 million in cuts to child care assistance programs created a string of unfortunate events: parents returning to welfare, child care centers closing and 10,000 children across the state losing the chance to attend a high-quality program that would prepare them for future success. Now the damage is poised to worsen. If proposals

from Gov. Tim Pawlenty and the House pass, another \$88 million could be cut from child care assistance for working families.

Why is it that most political thinking at the State Capitol is all about the next paycheck, the next rebate and the next budget forecast, rather than about long-term solutions? Some legislators want to run the state less like a vibrant economic engine such as 3M — which thrives on innovation and building long-term value — and more like Enron, where the focus is on short-term returns for certain stakeholders.

At a recent early childhood conference, Speaker of the House Steve Sviggum said that while he has read the studies showing a \$17 return for every \$1 invested in early childhood education, it's hard to find the first dollar. This is the kind of

shortsighted thinking that will handicap our state's economic growth. We want our top legislators to think beyond the two-year budget cycle. Could you imagine if the major companies driving the economy of this state thought only two years ahead? There wouldn't be a 3M, a Cargill or a Target Corp.

Someday, that 4-year-old from Bloomington will understand money, taxes and politics. Maybe she'll even run for a state legislative position and become the visionary we so desperately need at the Capitol. In the meantime, we have to take steps to ensure that she and other children have the right opportunities while they're young.

*Chad Dunkley is COO of New Horizon Child Care and president of the Minnesota Child Care Association.*

# State cuts force ECFE to make wrenching choices

PIONEER PRESS MAR 31 '05

As a member of the Early Childhood Family Education Parent/Staff Budget Task Force, I want to clear up a few misconceptions and provide some context to the recommendations we made.

The Pioneer Press Editorial Board (March 24) suggested that a "sliding fee schedule based on income" would be a better way to address budget cuts than cutting programs. In fact, there is already such a scale in place, but it is disingenuous to suggest that increasing parent fees can make up for the cuts inflicted upon ECFE by Gov. Tim Pawlenty and the Legislature.

In 2003-2004, parent fees, based on a sliding fee schedule in which families with higher incomes pay more, totaled roughly \$160,000, or about 3 percent of total revenue. In 2004-2005, in response to budget cuts, fees at higher income levels were raised so that total parent fees made up roughly 4 percent (or \$200,000) of the program's budget. The simple math is that sticking families with higher fees cannot make up for the \$600,000 cut by the governor and the Legislature. The only way for ECFE to balance its budget is to reduce programming.



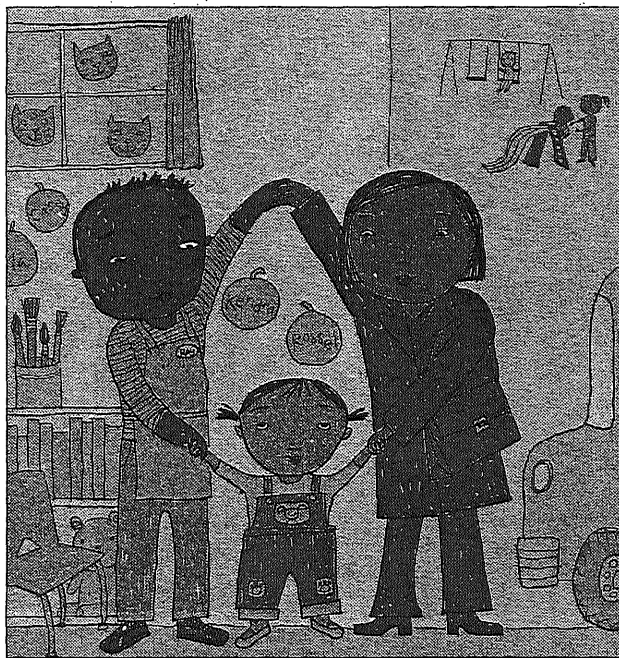
DEREK FRIED

We did not take cutting programs that serve the poorest members of our community lightly. Members of the task force argued passionately that these families were those most in need of ECFE's services. But after much discussion, the consensus was that in this desperate time, ECFE needs to focus on areas where it can generate the biggest bang for its buck.

The Home Visiting Program, for example, was targeted for elimination due to its high hourly cost per family served and the unfortunate reality that the challenges these families face are greater than ECFE can adequately address.

Once the task force came to this sobering and heart-wrenching conclusion, a determination emerged not to balance the budget solely on the backs of the neediest families. After much discussion, we came to a consensus that the best way to even out the cuts was to close the site with the greatest number of higher-income families. Based on analysis of the fees paid through the sliding scale, this turned out to be Highland Park.

This conclusion was supported by the argument that the higher-income families served by Highland Park are the families best able to deal with the cut of ECFE services in their neighborhood. They have access to transportation to get them to other sites and they are in the best position to pay for private enrichment programs for their children. We realized that lower-income families at Highland would be affected, but given the blunt knife we were forced to



KNIGHT RIDDER TRIBUNE

wield, this was the only way we could find to spread the pain across income groups.

Of course, this tough recommendation would not have to have been made had the governor and the Legislature not reduced spending for our children.

Cutting ECFE is woefully short-sighted. For children to succeed in kindergarten, they need to arrive with an ability to follow directions and to interact with other children, as well as excitement about going to school. For families lucky enough to afford nursery school or quality day care, they will arrive with those attributes. For the rest of the community, ECFE is the best shot they have at getting their children ready for school.

Spending on early childhood and family education is not a "cost" that should be frozen or cut in tough times — it is an investment in the future of our children and our community. A recent study by Art Rolnick and Rob Grunewald of the Minneapolis Federal Reserve shows that spending on early childhood education generates a 16 percent rate of return when reduced future spending on things like incarceration are factored in. Which would you prefer, raising taxes now to enrich our children or raising our taxes 18 years from now to put those same children behind bars?

If one of the goals of the state is to close the achievement gap between the haves and the have-nots, then Pawlenty and the Legislature must support ECFE so that agonizing decisions like closing the Highland Park site do not need to be made.

*Fried, of St. Paul, was a member of the ECFE Budget Task Force and has two children enrolled in ECFE at the West Seventh site.*

E12-72

# Bill on early childhood education is deserving

PIONEER PRESS MAR 30 '05

A list of promising initiatives on early childhood education is now before the Minnesota Senate Early Education Committee. At the same time, the House hears similar "child care" initiatives before its Jobs and Economic Opportunity Committee. One emphasizes the education of children; the other emphasizes the employment of adults.

Because both sides often talk around rather than with each other on this issue, a piecemeal rather than comprehensive approach has evolved toward early education. We recommend a coming together not only of terminology but also of intent: ensuring high-quality care for young children that prepares them for kindergarten.

Today an encouraging mix of Republicans and DFLers understands the importance of giving a young child for

But the initiatives are funneled through different state divisions and legislative committees that sometimes use the terms "child care" and "early childhood education" interchangeably. Often, when Minnesota House members talk about subsidized child care, they mention reimbursement rates, poverty levels and "baby sitting." Many in the Senate focus on the educational component of early care.

Rep. Nora Slawik, DFL-Maplewood, introduced a bill early in the session to appoint a state advisory board to develop a coordinated statewide early childhood program. That's an approach that might work to bring the two sides together and get them speaking a common language.

an by Wisconsin Gov. to increase the quality child care programs

there is now before that state's joint finance committee. Doyle would connect a provider's reimbursement to his or her performance based on state standards. A quality rating system is among the Minnesota Senate and House proposals, as well as a plan to increase the compensation to providers who offer academically enriched programs.

As the Minnesota Legislature picks and chooses from its options, we remind lawmakers that they can pay now or they can pay later. An ill-prepared child in kindergarten is tomorrow's high school dropout and the next day's unprepared worker.

The adults in children's lives owe them a clear chance at a good education and academic achievement. Today the definitions and goals of early childhood education are murky.

We hope Slawik's proposal for coordination and efficiency receives approval.

## Keep the consensus for early education

This could be the year. Through budget and bill proposals, legislators and Gov. Tim Pawlenty have given a nod to enhancing early childhood education programs in Minnesota. Examples include more screening of 3-year-olds, coordinating early childhood programs at the state level, setting up a rating system and creating a private-public foundation. Most of these improvements don't arrive with big price tags, yet all hold merit. We hope the wave of bipartisan and private support from business leaders continues.

That's because a ton of evidence points to the positive outcomes of a quality early childhood experience, especially for underprivileged children. Too often the state's youngest pupils arrive in kindergarten without adequate preparation. They start behind and stay behind.

That pattern must stop, and this Legislature, governor and group of business leaders may be the change agents with the resolve to make a difference. Clearly, early childhood education makes a difference — the widely noted High/Scope Perry Preschool Program study showed last year that positive long-term effects throughout the lives of children were attributable to the short-term effects of their preschool education. If the achievement gap between white and minority children in Minnesota is to ever close, the work must start at the beginning of a child's education. More public officials "get" that today.

The understanding is apparent through much of the proposed legislation. In his budget, Pawlenty encourages screening of more 3-year-old children through a financial incentive for school districts to screen kids early. Under the governor's plan, instead of receiving a flat fee, school districts would receive a \$50 screening fee for a child at age 3, \$40 at age 4, and \$30 at age 5.

A Senate bill recommends a gradual increase in screening programs by the age of 3, and a House bill calls for early learning guidelines that would describe what children should know by kindergarten. The same bill would implement a rating system so parents could gauge the quality of the program. While the rating makes sense, the cooperation among legislators could devolve into spitting matches about standards as these bills move through the process. That would be terrible. A consensus carefully gathered by the work of the Legislature's early childhood caucus should go a long way toward guiding good intentions to the finish line.

The proposal to establish a foundation to encourage innovative work in early education should be a winner for Minnesota's future. The foundation would provide scholarships for needy families who wish to enroll their child in an early education program.

All the key proposals to improve early education circle around the fact that children need to prepare for a lifetime of learning. Today many policy makers are glancing at the same page of music. Let's hope that when it's time to sing, they harmonize on the importance of early childhood education.

Our perspective

STAR TRIBUNE MAR 28 '05

# Stop digging

## *Invest again in early ed*

If the recent statewide stir over the need for more and better school preparation for 3- and 4-year-olds was aimed only at getting legislators' attention, victory can be declared.

At last count, 113 of the state's 201 legislators had signed on as members of the Legislature's Early Childhood Caucus. The group is nicely split between Republicans and DFLers, senators and House members. It meets regularly to discuss the issue, and might go so far as to promulgate a platform in coming weeks.

The matter is on the radar of the Legislature's top two leaders, House Speaker Steve Sviggum and Senate Majority Leader Dean Johnson. Both called for more focus on early learning last week at a conference on the issue sponsored by the McKnight Foundation.

If those concerned about the issue also want legislators to stop the state's destructive disinvestment in quality preschool programs that started in 2003, they still have their work cut out for them.

The 2005 Legislature is exhibiting commendable interest in several low-cost but potentially high-yield early education measures. Chances are good that this session will result in more kids being screened at age 3 to assess their progress toward school readiness; more parents and child-care providers knowing what constitutes adequate preparation for school, and more assurance that existing preschool programs financed with tax dollars are of high quality.

But, particularly in the House, it's not yet clear that legislators will apply the first rule about getting out of the hole: Stop digging.

There's been little resistance in the House to Gov. Tim Pawlenty's proposal to continue for two more years the freeze in state reimburse-

ment to providers of child care for the working poor, imposed in 2003. That's a \$70 million item in the governor's budget — a savings that would come at a high cost to at-risk kids. It's expected to put some high-quality child care providers in low-income areas out of business, make quality care unaffordable for many low-income families, and push some of those families out of the workforce and onto welfare.

There also have been few calls among the House's majority Republicans for restoring the 2003 cuts in Head Start, Early Childhood Family Education, School Readiness and other elements of the programmatic infrastructure the state had been building for preschool learning.

The seeming GOP disinterest in putting lost state dollars back into early learning appears to extend to the business community. Those who have been part of a year-old advisory council on the issue have been pushing instead for \$15 million in start-up state money for a new public-private partnership aimed at finding and promoting better early education for at-risk kids.

That partnership, to be called the Minnesota Early Learning Foundation, is a creative venture, deserving of state support. But unless the state stops shrinking existing programs for low-income kids, starting the foundation will amount to giving a dime with one hand while taking away a dollar with the other.

That shouldn't be acceptable to anyone who doesn't like it that only about half of Minnesota 5-year-olds arrive at kindergarten fully prepared for its lessons. If the big Early Childhood Caucus is worthy of its name, its members ought to vow that it won't let more state cuts price any more kids out of preschool.

# Hard times mean hard ECFE choices

PIONEER PRESS MAR 24 '05

To keep the Highland Park neighborhood's Early Childhood Family Education program afloat, other ECFE programs throughout St. Paul are considering a cut to their own budgets. *E12.72*

That's noble, but not practical.

Rather than pressure the St. Paul School District to keep the Highland program open, activists could lobby their state legislators to restore the Early Childhood Family Education funding formula that was cut 20 percent by the Legislature last session, and caused funding shortfalls statewide. ECFE teaches parenting skills to parents whose children are under the age of 5. The program offers some amenities like toys and diapers at its drop-in centers.

Another solution: What about a sliding fee schedule based on income to better cover costs? Least satisfactory is the plan to close the Highland Park program and scale back services at the city's 16 remaining sites. That means all programs will face fewer home visits, reduced transportation options, limited drop-in programs and reduced numbers of hospital visits to new mothers. Trimming the budgets from the most impoverished neighborhood ECFE budgets is contrary to ECFE's most urgent job: to reach needy families.

Of course, the broader question is why limit these programs anywhere in Minnesota? The 20 percent across-the-board funding cut from the state left the St. Paul School District with a \$600,000 shortfall. The district used money from its reserve fund to make up most of the difference. No such reserve exists for next year, and school officials predict that far more dire cuts will occur in the future.

While the district has to hate making these Solomon-like choices between one good program and another, it's also true that its focus must be children. We're definitely in favor of the ECFE programs for their longevity, popularity and effectiveness. Informed parents make better parents. And a truly public education would embrace students of all ages who pursue all kinds of enlightenment.

Yet all school districts must operate with the assumption that no new funding will bail out the ECFE program. At a time of agonizing budget decisions, the current K-12 classroom children should be served first. If reserves must be spent, save it for them.



# Pawlenty administration fails on early childhood commitment

**E**ducation Commissioner Alice Seagren's column (Feb. 6) criticizing efforts to support improved kindergarten readiness was disappointing. Seagren's view contrasts sharply with the supportive efforts for school readiness growing rapidly across the country.

Three weeks ago, the National Governors Association Task Force on School Readiness — chaired by Gov. Dirk Kempthorne of Idaho, a conservative Republican — issued its report "Building the Foundation for Bright Futures." The opening paragraph of the executive summary says it all: "The first years of life are a critical time for development of the foundational skills and competencies that children will need for success in school and in life. Too often, children who enter their kindergarten classroom without these skills and competencies start behind and stay behind. Fortunately, early intervention and supports can help close the gap before it starts to widen. Investments in young children yield high returns and are the best strategy for improving children's odds for a bright future."

Seagren minimized the importance of early brain development by citing an outdated 1999 article by Australian John T. Breuer who she claims is a "highly regarded cognitive researcher." His work, however, is generally described as social-political and has little currency or following. This quote from Gov. Jennifer Granholm of Michigan is highlighted in the NGA report's executive summary: "Children learn more from birth to age 3 than any other time in life. During these years, what we do will affect the way they learn, think and behave forever. As parents, child care providers and concerned citizens, it is our job to ensure that



**JOHN  
HOTTINGER**

our youngest and most vulnerable residents are prepared and ready to enter the classroom."

A committee member, Arkansas Gov. Mike Huckabee, noted that "the best way to ensure children get a good education is to give them a strong foundation in their early years."

A "core principle" noted in the report is that the first five years of life are a critical development period.

Seagren uses the conservative's avoidance practice of postponing vital investments by writing about the need to have a bureaucratic examination of policy approaches and current funding. The necessary information, however, is already here.

The NGA issued "A Governor's Guide to School Readiness" pointing out that children who enter kindergarten with the right skills and knowledge are more likely to succeed in school than are their peers who are less well prepared. The best practices and suggestions for leadership contained in the guide rely on years of research on child development and early learning across several related domains of development. The guide also emphasizes the need for accountability measures and specifically highlights the leadership Minnesota has shown since 1996 in this important area.

Govs. Tom Vilsack of Iowa and Jim Doyle of Wisconsin have been lauded on the editorial pages of this paper for their strong initiatives on early childhood development and education, which they are doing in allegiance to their own "no new taxes" pledges. Gov. Jeb Bush of Florida and various administrations in North Carolina have aggressively pursued programs to make their children ready for school.

In Minnesota, working on a solid base of community-driven successes in promoting early childhood care and education, groups of parents, educators, care providers, legislators and interested citizens have worked diligently over the past months to find even better ways to strengthen our children's readiness for school. The business community has been active in researching and developing approaches to preparing all of our children. The Legislative Early Childhood Caucus — composed of more than 100 bipartisan legislative enthusiasts — held hearings last summer in 14 communities to get the input of Minnesota citizens.

Gov. Tim Pawlenty's inability to provide a vision in this most crucial area for our state's future is one of his most glaring leadership failures. The Senate Early Childhood Policy and Budget Committee will be closely exploring the initiatives put forward by business and community leaders in Minnesota and building upon the excellent work on accountability in which Minnesota has been a leader. We hope to use those ideas to provide an enhanced system of supports for our families and children to meet the goal that No Child Starts Behind in Minnesota's kindergartens.

*Hottinger, DFL-St. Peter, is chair of the Minnesota Senate Early Childhood Policy and Budget Committee.*

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# Missing children

## *Thaw the child care freeze*

...STAR TRIBUNE FEB 8 05.....

Some modest-income families with small children in Minnesota must be wondering about now what Gov. Tim Pawlenty has against them.

The governor's last budget knocked 800 families out of the state's child care support program, and told thousands of parents that if they want to stay in the program, they must pay substantially more — often \$100 or \$200 per month more.

As a result, according to the Children's Defense Fund, upwards of 9,000 children who were expected to be enrolled in state-subsidized child care programs in the year ending last June 30 had dropped out. "We don't know where they went," said the fund's Minnesota director, Jim Koppel. Chances are that their parents found cheap care from a friend or relative — maybe one who is adequately preparing children for school, or maybe not.

Now comes Pawlenty's 2006-07 budget proposal for child care. The governor wants to extend for two more years the freeze imposed in 2003 on the amount the state will pay providers of subsidized child care. That freeze would lock the state's payments through June 30, 2007, at the 75th percentile of rates charged in Minnesota in 2001.

That does not mean child care providers would stop raising their prices. It does mean that, once again, parents would pay a bigger share of those prices, if they can, or drop out of the subsidy program if they can't. The state is actually banking on the latter result. It expects the freeze to save the state \$70 million over two years, in part by putting the out-of-pocket cost for child care out of reach for 700 families in the Minnesota Family Investment Program.

What's supposed to happen to the children in those families and in families served by the state's other support program, called Basic Sliding Fee, whose child care costs will also spike? A state Department of Human Services report issued last month spelled it out: Continuing the freeze will "restrict access to both licensed family child care and center-based care. This might negatively affect children's school readiness and

***In other words, more working parents would stop working and fall back on welfare. More employers would lose steady employees. More kids would arrive in kindergarten already behind their peers, on the losing side of a learning gap that can persist for a lifetime.***

.....  
families' progress toward economic stability."

In other words, more working parents would stop working and fall back on welfare. More employers would lose steady employees. More kids would arrive in kindergarten already behind their peers, on the losing side of a learning gap that can persist for a lifetime. In addition, more child care providers in the state's lower-income areas would go out of business — as 32 did in a nine-county region in northwestern Minnesota during only the first year of the freeze.

Over the long haul, every Minnesotan would pay for the \$70 million the governor's budget says it will save by continuing the freeze on child-care reimbursement rates. In the short term, a good chunk of that \$70 million would be paid by working families least able to shoulder that much of the state's budget-balancing burden. Some of them are the same families the Pawlenty budget would knock out of the MinnesotaCare health insurance program.

Low-income families typically need two kinds of support — health insurance and child care — for parents to get and keep a job. A governor and legislators who would deny those families health insurance and raise their child care costs to unaffordable heights will have a hard time credibly claiming in their reelection campaigns that they are probusiness or profamily. They should thaw the child care reimbursement freeze.

E12.72 E12.53A C64.19  
Let's own early education, too

PIONEER PRESS JAN 30 '05

his recent State of the State speech, Gov. Tim Pawlenty announced his intention to "move Minnesota further toward funding higher education students in institutions."

While this is a strategy sure to find favor with the "ownership society" types, it doesn't look as though gaining access to higher education is the most serious problem facing Minnesota students in the future.

Actually being ready for college might be.

In fact, one finding of the Citizens League report on Higher Education in Minnesota, released last fall, is that many Minnesota



LAURA BILLINGS

students simply aren't prepared for college, no matter how affordable or accessible or world-class our institutions are. The report was the response to Pawlenty's 2004 State of the State speech in which he asked the group to "strategically rethink the future of higher education in Minnesota" and to find out whether our state and its students were ready for the future.

"The short answer," according to Page 7 of the report, "is an emphatic 'no.'"

People still patting themselves on the back about Minneapolis and St. Paul being honored as

LAURA BILLINGS, 5C

## Laura Billings

(continued)

two of the smartest cities in the country might find this report (at [www.citizensleague.net](http://www.citizensleague.net)) to be a little bit of a buzz-kill.

The report acknowledges the good work previous generations did make Minnesota one of the best-educated work forces in the country — including starting the university before official statehood. But it also makes clear we're not living up to our past performance when it comes to educating students of color or demanding that all of our kids are ready for the high-tech demands of the future.

Consider the following trends: Minnesota's current four-year high school graduation rate is 82 percent, but for students of color, the graduation rate drops to less than 50 percent. Forecasts suggest that bridging this racial divide should be a priority. In the next decade, the number of white high school graduates is projected to drop by 19 percent,

while the number of minority high school students will increase by 52 percent, according to the state demographer.

If current trends continue, 84 out of 100 of today's ninth-graders can expect to graduate from high school on time. Fifty-three would enter college directly. Just 38 still would be enrolled their sophomore year. And only 25 would graduate from college within six years. Not great numbers when you consider that a bachelor's degree is now worth 80 percent more in income than a high school diploma.

But the future is even less hopeful for students of color. According to the same projections, only 5 percent of Hispanic students and 3 percent of black students will obtain a bachelor's degree in Minnesota within 10 years. The report estimates this racial divide in educational attainment costs us more than \$1.4 billion annually in lost income.

Even more time and money is lost when college-bound high-

schoolers aren't actually ready for college work. According to the report, some 31 percent of Minnesota public high school graduates who enrolled in higher education institutions in this state had to take one or more remedial courses.

Fortunately, the governor's plans for education do include expanding the post-secondary option that allows high school students to earn college credit, combating "senioritis" and raising our expectations to include at least two years of post-secondary education, a K-14 model recommended by the Citizens League report.

But what students study should be a priority on par with how long they study. Though we're ranked eighth in the country as a high-tech state, that can't be maintained when just 36 percent of our high-schoolers are taking upper level math, only 22 percent are taking upper level science and only 13 percent of eighth-graders are taking algebra.

While the notion of putting money directly into the hands of post-secondary students is innovative (an innovation that

has had mixed results in Colorado), the better investment might be to start long before a student considers which college to attend. In fact, the fine print on Page 12 of the Citizens League report sought by Pawlenty points out some solutions.

"A strong focus on early childhood development, English as a second language, adjusting to increases in children of undocumented immigrants, school choice and other efforts have demonstrated returns on investment. These efforts are not within the specific scope of this study but may have a significant impact on the 'pipeline problem' Minnesota faces."

As we consider all of the education funding proposals at the Capitol this season, perhaps we should consider how we can get more resources into the front of the pipeline, where they can do more good, than at the end of the pipeline, where they may, for many Minnesota students, come too late.

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E12.72

# Minnesota must push for better early childhood education

PIONEER PRESS JAN. 13 '05

Two years ago several programs affiliated with the state Education Department were moved into the state Department of Human Services by executive order of Gov. Tim Pawlenty. The state-subsidized child care program was among them. The nature of the move more closely affiliated "child care" with parental job searches than with early childhood education.

That was a mistake. In fact, I'd take this a few steps further. By another executive order, the state should replace the words "child care" with "early childhood education," and bump the program back to the education realm. Helping needy, worthwhile adults find employment is altogether different from making sure that every child in Minnesota receives an enriched educational opportunity between the crucial ages of 3 to 5.

Additionally, welfare-to-work programs are temporary in nature, with a median stay in Minnesota of 13 months, accord-



DEBORAH LOCKE

ing to the state Department of Human Services. The education of children is long term and, if done well, continues over a lifetime. The two issues are separate and hardly equal. They do have one component in common. For those smoldering with resentment about lazy adults who remain "on the dole," know that two-thirds of welfare recipients in Minnesota are children, whose average age is 3.

Meanwhile, the "Ready 4 K" grass-roots nonprofit group reports that children at age 3 are at a stage of intense brain development. By the age of 5, a child has completed 75 percent of his or her brain growth. Think about it. Tomorrow's movers and shakers are now toddlers, and a few might even be "on the dole." Isn't it in the state's best interests to push for a high-quality educational start for all children, and call it that?

Instead, Minnesota cut the child care subsidy by \$86 million in 2003. In 2004, 18,300 families

received the subsidy; in 2002, 21,300 families received the subsidy.

Those features that prepare children for academic success are a clear priority of Wisconsin Gov. Jim Doyle, who has introduced a system of rewarding academically enriched child care programs. He recently proposed that all child care operations be assessed and receive financial incentives based on the educational components of their programs. Note that our neighbors to the east have more advantages than a progressive governor: That state spends \$300 million each year on child care subsidies. Minnesota spent \$165 million in 2003-04.

Investment matters, according to the "Early Learning Left Out: Public Spending on Children in Minnesota" study by the "Ready 4 K" organization. As mentioned, a child's brain is 75 percent developed by the age of 5, yet in Minnesota, that child has experienced less than 5 percent of the public investment this state will make in his or her education between birth and age 23. That applies to all children, not just those "on the dole."

## USEFUL LINK

"Ready 4 K" online:  
[www.ready4k.org](http://www.ready4k.org)

Remedies exist. First, acknowledge the new research that shows the tremendous growth and academic potential for very young children. Acknowledge that all children deserve an equal educational opportunity in this state. Appropriate accordingly.

Not long ago at one of those huge breakfast meetings on social issues, a man speculated that for all we know, the child with the intelligence and potential to find the cure for cancer attends elementary school in Frogtown. Intellectual firepower knows neither race nor income nor gender nor neighborhood. Children are born with it. Adults have a grave responsibility to see that this precious potential is reached.

Write Locke at [dlocke@pioneerpress.com](mailto:dlocke@pioneerpress.com) or 345 Cedar St., St. Paul, MN 55101.

E12-72  
Seagren's preschool  
training program works

PIONEER PRESS JAN 12 09

While still a state representative, Minnesota Education Commissioner Alice Seagren had an idea to help young children get ready for school. Two years ago she called a meeting of AmeriCorps and Head Start officials and proposed that the two agencies participate in a literacy training program. The AmeriCorps volunteers would then work with the Head Start teachers to focus on improving the literacy of the preschoolers they serve.

This focus is necessary and welcome. By the Education Department's own estimates, 10 percent to 15 percent of the 60,000 kindergartners starting school each year statewide are unprepared for school. About half fall short on one or more measures of school readiness used by the state.

Early data show that Seagren's vision has worked beautifully. Today 67 AmeriCorps volunteers — the equivalent of domestic Peace Corps volunteers — work in Head Start programs throughout Minnesota. An assessment developed at the University of Minnesota shows that the children who had AmeriCorps volunteers in their classrooms made huge strides in pre-reading skills. The cost is \$300,000 for the biennium.

Nationwide Head Start has been a success story since its start 38 years ago. The enhanced literacy component that Seagren pushed should be replicated in every Head Start program in the country. It's good to see the state step out as an education trendsetter again, especially when the beneficiaries are its youngest and more vulnerable residents, 4- and 5-year-olds whose families live in poverty.

The Head Start teachers and AmeriCorps volunteers introduce subtle literacy lessons throughout a day that to an outsider, look more like play. For example, the lunch area can turn into a mock restaurant, where children pretend to "read" menus. A field trip inspires the children to tell their account of the trip, which is written into a book that they illustrate. After so much exposure to the alphabet, words and sounds, many of the 4-year-olds will start kindergarten with the ability to read some words.

That was the goal of former Rep. Alice Seagren, and it should be the goal of every educator and state policy-maker. The Head Start/AmeriCorps literacy focus transforms disadvantaged kids into advantaged kids. How could anyone find fault with that?

# McKinsey & Company

## Early Childhood Development Program Review

February 2, 2006

# AGENDA

- **Introduction**
- **Review of government ECD programs in Minnesota**
- **Defining the path forward**

# ITASCA'S EARLY CHILDHOOD DEVELOPMENT INITIATIVE

## Itasca's observations on ECD

- ECD is critical to social and economic health of region
- Several organizations addressing early childhood development in different ways
- Inconsistent understanding of existing ECD programs
- Challenge from Governor Pawlenty to understand and improve the government-funded ECD system

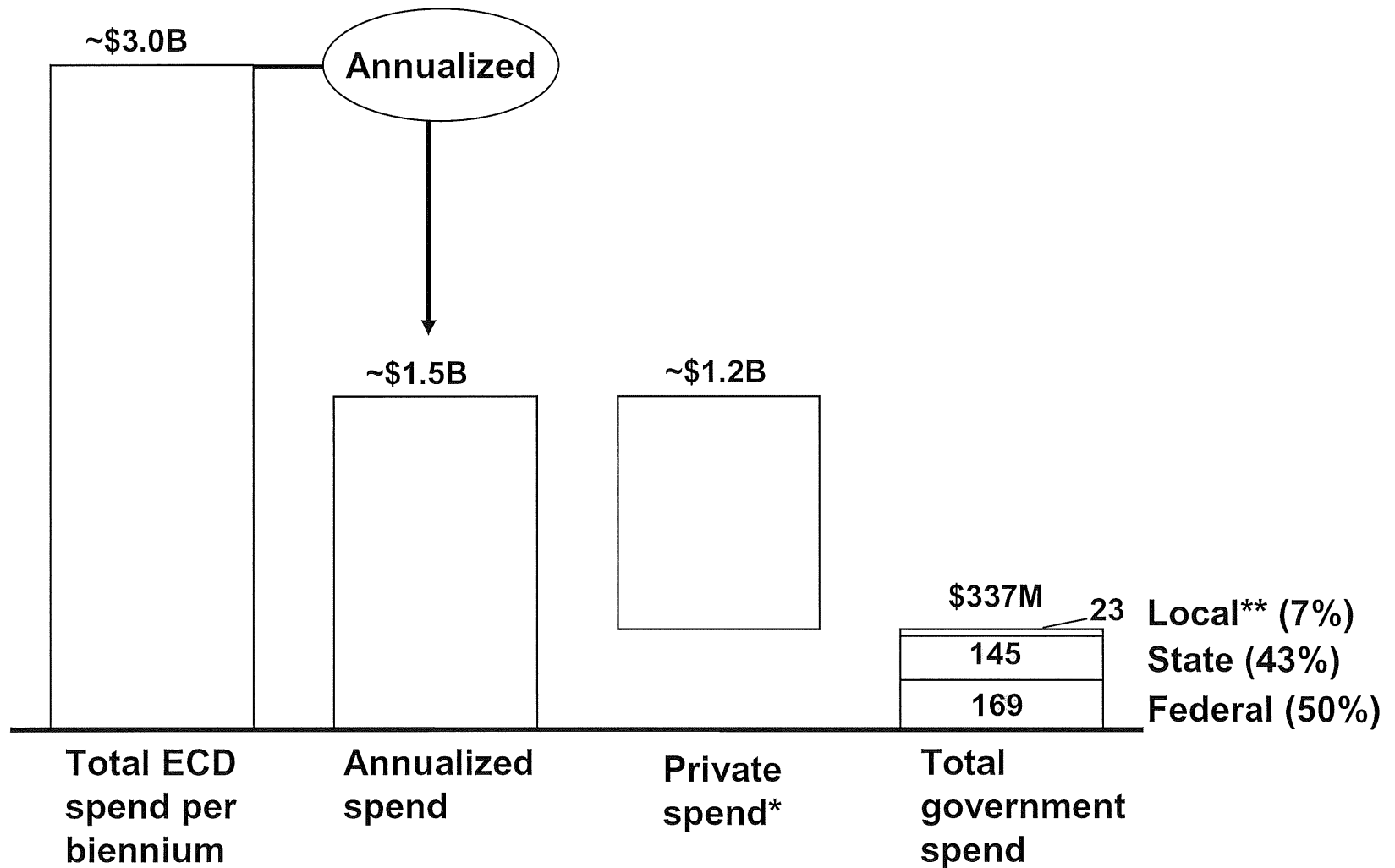


## Itasca's response

- Commissioned a pro-bono study from McKinsey & Co
- McKinsey team performed program review of ECD in partnership with state officials
- Developed a fact base to ensure common understanding of the current system



# ECD SPEND IN MINNESOTA HAS BEEN CITED AS BEING AS HIGH AS \$3 BILLION; THIS NUMBER REQUIRES INTERPRETATION

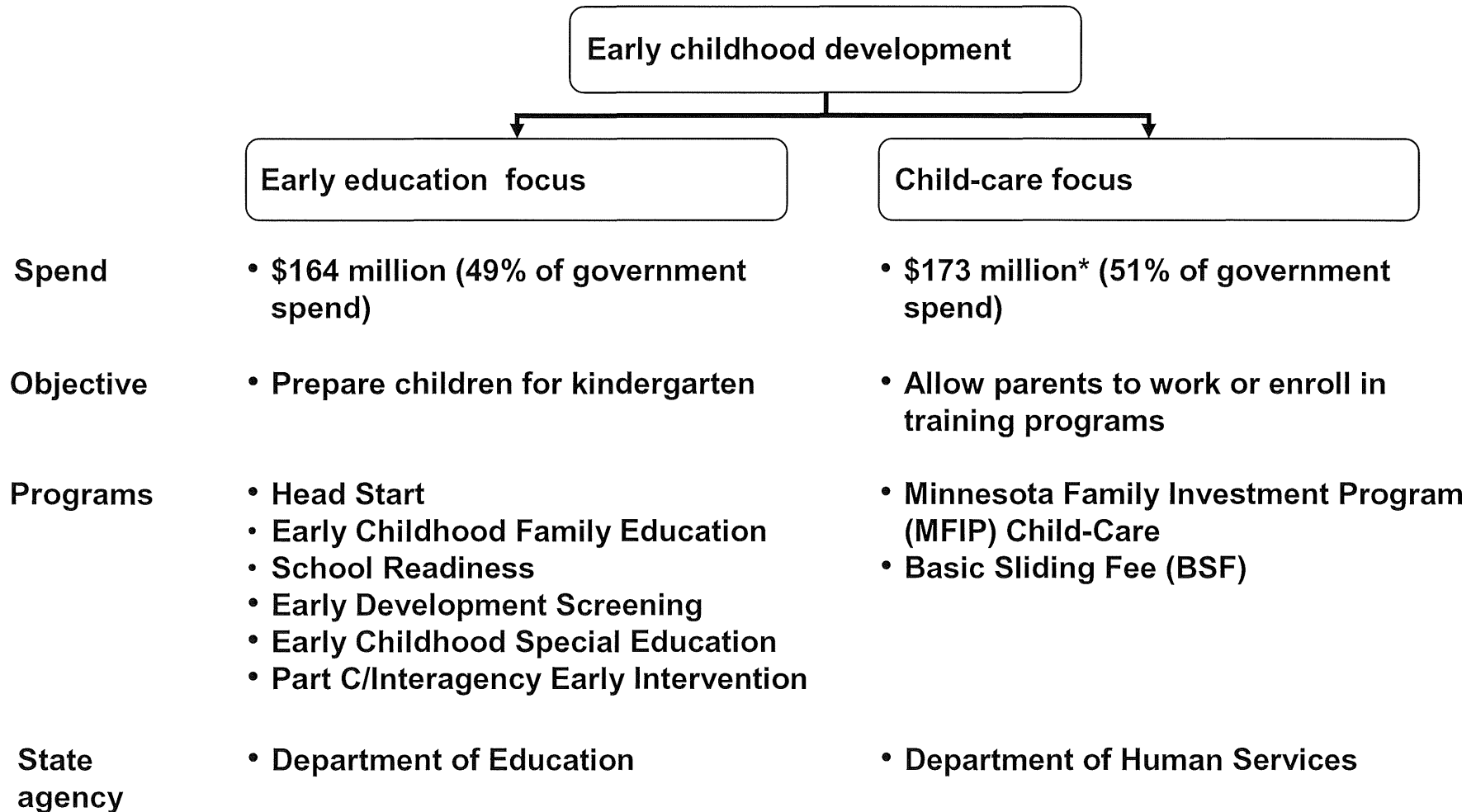


\* Assumes same as in SFY 2002; includes parent fees for private childcare and preschool, co-payments for Child Care Assistance Program, and Early Childhood Family Education fees

\*\* Includes local school district levies for ECFE and county contributions to childcare assistance

Source: Bush Foundation report; Feb 2005 State Budget Forecast; MDE; DHS

# ECD GOVERNMENT SPEND AGGREGATES 2 DISTINCT TYPES OF PROGRAMS – CHILD-CARE AND EARLY EDUCATION



\* Does not include \$10 million for child care quality programs, which include Child Care Resource and Referral, Quality Improvement Grants, training programs, etc

# AGENDA

- **Introduction**

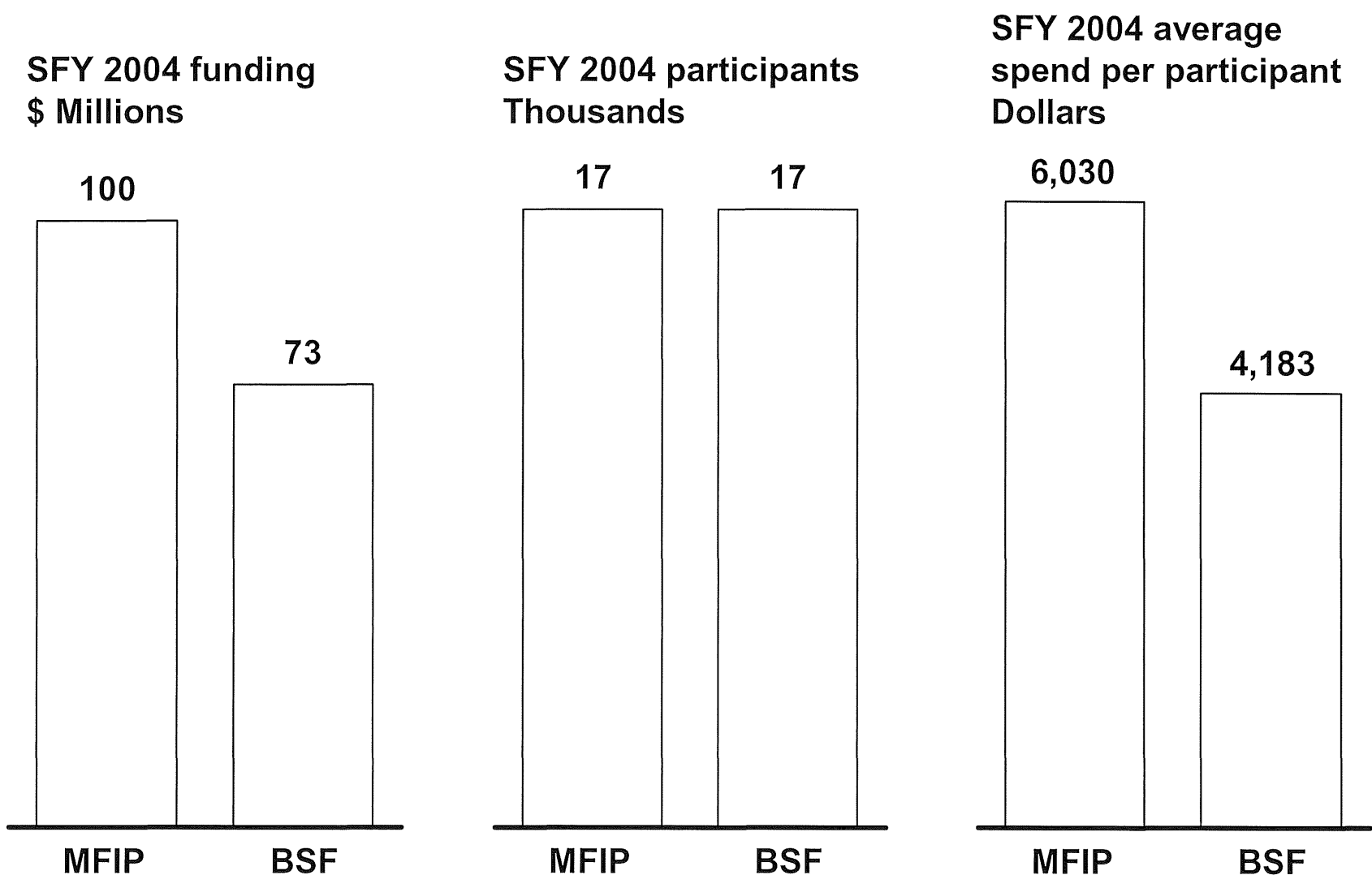
- **Review of government ECD programs in Minnesota**

- **Defining the path forward**

## MFIP AND BSF ARE THE TWO CHILD-CARE PROGRAMS

Program	Program objective	Target “customer”	Program structure
<b>MFIP</b>	<ul style="list-style-type: none"> <li>• Provide child-care support to allow MFIP and transition year (TY) parents to work or enroll in training programs (entitlement for all TY and MFIP families)</li> </ul>	<ul style="list-style-type: none"> <li>• Children aged birth to 12 in families receiving MFIP (welfare) or TY</li> </ul>	<ul style="list-style-type: none"> <li>• Voucher program – payments made directly to child-care provider of family’s choice</li> <li>• Payment based on provider rate, or state cap level</li> <li>• Family must make co-payment to provider based on family income level</li> <li>• Counties are responsible for determining reimbursement rates and administering payments</li> </ul>
<b>BSF</b>	<ul style="list-style-type: none"> <li>• Provide child-care support to allow non-MFIP low income parents to work or enroll in training programs (limited availability based on available budget)</li> </ul>	<ul style="list-style-type: none"> <li>• Children aged birth to 12 in families not on MFIP, with incomes less than 175% of the poverty level upon entrance to the program or 250% upon exit of the program</li> </ul>	

# MFIP AND BSF SERVE A SIMILAR NUMBER OF PARTICIPANTS, WITH BSF AVERAGING A LOWER COST PER PARTICIPANT



# THERE ARE A SIGNIFICANT NUMBER OF ELIGIBLE FAMILIES THAT DO NOT PARTICIPATE IN MFIP AND BSF

Thousands of families – SFY 2004

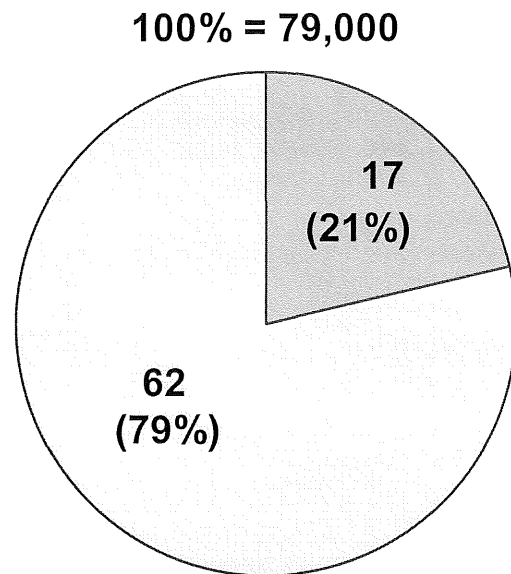
Participants  
 Non-participants

**Eligibility criteria**

**Participation**

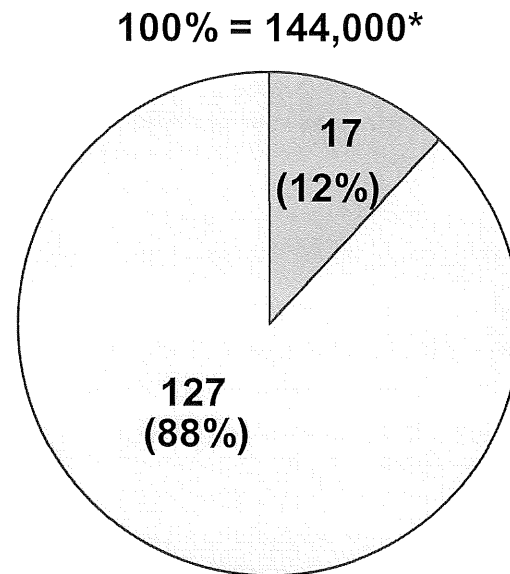
**MFIP**

Under age 12 and below poverty line



**BSF**

Under age 12 incomes less than 175% of the poverty level upon entrance and 250% upon exit



\* Children within 100% - 200% of poverty line

Source: Minnesota State Demographic Center, Population Projections, Oct. 2002; American Community Survey 2003; U.S. Census Bureau (9.4% of children under 18 in MN below poverty); DHS CCAP survey

## THERE ARE SIX EARLY EDUCATION PROGRAMS

	<b>Program objective</b>	<b>Target “customer”</b>	<b>Program structure</b>
<b>Head Start</b>	<ul style="list-style-type: none"> <li>• Provide comprehensive services to increase school readiness of young children in low-income families</li> </ul>	<ul style="list-style-type: none"> <li>• Children from birth to 5 years old at or below poverty level and/or on MFIP, or with high risk factor (10%)</li> </ul>	<ul style="list-style-type: none"> <li>• 36 Head Start grantees funded to create agreed upon number of slots for federally approved programs</li> </ul>
<b>ECFE</b>	<ul style="list-style-type: none"> <li>• Offer parenting skills development programs</li> </ul>	<ul style="list-style-type: none"> <li>• All children from birth to Kindergarten and their parents</li> </ul>	<ul style="list-style-type: none"> <li>• School districts receive funds and design programs within broad state guidelines</li> <li>• Parents charged a sliding fee</li> </ul>
<b>School Readiness</b>	<ul style="list-style-type: none"> <li>• Prepare children to be ready for kindergarten</li> </ul>	<ul style="list-style-type: none"> <li>• Children aged 3 to Kindergarten</li> <li>• Priority to developmentally disadvantaged or high-risk</li> </ul>	<ul style="list-style-type: none"> <li>• School districts receive funds and design programs within broad state guidelines</li> <li>• Parents charged a sliding fee</li> </ul>

## THERE ARE SIX EARLY EDUCATION PROGRAMS (CONTINUED)

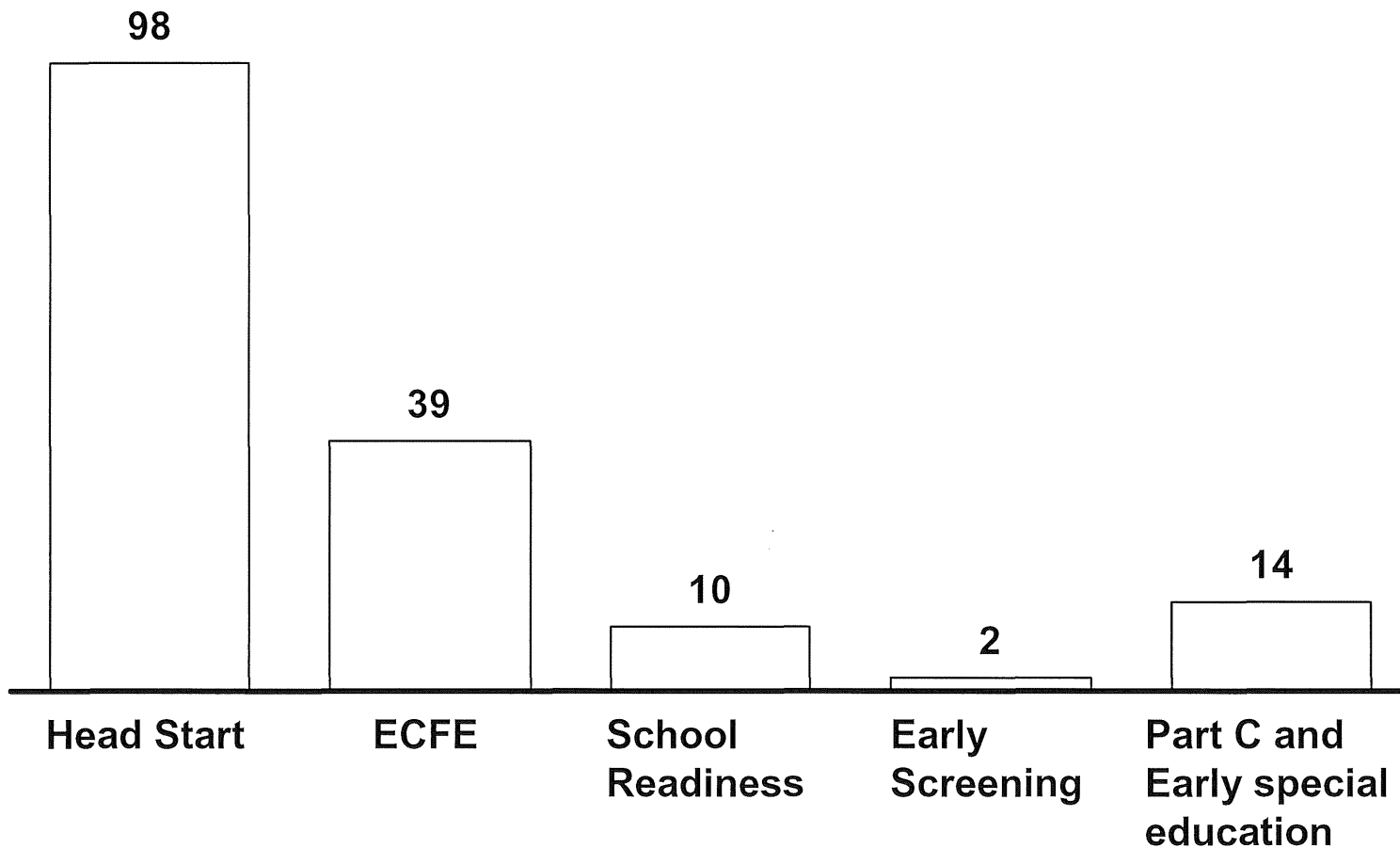
	<b>Program objective</b>	<b>Target “customer”</b>	<b>Program structure</b>
<b>Early Screening</b>	<ul style="list-style-type: none"> <li>Identify potential health, developmental problems or concerns early in a child’s life</li> </ul>	<ul style="list-style-type: none"> <li>All children aged 3 to 5</li> </ul>	<ul style="list-style-type: none"> <li>School districts administer mandated screening and are reimbursed by state based on number of kids screened</li> </ul>
<b>Early Childhood Special Ed</b>	<ul style="list-style-type: none"> <li>Maximize potential of children with identified educational disabilities</li> </ul>	<ul style="list-style-type: none"> <li>Children aged 3 to 7 with substantial delay or disorder in development</li> </ul>	<ul style="list-style-type: none"> <li>School districts receive funds from Federal government and develop program</li> </ul>
<b>Part C/ Interagency Early Intervention</b>	<ul style="list-style-type: none"> <li>Develop and implement comprehensive services to children with disabilities and their families</li> </ul>	<ul style="list-style-type: none"> <li>Children aged birth to three with substantial delay or disorder in development and their families</li> </ul>	<ul style="list-style-type: none"> <li>Federal government funding provided to interagency committees, counties, school districts, and health service agencies to coordinate services*</li> </ul>

\* All funding provided by the Federal government, the state administers the program



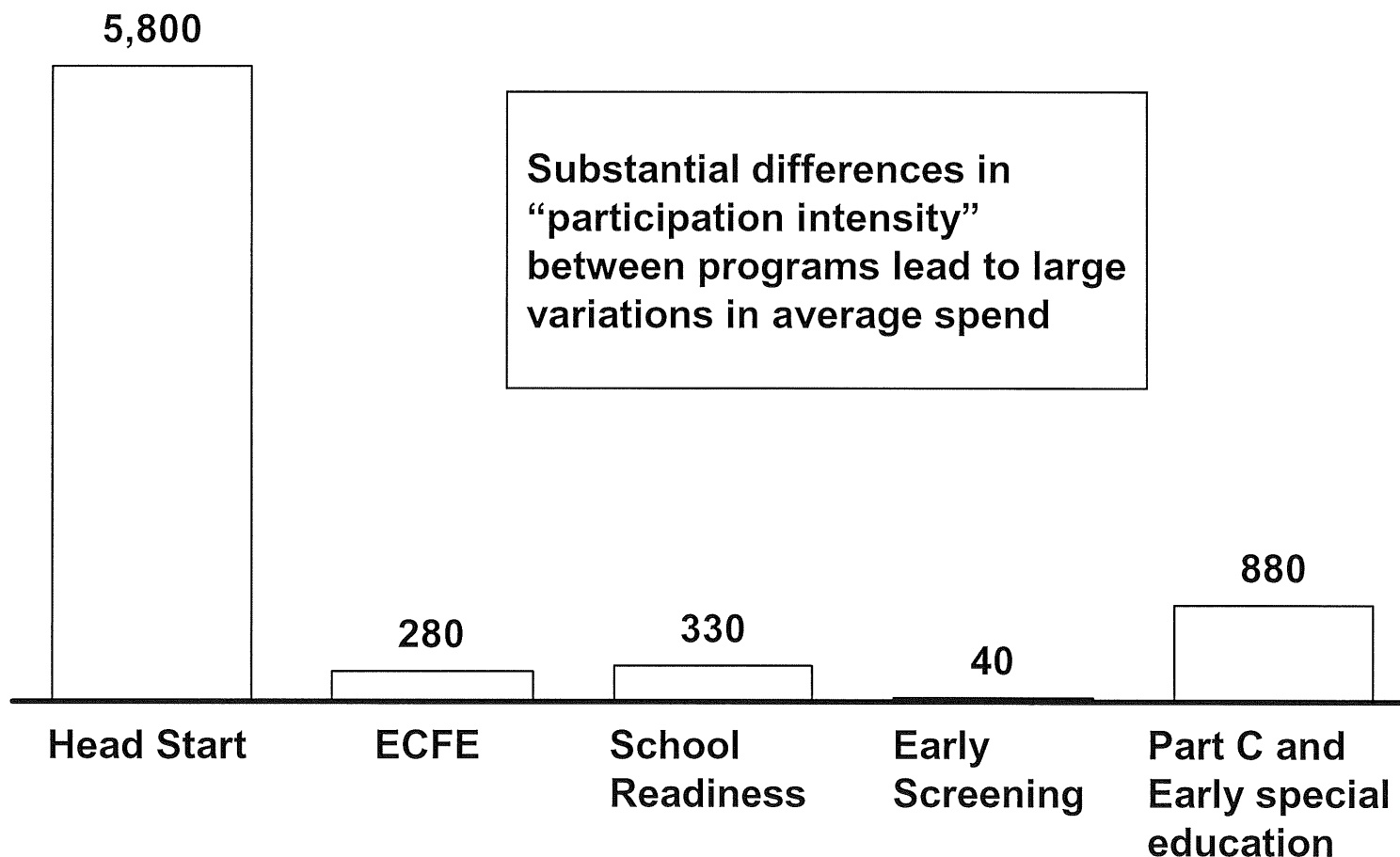
# MORE THAN 80% OF EARLY EDUCATION SPENDING IS CONCENTRATED IN HEAD START AND ECFE

SFY 2004 funding  
\$ Millions

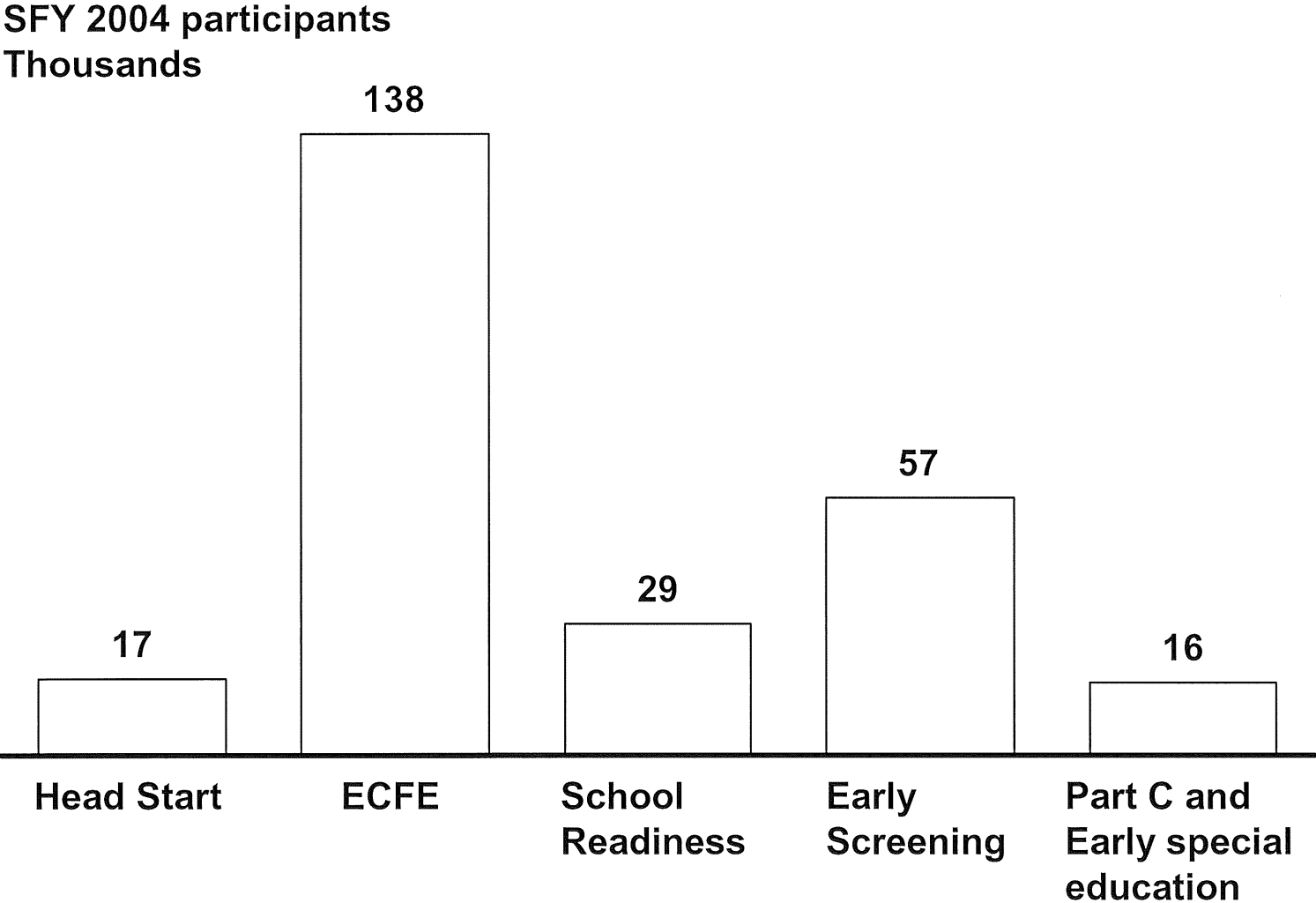


# SPEND PER PARTICIPANT IS SIGNIFICANTLY HIGHER FOR HEAD START THAN FOR THE OTHER EARLY EDUCATION PROGRAMS

SFY 2004 average spend per participant  
Dollars



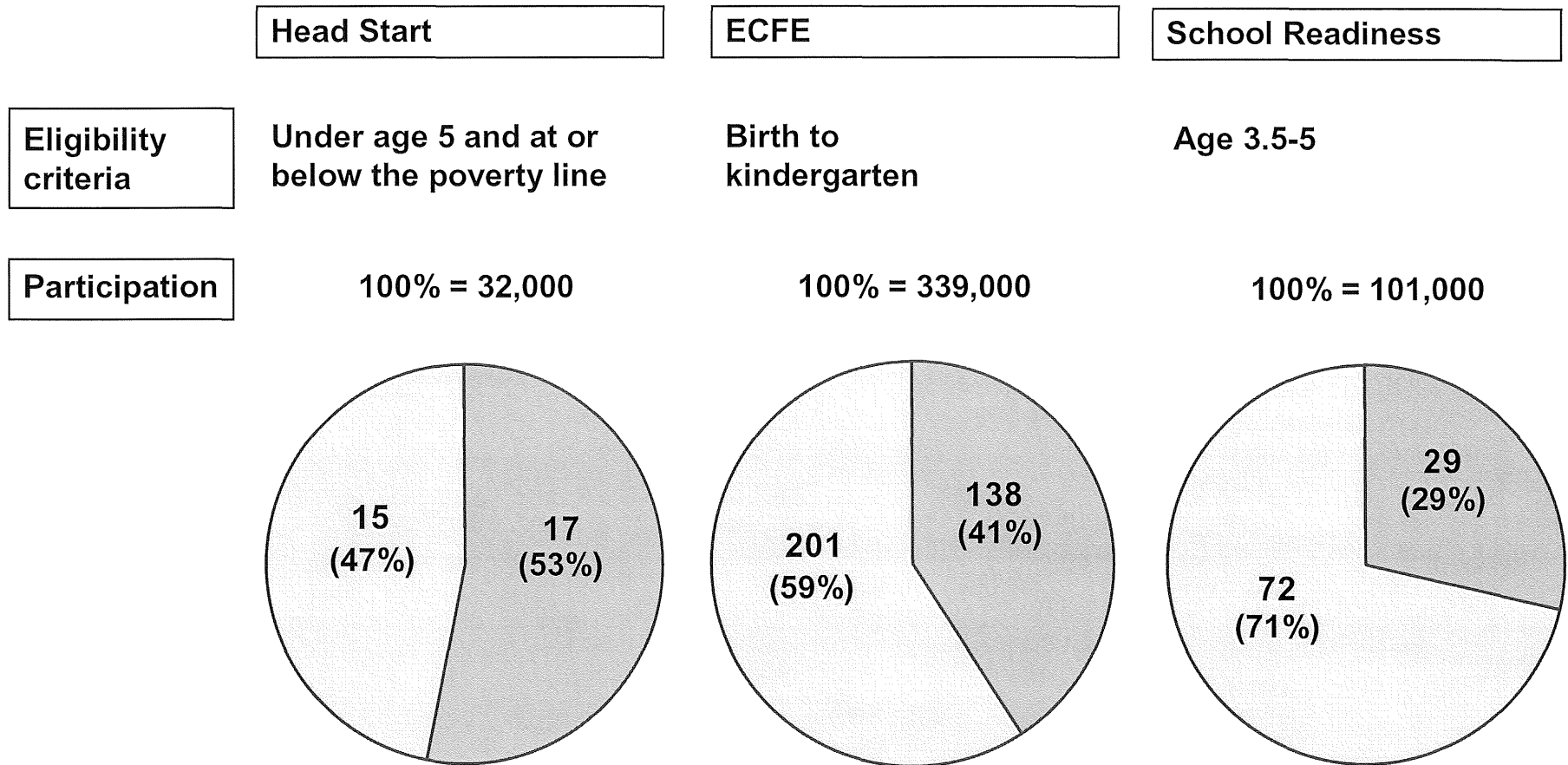
# ECFE HAS THE GREATEST NUMBER OF PARTICIPANTS OF THE EARLY EDUCATION PROGRAMS



# PARTICIPATION RATES RANGE FROM 30-50% OF THE ELIGIBLE POPULATION FOR EARLY EDUCATION PROGRAMS

Thousands, SFY 2004

Participants  
 Non-participants



Source: Minnesota State Demographic Center, Population Projections, Oct. 2002; American Community Survey 2003; U.S. Census Bureau (9.4% of children under 18 in MN below poverty), MDE website, Federal Head Start program information

# THE PROGRAM REVIEW IDENTIFIED 3 PRIORITY OPPORTUNITY AREAS

Increase public awareness, transparency and accountability

- No objective measures of ECD program effectiveness
  - Public concern is, at best, moderate
  - Few systematic linkages between participation and outcomes (i.e. kindergarten readiness)
  - Existing measures focused on participation
  - Quality not embedded in funding reviews

Embed early education in child-care services

- Little early education requirement in child-care programs
  - Many child-care programs choose – but are not required – to embed developmental elements
  - No incentives for participants to seek this type of care

Create “blended” solutions

- Current ECD offerings are unconnected and nonaligned
  - Individual programs serve distinct needs of the same children, resulting in some duplication
  - Parents must cobble together several services to acquire complete program for at-risk children

3 potential owners for improvement initiatives:

- Local programs
- Government
- Private sector

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# FOCUS OF EFFORTS MOVING FORWARD

