



Date: February 1, 2022

To: Senator Jim Abeler, Chair, and members of the Senate Human Services Reform Finance and Policy Committee
Senator Roger Chamberlain, Chair, and members of the Senate Education Finance and Policy Committee
Senator Paul Utke, Chair, and members of the Senate Health and Human Services Finance and Policy Committee
Representative Jim Davnie, Chair, and members of the House Education Finance Committee
Representative Tina Liebling, Chair, and members of chair of the House Health Finance and Policy Committee
Representative Dave Pinto, Chair, and members of the House Early Childhood Finance and Policy Committee
Representative Ruth Richardson, Chair, and members of the House Education Policy Committee
Representative Jennifer Schultz, Chair, and members of Human Services Finance Committee

From: Erin Bailey, Assistant Commissioner and Executive Director, Minnesota Children's Cabinet, Minnesota Management and Budget

RE: Early Childhood Governance Report

Minnesota State Statute, 2021 first special session law, Chapter 7, Article 14, Section 22 directed the Children's Cabinet to complete a report and provide recommendations on the governance of programs related to early childhood development and how they could be consolidated into an existing agency or a new state Department of Early Childhood. Per the statute, the report and recommendations were to be informed by a community engagement process and address the impact of consolidation on:

- State efforts to ensure all Minnesota children are kindergarten ready, with race, income, and zip code no longer predictors of school readiness
- Coordination and alignment among programs
- The effort required of families to receive services to which they are entitled
- The effort required of service providers to participate in early childhood programs
- The articulation between early care and education programs and the kindergarten through grade 12 system

On behalf of the Children's Cabinet and its participating agency leaders, we appreciate the opportunity to examine how state structures and governance can positively impact the lives of Minnesota's children. Children unite us. They are our future and our overall wellbeing and economic competitiveness as a state depends on their success. Although Minnesota is ranked as a top state to live and work, this is not yet true for every Minnesotan; race, zip code, income, and ability are too often determinants of

opportunity. Our systems have not led to equitable outcomes for our children. It is our mission at the Children's Cabinet to make Minnesota the best state for each and every child to grow up. In achieving these goals, we are grateful for the opportunity to center children and to examine opportunities to improve the effectiveness of service delivery in our current systems to children and families who need them most.

And as such, we are pleased to deliver to you the enclosed MAD Early Childhood Governance Report.

Early Childhood Governance Report

In order to accomplish the direction and goals of the legislation, the Children's Cabinet contracted with Minnesota Management and Budget's (MMB) Management Analysis Division (MAD) to execute the research, engage community and write an independent report. The Children's Cabinet is incredibly grateful for the partnership and efforts of MAD. The MAD staff worked within an aggressive timeline of August 2021 through January 2022 to compile and consolidate information and expertise, and author the attached report including an executive summary. The research and engagement included:

- Review of more than 35 studies and reports regarding early childhood governance, Minnesota's early childhood systems, and governance in other states
- Discussions and interviews with over 90 community stakeholders
- Interviews and webinars with four national experts on early childhood governance and officials in seven other states with relevant experience on governance issues
- Conversations with 15 top officials in Minnesota's Departments of Education, Health, Human Services, and the Children's Cabinet

The result of this work is compiled learnings from other states, stakeholders and expert input, and Minnesota-specific historical context to governance approaches over time. The report explores, in extensive detail, the suggested potential benefits and drawbacks based on these inputs, and considerations for "what needs to be true" for the common governance approaches states use, which, according to the report *"fall into three general categories:*

- *Consolidation into a free-standing agency, often dedicated solely to early childhood*
- *Consolidation into an existing state agency with a broader mandate than early childhood alone*
- *Coordination of early childhood programs offered through more than one state agency"*

The report provides context of Minnesota's journey in governance, having utilized multiple models over the last several decades. Our current approach, as the report states is *"coordinated approach, with early childhood programs spread primarily but not exclusively across the Departments of Education (MDE), Health (MDH), and Human Services (DHS) ... Minnesota lacks the formal office that some states use to advance coordination across agencies, instead depending in part upon the Governor's Children's Cabinet for this. The cabinet has played a key role in a variety of interagency initiatives. In addition, federal funding for Minnesota's Preschool Development Grant (PDG) has prompted progress on coordination."*

The report identifies more specific options for Minnesota, noting the ideas listed are neither all-inclusive nor mutually exclusive:

- *Continue to coordinate across agencies but with the staff, funding, and authority necessary for progress beyond the level of coordination that had been occurring prior to recent and positive developments.*
- *Increase Children’s Cabinet funding and expand its role in cross-agency coordination and alignment.*
- *Identify key priorities to address for the state-level early childhood system, analyze whether a change in governance will significantly affect them, and, if so, decide what form of governance would work best.*
- *Create an office within state government charged with coordinating early childhood programs and the early childhood system across state agencies.*
- *Ensure early childhood policy and programs are consolidated within each of the three key departments, perhaps under assistant commissioners or with coordination assigned to assistant commissioners.*
- *Commit to consolidation of early childhood programs and policy, define the scope for the age range and program areas, and engage in planning to increase support and lay a foundation for this change.*
- *Mandate consolidation now and work through potential missteps and adjustments later as they arise.”*

Recommendation

While the MAD report is a valuable resource for the State in its efforts to govern early childhood systems, it also clearly acknowledges that there is no one right answer for governance:

“...no consensus about the best governance approach to early childhood programs from the sources consulted, neither the reference research and national experts nor the community stakeholders, early childhood advocates, and state officials in Minnesota...MAD determined there is no one correct early childhood governance structure, and the choice of governance model cannot ensure improvements for programs and systems.

The conclusion of the report offers a path forward for us to *“Identify key priorities to address for the state-level early childhood system, analyze whether a change in governance will significantly affect them, and, if so, decide what form of governance would work best.”*

The report as well as thousands of engagement conversations the Children’s Cabinet and its agency partners have done for many years, continue to highlight that improvements in our state systems are needed to best serve children. And improvements will always be needed.

State decision-makers must continually consider how improvements could be actualized with a more consolidated structure or with a coordinator that is more resourced and with the required authorities. The specific seven governance options outlined by MAD for Minnesota should be considered with additional time, thorough analysis, and continued partnership and engagement with stakeholders, advocates, and families. The state systems are overseen and implemented under state and federal law, funding streams and management structures are intertwined, and local government and service delivery organizations depend on these structures. Further, these systems are receiving an influx of resources aimed at supporting the early childhood infrastructure and we must ensure that coordination and

prioritization exists regardless of structure. Any change – whether to a stronger, fully funded coordination function, consolidated office, or new agency – needs to be thoughtful, thorough, guard against negative impacts on children and families, lead to positive impacts on children and families, and plan for continued coordination needs.

In supporting this recommendation and continuing the analysis, it is critical that we partner with our state leaders – Commissioners, leadership teams and division directors. These public servants have persevered through a global pandemic and created many flexibilities, implemented new funding, and worked in new ways to lead through change. In addition to these considerations, these leaders have unparalleled expertise in the relevant programs, federal and state requirements, and potential interactions and impacts necessary to create successful changes or shifts in governance.

Next Steps

Expert advice and stakeholder feedback in MAD’s report provide us with the next steps of what Minnesota needs for successful consolidation or coordination of programs. These outlined steps provide significant guidance that can be coordinated through the interagency platform of the Children’s Cabinet with additional resources.

The first step is securing resources to create a detailed analysis of authorities and specific changes – timelines and staged process – and expert management necessary to consolidate oversight, consolidate programs, and/or utilize coordinating functions with program authority. This analysis can then be overlaid with the identification of the key priorities to inform policymakers on creating a comprehensive organizational plan where benefits can be realized, and the drawbacks minimized for children and families. As the report recommends, these next steps will also allow time to plan, engage, and build on what’s been done, including and especially the progress made by the Preschool Development Grant (PDG). It must be a priority to not “*disrupt progress on coordination made under PDG and Minnesota’s Children’s Cabinet*” as stated in the report.

We must ensure that a whole family approach be taken into account, to not separate our strategies that improve the lives of children from what we know is most important, the health and stability of their family and community. In accomplishing this, we should call upon the State Advisory Council for Early Education and Care (Minnesota Statutes 124D.141) and Children’s Cabinet Advisory Council, among others to serve as advisory bodies. The Children’s Cabinet plans to bring forth the MAD report to its two councils (listed above) to further digest the learnings, assist in defining goals, and if resources are provided, help to develop specific governance recommendations.

In moving forward, it is essential that the execution of next steps align with continued leadership of the Children’s Cabinet to:

- Leverage federal funds, community learnings, and systems change underway in the [Needs Assessment, Strategic Plan \(summary\)](#) and sustainability planning through the state’s federal Preschool Development Grant (graphic to the right).
- Coordinate state agencies through the One MN plan and its specific goals related to healthy beginnings for each and every child and early care and education systems for families, children, and workers in Minnesota.
- Listen to child care and early education providers, early childhood advocates, families, state agency leadership, and each of you as we work towards living out our state’s vision and mission for the early childhood system.
- Build meaningful relationships and investments with state leaders working to center children and better coordinate systems that serve families.
- Coordinate state agencies and work with all of you on the Governor’s Supplemental Budget proposals that include historic investments in FY23–25 for children and families, such as:
 - Transformative investments in child care and early education access programs leveraging a mixed delivery system
 - Short-term home visiting services available to all children born in Minnesota, and significantly expanding longer term home visiting to priority populations
 - Expansion of the Community Solution Fund for Healthy Child Development Grant Program focused on community-based solutions to advance equity in early childhood
 - Prenatal to preK housing assistance (expanding on the model of Homework Starts with Home)
 - Paid Family Leave to support parent and child bonding, early brain development, and remain competitive for working parents with young children



Our youngest Minnesotans and our early care and education system and programs have been under tremendous strain as a result of the COVID-19 pandemic. Two years is a very long time in the life of a young child, and the past two years have shed further light on the gaps and lack of investment in our early childhood system. Now, more than ever, we need to build on the progress we have made and plan for, and invest in, our collective future on behalf of our littlest Minnesotans and those who care for them, including their families and the early care and education workforce. Our goal must always be focused on children at the center – and our next steps must focus on what will have the greatest impact on outcomes for children and families.

Sincerely,

Erin Bailey
 Assistant Commissioner and Executive Director
 Minnesota’s Children’s Cabinet