

Full Written Statement of

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Chair and members, my name is Ericca Maas. I'm the Executive Director of a Minnesota-based nonprofit organization called Close Gaps by 5 that champions the use of targeted early education to close Minnesota's achievement gaps.

**The Problem: Achievement Gaps**

Minnesota has some of the worst achievement gaps in the nation, which presents an urgent threat to our children, communities, and global competitiveness. The workforce benefits of closing achievement gaps are of great interest to the business and community leaders who invest their time and resources in support of Close Gaps by 5. For that reason, we have designed an early education model specifically to close those gaps.

**The Solution: Minnesota Model of Early Learning**

Our approach has come to be known as the Minnesota Model for Early Learning. Starting 11 years ago, this model was developed, piloted, and refined by a business led nonprofit called the Minnesota Early Learning Foundation (MELF). MELF sunsetted in 2011, and Close Gaps by 5 is advocating for the implementation of the MELF recommendations. It is important to note that the programs that make up the Minnesota Model have been adopted and brought to scale with public investment in the years since the privately funded pilot phase.

Beginning in 2006, MELF set out to design an early learning model that specifically addressed achievement gaps. It raised \$20 million in private funds, and rejected appropriated government funds so it could be an independent "honest broker" in the debate. MELF used the funding to pilot and evaluate an approach based on the best available research. The approach that MELF proved effective has since been expanded statewide with the help of Governor Mark Dayton, a federal Race to the Top grant, and bipartisan members of the Minnesota Legislature.

The Minnesota Model has two primary programmatic components. First, the Parent Aware Quality Rating and Improvement System (QRIS), which fills a critical information gap faced by parents giving them information to help them find programs using kindergarten-readiness best practices. Making this information available is so crucial to the success of our market-based approach, that we have heavily promoted Ratings to parents through a privately funded marketing campaign. The second component of the model are Early Learning Scholarships. Scholarships work to fill a resource gap faced by families with limited means allowing them to act on the information made available by Ratings and to access the quality program of their choice.

Maybe the best way explain the model is to paint a scenario for you. Imagine for a moment that you're a low-income parent in Minnesota. Because of your circumstances, your child is at a high risk of falling into achievement gaps later in life. But, you can't afford high quality early learning environments. So, the future of your child is concerning to you.

Now imagine that you learn that your child is getting one of about 10,000 Early Learning Scholarships currently awarded in Minnesota each year. These Scholarships can change the trajectory of your child's life.

Here's how: Your Scholarship empowers you. It puts you in the driver's seat. After all, the Scholarship can be used to open the doors of any one of 3,000 proven high quality programs that are based in schools, centers, churches, nonprofits, and homes.

Rather than having the government tell you what to do, you pick a program that fits your family's needs. You can find a place that fits your preferred location, work schedule, cultural connections, approach, and facility. You the parent are empowered, and that engages you more deeply in your child's learning right from the start. And we know how important that parental engagement piece is for children.

The only requirement is that your Scholarship has to be used at a program that is using kindergarten-readiness best practices, as measured by the Parent Aware Ratings, a one- to four-star Consumer Reports style system for giving parents information about quality child care and preschool.

Beyond the Ratings, Parent Aware also has coaches, grants, and other supports to help small child care businesses learn how to adopt those kindergarten-readiness best practices. So, in a way, it's sort of like a small business technical assistance program focused on early education best practices.

It's important to understand that Parent Aware is a completely voluntary program. For businesses, it's not a mandate. No business is required to do anything. But if they do volunteer to adopt best practices and get a rating, they can tap into millions of dollars in Scholarship business, marketing, and other support. In other words, it uses a carrot approach, not a stick.

## **Benefits**

We are continually working to refine this model, but the early results are encouraging.

**Children Benefitting.** Most importantly, the Minnesota Model is working for children. In 2016, we funded an extensive evaluation that found Minnesota children in Parent Aware-rated programs were making significant gains in kindergarten-readiness measures, such as phonics, executive function, vocabulary, social competence, and early math skills. Low-income children were found to be making even larger gains than their higher income counterparts. While we have more work to do to bring the benefits of the Minnesota Model to all children who need it, we're headed in the right direction.

**Marketplace Improving.** It's also working to bring a better supply of high quality programs to Minnesota's child care and preschool marketplace. Before Parent Aware there was no consistent, widespread way for child care and preschool programs in Minnesota to prove to parents that they were using kindergarten-readiness best practices. Now, nearly 3,000 programs of all types (center-based, home-based, church-based, school-based) have stepped up to do that, and more are doing so all the time. As a result, the Minnesota marketplace now has a much stronger supply of high quality early education programs than we did before the Minnesota Model was implemented.

**Parents Benefitting.** On the demand side of the equation, our marketplace also now has many more consumers who value the importance of quality early care and education. Parent Aware's heavily used online shopping tool, ParentAware.org, receives thousands of visits per month from Minnesota parents shopping for quality child care. The resulting consumer demand for high quality programs rewards businesses who volunteer to improve their early education quality.

**Small Businesses Benefitting.** This model has had a positive effect on the overall economy. There are nearly 3,000 rated early care and education programs in Minnesota, many of them struggling small businesses, that are now able to access \$70 million per year worth of Scholarships. That's a huge deal for many. This new investment allows early education providers to create jobs,

reinvest in their programs, and, over time, will incent more expansion in underserved areas.

We have also provided millions of dollars in marketing support to these small businesses, so they can promote their high quality to potential customers. Yard signs, flyers, mailers, radio ads, and an online shopping tool. Most of these small businesses can't afford their own marketing, so we developed it for them to reward them for volunteering to adopt kindergarten-readiness best practices. In addition to marketing supports, substantial quality improvement supports are on offer. Providers participating in Parent Aware may receive financial supports, plus coaching, technical assistance, and training to help them implement best practices.

**Workforce Competitiveness Benefits.** Beyond that direct economic impact, the indirect economic impact is perhaps even more powerful. Scholarship recipient children are making important kindergarten readiness gains, which is helping them to ultimately be better prepared for the workforce of the future. Our Minnesota businesses desperately need educated workers in order to compete in the global marketplace, so we know we have to invest in early learning for our most vulnerable children. We view it as one of the very best investments we can collectively make in Minnesota's future economic competitiveness.

To summarize, the Minnesota Model for Early Learning has helped a struggling child care sector:

- tap into a large new group of Scholarship-empowered customers,
- adopt best practices and improve early education service offerings, and
- market those improvements to a customer base that now has a new and deeper appreciation of the need for high quality early education.

Particularly for the “mom and pop” type businesses who tend to struggle the most, all of this offers a very helpful economic shot in the arm.

So, that's our Minnesota Model in a nut shell: Scholarships open doors in a flexible, empowering way. Parent Aware ensures quality improvement through rewards rather than mandates. And the winners from all of that are thousands of small businesses, thousands of our most vulnerable children, and our state's economy.

### **Minnesota's Early Education Debate**

I'm going to shift now and focus in more detail on three frequently discussed elements of the Minnesota Model, its emphasis on 1) income-based targeting, 2) starting early, and 3) flexibility. On those three issues, I will often be comparing

Scholarships with Universal Pre-k (UPK), since in Minnesota over the last three years those two programs have effectively been competing for limited state funding.

**Targeting.** Early Learning Scholarships can only go to low-income families earning at or below 185% of the federal poverty level. With state early learning funding limited, we prioritize low-income children for three primary reasons.

- First, unlike wealthier families, low-income families simply can't access high quality early learning programs without help. They're being left-behind.
- Second, low-income children are the most likely to fall into achievement gaps, so investing in expanding their opportunities for high quality early education is key to preventing and closing those gaps.
- Finally, research done by Dr. Art Rolnick, formerly an economist at the Federal Reserve Bank of Minneapolis and a current member of our board, and others find that early education can earn taxpayers a very high return-on-investment (ROI). Specifically, an ROI of up to \$16 in societal benefits for every \$1 invested, but only when investments are directed to those who can't otherwise access high quality early education. Dr. Rolnick stresses that this level of ROI is not available when funding is directed to families who can already afford quality programs on their own.

By the way, targeting not only is the most evidence-based strategy for reducing achievement gaps, it also is overwhelmingly supported by citizens. In a survey we did in 2015, we asked Minnesotans "which categories of children should be the top priority for limited government funding for pre-kindergarten early education services?" By more than a four to one margin, Minnesotans said state leaders should prioritize "low income" children (66% support) rather than "all children" (15% support).

Scholarships have had the support of the Dayton Administration and a bipartisan group of state legislators since 2011. However, in the last few years, the Dayton Administration and others have instead proposed investing new resources in a public schools-only universal approach that is not income targeted. When fully funded, at a cost of \$500 million per year, about two-thirds of this UPK investment would be subsidizing non-low-income families at a time when thousands of younger low-income children can't access quality programs.

Over the past three legislative sessions, targeting has been a major issue in the legislative debate about whether to direct new investments to Scholarships or UPK. During that time, targeted Scholarships and untargeted school-based funding streams have both received funding, but there are still an estimated

35,000 low-income children under five lacking public support for early education in our state. Close Gaps by 5 is advocating for fully funding Scholarships to serve children in low-income households under age five before we consider subsidizing wealthier families through UPK.

**Starting Early.** A second major issue in Minnesota’s Scholarships versus UPK debate is timing. Scholarships start earlier, and can provide many more hours of assistance over multiple years than UPK. Scholarships give parents full-day, full-year, multi-year options to children ages five and under, while UPK is for four-year-olds only, operating for only nine months the year prior to kindergarten.

Why start early? Research shows that gaps can be measured as early as nine months of age. Therefore, with the children who are most vulnerable to falling into achievement gaps, we must start early to either prevent the gaps from opening or close them before they get too large. The most vulnerable children need to be in high quality early learning programs over multiple years. For them, a nine-month program that is only open two to three hours per day is simply not enough.

Beyond Scholarships, we are also strong supporters of parent mentoring that begins very early in a child’s life, sometimes called home visiting, for new parents. Many parents want and need help learning how to help their child learn.

**Flexibility.** A third issue in Minnesota’s UPK versus Scholarship debate has focused on flexibility and choice. As I mentioned earlier, Scholarships allow low-income parents to choose from a variety of rated early education programs based in centers, schools, homes, religious organizations, and nonprofits. By contrast, UPK is effectively a schools-only monopoly. (Minnesota school districts are allowed to share the state funding that has been earmarked for them with non-school early education programs, but in practice, only 3% of funding has been shared to date.)

Why does flexibility matter? Well, let’s say you’re a parent working an eight-hour shift year-round. A school-based program that only operates two to three hours per day and is completely closed in the summer is problematic for you. By contrast, Scholarships offer you full-day, full-year options, which allow you to continue working and supporting your family, or going to school.

Our research shows this is a very important issue to a large majority of low-income parents. An overwhelming 84 percent of low-income parents told us in a recent survey that they opposed “a government program in which a parent would only be able to use a program that offers care for their child for three hours per day,” which is what UPK does.

We also value including non-school programs because Minnesota children frankly need all of the quality early education programs they can get. There aren't enough school-based programs to serve all children in need, and flexible Scholarships give us an "all hands on deck" approach. A schools-only monopoly unnecessarily excludes some of the state's most experienced and effective early educators, and necessitates that taxpayers build new school-based early education programs from scratch, which leads to a waste of limited tax dollars that could otherwise be used to help change the life trajectories of left-behind children.