

March 19, 2025

**Re: Letter in Support of Funding for Early Learning Scholarships, SF1049**

Dear Chair Wiklund and Members:

Kids Count on Us, an initiative of ISAIAH, is a growing coalition of childcare providers, teachers, and families across the state of Minnesota. Our mission is to ensure childcare is affordable and accessible for all Minnesota families, high quality for all Minnesota kids, and a profession in which teachers can earn living wages.

Early Learning Scholarships are an integral piece of this puzzle not only in making childcare affordable and accessible, but also in ensuring childcare providers can remain open. Particularly in greater Minnesota, a number of community based childcare centers have substantial numbers of families that receive Early Learning Scholarships. If those scholarships disappear, families often are forced to leave those childcare settings, putting the childcare centers in jeopardy of closing.

Scholarships are clearly effective. In fiscal year 2024, [16,100](#) children received a scholarship, a 31% increase over 2023. While the wait lists for scholarships appear to be short, they are not a true reflection of the number of families waiting as many families have simply stopped waiting. Estimates put the actual number unserved at 8,500 children—almost half as many families as are currently receiving scholarships. If the funding called for in SF1049 is not appropriated, that number would balloon to 15,000 children.

Minnesota legislators understand that childcare costs are out of reach for Minnesota families. That's why the legislature has increased the eligibility for Early Learning Scholarships to 85% of the state median income, which is set to take effect on July 1. This will make an additional 50,000 children across the state eligible for scholarships. It will also make great progress toward the stated federal and Minnesota guidelines that no family should pay more than 7% of their annual income for childcare. There's one glaring issue: that expansion is not currently funded.

We know that investments in childcare are effective, with a return on investment of at least \$7 for every \$1 we invest, numbers unheard of in any other sector. We urge you to pass SF1049 as its impact not only for Minnesota families, but for all Minnesotans, cannot be overstated.

Sincerely,

Kids Count on Us/ISAIAH

