DEPARTMENT OF HUMAN SERVICES

2022 Legislative Session

Invest in safe, high-quality early learning facilities to give more Minnesota families and children access to child care

Issues

- High-quality preschool and early childhood facilities help children thrive as they prepare for school.
- A lack of high-quality child care facilities is a major barrier to expanding access to child care.
- Minnesota's child care shortage grew more severe during the pandemic. Shortages are acute for certain types of care, including high-quality and affordable care and care for certain ages, especially infants.
- Demand for early childhood facilities is increasing as more families with low incomes use early learning programs through the Minnesota Early Learning Scholarships Program and child care subsidies tied to high-quality programs under Parent Aware, Minnesota's quality rating and improvement system.
- Demand is also increasing as all-day kindergarten displaces many early childhood programs.

Proposal

- Governor Walz's Local Jobs and Projects Plan recommends \$10 million for statewide grants to renovate or build early learning facilities.
- Grants will be available to political subdivisions, nonprofit organizations and Tribal governments through a competitive Request for Proposals process. Projects will require a 50% match, with grants of up to \$500,000 for each individual program in a facility, or up to a maximum of \$2 million per project.

Benefits

- More families in all corners of Minnesota will have access to early childhood programs in safe, highquality facilities.
- Adequate facilities help ensure high-quality early learning opportunities that make children more likely to experience healthy growth and development and become ready for school and life.
- Organizations of all types and sizes will be eligible to apply for grant funding. General fund dollars will allow nonprofit organizations and Tribal governments to apply for grants, while bond funding will be available for early childhood facilities owned by the state and political subdivisions such as school districts and cities.
- The jobs created to renovate or build facilities will help stimulate Minnesota's economy.

Fiscal impact

For Fiscal Year 2023:

- \$5 million in bonding
- \$5.375 million from the General Fund, including \$375,000 for grant administration

Related information

- Early childhood facilities bonding proposal in the Governor's Local Jobs and Projects Plan
- <u>Minnesota Statute 256E.37</u> on early childhood learning facilities
- <u>Child Care Assistance: Facts and Figures</u> fact sheet
- Minnesota Department of Human Services webpage on child care

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