In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding. The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for Minnesota.

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.

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### STRENGTHS OF MINNESOTA'S EARLY CARE AND EDUCATION SYSTEM

- Minnesota manages seven programs serving children—Head Start Collaboration Office; state Pre-K; Child and Adult Care Food Program (CACFP); Child Care and Development Fund (CCDF) IDEA Part C; IDEA Part B, Section 619; and Temporary Assistance for Needy Families (TANF)—under one governing body, which improves efficiency and allows for better alignment of eligibility and monitoring requirements and quality improvement activities.
- IDEA Part C (infants/toddlers) and Part B, Section 619 (3-5 year olds) are administered within the same agency, which can support a smooth transition for parents.

### RECOMMENDATIONS FOR MINNESOTA’S EARLY CARE AND EDUCATION SYSTEM

- Ensure the State Advisory Council (SAC) for Early Education and Care, mandated by the Improving Head Start for School Readiness Act of 2007, is fulfilling its required activities, including conducting a statewide needs assessment on the quality and availability of early care and learning programs.
Flow of Federal Early Childhood Funds: Minnesota

**Key:**
- Funding mandated for State Departments of Education
- Funding provided directly to local organizations
- State does not receive funding
- Partnership with funding provided by state department or agency
- Flow of decision-making process

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**Minnesota Office of the Governor**

**Department of Health and Human Services**
- Office of Head Start
  - CCDF
- Office of Child Care
  - TANF
- Office of Family Assistance
  - TANF

**Department of Agriculture**
- Food & Nutrition Service
  - CACFP
- Office of Special Education and Rehabilitative Services
  - Part B, Section 619
  - Part C

**Department of Education**
- Office of Early Learning Services
  - Head Start Collaboration Office
  - Part B, Section 619
  - Part C
- Office of Postsecondary Education
  - CCAMPIS

**Department of Human Services**
- Licensing Division - Child Care Licensing
  - CCDF
- Child Care Services Division - Child Care Subsidy and Quality Improvement
  - CCDF
- Economic Assistance and Employment Supports Division
  - TANF

**Children’s Cabinet**
- SACEEC
- CCAC

**Local Institutions**
- Early Head Start-Child Care Partnership
  - Grants to local organizations

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**Parent Aware**
- Child Care Quality Rating Improvement System

**Quality Rating Improvement System (QRIS)**
- Parent Aware has four levels with higher levels indicating higher levels of quality. The QRIS is statewide and participation is voluntary.

**Parent Aware and QRIS**

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**The State Advisory Council for Early Education and Care (SACEEC) and the Children’s Cabinet Advisory Council (CCAC)** convene together to provide recommendations on issues regarding children and families, and serve as an advisory board of external leaders to the Children’s Cabinet.

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**Local Head Start Programs**
## ECE Funding in Minnesota

<table>
<thead>
<tr>
<th>Funding from Nine GAO-Identified Programs</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDF Expenditure</td>
<td>$198,584,794</td>
<td>$179,047,532</td>
<td>$800,194,937</td>
</tr>
<tr>
<td>Transfer from TANF</td>
<td>$49,658,000</td>
<td>$51,899,000</td>
<td>-</td>
</tr>
<tr>
<td>Head Start Allocation</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Early Head Start</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IDEA Part C, Allocation (infant/toddler)</td>
<td>$7,887,718</td>
<td>$8,066,348</td>
<td>$11,685,400</td>
</tr>
<tr>
<td>IDEA Part B, Section 619 Allocation (3-5 years)</td>
<td>$7,616,131</td>
<td>$7,668,707</td>
<td>$11,513,338</td>
</tr>
<tr>
<td>CCAMPIS Grants</td>
<td>$374,311</td>
<td>$374,311</td>
<td>$579,350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional ECE Funding Streams</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF Child Care Expenditure (Direct)</td>
<td>$117,254,791</td>
<td>$107,207,456</td>
<td>-</td>
</tr>
<tr>
<td>TANF Pre-K / Head Start Expenditure</td>
<td>$5,700,000</td>
<td>$5,700,000</td>
<td>-</td>
</tr>
<tr>
<td>CACFP Allocation</td>
<td>$66,276,793</td>
<td>$62,508,105</td>
<td>$219,012,989</td>
</tr>
</tbody>
</table>

## BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of Minnesota’s early care and education system:

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grant Birth through Five (PDG B-5)
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

### Number of Children Under Age 6

<table>
<thead>
<tr>
<th>Age</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDER 3</td>
<td>190,551</td>
</tr>
<tr>
<td>3-4 YEARS OLD</td>
<td>139,056</td>
</tr>
<tr>
<td>5 YEARS OLD</td>
<td>73,297</td>
</tr>
</tbody>
</table>

### Percentage of Children in Poverty

10.8%