

REETAIN Grant Program: Fiscal Year 2025

Annual Report to the Legislature

January 2026

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Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is \$2,022

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I. Legislation

Minnesota Statutes 2021, section 142D.30, establishes the Retaining Early Educators through Attaining Incentives Now (REETAIN) grant program. The Department of Children, Youth, and Families (the Department) is required to report to the legislative committees with jurisdiction over child care about the number of grants awarded to recipients and outcomes of the grant program by January 1 of each year.

II. Background

The REETAIN grant program began in 2003 to incentivize well-trained early educators to remain in the field and create more consistent care for children over time. REETAIN grants can be used for program supplies, professional development, or personal expenses. Individual recipients of REETAIN grant payments work in licensed family child care, licensed child care centers, Head Start, and public school pre-kindergarten programs.

The Department is required to administer this program through a grant to a nonprofit. Child Care Aware of Minnesota currently holds and has held the contract since 2003 to administer the program providing funding directly to applicants.

During the 2023 legislative session, the Legislature appropriated \$1.95 million annually in fiscal years 2024 and 2025 for the REETAIN grant program and \$750,000 annually beginning in fiscal year 2026. Child Care Development Fund (CCDF) and American Rescue Plan (ARPA) funding has also been allocated historically at varied levels (see Table 1).

III. Grants Awarded

Individual grant amounts range from \$500-\$3,000 based upon education level and are awarded on an annual basis as funds allow. Awardees receive half of their grant payments upon being awarded and half after six months. As shown in Table 1, during FY 2025, a total of \$2,243,225 was allocated to the program, and 934 early educators received a grant with an average grant of \$1,967 per educator.

Table 1. REETAIN grant program funding and recipients by fiscal year

Fiscal year	Funding source and amount allocated	Number of recipients
2023 (July 1, 2022-June 30, 2023)	Total: \$1,028,000 ARPA: \$490,000 CCDF: \$538,000	509
2024 (July 1, 2023-June 30, 2024)	Total: \$2,504,000 ARPA: \$15,000 CCDF: \$538,000 State: \$1,951,000	971
2025 (July 1, 2024-June 30, 2025)	Total: \$2,243,225 CCDF: \$292,225 State: \$1,951,000	934
2026 (July 1, 2025-June 30, 2026)	Total: \$1,438,779 CCDF: \$688,779 State: \$750,000	Projected: 731

The funding amounts include administrative costs and REETAIN grants.

IV. Outcomes

As shown in Table 2, 93% of REETAIN grant recipients in FY 2024 remained in the early care and education field for at least 12 months upon receiving their full grant payments. This is higher than the retention rates for positions that are likely to qualify for the REETAIN grant program, which range from 69% to 76% (source: 2023 ECE workforce study).

Table 2. REETAIN grantee retention by fiscal year

Fiscal year	Number of recipients	Early educators retained
2023 (July 1, 2022 – June 30, 2023)	509	458 (90%)
2024 (July 1, 2023-June 30, 2024)	971	903 (93%)
2025 (July 1, 2024 – June 30, 2025)	934	Data available December 2026

Early educators retained is defined as the number who stayed in the early childhood care and education field for 12 months upon signing their contract to receive a REETAIN grant.

Figure 1. REETAIN grantee retention by fiscal year

