MCCA’s vision:

- Every child arrives at school ready to learn and has the skills and knowledge necessary to be successful in life
- All families have access to high-quality programs
- Minnesota invests in sustainable funding that fully supports quality, choice and access for all families

MCCA believes high-quality programs:

- Support school and life readiness through developmentally appropriate experiences and opportunities
- Employ highly qualified teachers who effectively engage with children and families
- Focus on the health, safety and well-being of children
- Meet state licensing standards, the foundation on which child care excellence is built
- Participate in Parent Aware and/or achieve national accreditation as a way to demonstrate high standards
- Provide a range of early childhood learning options for Minnesota families through a diverse delivery system that includes child care programs, schools and Head Start. This diverse delivery system results in available, affordable choices for families that included full-day, full-year options for children.
The Importance of Quality Child Care
High-quality child care helps children, families, and communities prosper. Along with helping our state stay competitive by producing a stronger workforce, it helps children learn and develop skills they need to succeed in school and life. It also gives parents the support and peace of mind they need to be productive at work. However, for many families high-quality child care is unaffordable and unattainable.

“Quality child care IS early childhood education. All early education providers - child care, preschool, Head Start - are important for parent choice, but I’d argue that child care is the great under-supported lever to improve school readiness. Child care serves a large number of low income children, and even children who attend preschool or Head Start are likely to be in child care for some part of their early years.

Karen Cadigan, Ph.D., Early Childhood Education Specialist, Bloomington-Richfield Public Schools

You work with, or know someone, who depends on child care. If your coworker, employee, friend, relative or business associate does not have reliable child care, they will likely miss work or meetings, turn to you for help, or leave the workforce entirely.

- According to the MN Department of Employment and Economic Development, 72% of families in Minnesota have both parents in the workforce.
- Minnesota has the sixth highest female labor force participation rate in the country at 67.4%.

Quality early childhood education pays high dividends. Research by Wilder Foundation shows that without early education and support for healthy development, an at-risk child is more likely to start school at a disadvantage and ultimately more likely to drop out of school, earn lower wages, depend on public assistance, or commit crimes. Their research shows that the lifetime economic value of investing in healthy development and school readiness for each low-income child at risk of school failure in Minnesota is an estimated $55,928.

In addition, according to Art Rolnick, now at the University of Minnesota, and Rob Grunewald, of the Minneapolis Federal Reserve Bank, every $1 we spend on quality early education saves taxpayers up to $12.

At-risk children benefit from their peers. Studies have found that children’s abilities to speak and understand words developed faster when they were with classmates with better language skills. Going to school with children who had better language skills was even more beneficial for children who began preschool with higher language skills and for those who were in classrooms that were well-managed by the teacher.

Supporting quality early learning helps all children. Investing in quality early learning spreads early education quality improvement across all types of early education providers, to benefit all children in those classrooms.

Child Care in MN
Percent of households that utilize a licensed child care setting as their primary arrangement: 31%
Number of licensed child care centers: 1,035
Monthly average of children/families on CCAP in FY13: $31,219/16,998
Number of families on Basic Sliding Fee Waiting List: 6576 (July 2014)
Percentage of BSF children served in centers: 46%
Percentage of MFIP children served in centers: 67%

What is Child Care Assistance?
Minnesota’s child care assistance program (CCAP) subsidizes the child care expenses of eligible low-income families through two programs – Minnesota Family Investment Program (MFIP) child care assistance and Basic Sliding Fee (BSF) child care assistance.

MFIP child care subsidizes the child care costs of families receiving assistance while they look for work, or attend training or education needed for future employment.

BSF child care provides a child care subsidy to low-income working families to help pay for care so they are able to work.

Income eligibility: In 2013, a family of three in Minnesota could qualify for child care assistance with an annual income up to $34,459 (47% of state median income).

Parent copayments: All families receiving child care assistance and earning 75 percent or more of the federal poverty guideline make copayments based on family income.

- A family of three earning 55 percent of the state median income ($40,325) would have a total biweekly child care copayment of $130 for all children in child care.
- A family of three exiting the Minnesota Family Investment Program and earning 115 percent of the federal poverty level ($22,460, or approximately 31 percent of the state median income) would have a total biweekly child care payment of $24 for all children in child care.

www.minnesotachildcareassociation.org
**Child Care Reimbursement Rates**

Child care providers are reimbursed for serving families in the CCAP program. Families use their CCAP subsidy to access child care but that subsidy is limited to the reimbursement rate providers are allowed to receive.

The legislature determines the maximum rates that CCAP can pay. CCAP can pay the provider’s charge or the maximum rate, whichever is less. The MN Department of Human Services surveys licensed child care programs every year, but rates do not change unless the legislature decides to make changes to CCAP rates.

Currently only 36% of licensed child care centers are covered by the maximum reimbursement rates. That means only 36% of child care providers in MN charge a rate that is covered by the CCAP. The Federal recommendation is that 75% of child care providers should be covered by the maximum reimbursement rate.

Percentage of providers covered by reimbursement rate:
- 36% Statewide average
- 34% Metro
- 40% Non-metro

**Why Rates Matter**

Low reimbursement rate negatively impact families and providers in a number of ways.

- Limit parents’ ability to afford and access high-quality child care programs – the kind of early childhood experiences that research shows makes the most difference for at-risk children’s success in school.
- Create a disincentive for quality providers to enroll CCAP children. Because of low reimbursement rates, many providers throughout MN do not accept families who are in the CCAP program.
  - Many centers provide subsidies to CCAP families by discounting the remainder of a parent’s rate not covered. There will come a time when providers can no longer afford to provide these subsidies to families and those children will no longer have access to these programs.

> “The child care assistance lifts the financial burden of child care costs so that I can go to work. It also allows me to choose a program of my choice based on my child’s individual needs. He receives the benefits of a quality program. The child care assistance allows us to both be successful at work and school.”

  
  Tanya Kath, parent

> “As a small business owner, the child care assistance reimbursement rates directly affect whether or not I can continue to serve my families, employ my staff and keep my business alive. Every year my property taxes increase, my supplies increase and I increase my staff wages, but if the reimbursement rates do not keep up with these increase costs I will no longer be able to serve families using the Child Care Assistance Program.”

  
  Jennifer Nellis, Room for Growing Educational Child Care

**Early Learning Scholarships**

Recent funding from the state to create the Early Learning Scholarships has helped to increase access to high-quality early childhood programs for three- and four-year-old children with the highest needs but more needs to be done. Along with support from child care assistance, scholarships can help families access quality early learning programs and stable care for their children.

MCCA strongly supports funding for early learning scholarships. They are an important tool to help the most at-risk families access quality early learning experiences that meet both the family’s and the child’s needs.

> “With this scholarship, William is able to have a secure, consistent place every day. He is involved in child-centered activities throughout the day and has peers to play with. He can engage in creative play, art, group time and more, and I can tell he is learning!”

  
  Stephanie Johnson, parent

**Dependent care tax credits**

Minnesota currently offers low-income families a Child Care Tax Credit to offset the expense of securing high-quality care for their children. However, tax credits are not just a work support for low-income families. Hard working parents who are not classified as ‘low-income’ can also benefit from some support in meeting the high cost of child care.

Right now in Minnesota, the Child Care Tax Credit benefits families with annual incomes between $10,000 and $30,000. Families earning over $39,000 a year are not eligible for the credit. This policy supports low-income families but leaves out the rest of Minnesota’s working families who rely on child care to remain productive members of the workforce.

www.minnesotachildcareassociation.org
Minnesota has the third highest cost in the country for child care as a share of median income. The annual cost of care for two children exceeds the average mortgage payment of a family in Minnesota. These credits could potentially help all working families by ensuring that children are in safe, stable, and enriching care and learning environments.

MCCA supports the extension of the dependent care tax credit to all families, regardless of income. This would boost the number of families benefiting from this work support from 36,000 to 170,000. Depending on their income, all taxpayers would receive a credit for between 20% and 35% of their childcare expenses.

**Licensing and Background Study Requirements**

Minnesota state law requires child care centers and employees to meet certain licensing guidelines. State law also requires all child care providers to pass a background study before working with children. Following is a general overview of the primary child care center licensing requirements; it does not include all specific requirements.

| Staff qualifications: The center must have a director and the appropriate number of staff qualified as teachers, assistant teachers, and aides based on staff ratio and distribution requirements. Within each age category, the first staff needed to meet the staff-to-child ratio must be a teacher; the second staff must be at least aide qualified; the third staff must be at least assistant teacher qualified; and the fourth staff must be at least aide qualified. |

**Teacher:** Must be at least 18 years and meet one of nine possible combined credential, education and experience requirements, such as a high school diploma with 4,160 hours experience as an assistant teacher and 24 quarter credits in a child care-related field.

**Assistant teacher:** Must work under the supervision of a teacher, must be at least 18, and meet one of the nine possible combined credential, education and experience requirements, such as a high school diploma with 2,080 hours experience as an aide or intern and 12 quarter credits.

**Child age groups:**
- **Infant** – Age 6 weeks but less than 16 months old
- **Toddler** – Age 16 months but less than 33 months old
- **Preschooler** – Age 33 months but has not yet attended the first day of kindergarten
- **School age** – Is at least of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months, but is younger than 13 years of age.

**Staff ratios and group size:** The applicant must meet the minimally acceptable staff to child ratios and the maximum group size within the following age categories:
- **Infant** 1:4, maximum group size of 8
- **Toddler** 1:7, maximum group size of 14
- **Preschooler** 1:10, maximum group size of 20
- **School age** 1:15, maximum group size of 30

**Background studies:** Individuals having direct contact with children must have a background study, including fingerprinting to complete state criminal record checks, conducted by DHS, prior to employment in a child care center.

**About MCCA**

The Minnesota Child Care Association (MCCA) is a statewide organization representing licensed child care centers throughout Minnesota. MCCA works to educate policy makers and elected officials on the important role licensed child care centers play in providing quality early learning opportunities for families. MCCA works to educate state legislators on the impact rules and regulations have on centers and their ability to provide quality early learning programs for Minnesota’s youngest learners.

www.minnesotachildcareassociation.org