



Ready 4 K 2009 Legislative Session Summary Early Care & Education Issues

The 2009 legislative session began with Minnesota facing an unprecedented \$6.4 billion budget deficit. With the Governor and the Legislature having sharp differences over how to solve the budget challenge amid a national economic recession, it was clear that it would be difficult to achieve increased resources for young children. Emphasizing the substantial return on investment that quality early childhood care and education provides, Ready 4 K and its allies put forward a strategic legislative agenda to *increase access* to quality programming, *support parents* as their children's first teacher, *promote quality* throughout the early childhood system, and *build supports* for that system.

Above all, Ready 4 K sought to maintain current investments in early care and education programs and services, and noted that tough economic times are exactly the wrong time to eliminate the best earning stock in the state's portfolio. Legislators in the House and Senate agreed, and showcased their support by holding an Early Childhood Summit in the opening days of the session, and more importantly, **not recommending any cuts to early care and education programs.**

Session Summary

The following is a summary of the funding and policy provisions affecting early care and education approved during the 2009 legislative session. **Most notably, neither the Omnibus E-12 Education bill nor the Omnibus Health and Human Services bill included any direct cuts to early care and education programs,** meaning that state funding for Head Start, ECFE, School Readiness, Early Screening, and Family Home Visiting remain flat through the next biennium.

In addition,

- The E-12 Education bill established a quality rating system framework to shift all programs towards high quality, and included a study to determine how to move child care programs from the Department of Human Services to the Department of Education.
- The Health and Human Services bill included American Recovery and Reinvestment Act (ARRA), (i.e., federal stimulus) dollars, which brought Minnesota \$26 million in new funding for child care-related services.



READY 4 K

Ready 4 K is a voice for Minnesota's youngest citizens, building the foundation for our future through quality early childhood care and education

| Changes to Early Childhood Funding Provisions* | 2010-11 Biennium |
|---|---------------------------|
| Basic Sliding Fee Child Care —ARRA CCDF \$4 million each year for families on the waiting list for BSF child care. | \$8 million |
| MFIP Caseload —ARRA CCDF The remaining federal stimulus dollars, not targeted for quality initiatives, were used to pay for the projected increased use of MFIP child care. | \$14.6 million |
| Family, Friend and Neighbor Grants —ARRA CCDF Quality Targeted Funds A pilot program for Family, Friend and Neighbor providers was begun in 2007 to increase the quality of informal child care providers. This funding continues the pilot and allows new programs, as well as current grantees, to apply for the grants. | \$750,000 |
| Quality Rating System Pilot —ARRA CCDF Quality Targeted Funds Continued the <i>Parent Aware Quality Rating System</i> pilot to help parents choose high quality child care, and to help providers improve their quality. <ul style="list-style-type: none"> • \$136,000 is from non-quality ARRA dollars in 2011 | \$1.5 million |
| QRS Preparation —ARRA CCDF Quality Targeted Funds Funding for providers to improve their quality in preparation for implementation of QRS. May include training, coaching, consultation and other supports. | \$1.3 million |
| School Readiness Connections Pilot —TANF, ARRA, GF Created in 2007, the School Readiness Connections pilot included a number of changes to CCAP, including continuity of care for children and incentives for parents and providers to choose quality. Now the project connects to the QRS by requiring participating providers to be rated at least a 3 star in the Parent Aware QRS. <ul style="list-style-type: none"> • \$800,000 is from TANF, \$514,000 is GF, and \$211,000 is from ARRA. | \$1.5 million |
| Retroactive eligibility for CCAP —savings Saves a small amount of money by limiting the amount of time (to 6 months) that providers who care for CCAP families may request reimbursements. | (\$304,000) |
| Basic Sliding Fee Child Care —Unallocated spending In a typical year, funds unspent by counties on BSF child care are redistributed to counties with families on child care waiting lists. The unspent funds often result due to projections with the distribution formula. The Legislature used these unallocated dollars for the deficit. | (\$5.2 million 2010 only) |
| Postsecondary Child Care Grants —GF A pool of funds exists to assist parents who are pursuing a postsecondary degree with child care costs. | \$1 million |

* **Key:** GF: General Fund dollars. TANF: Temporary Assistance for Needy Families federal block grant. ARRA: American Recovery and Reinvestment Act (AKA federal stimulus). CCDF: Child Care Development Fund. CCAP: Child Care Assistance Program. BSF: Basic Sliding Fee Child Care. Items in parentheses represent a cut in funding.

Policy Provisions

In addition to budget decisions, the 2009 Legislature also approved a number of non-monetary policy provisions related to early care and education.

Quality Rating System

Legislation established a standards-based quality rating system framework, based on and informed by the evaluation results of the Parent Aware pilot, with a report to the Legislature in March 2011. The framework must:

- Determine a common set of child outcome and program standards.
- Develop a plan to link and realign future early learning and care state funding to the framework.
- Track progress toward: statewide access to high-quality early learning and care programs, the number of low-income children whose parents can access quality programs, and the number of children who are fully prepared to enter kindergarten.

School Readiness programs

Under the new law, the state's School Readiness programs must now:

- Use a comprehensive assessment tool.
- Align classroom instruction with early learning guidelines and kindergarten standards, now including social/emotional and physical development.
- Ensure staff-child ratios 1:10.
- Coordinate appropriate kindergarten transition with parents and kindergarten teachers.
- Employ teachers knowledgeable in curriculum, assessment and instruction.
- Note: Due to a lack of additional funding, a provision to require a minimum of 12 hours per week of programming for children in School Readiness programs was deleted from the final version of the bill.

Early Learning Study

Largely due to funding constraints, a proposal to create an Office or a Director of Early Learning was replaced with legislation that directs the Departments of Human Services and Education to study how to effectively transition Basic Sliding Fee child care, MFIP child care, and child care development grants from DHS to the MDE, and how to create an early learning system with one common set of standards.

Inventory of Early Childhood Services

Legislation was passed to charge the State Early Childhood Advisory Council with creating an inventory of early childhood services. Specifically, the Council must identify and describe programs and initiatives funded by state, federal, or private dollars. The inventory must also be broken down by specific geographic regions served by the program, number of children eligible and enrolled, and the demographics of enrollees.

Head Start

Two minor changes were made to Head Start programs.

- Head Start agencies without a federal Early Head Start rate must use the state average federal cost per child for Early Head Start.
- To provide agencies with more flexibility to serve homeless families, approved Head Start programs that focus on services to homeless families were made exempt from state enrollment policies.

MFIP Home Visiting

Legislation allows local public health agencies to utilize home visitors to provide MFIP employment and training services.

Provisions not adopted

Bonding for Early Childhood Facilities

The Early Childhood Learning and Child Protection Facilities grant program is for construction and rehabilitation of early childhood facilities, for use by Head Start, early childhood family education, early childhood intervention, and crisis nurseries programs. Funding of \$2 million was included in the final bonding bill that was sent to the Governor, but he line-item vetoed it for the second year in a row.

What's Next: Legislative leaders have encouraged Ready 4 K and our allies to come back next year with another proposal and to do more work to educate legislators about the effectiveness of this bonding program.

Pre-Kindergarten Allowances

Two years ago, a pilot was created to give low-income parents up to \$4,000 per child to help defray the cost of attending a high quality child care, Head Start or school-based program, or to allow the parent's chosen provider to enhance their quality. Set to expire this year, the Senate recommended continuing the pilot and expanding Allowances into several other communities throughout Minnesota, but the proposal did not make it in the final Education bill.

What's Next: The Departments of Human Services and Education, in conjunction with the Minnesota Early Learning Foundation, is evaluating the Pre-K Allowances, with the evaluation to be released in fall 2009.

T.E.A.C.H.

In his original budget proposal, the Governor had recommended eliminating all state funding for T.E.A.C.H. higher education scholarships for early care and education providers. Despite the Legislature not recommending any cuts to the program, the Governor line-item vetoed all the state funding, eliminating half of the scholarships available.

What's next: Ready 4 K will work with our allies to restore this funding.

Conclusion

While the House and Senate submitted a balanced budget to the Governor at the conclusion of the legislative session, the Governor's veto of the tax bill created a \$2.8 billion deficit for the next biennium, which starts July 1. To balance the budget, the Governor has indicated he will not call a special legislative session, but will instead use his unallotment authority to make spending cuts starting July 1. At this point, we do not know what cuts the Governor intends to make. As we learn more about unallotment and the Governor's plans, we will keep you informed.

If there is no unallotment of funding for early care and education programs, then it is safe to say that the 2009 session was a success. Faced with the largest budget deficit in the state's history, the Legislature made **no cuts** to early care and education programs and, through the federal stimulus, made key investments in increasing access and promoting quality in early childhood programs. This is a significant achievement. Coupled with the attention legislative leaders paid to early care and education, and the fact that more than half the legislature has joined the Early Childhood Caucus, the final budget outcome signals growing momentum for policy changes that support our youngest citizens.