

Early Learning Legislative Advisory Committee

November 17, 2022

4 – 6:00 pm

AGENDA

1. Greeting and housekeeping (5 minutes)
2. Finance presentation
 - Current Public Funding for Early Childhood (20 minutes)
 - Laurie Possin, Manager of Child Care Assistance Program, Minnesota Department of Human Services
 - Sandra Myers, Early Learning Services Supervisor, MN Dept of Education
 - Financial Modeling on a possible Saint Paul Program (10 minutes)
 - Rob McDaniel, MetrixIQ
 - Finance Options available to the City (10 minutes)
 - John McCarthy, Finance Director, Saint Paul Office of Financial Services
 - Q & A (15 minutes)
4. Discussion (45 minutes)
5. Share proposed workplan + template for recommendations based on everyone's survey results/discuss (5 minutes)
6. Close Out/Next Steps (5 minutes)

**Early Learning Legislative Advisory Committee:
Meeting Notes
4-6 pm**

November 17, 2022

Attendees: Maggie Barnes, Rachel Boettcher, Lynn Bolton, Eric Haugee, Halla Henderson, Megan Jekot, Hwa Jeong Kim, LaVon Lee, Camila Mercado Michelli, Kristenza Nelson, Khalid Omar, Kera Peterson, Sai Thao, Brianna Trinidad Sprung, Quentin Wathum-Ocama (Co-Chair), Barb Yates

Absent: Nicolee Mensing, Tracy Roscoe, Clare Sanford, Maria Scot, Stephanie Thomas, Leah Van Dassar, Zang Vang-Lee, Barb Yates

1. Greeting and housekeeping

Quentin Wathum-Ocama gave an overview for the upcoming meeting and presentations.

2. Current Public Funding for Early Childhood

Laurie Possin, Manager of Child Care Assistance Program, Minnesota Department of Human Services

- Overview of CCAP
 - Help parents pay for childcare, helps them to go to work or school
 - Help ensure that children can thrive and are well cared for
 - Administered by county and tribal agencies
 - DHS helps local CCAP agencies and enforces federal and state laws
- Who is served by CCAP?
 - Approx. 28,000 children and 14,000 families
 - Approx. 60% of children served are 0-5. 40% are school age
 - 69% are children of color of American Indian children
 - 67% below state median income
- Family eligibility requirements
 - Based on income, 2 people in family - \$37,581, 3 people - \$46,423, etc.
 - Children 12 or younger, 13 or 14 with special needs
 - Cooperate with seeking child support
 - Participate in authorized activities (work, school, job search, employment plan)
 - Children who meet citizenship and immigration status requirements
- Subprograms
 - MFIP/DWP childcare
 - For families receiving MFIP/DWP - Minnesota Family Investment Program
 - No waiting list for eligible families
 - Transition Year childcare
 - For families after MFIP/DWP case closes
 - Families stay on until moving to Basic Sliding Fee program
 - No waiting list
 - Basic Sliding Fee (BSF) childcare

- Other low-income families
 - Some agencies have waiting lists
 - Waiting lists
 - Happen when a county's allocation for BSF is not enough to serve the families seeking it
 - Ramsey County - 435 families on the waiting list (as of Sept. 2022)
 - 7 counties have waiting lists, 1165 families in total
- Families experiencing homelessness
 - Homeless defined as families living in shelters, cars, outside, public spaces, motels, or doubling up with others due to loss of housing, hardship, or other reasons
 - Expedited application process, agencies given 5 days to review
 - Families are given 3 months to gather verifications, or start work or school activity
- Ongoing eligibility
 - Families approved for 12 months, redetermined end of year
 - Families need to report certain changes, permanent loss of job, leaving school, or if new family member joins household. These changes don't always impact benefits, sometimes provide limitations
 - Pay the family copayment fee based on income and size. Example, a family of 3 with \$40,000 income would have \$59 copayment fee every 2 weeks
- Basis for CCAP payments
 - Child Care Authorization based on parent's activity schedule, travel time and breaks, childcare provider availability, child's school schedule
- Provider types supported and allowed
 - Licensed family childcare provider
 - Licensed childcare centers
 - Certified license-exempt providers, before/after school, or summer programs
 - Legal nonlicensed providers (LNL), family member, friend, neighbor
 - All need to register to be paid by CCAP
- How CCAP and Early Learning Scholarship coordinate
 - Families
 - Dual eligibility, a family could potentially receive funding from both
 - CCAP - ages 0-13. ELS - ages 5 and under
 - Providers
 - If families have both, provider first bills CCAP, rest covered by ELS

Sandra Myers, Early Learning Services Supervisor, MN Dept of Education

- Purpose and goals for Early Learning Scholarships
 - Close opportunity gap for low-income children
 - Provide children with most need access to high-quality early learning settings of family's choice
 - Establish infrastructure for growing and sustaining a comprehensive early learning system
- What is an Early Learning Scholarship?
 - Can help pay for family childcare, Center-based Child Care or Early Childhood program, Head Start/Early Head Start, School District Pre-K program
- Eligibility
 - Age
 - 3 or 4 years old on September 1st

- Birth to 2 years if child of a teen pregnancy, currently in Foster Care or in need of Child Protective Services, or in a family that has experienced homelessness, younger siblings of child with scholarship (if attending same program)
 - Income
 - Option 1: Proof of participation in any of the following programs:
 - MFIP, CCAP, Free/Reduced Priced Lunch, Child and Adult Care Food Program (CACFP), Supplemental Nutrition Assistance Program (SNAP), Food Distribution Program through an Indian Reservation, Head Start, Foster Care
 - Option 2: Prove at or below 185% of Federal Poverty Guideline
 - Two pathways for finding a program
 - 1: Contact Area Administrator
 - Awarded to eligible children through Area Administrator
 - Scholarship follows child
 - Scholarship amount based on Parent Aware rating level chosen
 - Contact Parent Aware Four-Star rated, funded program
 - Scholarship does not follow child to other programs
- Priority for funding (order of priority)
 - Teen parent (under 21), Foster Care/CPS, Experiencing homelessness, sibling priority
- Priority status
 - Once a child receives a scholarship, they never have to reapply, renewal until they attend Kindergarten
- Waiting list grows as younger children are accepted
 - State waiting list - 2,057 children
 - Ramsey county - 365 children, 14 in priority status
 - As of 10/31/2022
- Current Appropriation, \$70.709 million, any unused funds roll over into the next year

Rob McDaniel, President of MetrixIQ, based in Denver, CO

- Working with Saint Paul on Pre-K and Early Childhood efforts
- Financial modeling for expansion of Saint Paul Pre-K
- 3 scenarios for program design
 - Scenario 1: Fully funding 3- and 4-year-olds up to 185% of Federal Poverty line, income-based scale
 - Scenario 2: Fully funding 3- and 4-year-olds up to 300% of Federal Poverty line, income-based scale
 - Scenario 3: Fully funding 3- and 4-year-olds regardless of family income
 - Scenario 1, least expensive, Scenario 3, most expensive
- Costs
 - 2018 dollars, inflation not accounted for
 - Year 5
 - Scenario 1 - \$25 million
 - Scenario 2 - \$27.8 million
 - Scenario 3 - \$40.9 million
 - Infant/toddler program disproportionately more expensive

- Demographics
 - As of 2018, 58% of preschool-age children fall in 0-185% of Federal Poverty Line
 - Kids who need the most help are in the largest sector of the population
 - Most other public money goes to 0-185% group
- Recommendations
 - Quality of schools is important, should be considered
 - Annual Enrollment Targets, programs typically take 3 years to reach full enrollment
 - Cost of quality, \$19,000 per child for one year of quality preschool at a 4-star childcare center in an average city
 - Sliding scale, consider how much funding is going to each person on the scale, taking budget and number of recipients into account
 - Saint Paul seems to have the capacity to deliver to the population given proper funding
 - Develop a Short- and Long-term Evaluation plan

John McCarthy, Finance Director, Saint Paul Office of Financial Services

- Financial options available to the city
- What is allowable under statute and affordable for residents and businesses in the city
- Where can we generate revenue for a program like this?
 - Taxes
 - Income tax, cities are not able to implement income tax, only states can
 - Sales tax, cities are able to implement sales tax but would need legislative approval and a voter referendum due to the necessity for a legislative exemption. ½ cent = \$20 million per year
 - Property tax, part of the annual budget process, needs to be renewed every year, competitive stream of revenue as it is most flexible 1% = \$1.7 million
 - Special property tax levy, levy dedicated for a special purpose, requires a voter referendum, can be put on ballot by petition or council vote. A 1% increase = \$1.75 million, 1.5% increase = \$2.6 million

Q & A

- CCAP rates are capped, meaning if there is a difference in how much they fund and how much the provider charges, families pay that difference
- MFIP details, roughly half of families receiving CCAP funds are part of MFIP program
- CCAP payouts, average of 2 kids in a CCAP family, average payment of roughly \$1600 a month, but varies significantly based on different factors (number of children, childcare provider)
- ELS - 4-star Parent Aware rated centers are given \$8500, up to \$12000 in priority situations, trying to raise the maximum cap for students

3. Discussion

- It was confirmed that the data Rob presented was prior to city minimum wage changes.

- Questions – if someone receives both CCAP and ELS, how much is remaining?
- Funding stream is patchwork. How can we affect it so that there is one funding stream that is consolidating all the programs? Confusing for us, how can families understand it? Anything we come up with should address that. Recommends inviting the Great Start Task Force.
- Why are we using this messed up patchwork that creates winners and losers? The rating system isn't so great and may have racial bias. Why do we want to feed into that process? If we're in the place to design something that's for the kids of Saint Paul, we should get waivers to use those funds differently. With a completely DFL legislature and governor's office we should be pushing for what we need now.
- We could invite someone from Parent Aware come to talk about the changes underway to make the system better.
- Regarding immigration status, some families are afraid to apply for CCAP. What do these programs require?
- Noted that a sales tax is only to be used for capital. If we're going to go to the state for a sales tax, do we try to do something out of the ordinary or do we ask for capital for something we also need, like roads.
- A property tax levy can be ramped up annually, so that it increases each year for a certain number of years, so that it is not a dramatic property tax increase in one year.
- We should think about which families are we serving moving forward. Among families are not utilizing services, especially those who need it the most.
- Early learning for young children should be like when a child turns five. Families know that they go to kindergarten. We want to create a system where it's clear what families do at age 3. We don't want to turn down other sources of funding.
- In the early years, attachment is so important. Not good to have kids jumping from program to program.
- 90% of critical brain development before 5.
- One thing Saint Paul Public Schools does is have opportunities for early engagement. If we're thinking about a 0-5 space – how do we provide that for more kids?
- Partnering with parents is key.
- The special property tax levy sticks out over time – build community buy-in. Scale ramps up. St Paul pride – bringing folks together to do what's possible. An investment much closer to home.
- During the last time Democrats controlled both the legislature and the governor's office, it was still onerous to get things accomplished. We need to know what our path is.
- We can't wait for the state to do this. We know that our voters support early learning.
- We're presuming there is labor support for a property tax increase. Labor and ISAIH are concerned about using a property tax increase to do this. Any time there is talk about increasing the levy, voters are going to tag this with what is happening at SPPS. Will hurt chances for school referenda. Average person won't understand that this is the city's program.

4. Share proposed work plan

Committee members were instructed to mark up the work plan with changes and ideas for guest speakers.

4. Close Out/Next Steps

Next meeting is December 1 and will discuss how other cities designed and deliver their programs. Committee members requested to get presenter's materials to them in advance.



Child Care Assistance Program

Laurie Possin | Manager, CCAP Program

11/17/2022

Overview: Child Care Assistance Program

Goals:

- Helps families pay for child care so parents can work or go to school
- Help ensure that children are well cared for and can thrive as learners

Administration:

- Administered by county and tribal agencies
- DHS helps local Child Care Assistance Program agencies and makes sure federal and state laws are followed.

Who is served by CCAP

- Approximately 28,000 children from 14,000 families are served each month.
- Approximately 60% of children served are ages 0-5, not yet in kindergarten and 40% are school age.
- 69 percent of children served are children of color or American Indian children
- Families with incomes below 67% of the state median income

Family Eligibility Requirements

Meet income limits as follows:

| Number of people in family | Annual income before taxes |
|----------------------------|----------------------------|
| 2 | \$37,581 |
| 3 | \$46,423 |
| 4 | \$55,266 |
| 5 | \$64,108 |
| 6 | \$72,951 |
| 7 | \$74,609 |
| 8 | \$76,267 |
| 9 | \$77,925 |

More about Family Eligibility Requirements

- Have children age 12 or younger, or 13 or 14 with special needs
- Cooperate with seeking child support
- Participate in authorized activities (such as work, school, job search, or employment plan)
- Have children who meet citizenship and immigration status requirements

Child Care Assistance Program: Subprograms

MFIP/DWP child care

- For families receiving MFIP/DWP
- Forecast: No waiting list for eligible families

Transition Year child care

- For families after MFIP/DWP case closes
- Forecast: No waiting list for eligible families

Basic Sliding Fee (BSF) child care

- For other low-income families
- Capped: Some agencies have waiting lists

- Waiting lists happen when a county's allocation for Basic Sliding Fee (for non-MFIP families) is not enough to serve families who apply.
- In Ramsey County, as of Sept. 2022, there were **435** families on the Basic Sliding Fee waiting list. Statewide, 7 counties had waiting lists representing 1165 families waiting to be served.

CCAP: Families experiencing homelessness

CCAP expedites application processing for families experiencing homelessness – agencies have 5 days to review the application.

Families can be approved for three months while they gather verifications and or start a work or school activity.

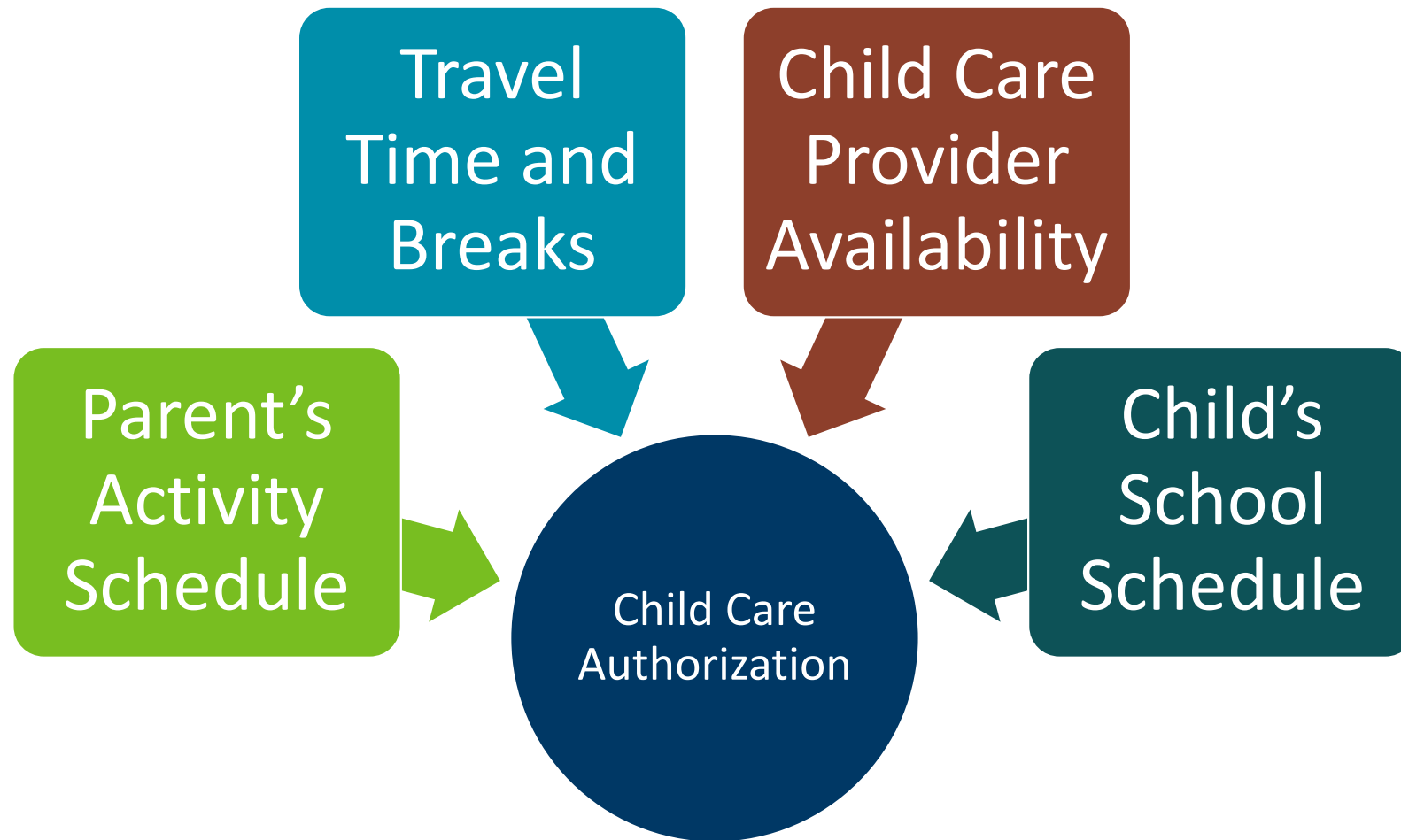
Homeless definition for Child Care Assistance Program...

- Families living in shelters, cars, outside, public spaces, or motels due to lack of accommodation
- and
- Families doubling up with others due to loss of housing, hardship, or other reasons.

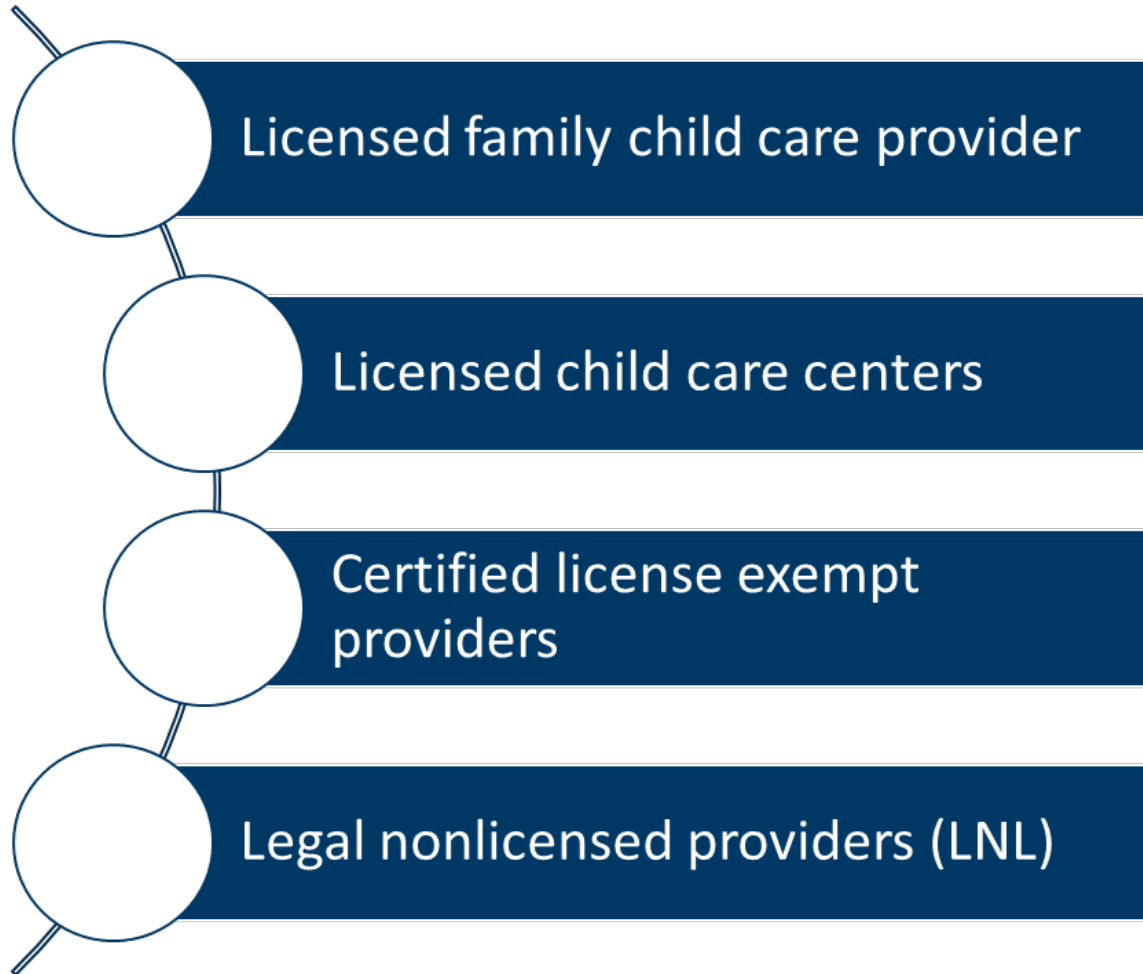
Child Care Assistance Program – ongoing eligibility

- Most families are approved for 12 months, then redetermined once/year
- Families need to report some changes, such as permanent loss of a job or leaving school or if a new family member joins the household
- If changes occur, benefits can continue with some limitations. For example, a family might have three months to find a job while getting CCAP to remain eligible
- Pay the family copayment fee (based on income and family size).
For example, a family of 3 with \$40,000 income would have a \$59 copay every 2 weeks

Authorizing Child Care - Basis for CCAP payments



Provider Types supported and allowed by CCAP



How CCAP and Early Learning Scholarship coordinate

Families

- Dual eligibility, meaning a family can get both CCAP and ELS for at least for some children
- CCAP serves children ages 0-13, ELS serves children 5 and under

Providers

- When families use both, the provider usually bills CCAP first and ELS can pay some costs not paid by CCAP



What questions
do you have?

Thank You!

Laurie Possin

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METRIXIQ

ST. PAUL 3K

Financial Modeling and Analysis for Expanding Access to Quality Preschool



Prepared for:

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Table of Contents

| | |
|---|---------|
| Executive Summary..... | Page 3 |
| Acknowledgements..... | Page 4 |
| Section 1. Background..... | Page 4 |
| Section 2. Key Assumptions & Limitations in Data..... | Page 4 |
| Section 3. Population & Preschool Provider Landscape in St. Paul..... | Page 5 |
| Section 4. Estimated Preschool Enrollment and Participation Rates..... | Page 8 |
| Section 5. Other Public Funding..... | Page 10 |
| Section 6. St. Paul 3K Average Funding Levels Per Child..... | Page 12 |
| Section 7. Summary of Additional Organizational & Infrastructure Costs..... | Page 15 |
| Section 8. Discussion of Three Scenarios Used for Modeling..... | Page 17 |
| Section 9. Key Decisions & Recommended Next Steps..... | Page 18 |
| Appendix A. Financial Model Results..... | Page 20 |

Executive Summary

The City of St. Paul is developing an ambitious community plan, St. Paul 3K, to expand access to two years of quality preschool for its 8,700 3- and 4-year-old children, 58% of whom live below 185% of the Federal Poverty Line (FPL). In April 2018, the City contracted with MetrixIQ to develop three 5-year proformas for different scenarios of program design, based on family income level:

Scenario 1: Fully funding 3- and 4-year-olds up to 185% FPL with an income-based scale thereafter.

Scenario 2: Fully funding 3- and 4-year-olds up to 300% FPL with an income-based scale thereafter.

Scenario 3: Fully funding 3- and 4-year-olds regardless of family income.

All cost estimates are based on average tuition rates for quality-rated preschool programs in the Twin Cities Metro Area, which range as high as \$18,668 per year for a 4-star child care center, and \$8,996 for a 4-star family child care provider. The models Metrix developed for this project integrate different income-based sliding scales depending on the scenario. Finally, Metrix applied our best understanding of other available public funding streams to determine average annual tuition assistance amounts.

The Metrix model also assumes a gradual annual ramp-up in preschool enrollment and St. Paul 3K participation over a 5-year period. We assume children must be enrolled with quality-rated preschool providers to be eligible for St. Paul 3K. By Year 5, we estimate **approximately 2,816 children** could be directly benefitting from St. Paul 3K tuition assistance, in addition to more than 3,000 children who are currently enrolled in preschool through Head Start and St. Paul Public Schools (SPPS). However, we estimate that as many as 56% of all preschool seats in St. Paul are currently in unrated community providers (child care centers and family child care). Even with significant annual improvements in quality we estimate that as many as 704 children will remain enrolled with unrated community providers by Year 5 and not eligible to receive St. Paul 3K tuition assistance.

The total average annual costs of St. Paul 3K under each scenario are detailed in Table A, ranging on average from \$17.9M per year to \$29.4M per year over the 5-year planning horizon.

Table A. Average Annual Costs by Scenario (in \$000s)

| Estimated Costs | Scenario 1 | | Scenario 2 | | Scenario 3 | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Avg / Year | Year 5 | Avg / Year | Year 5 | Avg / Year | Year 5 |
| Tuition Assistance | \$ 14,529 | \$ 21,500 | \$ 16,350 | \$ 24,074 | \$ 24,958 | \$ 36,243 |
| Quality Improvement | \$ 951 | \$ 1,008 | \$ 951 | \$ 1,008 | \$ 951 | \$ 1,008 |
| Admin & Infrastructure | \$ 2,412 | \$ 2,522 | \$ 2,627 | \$ 2,750 | \$ 3,487 | \$ 3,662 |
| Total | \$ 17,892 | \$ 25,030 | \$ 19,928 | \$ 27,832 | \$ 29,396 | \$ 40,913 |

Acknowledgements

We would like to thank Taina Maki and Councilmember Rebecca Noecker of the City of St. Paul, along with Jonathan May of Think Small, Lori Erickson of St. Paul Public Schools, Karri Kerns of the Community Action Partnership of Ramsey/Washington Counties' Head Start/Early Head Start Program, and Laurie Davis of the St. Paul Children's Collaborative. Without their help and guidance, this project would not have been possible.

Section 1. Background

In April 2018 the City of St. Paul contracted with MetrixIQ to develop three 5-year proformas for different scenarios of expanding access to quality-rated preschool for 3- and 4-year-olds. Input data sources were provided by Think Small, the Community Action Partnership of Ramsey/Washington Counties' Head Start/Early Head Start Program, St. Paul Public Schools' Office of Early Learning, and the Minnesota Department of Human Services.

Each scenario incorporates our understanding of the key program priorities for St. Paul 3K:

- All 3- and 4-year-old children who are residents of the City of St. Paul are eligible for funding.
- Families can choose any provider type (centers, schools, Head Start and family child care).
- Funding is available for rated preschool providers (1 to 4 stars), with quality improvement supports available to 1- and 2-star-rated programs and unrated programs.
- Funding is available for the full work day and full calendar year.
- Funding should build upon but not replace, existing sources of federal, state, and local revenue.

The three scenarios contained in this report include:

Scenario 1: Fully funding 3- and 4-year-olds up to 185% FPL (\$46K for a family of four), with an income-based sliding scale above 185% FPL.

Scenario 2: Fully funding 3- and 4-year-olds up to 300% FPL (\$73K for a family of four), with an income-based sliding scale above 300% FPL.

Scenario 3: Fully funding 3- and 4-year-olds regardless of family income.

It is important to note that the intent of this report is not to recommend any one scenario. Its key purpose is to provide community leaders and decisionmakers with general estimates of costs and the number of children potentially benefitting from St. Paul 3K given various alternatives for program design.

Section 2. Key Assumptions & Limitations in Data

As with any new initiative of this type, data are not yet available on the impact a new local revenue stream such as St. Paul 3K will have on parent behavior or the early childhood ecosystem in St. Paul.

Throughout this document, we have relied on our experience and data from similar initiatives in other communities along with insight from local experts and stakeholders in St. Paul to complete our analysis. The data sources used, along with any assumptions made, are documented throughout this report.

Some key areas where data are not currently available, thus limiting the analysis include:

- Annual targets for student participation rates by year, income, star rating, and provider type.
- Current enrollment rates and open seats in community providers by star-rating and provider type.
- Current preschool enrollment rates by family income.
- The pace of anticipated growth in enrollment and quality-rated providers over time.
- The extent to which families and providers are currently layering sources of other public funding to support the costs of quality preschool.
- A thorough analysis of the actual cost of quality preschool by star-rating and provider type.

We have included the following assumptions. Additional details surrounding each assumption are provided throughout the report.

- Baseline preschool enrollment is 64% of all 3- and 4-year-olds.
- Preschool enrollment increases over time, toward a target of 76% of all 3- and 4-year-olds.
- Preschool enrollment rates are the same across income levels.
- At baseline, 44% of children enrolled in preschool with community providers are in rated programs. This gradually increases over time, toward a target of 80%.
- Enrollment in – and funding available to – St. Paul Public Schools and Head Start remains constant at current levels.
- Children enrolled with unrated providers are not eligible to receive tuition assistance.
- CCAP and Pathway I scholarships are distributed in the same way that preschool seats are distributed by star rating and provider type throughout the landscape.
- There is no duplicate enrollment; every child is enrolled with one provider only.
- Half-day enrollment in child care centers and family child care is fairly rare, at 6% each.

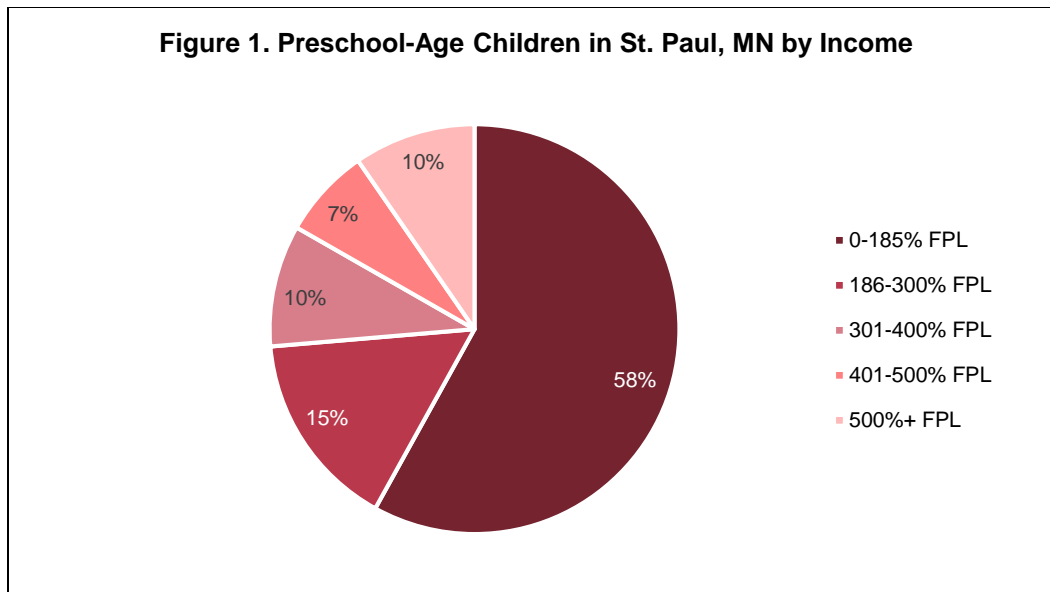
Section 3. Population & Preschool Provider Landscape in St. Paul

Understanding the potential for St. Paul 3K participation first requires understanding the population of preschool-age children in St. Paul, MN. Within the City of St. Paul, there are 8,717 preschool-age children (age 3 and 4); 58% of whom live below 185% of the Federal Poverty Level. Table 1 and Figure 1 show the breakdown of preschool-age children in St. Paul by age and income tier. The high number of preschool-age children living below 185% FPL within the broader population is clear.

Table 1. Preschool-Age Children in St. Paul, MN by Income

| Income Tier | 3-year-olds | 4-year-olds | Total | % of Total |
|--------------|--------------|--------------|--------------|-------------|
| 0-185% FPL | 2,021 | 3,039 | 5,060 | 58% |
| 186-300% FPL | 713 | 647 | 1,360 | 16% |
| 301-400% FPL | 317 | 521 | 838 | 10% |
| 401-500% FPL | 432 | 188 | 620 | 7% |
| 500%+ FPL | 440 | 399 | 839 | 10% |
| Total | 3,923 | 4,794 | 8,717 | 100% |

Source: U.S. Census Bureau, 2011-2015 American Community Survey



Understanding the landscape of preschool providers is equally as important when assessing the potential impact and cost of a new funding source such as St. Paul 3K. Preschool seats can be counted by licensed capacity (the maximum number of children a provider is legally licensed to serve at any given time), available capacity (the maximum number of children a provider can serve at any given time with open classrooms and/or current staffing), or actual enrollment. Available capacity data were not available, and counts of actual enrollment were available only for St. Paul Public Schools and Head Start. For the purposes of this model, we have chosen to combine licensed capacity data from Think Small as a proxy for the count of potentially available preschool seats within community providers (child care centers and licensed family child care) and actual enrollment in St. Paul Public Schools and Head Start (including St. Paul residents only). **We estimate there are 12,111 potentially available preschool seats in St. Paul.** Table 2 contains a breakdown of these seats by star-rating and provider type.

Table 2 also contains an estimate of the split between half day, school day, and full day seats within each provider type. The majority of seats in Head Start and St. Paul Public Schools classrooms, approximately 84% and 68%, respectively, are funded for a half day during the school year (Table 2). Based on our knowledge of the business model typically employed by child care centers and family child care in other communities, combined with anecdotal insight from Think Small, we have assumed half-day enrollment in child care centers and family child care is fairly rare.¹

¹ We have matched our estimates in this model to the Denver Preschool Program’s experiential data on the half-day participation rate of children enrolled in non-Head Start community providers (average 6%). The cost of half-day programming is generally assumed to be approximately 50% of the cost of full-day preschool.

Table 2. Estimated Preschool Seats by Provider Rating & Type

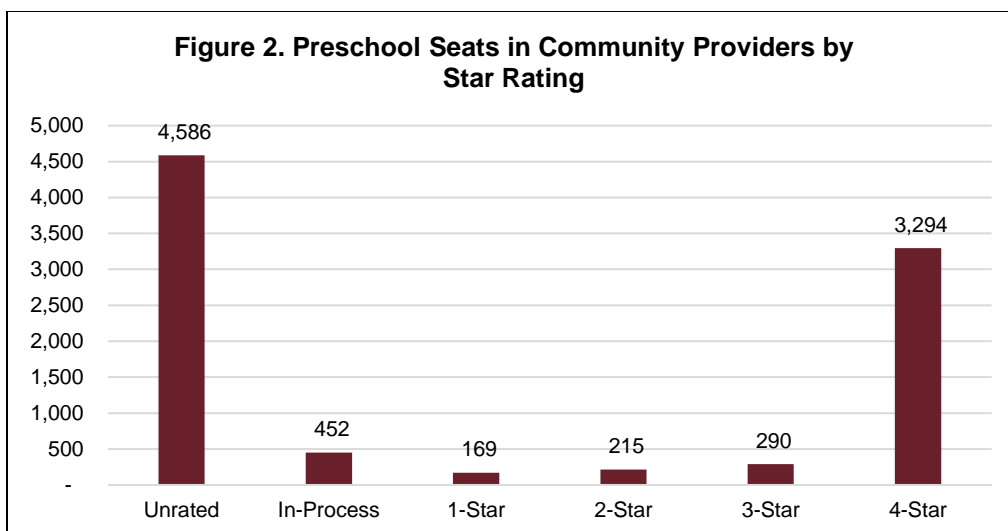
| Child Care Centers | Total Seats | % Half Day | % School Day | % Full Day |
|--------------------------------|--------------------|-------------------|---------------------|-------------------|
| Unrated | 3,168 | 6% | 0% | 94% |
| In Process | 350 | 6% | 0% | 94% |
| 1-Star | 113 | 6% | 0% | 94% |
| 2-Star | 51 | 6% | 0% | 94% |
| 3-Star | 234 | 6% | 0% | 94% |
| 4-Star | 2,918 | 6% | 0% | 94% |
| Sub-Total | 6,834 | | | |
| Family Child Care | Total Seats | % Half Day | % School Day | % Full Day |
| Unrated | 1,418 | 6% | 0% | 94% |
| In Process | 102 | 6% | 0% | 94% |
| 1-Star | 56 | 6% | 0% | 94% |
| 2-Star | 164 | 6% | 0% | 94% |
| 3-Star | 56 | 6% | 0% | 94% |
| 4-Star | 376 | 6% | 0% | 94% |
| Sub-Total | 2,172 | | | |
| Head Start & SPPS | Total Seats | % Half Day | % School Day | % Full Day |
| Head Start | 1,132 | 84% | 6% | 10% |
| St. Paul Public Schools | 1,973 | 68% | 32% | 0% |
| Sub-Total | 3,105 | | | |
| Total - All Providers | 12,111 | | | |
| Total - Rated Providers | 7,073 | | | |

Source: Think Small, Head Start, St. Paul Public Schools

Note: Head Start seats represent St. Paul residents only (approximately 90% of total enrollment).

The City of St. Paul has sufficient available preschool seats to serve its population of 3- and 4-year-old children. New or expanded facilities are likely not needed, especially if the current mix of half-day and full-day enrollment is maintained. However, only 58% of all available seats are star-rated, including St. Paul Public Schools and Head Start, both of which are assumed to be 4-star-rated or equivalent. **Within community providers (child care centers and licensed family child care) only 44% of available seats are star-rated.**² Figure 2 contains the breakdown of community providers by star rating, showing a clear predominance of available seats at both ends of the rating spectrum.

² Thirty-three percent of the unrated seats in St. Paul are in licensed family child care providers.



Source: Think Small

Note: Figure does not include seats within Head Start or St. Paul Public Schools.

Given this breakdown of unrated and rated preschool seats, the City of St. Paul will face an important decision of how to support children who are enrolled in unrated community providers and/or how to construct a quality improvement initiative targeting the barriers for unrated providers, helping them move into the star-rating system.

Section 4. Estimated Preschool Enrollment and Participation Rates

Estimating participation rates and the number of children who may receive St. Paul 3K funding is a key element of our analysis. However, data are not currently available on several indicators that could inform our estimates of preschool enrollment and St. Paul 3K participation, including baseline preschool enrollment rates in community providers, annual targets for St. Paul 3K participation, or annual targets for increasing the number of star-rated preschool seats through quality improvement initiatives.

Nationally, about 64% of 3- and 4-year-olds (combined) are enrolled in some form of preschool.³ We opted to use this as an estimate of preschool enrollment in St. Paul in Year 1, inclusive of Head Start and St. Paul Public School preschool programs, child care centers (rated and unrated), and family child care (rated and unrated). We then set a target of 65% of three-year-olds and 85% of 4-year-olds (76% combined total) who may be enrolled in any type of preschool by Year 5, with gradual increases of three percentage points a year. This target matches the preschool enrollment rate in Washington, D.C., one of the few mature universal preschool programs with funding for 3- and 4-year-olds in the country. In establishing these targets, we assume funding from St. Paul 3K removes income as a potential barrier for families to access preschool and children enroll at equal rates across income levels.

Table 3 shows a breakdown of the population and target preschool enrollment by age group. **We assume the maximum preschool enrollment in St. Paul is 76% of the population, or 6,625 children.**

³ Barnett and Nores. 2012. *Estimated Participation and Hours in Early Care and Education by Type of Arrangement and Income at Ages 2 to 4 in 2010*. New Brunswick, NJ: National Institute for Early Childhood Education and Research. Cited in Karoly, et al. 2016. *Options for Investing in Access to High-Quality Preschool in Cincinnati*. Santa Monica, CA: The RAND Corporation. Available at https://www.rand.org/pubs/research_reports/RR1615.html.

Table 3. Target Preschool Enrollment Rates by Age and Income

| Income Tier | 3-Year-Olds | | | 4-Year-Olds | | | Total | | |
|--------------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|
| | Pop. | Pre-K Target | % Pop. | Pop. | Pre-K Target | % Pop. | Pop. | Pre-K Target | % Pop. |
| 0-185% FPL | 2,021 | 1,314 | 65% | 3,039 | 2,583 | 85% | 5,060 | 3,897 | 77% |
| 186-300% FPL | 713 | 463 | 65% | 647 | 550 | 85% | 1,360 | 1,013 | 75% |
| 301-400% FPL | 317 | 206 | 65% | 521 | 443 | 85% | 838 | 649 | 77% |
| 401-500% FPL | 432 | 281 | 65% | 188 | 160 | 85% | 620 | 441 | 71% |
| 500%+ FPL | 440 | 286 | 65% | 399 | 339 | 85% | 839 | 625 | 75% |
| Total | 3,923 | 2,550 | 65% | 4,794 | 4,075 | 85% | 8,717 | 6,625 | 76% |

Next, we estimated the breakdown of preschool enrollment by income level, and by enrollment in Head Start, St. Paul Public Schools, unrated community providers, and rated community providers each year. We assume enrollment in Head Start and St. Paul Public Schools remains constant over the 5-year period. We also assume enrollment in rated community providers gradually increases each year as a direct result of St. Paul 3K funding. In Year 1, we assume 44% of children enrolled in community providers are enrolled in star-rated programs, increasing to 80% by Year 5 (Table 4).

Table 4. Estimated Enrollment Trend in Rated Community Providers by Year

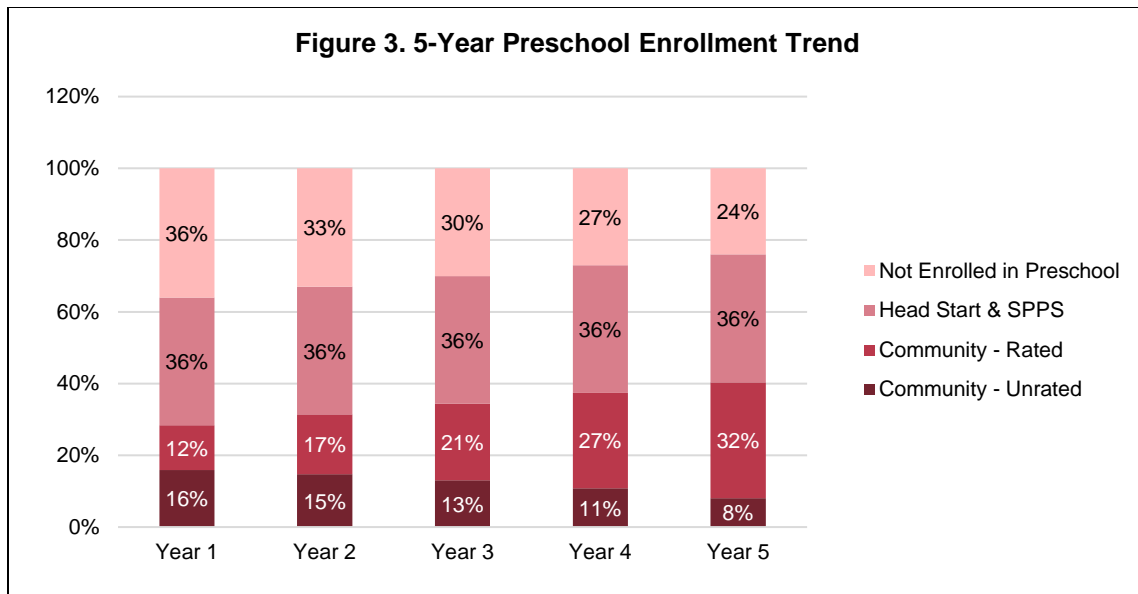
| Community Provider Enrollment | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------|--------|--------|--------|--------|--------|
| Unrated Providers | 56% | 47% | 38% | 29% | 20% |
| Rated Providers | 44% | 53% | 62% | 71% | 80% |

Source: Author's Estimates

Table 5 and Figure 3 illustrate our enrollment projections by provider type over the 5-year period. By Year 5, 76% of children are enrolled in preschool, 68% are enrolled in a rated program (inclusive of Head Start and St. Paul Public Schools and rated community providers), and 80% of children enrolled in community providers are enrolled in rated programs.

Table 5. 5-Year Preschool Enrollment Trend

| Provider Type | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Unrated Community Provider | 16% | 15% | 13% | 11% | 8% |
| Rated Community Provider | 12% | 17% | 21% | 27% | 32% |
| Head Start & St. Paul Public Schools | 36% | 36% | 36% | 36% | 36% |
| Not Enrolled in Preschool | 36% | 33% | 30% | 27% | 24% |
| Total | 100% | 100% | 100% | 100% | 100% |



It is important to note two key points about these estimates. First, though we assume preschool enrollment and enrollment in rated preschool providers will increase gradually with time, it is unlikely that every child who may enroll with a rated community provider will receive tuition assistance from St. Paul 3K, especially in the early years of the program. Our experience in Denver, CO, Dayton, OH, and Cincinnati, OH shows it takes time for families and providers to learn about the program and understand its benefits. There may need to be additional discounting not included in our analysis to account for families who simply do not participate for any number of reasons. Second, depending on the decisions that are made around funding enrollment in unrated providers, funding all income levels, and/or funding provider types that are already heavily subsidized from other public funding sources, such as St. Paul Public Schools and Head Start, there may be substantial numbers of children who are enrolled in preschool but do not receive tuition assistance from St. Paul 3K.

Our analysis indicates the maximum number of beneficiaries from St. Paul 3K in Year 5 is 2,816, across all income levels. This assumes three key conditions are true:

1. Children who are enrolled in unrated preschool programs are not beneficiaries of St. Paul 3K,
2. Enrollment in unrated community providers gradually declines from 56% to 20% of all community provider enrollment over 5 years.
3. Funding levels available to Head Start and St. Paul Public Schools remains constant and sufficient to serve children enrolled in these classrooms.

Additional work is needed to refine the policies around enrollment and eligibility, annual enrollment targets (some of which may be informed by actual experience in the first year of implementation), and estimates about the pace at which unrated programs may become rated.

Section 5. Other Public Funding

A core value conveyed to Metrix for St. Paul 3K is to ensure that new funding does not supplant other public funding that is already available for preschool from federal, state, or local sources. Like many

states, early childhood education in Minnesota is currently funded by an array of public funding sources that, while helpful, are not sufficient to ensure every family can afford the high costs of quality preschool.

Think Small, St. Paul Public Schools, and Head Start provided data on the amounts of other public funding currently spent for preschool-age children in St. Paul. The total of these other public funding streams is approximately \$39.9M per year. As is common in this type of analysis, no data were available on the unduplicated dollar amounts spent per child, the extent to which children layer multiple sources of other public funding such as CCAP or Pathway I scholarships, or how other public funding sources (primarily CCAP) are distributed across provider ratings and types. Notably, a recent report from the Minnesota Office of the Legislative Auditor confirms statewide, it is impossible to determine the extent of duplication or layering of public funding for early childhood education, given the fragmentation in the various systems used for tracking those dollars.⁴

With these limitations, our analysis of the availability of other public funding sources by provider type, star rating, and family income level is guided by the following assumptions:

Head Start: Federal and State funding for Head Start is available to Head Start providers only. All Head Start providers are assumed to be 4-star-rated or equivalent. All children served by Head Start are assumed to have household incomes below 185% FPL.

CCAP: CCAP funding can be used at any child care center or licensed family child care provider regardless of star rating. CCAP can be layered with Head Start dollars to fund a child for the full day and full year. Families are eligible for CCAP if they meet work, school, or job training requirements and have household incomes below 185% FPL.

Pathway I Scholarships: Pathway I scholarships can be used at highly-rated (3- or 4-star) child care centers or licensed family child care providers. Families are eligible to receive Pathway I scholarships if they have household incomes below 185% FPL. Pathway I scholarships can be layered with Head Start dollars to fund a child for the full day and full year.

Pathway II: Pathway II funds are allocated directly to providers by the Minnesota Department of Education, and are currently available to Head Start providers, St. Paul Public Schools and 4-star child care centers.

St. Paul Public Schools: St. Paul Public Schools receives Minnesota School Readiness funding, funding from local referenda, Minnesota Voluntary Pre-K, and Title I. St. Paul Public Schools does not utilize CCAP. St. Paul Public Schools preschool is free for all students, 68% of whom qualify for Free & Reduced Lunch (approximately 185% FPL).

⁴ Minnesota Office of the Legislative Auditor. 2018. *Early Childhood Programs 2018 Evaluation Report*. St. Paul, MN. Available at <https://www.auditor.leg.state.mn.us/ped/pedrep/earlychildhood.pdf>

Table 6 provides a detailed estimation of the breakdown of other public funding amounts by provider type and star rating.⁵ While nearly \$40M of other public funding is available system-wide, \$35.9M is directed toward star-rated programs inclusive of Head Start and St. Paul Public Schools, and **only \$5.2M of other public funding for preschool students is directed toward star-rated community providers.**

Table 6. Estimates of Other Public Funding Sources and Amounts by Provider Rating and Type (in \$000s)

| Community Providers | CCAP | Pathway I | Pathway II | Head Start | Other SPPS | Total |
|------------------------------|-----------------|------------------|-------------------|-------------------|-------------------|------------------|
| Unrated /In Process | \$ 4,027 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 4,027 |
| Rated | \$ 3,172 | \$ 1,136 | \$ 875 | \$ 0 | \$ 0 | \$ 5,183 |
| Sub-Total | \$ 7,198 | \$ 1,136 | \$ 875 | \$ 0 | \$ 0 | \$ 9,210 |
| Head Start & SPPS | CCAP | Pathway I | Pathway II | Head Start | Other SPPS | Total |
| Head Start | \$ 593 | \$ 593 | \$ 675 | \$ 14,585 | \$ 0 | \$ 16,446 |
| St. Paul Public Schools | \$ 0 | \$ 0 | \$ 1,769 | \$ 0 | \$ 12,463 | \$ 14,232 |
| Sub-Total | \$ 593 | \$ 593 | \$ 2,444 | \$ 14,585 | \$ 12,463 | \$ 30,677 |
| Total | CCAP | Pathway I | Pathway II | Head Start | Other SPPS | Total |
| All Providers | \$ 7,791 | \$ 1,729 | \$ 3,319 | \$ 14,585 | \$ 12,463 | \$ 39,887 |
| Rated Providers | \$ 3,765 | \$ 1,729 | \$ 3,319 | \$ 14,585 | \$ 12,463 | \$ 35,860 |
| Rated Community Providers | \$ 3,172 | \$ 1,136 | \$ 876 | \$ 0 | \$ 0 | \$ 5,183 |

Source: ThinkSmall, Head Start, St. Paul Public Schools

Notes: CCAP and Pathway I scholarships are used to fund enrollment in full-day, full-year Head Start at the equivalent rate of a 4-star child care center.

Given the limitations regarding other public funding described elsewhere in this report, the amounts in Table 6 are intended only to provide a representative view of existing other public funding sources that are available in St. Paul for the new St. Paul 3K initiative to build upon. Determining the specific policies around how other public funding streams can be braided and blended with St. Paul 3K resources, and how the amounts of other public funding will be determined and monitored at the student-level is a necessary next step for the initiative.

Section 6. St. Paul 3K Average Funding Levels Per Child

Determining the average amount of St. Paul 3K funding needed to support each child based on household income, provider type, and star rating is the final necessary component of our analysis. Consistent with data provided by the Minnesota Department of Human Services on the average weekly tuition rate for preschoolers by star-rating, our model assumes the cost of quality preschool increases with star-rating, accommodating the higher tuition rates providers typically charge as their quality increases.⁶

⁵ Our model assumes CCAP and Pathway I scholarships are distributed in the same way that preschool seats are distributed by star-rating and provider type across the St. Paul preschool landscape. For instance, we assume 37% of CCAP funding is used within 4-star community providers, since they represent 37% of the available community-based preschool seats.

⁶ Franko, M., Brodsky, A., Wacker, A., & Estrada, M. (2017). *Bearing the Cost of Early Care and Education in Colorado: An Economic Analysis*. Denver, CO: Butler Institute for Families, Graduate School of Social Work, University of Denver.

We have included different tuition rates for the various provider types represented in the St. Paul preschool ecosystem: child care centers, licensed family child care, Head Start, and St. Paul Public Schools (Table 7). These tuition rates range from \$3,800 for half-day preschool in St. Paul Public Schools to \$18,668 for full-day, full-year preschool in a 4-star child care center.

Table 7. Average Annual Preschool Tuition Rates by Provider Type and Star Rating

| | Half Day | School Day | Full Day |
|------------------------------|---------------|---------------|---------------|
| | Avg \$ / Year | Avg \$ / Year | Avg \$ / Year |
| Child Care Centers | | | |
| 1-Star | \$ 6,812 | N/A | \$ 13,624 |
| 2-Star | \$ 6,812 | N/A | \$ 13,624 |
| 3-Star | \$ 7,176 | N/A | \$ 14,352 |
| 4-Star | \$ 9,334 | N/A | \$ 18,668 |
| Family Child Care | | | |
| 1-Star | \$ 4,238 | N/A | \$ 8,476 |
| 2-Star | \$ 4,342 | N/A | \$ 8,684 |
| 3-Star | \$ 4,316 | N/A | \$ 8,632 |
| 4-Star | \$ 4,498 | N/A | \$ 8,996 |
| Head Start & SPPS | | | |
| Head Start | \$ 8,173 | \$ 8,173 | \$ 18,668 |
| St. Paul Public Schools | \$ 3,800 | \$ 7,500 | N/A |

The cost of center-based preschool in St. Paul is higher than the national average, the Minnesota state average, and many other cities with similar initiatives. A new report from the Center for American Progress finds the national average cost of high-quality year-round preschool is \$15,800 per child. The Minnesota average is slightly higher, at \$16,600 per child.⁷ If the costs provided to Metrix for use in this model are accurate, it may suggest preschool tuition rates in St. Paul are already compensating providers at a level needed to achieve and sustain high quality, providing a strong foundation for St. Paul 3K to build upon. A more thorough analysis of the average tuition rates and/or cost of quality by star rating and provider type is a reasonable next step for St. Paul 3K to ensure the accuracy of these figures and determine the most appropriate reimbursement rates.

Beyond the average tuition rates in Table 7, the models Metrix developed for this project integrate various income-based sliding scales depending on the scenario used. For the purposes of these models, we have proposed the subsidy levels contained in Table 8. Note that these subsidy rates are generally in-line with similar citywide preschool expansion initiatives. However, the amount of tuition assistance provided by income level is a community value, and the City of St. Paul should undertake additional work to determine the specific parameters of the income-based sliding scale that will be utilized for St. Paul 3K.

⁷ Workman, S. (2018). *Where Does Your Child Care Dollar Go? Understanding the Cost of Quality Early Childhood Education*. Washington, D.C.: Center for American Progress. Available at <https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

Table 8. Proposed Subsidy Rates by Income for St. Paul 3K by Scenario

| Income Tier | Scenario 1 % Subsidy | Scenario 2 % Subsidy | Scenario 3 % Subsidy |
|-----------------|-------------------------|-------------------------|-------------------------|
| 0-185% FPL | 100% | 100% | 100% |
| 186-300% FPL | 75% | 100% | 100% |
| 301-400% FPL | 50% | 50% | 100% |
| 401-500% FPL | 30% | 30% | 100% |
| 501% FPL and up | 10% | 10% | 100% |

Even in the most conservative model, Scenario 1 (fully funding children up to 185% FPL only), the annual cost of quality preschool never exceeds 6% to 13% of annual household income in a 4-star family child care provider or child care center, respectively (Table 9). The U.S. Department of Health and Human Services considers the threshold for affordability in child care to be 10% or less of a family’s annual income.⁸ Particularly for lower- and middle-income families, the proposed subsidy rates in Table 8 provide a significant discount in the cost of quality preschool, ensuring it is well within the affordability threshold for most families – and without any cost for some or all.

Table 9. Family Contribution for Preschool Costs Before and After St. Paul 3K Subsidy in Scenario 1

| Income Tier | % Subsidy | Child Care Centers | | Family Child Care | |
|-----------------|-----------|-----------------------|------------------------|-----------------------|------------------------|
| | | % Income - No Subsidy | % Income After Subsidy | % Income - No Subsidy | % Income After Subsidy |
| 0-185% FPL | 100% | 40% or more | 0% | 19% or more | 0% |
| 186-300% FPL | 75% | 25% - 40% | 6% - 10% | 12% - 19% | 3% - 5% |
| 301-400% FPL | 50% | 19% - 25% | 9% - 12% | 9% - 12% | 4% - 6% |
| 401-500% FPL | 30% | 15% - 19% | 10% - 13% | 7% - 9% | 5% - 6% |
| 501% FPL and up | 10% | 15% or less | 13% or less | 7% or less | 6% or less |

Table 10 contains an estimate of the average annual amount of St. Paul 3K tuition assistance needed for each child, based on family income, provider type, and star rating, based on Scenario 1 (preschool tuition is fully subsidized for families below 185% FPL). These averages are net of other public funding available to each income level. As the amount of St. Paul 3K tuition assistance in this scenario scales with income, the average cost per child generally declines as income increases. The exception in Scenario 1 is those families 186-300% FPL, who are not eligible for most sources of other public funding, yet still receive a 75% subsidy from St. Paul 3K.

⁸ Gould, E. and Cooke, C. (2015). *High Quality Child Care is Out of Reach for Working Families*. Washington, D.C.: Economic Policy Institute. Available at <https://www.epi.org/publication/child-care-affordability/>

Table 10. St. Paul 3K Average Annual Costs Per Child in Scenario 1

| Provider Type & Rating | 0-185% FPL | 186-300% FPL | 301-400% FPL | 401-500% FPL | 501% + FPL |
|--------------------------------|---------------|-----------------|-----------------|-----------------|------------|
| Child Care Centers | | | | | |
| 1-Star | \$ 8,198 | \$ 9,911 | \$ 6,608 | \$ 3,965 | \$ 1,322 |
| 2-Star | \$ 8,120 | \$ 9,911 | \$ 6,608 | \$ 3,965 | \$ 1,322 |
| 3-Star | \$ 6,862 | \$ 10,441 | \$ 6,961 | \$ 4,176 | \$ 1,392 |
| 4-Star | \$ 9,143 | \$ 13,581 | \$ 9,054 | \$ 5,432 | \$ 1,811 |
| Family Child Care | | | | | |
| 1-Star | \$ 3,248 | \$ 6,166 | \$ 4,111 | \$ 2,467 | \$ 822 |
| 2-Star | \$ 3,382 | \$ 6,318 | \$ 4,212 | \$ 2,527 | \$ 842 |
| 3-Star | \$ 1,427 | \$ 6,280 | \$ 4,187 | \$ 2,512 | \$ 837 |
| 4-Star | \$ 1,612 | \$ 6,545 | \$ 4,363 | \$ 2,618 | \$ 873 |
| Head Start | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| St. Paul Public Schools | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Source: Author's estimates

Note: Amounts are influenced by income, star rating, provider type, and other public funding. The amount of other public funding available to Head Start and St. Paul Public Schools exceeds the cost per child given current enrollment levels.

Section 7. Summary of Additional Organizational & Infrastructure Costs

Tuition assistance directly benefitting families and preschool providers naturally represents the largest share of the budget for St. Paul 3K, however, additional infrastructure costs are necessary to operate a successful program and ensure the initiative delivers on its promises to the community. In line with the vision put forward in the St. Paul 3K Blueprint, our model strives to keep administrative costs at or below 20%. For our purposes, administrative costs are assumed to be anything other than tuition assistance and quality improvement – the programmatic aspects of St. Paul 3K that produce direct, tangible benefits for children, families and providers.

We have included the following line items in each of our three scenarios. Within each line item, these figures are intended as directional estimates only and should be later informed by responses to RFPs containing detailed scopes of work.

Quality Improvement: This includes funding for coaching, materials, equipment, supplies, and other resources needed to support unrated providers and providers with a 1-star or 2-star rating. We have estimated \$2,500 per classroom, assuming 20 seats per classroom in a child care center and 10 seats per classroom in a family child care home. Accordingly, we assume the amount of funding needed for quality improvement in Year 1 is \$895,250 (Table 11), increasing 3% a year. In all scenarios, our model assumes an average increase of 432 quality-rated seats in community providers per year. Given the significant number of unrated seats currently, additional work by the City of St. Paul and its stakeholders is needed to refine the scope of the quality improvement component of St. Paul 3K and set annual targets for increasing the supply of star-rated preschool seats.

Table 11. Quality Improvement Program Costs

| Provider Type | Est. # Seats | Seats Per Classroom | # Classrooms | \$ Per Classroom | QI Funding |
|--------------------------|--------------|---------------------|--------------|------------------|-------------------|
| Child Care Center | | | | | |
| Unrated | 3,518 | 20 | 176 | \$ 2,500 | \$ 439,750 |
| Rated (1-2 Star) | 164 | 20 | 8 | \$ 2,500 | \$ 20,500 |
| Family Child Care | | | | | |
| Unrated | 1,520 | 10 | 152 | \$ 2,500 | \$ 380,000 |
| Rated (1-2 Star) | 220 | 10 | 22 | \$ 2,500 | \$ 55,000 |
| Total | 5,422 | | 358 | | \$ 895,250 |

Data System Development: A secure, cloud-based data management system with seamless early childhood applications is essential to ensure data integrity, security of sensitive student-level data, and ease of reporting. We have included \$175,000 as a placeholder for developing and/or customizing a data system for St. Paul 3K in Year 1, with \$15,000 per year estimated for system development and maintenance in the later years of the program.

Enrollment, Eligibility & Payment Systems: This includes services needed to process student and provider applications, determine eligibility, calculate tuition assistance awards, manage communications and customer service with parents and providers, process attendance, and manage monthly payments. This work may also encompass data reporting and analytics. We assume this work encompasses only students enrolled in rated community providers.

Outreach & Marketing: This includes funding needed for advertising, communications to ensure parents, providers, and the general public know about the initiative, know how to enroll, and understand the benefits. This work can also encompass on-the-ground community outreach to parents, providers, and other stakeholders working with young children in the community. It is generally important to maintain the intensity of these efforts year after year, given the new cohorts of children who enroll in preschool each year.

Management & Administration: Our model allocates \$675,000 per year (with a 3% annual increase) to M&A expenses, including staff, benefits, facilities, materials, equipment and supplies. This expense consumes different portions of the budget (from an annual average of 4.3% to 9.8%, depending on the scenario), as we assume the organizational costs remain relatively constant regardless of the number of children served. Though there are many ways to staff an initiative like St. Paul 3K, in our experience, successful programs typically have the following staff in place:

- Executive Director
- Director of Operations/Program Director and/or Finance Director
- Marketing and Communications Manager
- Quality Improvement Manager
- Outreach and Engagement Manager
- Administrative Assistant

Additional roles, such as community outreach, program evaluation, and processing can be handled through contracts with outside entities or hired in-house. In addition to staffing structure, further consideration of the various options for the administrative structure of St. Paul 3K is needed. Similar initiatives have been established as free-standing nonprofit organizations, as subsidiaries or entities embedded within an existing community organization, or as departments managed by a city or school district. Each model has key considerations and tradeoffs in efficiency, the governance structure of the board and staff, autonomy, and other considerations that may affect the new organization in significant ways. A thorough analysis of the most likely administrative options for St. Paul should be conducted, including the pros and cons of each, until the administrative model that best reflects the community's values is decided upon.

Reserves: Contingency funding for unplanned expenses or unplanned fluctuations in revenue. The accumulation of reserves, and required levels of reserves, are largely a function of the funding source contemplated by St. Paul. For example, a program funded by a mil levy is less volatile than one funded by sales tax, and would likely require proportionally lower reserves. However, the appropriate reserves policy should be viewed as an outcome of program design, not an input to the model.

Section 8. Discussion of Three Scenarios Used for Modeling

As discussed throughout this document, our analysis includes three scenarios of program design:

Scenario 1: Fully funding 3- and 4-year-olds up to 185% FPL with an income-based scale thereafter.

Scenario 2: Fully funding 3- and 4-year-olds up to 300% FPL with an income-based scale thereafter.

Scenario 3: Fully funding 3- and 4-year-olds regardless of family income.

Each scenario includes an estimate of the annual cost of tuition assistance along with estimated costs for quality improvement and administrative infrastructure.

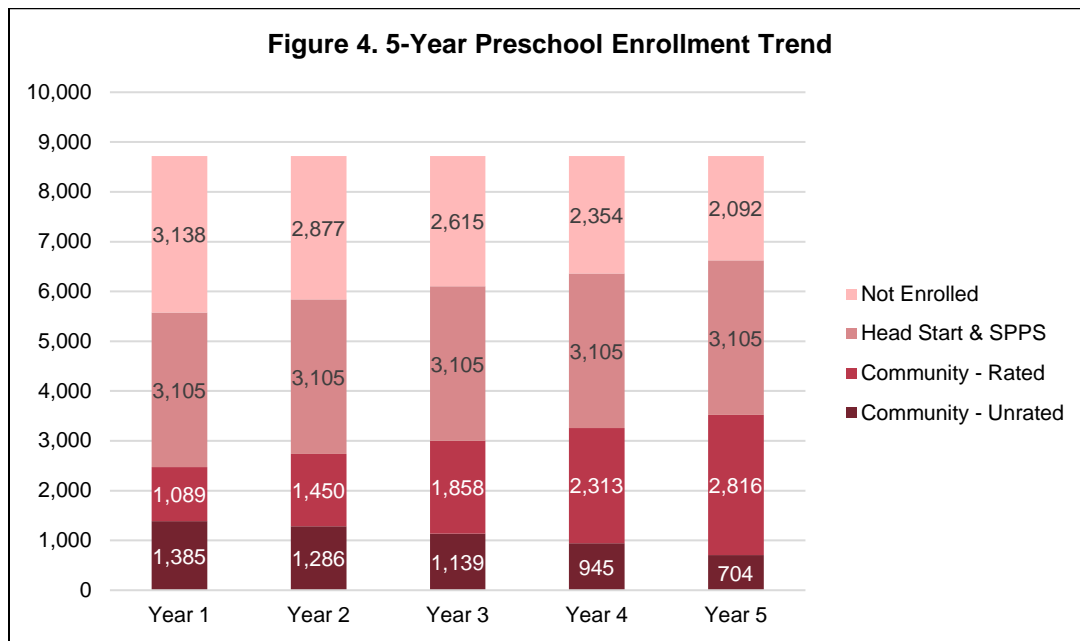
Tables 12 and 13 summarize the **average annual costs and average annual number of children enrolled in preschool** (including estimated enrollment in unrated programs) across the 5-year period. Children enrolled in rated community providers are assumed to be the direct beneficiaries of St. Paul 3K tuition assistance. Figure 4 illustrates the estimated growth in St. Paul 3K beneficiaries over the 5-year period. **Our cost estimates range from a low of \$17.9M per year to a high of \$29.4M per year, on average.**

Table 12. Average Annual Costs by Scenario (in \$000s)

| Estimated Costs | Scenario 1 | | Scenario 2 | | Scenario 3 | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Avg / Year | Year 5 | Avg / Year | Year 5 | Avg / Year | Year 5 |
| Tuition Assistance | \$ 14,529 | \$ 21,500 | \$ 16,350 | \$ 24,074 | \$ 24,958 | \$ 36,243 |
| Quality Improvement | \$ 951 | \$ 1,008 | \$ 951 | \$ 1,008 | \$ 951 | \$ 1,008 |
| Admin & Infrastructure | \$ 2,412 | \$ 2,522 | \$ 2,627 | \$ 2,750 | \$ 3,487 | \$ 3,662 |
| Total | \$ 17,892 | \$ 25,030 | \$ 19,928 | \$ 27,832 | \$ 29,396 | \$ 40,913 |

Table 13. Five-Year Preschool Enrollment Trend

| Enrollment Estimates | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------------|--------------|--------------|--------------|--------------|
| Rated Community Providers | | | | | |
| Child Care Centers | 910 | 1,212 | 1,553 | 1,933 | 2,353 |
| Family Child Care | 179 | 238 | 305 | 380 | 463 |
| Sub-Total – Rated Community | 1,089 | 1,450 | 1,858 | 2,313 | 2,816 |
| Head Start & SPPS | | | | | |
| Head Start | 1,132 | 1,132 | 1,132 | 1,132 | 1,132 |
| St. Paul Public Schools | 1,973 | 1,973 | 1,973 | 1,973 | 1,973 |
| Sub-Total - Head Start & SPPS | 3,105 | 3,105 | 3,105 | 3,105 | 3,105 |
| Unrated & Not Enrolled in Pre-K | | | | | |
| Unrated Child Care Centers | 967 | 898 | 795 | 660 | 492 |
| Unrated Family Child Care | 418 | 388 | 344 | 285 | 212 |
| Not Enrolled in Preschool | 3,138 | 2,877 | 2,615 | 2,354 | 2,092 |
| Sub-Total - Unrated & Not Enrolled | 4,523 | 4,162 | 3,754 | 3,299 | 2,796 |
| Total Children | 8,717 | 8,717 | 8,717 | 8,717 | 8,717 |



The Tables in Appendix A detail the costs under each scenario over a 5-year period.

Section 9. Key Decisions & Recommended Next Steps

The City of St. Paul has a strong foundation for advancing St. Paul 3K and expanding access to quality preschool. Our analysis highlights several considerations and next steps for the initiative.

- **Focus on Investing in Quality.** Currently, more than half of the preschool seats in St. Paul, and presumably, more than half of the children currently enrolled in preschool are in unrated community providers. The Blueprint is silent on the quality improvement needs of unrated providers. Developing the components of quality improvement plans uniquely tailored to the barriers faced by unrated child care centers and family child care providers – along with annual targets for increasing their ratings – should be a priority for St. Paul 3K to help more children and families access this funding.
- **Define Annual Enrollment Targets.** Enrollment in St. Paul 3K is likely to be lowest in the first year or two of the program, as it takes time for families and providers to learn about the initiative and its benefits. However, the City of St. Paul should invest in understanding more about the current state of preschool enrollment in community providers (beyond their licensed capacity), and developing realistic annual enrollment goals.
- **Study the Cost of Quality in St. Paul.** The average tuition rates at child care centers used in our analysis are quite high – nearly \$19,000 per year for full-year preschool at a 4-star child care center. The City of St. Paul should conduct additional analysis to determine if this is the appropriate rate to use in determining St. Paul 3K tuition assistance amounts, and if not, a more appropriate number that still incentivizes quality and accurately reflects the true cost of quality for St. Paul preschool providers.
- **Refine the Income-Based Sliding Scale for Families.** Our models incorporate different income-based sliding scales depending on the scenario, ranging from 100% subsidy for all families, to 100% subsidy for families below 185% FPL only. While the sliding scales used in each scenario generally make quality preschool affordable for families at all income levels, the specific parameters of the sliding scale should reflect the community's values and warrant additional consideration.
- **Develop a Tuition Credit Scale.** St. Paul 3K assumes that other sources of public funding are used prior to new, local resources. The City of St. Paul should undertake additional work to develop the specific policies of how funds from other public sources and St. Paul 3K can be blended and braided, and how other public funding amounts will be determined and monitored on a per-child basis. Related to this, the City of St. Paul should identify if and how providers (e.g., Head Start and St. Paul Public Schools) and children who are already fully funded through other sources will benefit from St. Paul 3K, recognizing that their benefits may need to be uniquely tailored to them.
- **Develop a Short- and Long-Term Evaluation Plan.** Identify the key outputs and outcomes of the initiative as well as the data sources needed to measure and publicly report on progress. Developing the plan now for sharing data among entities and for tracking students throughout their educational careers will benefit St. Paul 3K in the long run.

Appendix A. Financial Model Results

Table A1. Five-Year Proforma of St. Public 3K Funding: SCENARIO 1 (in \$000s)
Fully subsidized below 185% FPL only, income-based scale thereafter

| Tuition Assistance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Child Care Centers | | | | | |
| 1-Star | \$ 210.7 | \$ 282.8 | \$ 364.7 | \$ 456.5 | \$ 558.2 |
| 2-Star | \$ 94.7 | \$ 127.1 | \$ 164.0 | \$ 205.2 | \$ 250.8 |
| 3-Star | \$ 424.4 | \$ 566.1 | \$ 726.4 | \$ 905.3 | \$ 1,102.9 |
| 4-Star | \$ 6,937.5 | \$ 9,259.3 | \$ 11,887.8 | \$ 14,822.7 | \$ 18,064.3 |
| Family Child Care | | | | | |
| 1-Star | \$ 56.2 | \$ 74.5 | \$ 95.1 | \$ 118.1 | \$ 143.4 |
| 2-Star | \$ 169.3 | \$ 224.6 | \$ 287.0 | \$ 356.4 | \$ 432.8 |
| 3-Star | \$ 48.3 | \$ 63.0 | \$ 79.3 | \$ 97.3 | \$ 116.9 |
| 4-Star | \$ 341.7 | \$ 446.4 | \$ 562.9 | \$ 691.1 | \$ 831.2 |
| Head Start | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| St. Paul Public Schools | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| Sub-Total | \$ 8,282.8 | \$ 11,043.8 | \$ 14,167.0 | \$ 17,652.6 | \$ 21,500.5 |
| Quality Improvement Program | | | | | |
| Quality Improvement | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.3 | \$ 1,007.6 |
| Sub-Total | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.3 | \$ 1,007.6 |
| Administration & Infrastructure | | | | | |
| Data System Development | \$ 175.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 |
| Eligibility & Payment Systems | \$ 460.0 | \$ 473.8 | \$ 488.0 | \$ 502.7 | \$ 517.8 |
| Evaluation | \$ 460.0 | \$ 473.8 | \$ 488.0 | \$ 502.7 | \$ 517.8 |
| Outreach & Marketing | \$ 402.5 | \$ 414.6 | \$ 427.0 | \$ 439.8 | \$ 453.0 |
| Management & Administration | \$ 675.0 | \$ 695.3 | \$ 716.1 | \$ 737.6 | \$ 759.8 |
| Reserves | \$ 230.0 | \$ 236.9 | \$ 244.0 | \$ 251.3 | \$ 258.9 |
| Sub-Total | \$ 2,402.5 | \$ 2,309.3 | \$ 2,378.2 | \$ 2,449.0 | \$ 2,522.1 |
| PUBLIC INVESTMENT RANGE | | | | | |
| High (+10%) | \$ 12,738.6 | \$ 15,702.7 | \$ 19,244.5 | \$ 23,187.9 | \$ 27,533.2 |
| Mean | \$ 11,580.5 | \$ 14,275.2 | \$ 17,495.0 | \$ 21,079.9 | \$ 25,030.2 |
| Low (-10%) | \$ 10,422.5 | \$ 12,847.7 | \$ 15,745.5 | \$ 18,971.9 | \$ 22,527.2 |

Notes:

Eligibility & Payment Systems estimated at 4% of the Year 1 budget with an increase of 3% a year.

Evaluation estimated at 4% of the Year 1 budget with an increase of 3% a year.

Outreach & Marketing estimated at 3.5% of the Year 1 budget with an increase of 3% a year.

Reserves estimated at 2% of the Year 1 budget with an increase of 3% a year.

Table A2. Five-Year Proforma of St. Public 3K Funding: SCENARIO 2 (in \$000s)
Fully subsidized below 300% FPL only, income-based scale thereafter

| Tuition Assistance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Child Care Centers | | | | | |
| 1-Star | \$ 237.0 | \$ 316.5 | \$ 406.6 | \$ 507.2 | \$ 618.4 |
| 2-Star | \$ 106.6 | \$ 142.4 | \$ 182.9 | \$ 228.1 | \$ 278.0 |
| 3-Star | \$ 481.9 | \$ 639.7 | \$ 817.7 | \$ 1,015.9 | \$ 1,234.1 |
| 4-Star | \$ 7,869.7 | \$ 10,454.2 | \$ 13,369.7 | \$ 16,616.2 | \$ 20,193.8 |
| Family Child Care | | | | | |
| 1-Star | \$ 64.3 | \$ 84.9 | \$ 108.1 | \$ 133.8 | \$ 162.0 |
| 2-Star | \$ 193.6 | \$ 255.8 | \$ 325.7 | \$ 403.2 | \$ 488.5 |
| 3-Star | \$ 56.5 | \$ 73.6 | \$ 92.5 | \$ 113.2 | \$ 135.8 |
| 4-Star | \$ 399.6 | \$ 520.6 | \$ 654.9 | \$ 802.5 | \$ 963.4 |
| Head Start | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| St. Paul Public Schools | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| Sub-Total | \$ 9,409.3 | \$ 12,487.7 | \$ 15,958.0 | \$ 19,820.1 | \$ 24,074.0 |
| Quality Improvement Program | | | | | |
| Quality Improvement | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.2 | \$ 1,007.6 |
| Sub-Total | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.2 | \$ 1,007.6 |
| Administration & Infrastructure | | | | | |
| Data System Development | \$ 175.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 |
| Eligibility & Payment Systems | \$ 520.0 | \$ 535.6 | \$ 551.7 | \$ 568.2 | \$ 585.3 |
| Evaluation | \$ 520.0 | \$ 535.6 | \$ 551.7 | \$ 568.2 | \$ 585.3 |
| Outreach & Marketing | \$ 455.0 | \$ 468.7 | \$ 482.7 | \$ 497.2 | \$ 512.1 |
| Management & Administration | \$ 675.0 | \$ 695.3 | \$ 716.1 | \$ 737.6 | \$ 759.7 |
| Reserves | \$ 260.0 | \$ 267.8 | \$ 275.8 | \$ 284.1 | \$ 292.6 |
| Sub-Total | \$ 2,605.0 | \$ 2,517.9 | \$ 2,593.0 | \$ 2,670.3 | \$ 2,750.0 |
| PUBLIC INVESTMENT RANGE | | | | | |
| High (+10%) | \$ 14,200.5 | \$ 17,520.5 | \$ 21,450.8 | \$ 25,815.5 | \$ 30,614.8 |
| Mean | \$ 12,909.6 | \$ 15,927.7 | \$ 19,500.8 | \$ 23,468.7 | \$ 27,831.6 |
| Low (-10%) | \$ 11,618.6 | \$ 14,335.0 | \$ 17,550.7 | \$ 21,121.8 | \$ 25,048.5 |

Notes:

Eligibility & Payment Systems estimated at 4% of the Year 1 budget; increase of 3% a year.

Evaluation estimated at 4% of the Year 1 budget; increase of 3% a year.

Outreach & Marketing estimated at 3.5% of the Year 1 budget; increase of 3% a year.

Reserves estimated at 2% of the Year 1 budget, increase of 3% a year.

Table A3. Five-Year Proforma of St. Public 3K Funding: SCENARIO 3 (in \$000s)
Fully subsidizing all incomes

| Tuition Assistance | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Child Care Centers | | | | | |
| 1-Star | \$ 361.6 | \$ 476.2 | \$ 604.7 | \$ 746.9 | \$ 903.0 |
| 2-Star | \$ 162.9 | \$ 214.4 | \$ 272.2 | \$ 336.2 | \$ 406.4 |
| 3-Star | \$ 753.6 | \$ 988.0 | \$ 1,249.7 | \$ 1,538.7 | \$ 1,855.0 |
| 4-Star | \$ 12,277.5 | \$ 16,104.0 | \$ 20,377.2 | \$ 25,097.1 | \$ 30,263.7 |
| Family Child Care | | | | | |
| 1-Star | \$ 102.7 | \$ 134.1 | \$ 169.1 | \$ 207.7 | \$ 249.7 |
| 2-Star | \$ 308.9 | \$ 403.5 | \$ 508.9 | \$ 625.0 | \$ 751.7 |
| 3-Star | \$ 95.7 | \$ 123.7 | \$ 154.7 | \$ 188.5 | \$ 225.2 |
| 4-Star | \$ 673.3 | \$ 871.4 | \$ 1,090.0 | \$ 1,329.1 | \$ 1,588.7 |
| Head Start | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| St. Paul Public Schools | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| Sub-Total | \$ 14,736.1 | \$ 19,315.5 | \$ 24,426.6 | \$ 30,069.2 | \$ 36,243.4 |
| Quality Improvement Program | | | | | |
| Quality Improvement | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.2 | \$ 1,007.6 |
| Sub-Total | \$ 895.3 | \$ 922.1 | \$ 949.8 | \$ 978.2 | \$ 1,007.6 |
| Administration & Infrastructure | | | | | |
| Data System Development | \$ 175.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 | \$ 15.0 |
| Eligibility & Payment Systems | \$ 760.0 | \$ 782.8 | \$ 806.3 | \$ 830.5 | \$ 855.4 |
| Evaluation | \$ 760.0 | \$ 782.8 | \$ 806.3 | \$ 830.5 | \$ 855.4 |
| Outreach & Marketing | \$ 665.0 | \$ 685.0 | \$ 705.5 | \$ 726.7 | \$ 748.5 |
| Management & Administration | \$ 675.0 | \$ 695.3 | \$ 716.1 | \$ 737.6 | \$ 759.7 |
| Reserves | \$ 380.0 | \$ 391.4 | \$ 403.1 | \$ 415.2 | \$ 427.7 |
| Sub-Total | \$ 3,415.0 | \$ 3,352.2 | \$ 3,452.3 | \$ 3,555.4 | \$ 3,661.6 |
| PUBLIC INVESTMENT RANGE | | | | | |
| High (+10%) | \$ 20,951.0 | \$ 25,948.8 | \$ 31,711.5 | \$ 38,063.2 | \$ 45,003.9 |
| Mean | \$ 19,046.3 | \$ 23,589.8 | \$ 28,828.6 | \$ 34,602.9 | \$ 40,912.6 |
| Low (-10%) | \$ 17,141.7 | \$ 21,230.9 | \$ 25,945.8 | \$ 31,142.6 | \$ 36,821.4 |

Notes:

Eligibility & Payment Systems estimated at 4% of the Year 1 budget; increase of 3% a year.
 Evaluation estimated at 4% of the Year 1 budget; increase of 3% a year.
 Outreach & Marketing estimated at 3.5% of the Year 1 budget; increase of 3% a year.
 Reserves estimated at 2% of the Year 1 budget, increase of 3% a year.



Early Learning Scholarships Overview

Sandy Myers

Supervisor, Early Learning Services

Early Learning Scholarships: Purpose and Goals

Purpose: To close the opportunity gap for low income children through increased access to high-quality early childhood programs.

Minnesota Early Learning Scholarships Goals:

- Provide children with the most need access to a high-quality early learning setting of their family's choice
- Establish infrastructure for growing and sustaining a comprehensive early learning system in Minnesota



The Minnesota Department of Education (MDE) manages the Early Learning Scholarships Program under [Minnesota Statutes, section 124D.165.](#)

What is an Early Learning Scholarship?

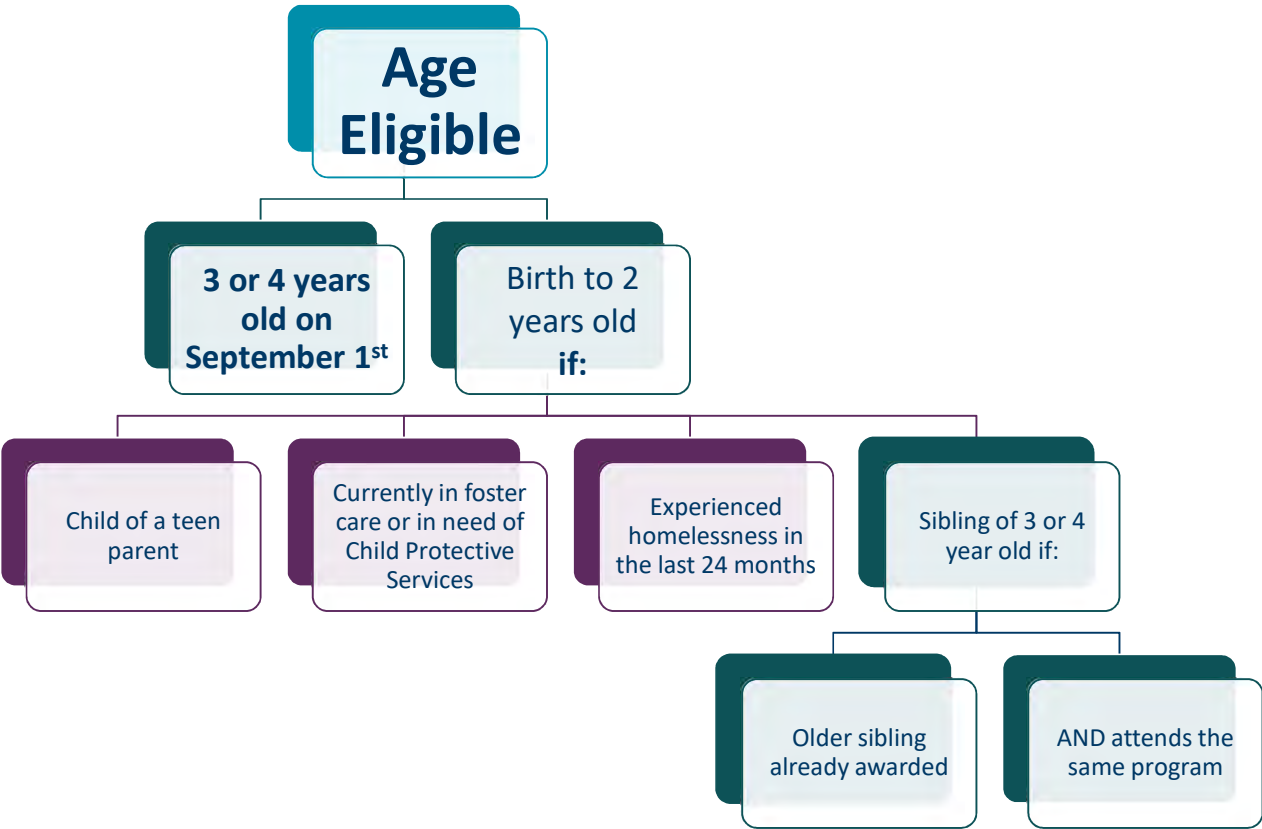


- An Early Learning Scholarship can help pay for:
 - Family Child Care
 - Center-based Child Care or Early Childhood program
 - Head Start/Early Head Start
 - School District prekindergarten or preschool program

* The early childhood program must be participating in Parent Aware and accepting scholarship recipients.

Early Learning Scholarship Eligibility: Age Eligibility

These 3 and 4 year olds are awarded before others when funds are available :



Early Learning Scholarship Eligibility: Income Eligibility

Option 1: Proof of participation in any of the following programs:

The image displays ten program boxes arranged in a grid. The boxes are as follows:

- MFIP** (Minnesota Family Investment Program) - Dark teal box
- CCAP** (Child Care Assistance Program) - Dark blue box
- FRLP** (Free and Reduced-Price Lunch Program) - Dark blue box
- CACFP** (Child and Adult Care Food Program) - Dark purple box
- SNAP** (Supplemental Nutrition Assistance Program) - Dark purple box
- Food Distribution Program Indian Reservations** - Dark purple box
- Head Start** - Dark purple box
- Foster Care** - Dark purple box

Early Learning Scholarship Eligibility: Income Eligibility

Income Eligibility

- To qualify for an early learning scholarship, a family's income must be equal to or less than 185% of the federal poverty level in the current calendar year. **The chart below is based on the poverty guidelines published in the Federal Register on January 12, 2022** and is valid for awards from July 1, 2022 through June 30, 2023.

| Family Size | Gross Income | Family Size | Gross Income |
|-------------|--------------|-------------|--------------|
| 2 | \$33,874 | 6 | \$68,802 |
| 3 | \$42,606 | 7 | \$77,534 |
| 4 | \$51,338 | 8 | \$86,266 |
| 5 | \$60,070 | 9** | \$94,998 |

For family units of more than nine members, add **\$8,732 for each additional member.

Two Pathways

Pathway I: Contact Area Administrator or 1-888-291-9811

- Awarded to eligible children through an Area Administrator
- Scholarship follows the child
- Scholarship amount based on the Parent Aware rating level of the program chosen

Pathway II: Contact Parent Aware Four-Star rated, funded program

- Awarded to eligible children through a Parent Aware Four-Star rated early childhood program
- Funding stays with the program
- Includes Head Start, School District prekindergarten and preschool programs as well as some family childcare and center-based programs

*Note: **Programs** can receive both Pathway I and Pathway II, but one child cannot access both scholarships at the same time.*

Applying for an Early Learning Scholarship

To apply for an Early Learning Scholarship:

- If a family is not already in an early childhood program:
 - Contact the [Area Administrator](#) of your **home** county
 - OR call the **Parent Aware** phone line and they'll refer to the local AA **1-888-291-9811**.



Applying for an Early Learning Scholarship

To apply for an Early Learning Scholarship:

- If the child is already in a Four Star Parent Aware-Rated early childhood program, ask the provider if they have funding for early learning scholarships. If yes, contact program staff for application instructions.
 - [Early Learning Scholarship Pathway II Funded FY2022-2023](#)

Early Learning Scholarships

| Parent Aware Program Rating Level | Scholarship Amount | Priority Population |
|---|-------------------------|--------------------------|
| Four-Star Parent Aware Rating | Up to \$8,500 per child | Up to \$12,000 per child |
| Three-Star Parent Aware Rating | Up to \$6,000 per child | Up to \$9,000 per child |
| One- or Two-Star Parent Aware Rating | Up to \$5,000 per child | Up to \$5,000 per child |
| Currently in a Full-Rating Pathway Cohort | Up to \$4,000 per child | Up to \$4,000 per child |

* Families must be eligible and choose to use their Early Learning Scholarship at a program. Parent Aware rating does not *automatically* mean there will be eligible families.

Regions: Area Administrators

Region 1: [Tri-Valley Opportunity Council](#)

Tribal Area: [Leech Lake Band of Ojibwe](#)
[Child Care Services](#)

Tribal Area: [White Earth](#)
[Child Care/Early Childhood Programs](#)

Region 4: [Lakes & Prairies](#)
[Community Action Partnership](#)

Region 6E/6W: [Prairie Five](#)
[Community Action Council](#)

Region 8: [Southwestern Minnesota](#)
[Opportunity Council](#)

Regions 2 & 5: [Mahube-Otwa Community Action Partnership](#)

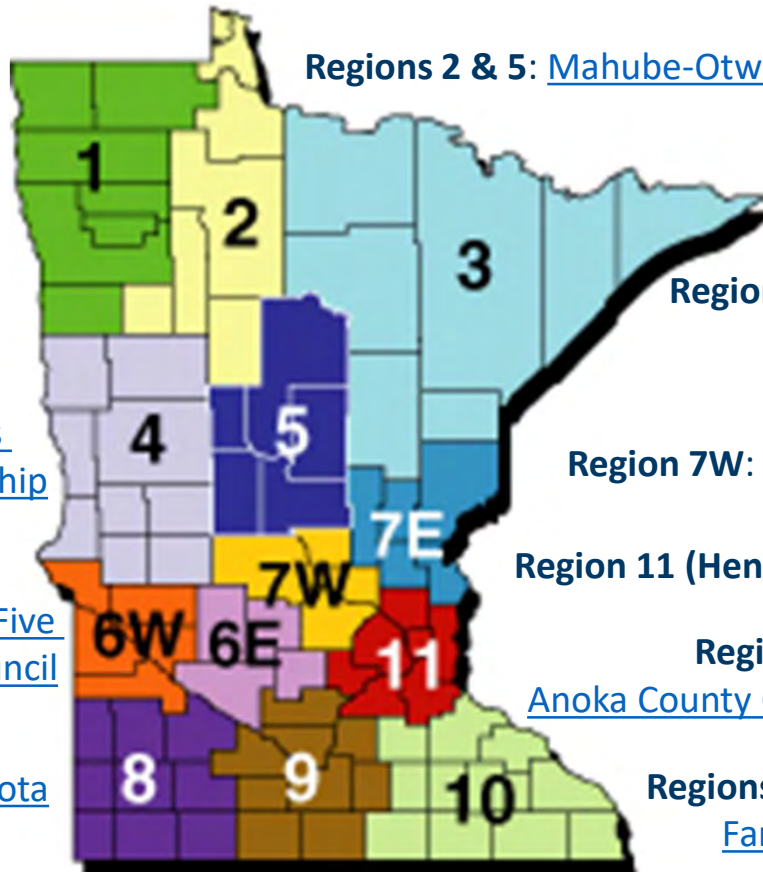
Region 3: [Northland Foundation](#)

Region 7W: [Milestones](#)

Region 11 (Hennepin/Ramsey): [Think Small](#)

Region 11 (East Metro):
[Anoka County Community Action Partnership](#)

Regions 7E, 9, 10, 11 (West Metro):
[Families First of Minnesota](#)

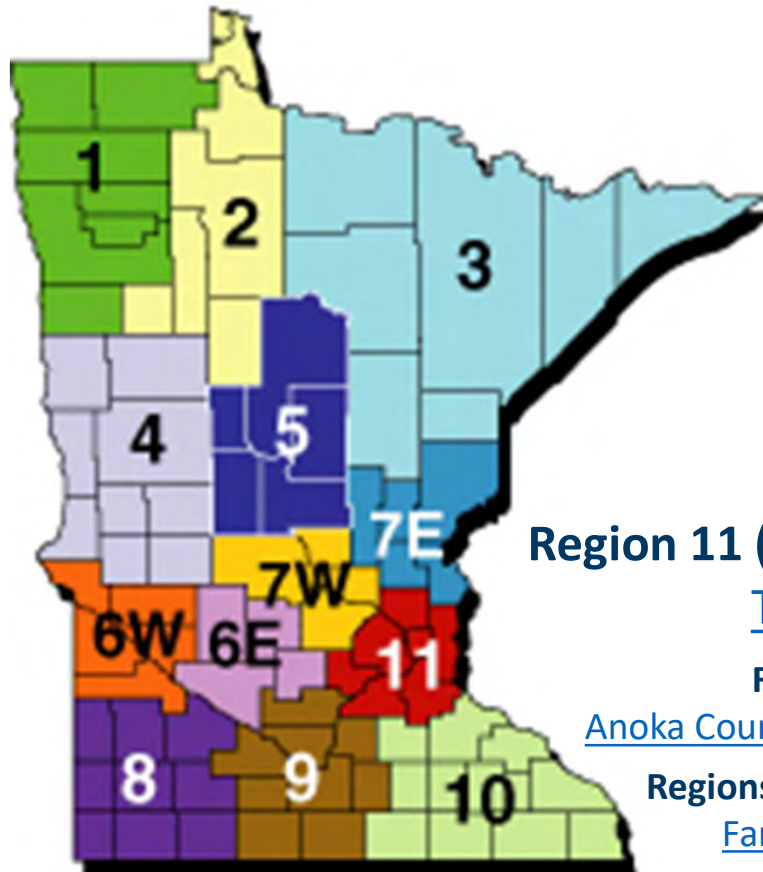


Regions: Twin Cities Metro and Tribal

Tribal Area: [Leech Lake Band of Ojibwe](#)
[Child Care Services](#)

Tribal Area: [White Earth](#)
[Child Care/Early Childhood Programs](#)

Region 7W: [Milestones](#)



Region 11 (Hennepin/Ramsey):
[Think Small](#)

Region 11 (East Metro):
[Anoka County Community Action Partnership](#)

Regions 7E, 9, 10, 11 (West Metro):
[Families First of Minnesota](#)

Area Administrators by Region and County

| | | |
|-----------------------|--|---|
| Region 1 | Kittson, Marshall, Norman, Pennington, Polk, Red Lake, Roseau | Tri-Valley Opportunity Council: 1-800-543-7382 |
| Region 2 | Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnommen | Mahube-Otwa Community Action Partnership, Inc.: 218-632-3600 |
| Region 3 | Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, Saint Louis | Northland Foundation: 1-800-433-4045 |
| Region 4 | Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin | Lakes and Prairies Community Action Partnership: 800-452-3646 |
| Region 5 | Cass, Crow Wing, Morrison, Todd, Wadena | Mahube-Otwa Community Action Partnership, Inc.: 218-632-3600 |
| Region 6E | Kandiyohi, McLeod, Meeker, Renville | Prairie Five Community Action Council, Inc.: 1-800-292-5437 |
| Region 6W | Big Stone, Chippewa, Lac Qui Parle, Swift, Yellow Medicine | Prairie Five Community Action Council, Inc.: 1-800-292-5437 |
| Region 7E | Chisago, Isanti, Kanabec, Mille Lacs, Pine | Families First of Minnesota: 1-888-450-2773 |
| Region 7W | Benton, Sherburne, Stearns, Wright | Milestones: 1-800-288-8549 or 320-251-5081 |
| Region 8 | Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock | Southwestern MN Opportunity Council, Inc.: 1-800-658-2444 |
| Region 9 | Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, Watonwan | Families First of Minnesota: 1-888-450-2773 |
| Region 10 | Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona | Families First of Minnesota: 1-888-450-2773 |
| Metro | Hennepin and Ramsey | Think Small: 651-641-6604 |
| | West Metro: Carver, Dakota, and Scott | Families First of Minnesota: 1-888-450-2773 |
| | East Metro: Anoka and Washington | Anoka County Community Action Program 763-783-4711 |
| Tribal Nations | Leech Lake Band of Ojibwe | Leech Lake Child Care Services: 218-335-8338 or 1-800-551-0969 |
| | White Earth Reservation | White Earth Child Care/Early Childhood Program: 218-983-3285 Ext. 1380 or 1-800-433-4045 |

Early Learning Scholarships: Priority for funding

Teen Parent

- A parent of the child is under the age of 21
- AND currently pursuing a high school or general educational diploma (GED®)

Foster Care/Child Protective Service

- The child is in foster care or in need of child protective services

Experiencing Homelessness (McKinney Vento Definition)

- The family has experienced homelessness in the previous 24 months

Sibling Priority

- The child has a sibling who has already been awarded a scholarship
- AND attends the same program
- As funds are available

Scholarship Basics: Priority

Priority for Scholarships- Scholarship Cap is up to \$12,000*

- Child between the ages of zero and five **Experiencing Homelessness**-McKinney Vento Definition
- Child between the ages of zero and five in **Foster Care**-Foster Care worker applies on behalf of the child
- Child between the ages of zero and five in need of **Child Protective Services**-MDE is working with DHS to define the population that should be eligible, and documentation
- Child between the ages of zero and five of a **Parent Under the Age of 21** who is pursuing a high school or General Educational Development (GED®) diploma
- Eligible, but not part of the priority status* nor increased cap. Sibling between the ages of zero and five of a child who has been awarded a scholarship is eligible upon request, provided the sibling attends the same program and funds are available.

Questions: Priority Status



- To help support stability of access for a child
 - **Waiting List:** Will recognize status for the remainder of fiscal year or within 12 months of application
 - **Once awarded:** Remains in priority status
- *10/31/2022
 - State Wait list=2,057
 - Ramsey county=365, 14 in priority status

History of State Early Learning Scholarships

| | Appropriation | Availability | Scholarship Amount | Children Served |
|---------|------------------|----------------|--------------------|-----------------|
| FY 2013 | \$2 million | 10 communities | \$4,000 | 507 |
| FY 2014 | \$23 million | 44 counties | \$5,000 | 5,871 |
| FY 2015 | \$27 million | 57 counties | \$5,000 | 8,225 |
| FY 2016 | \$44.1 million | Statewide | \$7,500 | 11,219 |
| FY 2017 | \$59.9 million | Statewide | \$7,500 | 15,079 |
| FY 2018 | \$70.2 million | Statewide | \$7,500 | 16,537 |
| FY 2019 | \$65.7 million* | Statewide | \$7,500 | 15,022 |
| FY 2020 | \$75.15* million | Statewide | \$7,500 | 14,185 |
| FY 2021 | \$70.71 million | Statewide | \$7,500 | 12,268 |

Early Learning Scholarships: Data Update

- **Funding**
- Current Appropriation: \$70.709 Million
- Special Revenue Account as of FY2020, any underspending will be re-granted in subsequent fiscal year
- **Report:** [Early Learning Scholarships Use in Minnesota - State Fiscal Year 2021](#)
 - Published December 21, 2021
 - Publicly available for download on the [Early Learning Scholarships program webpage](#) in the *Early Learning Scholarship Participation* area
 - 2022 is in process

Questions?

Thank you!

MDE Early Learning Scholarships

MDE.ELScholarships@state.mn.us

Sandy Myers

Sandra.Myers@state.mn.us

Early Learning Legislative Advisory Committee – Draft Work Plan

| Date | Topic | Learning/Meeting outcomes | Suggestions for Speakers |
|-------|---|---|---|
| 10/27 | Why Early Learning Matters + City's Role | <ul style="list-style-type: none"> - Group introductions, establish norms/scope of work - Why early learning matters and how cities are playing a role in it | |
| 11/10 | St. Paul's Work To Date + Setting our Scope | <ul style="list-style-type: none"> - Share context/history of this idea over 7 years, learn about the need in Saint Paul & hear from local efforts - Include specifics on pre-work to date about 3 & 4 year olds vs. broader age group - Agree on and finalize scope of work encompassing key topics and concerns across the group | |
| 11/17 | <p>Learning: Potential funding sources and governance structures for early learning initiatives</p> <ul style="list-style-type: none"> - Research on funding sources/concerns/questions to date & governance models, including collaboration | <ul style="list-style-type: none"> - Learn from models in other cities/places as well as what's been discussed in STP | <p>State agencies who administer programs (MDE & DHS)</p> <p>Child Care Aware</p> |

Early Learning Legislative Advisory Committee – Draft Work Plan

| | | | |
|-------|--|--|---|
| 12/1 | <p>Learning: Family-centered program design and workforce development</p> <p>- Equitable early learning program designs around the country & locally for diverse families and workers, including scope of ages</p> | <p>- Learn from models in other cities/places as well as what's been discussed in STP</p> | <p>Molly O’Shaughnessy-Montessori Center of MN.</p> <p>Roxanne Linares-Exec. Director-Centro Tyrone Guzman & Diana Alvarez-Early Learning Director</p> <p>New Mexico Model—childcare & pre-K Constitutional Amendment</p> <p>Child Care aware (deliver trainings and workforce development)</p> |
| 12/15 | <p>Discussion: Program design & workforce development</p> | <p>- Explore key questions together as a group on how such an initiative in STP could be designed and staffed for equity and success</p> | <p>First Children’s Finance</p> |
| 1/5 | <p>Discussion: Program design & workforce development (additional time)</p> | <p>- Explore key questions together as a group on how such an initiative in STP could be designed and staffed for equity and success</p> | |
| 1/19 | <p>Discussion: Governance models & funding</p> | <p>- Explore key questions together as a group on how such an initiative in STP could be governed and funded</p> | <p>Art Rolnik & Rob Grunewald-ECE and economic development</p> |
| 2/2 | <p>Recommendations: Program design & workforce development</p> | <p>- Come to final recommendations & remaining Qs</p> | |
| 2/16 | <p>Recommendations: Governance models</p> | <p>- Come to final recommendations & remaining Qs</p> | |
| 3/2 | <p>Recommendations: Funding</p> | <p>- Come to final recommendations & remaining Qs</p> | |

Early Learning Legislative Advisory Committee – Draft Work Plan

| | | | |
|------|--|--|--|
| 3/16 | Planning Meeting - Council Presentation | - Wrap up process and prepare for presentation to the City Council | |
| 3/22 | Council Presentation (has to be done by 3/26 per resolution) | - Present to City Council: recommendations, topics for future | |

Comments from Committee Members

1. Do you have any concerns about the proposed work plan?

- Thanks for your work on this- it looks good to me!
- Prenatal identified in the exit form responses as a population to consider. This population is not reflected in the workplan. Do we need to have this discussion early in the process to guide our work moving forward?
- My only concern is our timeline. This is such an important goal for the children of Saint Paul. I hope that we will have a recommendation by March. I feel like there is a lot of foundation laid here yet I am uncertain of what realistic concrete measures look like. I understand we are early in the process. Are we creating child care so parents can work or early education so that children can learn? Are we looking at creating a entire new system or building on existing educational programming? ie head start, Saint Paul pre-k. Answering these questions feels like setting a course for direction within the time frame. There is so much to consider and it's so important to get it right.
- Decisions are often made without considering those who are most impacted by them. Can we hear from families/caretakers on their experiences or see data around whom we are making decisions on.
- Ambitious but necessary.
- I feel like this work plan is very intentional, and was thoughtfully put together to have a lot of learning together at the beginning (beginning broadly and then honing in on the different areas impacting the work we're doing), then more discussion/ coming to recommendations in the sessions after that. It is definitely a lot to fit into five months, especially with folks who have varying levels of knowledge about all the different components of early childhood care/ education- but we'll do it!
- I don't have any concerns about the work plan. Looks great to me.
- My only concern is the past two meetings we haven't gotten through all the items on our agenda and there doesn't seem to be any space in this draft for carryover items. With such an

Early Learning Legislative Advisory Committee – Draft Work Plan

important task, I wonder if having space in draft for items/topics that may be unresolved to be addressed prior to recommendations would be beneficial?

2. Do you have any suggestions for changes?

- The Saint Paul Early Care and Education Program-Recommendations by Previous Work Groups provides a foundation for the ELLAC group to build on -it is a good document to inform our work, build upon and update.
- Including family education/care into Early Learning.
- No.
- My only concern is the past two meetings we haven't gotten through all the items on our agenda and there doesn't seem to be any space in this draft for carryover items. With such an important task, I wonder if having space in draft for items/topics that may be unresolved to be addressed prior to recommendations would be beneficial?

3. Do we want to break up into subcommittees to do the work or remain as a whole group?

- I do like the idea of breaking into subcommittees. I also think that it might be helpful if we can sort the various proposals by program elements (Sparks, other coalitions, other similar city projects) – so we would have a few options to choose from (including coming up with our own solutions). For example, one issue that emerged quickly was ages served- maybe look at that across the various efforts to see what the range of solutions might be. Or, sources for funding. Folks have been talking like a levy is the only option- maybe it is. Either way, sorting and voting or recommending an option quickly might be useful with so much work on our plates.
- I am open to either format.
- No.
- I'm torn on this. I like the idea of subcommittees because it enables folks to dive in deep to certain aspects of the work and could ultimately help us get more done (and it's easier to talk in small groups for some of us . . . *raises hand*), but there are so many components and nuances to early childhood care/ education, and I selfishly don't want to miss hearing about/giving input on important things. That's a non-answer if there ever was one, eh? Would the subcommittees meet outside of the previously scheduled times, and we'd still come together as a large group during the already-scheduled meetings? Hmm.
- If we break into subcommittees, would we get to vote or collaborate on final recommendations made by the subcommittees we aren't a part of, or how would that all work?
- I think it would likely be in the best interest of time to break into subcommittees, but I would like more info on how that would work.

Early Learning Legislative Advisory Committee – Draft Work Plan

- I like the idea of a combination of small group and large group work. There are benefits to both. Small group allows space to hear from more participants where a large group keeps everyone on the same page.
- I don't have a strong preference of either. This committee has a big task so I could see working on subcommittees being helpful with workload. But I worry if we break up everyone might not feel on the same page or out of the loop on different pieces. How would decisions be made if on subcommittees?

4. Additional recommendation for speakers:

- One person that might be helpful is Commissioner Nicole Frethem. She has authored a paper to restructure the early care and education system in Minnesota that might be helpful to hear about for some elements of our plan. One of the challenges might be to make sure that our plan is consistent/leverages with what emerges from the next legislative session in terms of funding and infrastructure. I assume they will be struggling with some of the same issues that we are.

Work Plan
Issues Raised/Themes

Concerns/Changes

- The workplan seems appropriate.
- The workplan is ambitious and a lot to accomplish in five months.
- Unanswered questions:
 - Are we creating childcare so parents can work or early education so that children can learn?
 - Are we looking at creating an entirely new system or building on existing educational programming?
 - Prenatal care is not addressed in workplan - do we need to have this discussion early in the process to guide our work moving forward?
- The workplan doesn't include space for addressing items/topics that may be unresolved prior to making recommendations.
- The Saint Paul Early Care and Education Program-Recommendations by Previous Work Groups provides a foundation for the ELLAC group to build on; it is a good document to inform our work, build upon and update.

Subcommittees

- Clarification is needed on what subcommittees would do and how they would make decisions before we can decide if we should use them.
- Our task is large and subcommittees might help with the workload.
- Concern that subcommittees might make members feel out of the loop on different pieces of the program and members would "miss out" on important context to recommendations.
- Small groups allow for more voices to be heard.