



April 5, 2022

Senator Jim Abeler
Chair, Human Services Reform, Finance, and Policy Committee
503 State Office Building
Saint Paul, MN 55155

Dear Chair Abeler and Members of the Committee,

The Minnesota Child Care Association (MCCA) writes to express its disappointment in the lack of new child care investment in HF4410 A-1. With Minnesota's child care providers still struggling to reach pre-pandemic levels of service, with Minnesota employers desperate for workers, and with Minnesota families desperate to find affordable child care, the decision not to pursue additional child care supports is perplexing.

The field of child care has received important federal funding over the last two years. For those not entrenched in the world of child care it might seem like those investments should have been enough. They were enough – *enough to do their intended job of preventing a total collapse of the child care system*. They were not to strengthen the system. They were not to expand child care capacity, which we know Minnesota desperately needs. They were not to help the majority of families be more able to afford quality child care. They were not to address the ongoing and structural needs of the child care workforce. These needs remain untouched by the emergency COVID-19 child care funds. Child care needs significant *sustained* support in order to return not only to pre-pandemic levels, but to fulfill its potential for our children, families, and economy.

It would be a missed opportunity not to lead on additional changes to strengthen Minnesota's child care system for families and providers. Child Care Assistance reimbursement rates sit between the 30th and 40th percentile of current market rates, when the federal recommendation (and where Minnesota was 20 years ago) is the 75th percentile. Positive movement to increase rates by incremental amounts would provide immediate increased purchasing power for eligible parents and increased resources to support operations and compensation for providers.

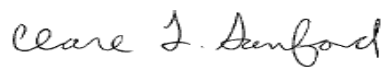
Permanently reprioritizing the Basic Sliding Fee wait list would continue to get eligible families not currently receiving Child Care Assistance help more quickly. We have seen this work well across counties in the temporary period of reprioritization authorized at the end of the 2021 session. This is a prudent and effective step forward towards keeping wait lists and family time on such lists to a minimum while getting and keeping employees in the workforce more efficiently.

Expanding the definition of eligible families for Child Care Assistance would bring relief to foster parents, guardians, and custodians in need of child care to maintain employment that in turn allows them to support vulnerable children. We work with countless families that have stepped up to be safe and stable adults in these children's lives, only to find that Child Care Assistance is not available to them. Such families are giving their best by committing to children in need – we as a society can do more to support their critical efforts, which are in service to us all.

Providing additional one-time funds to continue the Child Care Stabilization Grants at their current amounts (for FY23) would help providers continue to provide bonuses and other financial supports to our early childhood workforce. Today many Minnesota providers have unused capacity due to severe labor shortages. A reduction in these funds in a few months will likely cause a further loss of child care capacity as our current workforce will be faced with reductions in compensation before the field is able to continue them on its own. Child care providers are paid no better, and in most cases below, Personal Care Attendants, nursing home staff, and other direct care professionals. To address overall workforce challenges in the care industry addressing child care is crucial.

We do not expect this committee to be able to be all things to all people – available resources, even with remaining unspent pandemic federal funds and a state budget surplus, cannot meet all needs and desires. We do expect genuine conversation and negotiation around comprehensive solutions to problems. While this committee heard some child care regulatory proposals this session, it heard only one involving additional investment, which is not reflected in this bill. There is far more room for compromise.

Sincerely,

A handwritten signature in cursive script that reads "Clare J. Sanford".

Clare Sanford
Chair, Government Relations
Minnesota Child Care Association