

Progress Report: Early Education Reform in Minnesota from the Governor's Early Learning Council

In states that make it a priority to educate our youngest children...studies show students grow up more likely to read and do math at grade level, graduate high school, hold a job, and form more stable families of their own. We know this works. So let's do what works and make sure none of our children starts the race of life already behind.

President Barack Obama
State of the Union
February 12, 2013

Introduction

2013 was a breakthrough year; the Minnesota Legislature funded all-day kindergarten, authorized \$46 million for early-education scholarships in the coming biennium, and appropriated an additional \$19.4 million for Child Care Assistance. In October, the state started to award scholarships to low-income families so that their children could enroll in high-quality early-education programs. Just a year earlier, Minnesota was one of only nine states awarded a Federal Race to the Top Grant of \$45 million over four years. We find ourselves at the early stages of a major reform in early learning. It's an exciting time.

Minnesota is not alone. In the last year or so, the entire nation has begun to realize that early education is critically important to a globally competitive workforce. In October, the National Governor's Association released "[A Governor's Guide to Early Literacy: Getting All Students Reading by Third Grade](#)"¹. In Wisconsin, the Governor now chairs a "[Lead to Read](#)"² Task Force.

One of our tasks as the [Governor's Early Learning Council](#)³ is to put all of this into perspective for lawmakers and opinion leaders. This will be an overview in Q and A format, with plenty of links to more information if you choose to go deeper. Our report will focus on bringing this reform to scale across the state.

Q. Why is Early Education Reform such a hot topic?

A. We've got a problem: Only seven out of ten of our five-year-olds are ready for school ([MDE School Readiness Study⁴](#)). That means, of the 70,000 who will start school this September, over 20,000 will already be behind. The sad reality is that those who start behind rarely catch up. Here's the good news: Every at-risk child who is ready for school saves the state \$56,000. As the [Wilder Study⁵](#) points out, "School readiness reduces needless public spending, starting with K-12 special education and lasting through adulthood in the social welfare and criminal justice systems."

The demographics of our youngest citizens are changing faster than most people realize. Today, 30 percent are children of color, a 10 percent increase since 2000. Nineteen percent of children under six live in poverty. That's up from 11 percent in 2000.

We all read the reports that say Minnesota education ranks high compared to other states. True enough, but in an increasingly global economy, we are all losing ground to other countries.

Investment in the young should focus on early education. Pre-school is a crucial first step to improving the lot of disadvantaged children, and America is an international laggard. According to OECD, it ranks 28 out of 38 leading economies in the proportion of four-year-olds in education.

*Economist Magazine
September 23, 2013*

Minnesota's "achievement gap" between minority children and the white majority is one of the worst in the nation. It's embarrassing. The truth is, the achievement gap starts long before school starts. We have got to level the playing field so that all Minnesota children have a chance to succeed in school. Beyond the moral argument, there's a compelling economic argument. Historically, Minnesota has prospered because of its educated workforce. We can't afford to lose the battle to other states and other countries even before school starts.

The experts across the country now agree on a critical benchmark: Can a child read at grade level in third grade? Before third grade, children learn to read. Beyond third grade, they must read to learn.

It's a fact: if a child can't read by third grade, he is four times less likely to graduate from high school. It will affect his chances for employment and the degree to which he will need social services. Thus, it impacts all of us.

Last September, 43 percent of our Minnesota third graders could not read at grade level ([MCA III⁶](#)).

Q. Do we know what works?

A. We know a tremendous amount about early learning and brain development. Up to [90 percent of brain development](#)⁷ takes place before age five. To thrive, children need positive, stimulating experiences.

Most children under six are in some form of nonparental care during the work week, and the quality of that care is highly variable. Thus, the best way to improve kindergarten readiness is to get *all* children into high-quality child care and early-learning programs that will get them ready for school. In 2005, the Minnesota Early Learning Foundation (MELF) began a five-year experiment. They developed and tested a market-based plan to create quality ratings for child-care providers/early educators—the kind of trusted ratings families are used to, like Angie’s List and *Consumer Reports*. It’s called [Parent Aware Ratings](#)⁸, and its focus is on providing parents with the information they need to make smart choices about child care and early education.

Then, scholarships can be awarded to those most at risk—scholarships that can be used only with child-care providers/early educators who are participating in Parent Aware.

That way, we leverage existing resources and the private investment parents already make in child care and early education. It doesn’t matter if that high-quality provider is a licensed family child-care provider, a Head Start program, a school district, or a commercial center like KinderCare—if that provider qualifies for a star rating by Parent Aware, it can serve children with scholarships. Thus, we take advantage of the existing child-care and early-education infrastructure and skillsets. In essence, we help providers upgrade by focusing on kindergarten-readiness best practices. We go from babysitting to early learning, especially for children at risk. We know it works.

A Reform that Civic Leaders Can Rally Behind

- In early 2013, United Way, the state’s most prominent foundations, and dozens of other child-advocacy organizations joined together to create [Minneminds](#),⁹ a group that works to build political will to increase access for children at risk through scholarships.
- The six Regional Minnesota Initiative Foundations, longtime champions of early learning, are working hard in their own communities to accelerate these reforms.
- Both Saint Paul’s Mayor Coleman and Minneapolis’s Mayor Hodges have endorsed Parent Aware and made closing the achievement gap a top priority.
- Both the Minnesota Business Partnership and the Minnesota Chamber of Commerce are also actively supporting the Parent Aware scholarship model because of its impact on the achievement gap and workforce development.

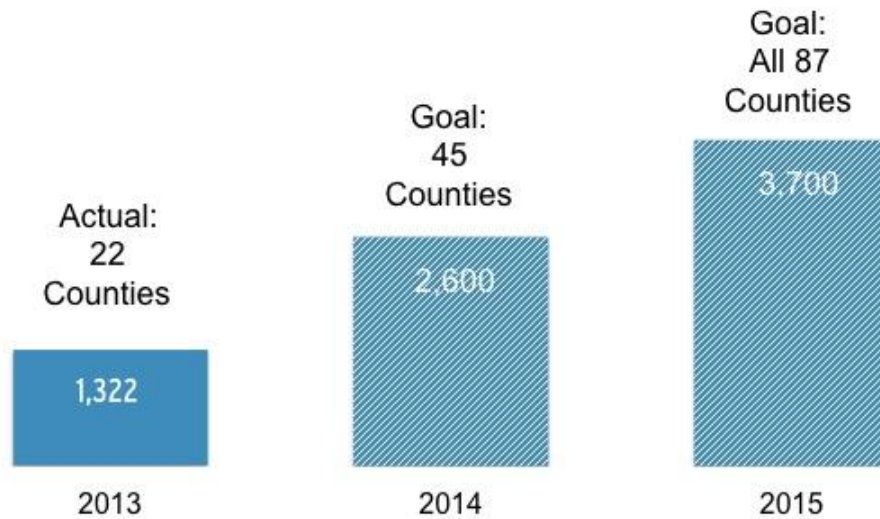
It’s rare to see this kind of committed alignment from philanthropic, business, and government leaders. In fact, it was this civic alignment that helped Minnesota win the Race to the Top grant.

Q. What kind of progress are we making?

A. Winning the Federal Race to the Top grant in 2011 gave us a big head start to build the infrastructure and fund the first scholarships. The grant also holds our feet to the fire; we've got some serious benchmarks to hit.

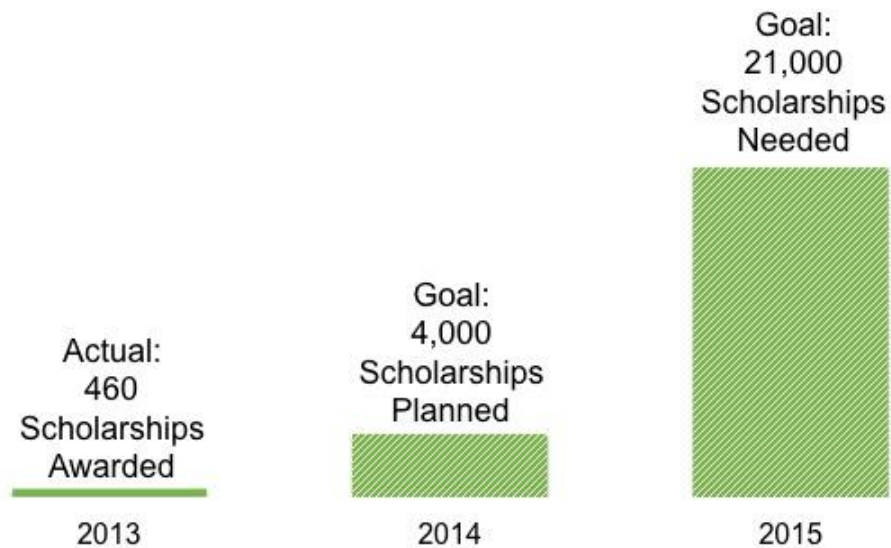
We must raise *supply* and *demand* at the same time. One way to think about the rollout of this reform is to track supply (the number of child-care providers who earn ratings) and demand (the number of families who shop for child care and early education using the ratings, including the families with scholarships). Keep in mind that it will take four years to roll out the Parent Aware Ratings across all 87 Minnesota counties. These next two charts tell the story.

Increasing the Supply of Parent-Aware-Rated Providers



At year-end, there were 1,322 star-rated early-childhood programs statewide. These star ratings include not only child-care providers, but school-based Pre-K and Head Start. We have a long way to go. To provide the kind of choice and location convenience that parents need, about one third, or 3,700, of child-care and early-learning programs will have to be star rated. When about one third of the providers, the “early adapters,” are committed to the rating system, we will have reached that “tipping point” where the reform has enough market momentum to be sustainable.

Demand for Scholarships Is Gaining Momentum



Today, only about 4,000 state-funded scholarships are available. In the metro area alone, 2,500 families have already applied. How many families will seek scholarships when the program covers all of Minnesota? Estimates vary. The 21,000 number shown in the chart above is conservative.

We are also making some progress at changing parents’ mindsets about the importance of early education. In order for the *demand* side of the equation to work, of course, parents who are already paying out of their own pockets will need to seek out rated providers. A business-led nonprofit, [Parents Aware for School Readiness \(PASR\)](#)¹⁰, is using private-sector strategies to drive parent demand. PASR has been running a radio and social media campaign aimed at parents.

Research shows good progress:

- In the markets where the advertising ran, there has already been doubling of the number of people aware of the Ratings—from 20 percent of parents before the ad campaign to 43 percent after an initial six-month burst of ads.
- 61 percent agree the ads “made me stop and think about the need for pre-kindergarten kids to be in stimulating learning environments.”
- Even though website traffic drops off when promotion is paused, the base level of traffic almost doubled this year. Later in 2014, another flight of advertising will help launch a greatly improved Parent Aware website.

Q. What’s holding us back?

A. We can see signs of real progress, but frankly, any reform of this magnitude is fragile at this early stage. We are setting out to improve school readiness by provoking change in both parent behavior and child care and early-learning best practice—a daunting assignment. It makes sense to remember that there is a “tipping point” in social change. Today, very few of us smoke, and the vast majority of us wear seatbelts. Broad change often stems from the initial behavior change of a relatively small group of people. Our challenge is to create enough momentum so that we reach that tipping point quickly and efficiently.

Changing parents’ behavior is hard: “My kid’s doing fine. And our day-care lady loves her.” Too many parents acknowledge the societal problem, but refuse to believe their child is not going to be ready for school, or that their care givers aren’t doing enough to help their child get ready for school. Too many don’t know what they can do to improve their child’s language and literacy. They also tend to believe that if their child is behind, he or she will catch up once in school. Solid research tells us that in too many cases their confidence is misplaced. Too many parents don’t know what the developmental milestones are for preschoolers, and they don’t know how to judge the education credentials of child-care providers.

Getting family child-care providers to volunteer to be rated is hard. Child-care centers are volunteering to get rated at a good pace. But family child-care providers are slower to volunteer for the rating process. These hardworking small-business owners have little time for the administrative burden of a new rating system when the business payoff seems remote. Another obstacle: Many providers from minorities and immigrant cultures don’t feel the program is for them. Getting more family child-care providers engaged is critical because these home-based businesses are often closest, both geographically and culturally, to the families in need. This is a barrier to reform that is getting plenty of attention. Thankfully, the United Way, Mardag Foundation, and Blue Cross Blue Shield Foundation are helping to incentivize family child-care providers to get rated.

We need to make sure the State's investment is reaching the children most at risk. That's where economist Art Rolnick and others have proven we get the biggest return on investment, and where we can best leverage our tax dollars to close the achievement gap. The State of Minnesota already spends \$130 million annually through the Child Care Assistance Program (CCAP) to help working parents pay for child care. How might we—over time—redirect CCAP spending to the highest quality for those most at risk? Other states are already channeling all child-care subsidies to quality-rated child-care providers. Minnesota Legislature has already begun to increase the CCAP rates for three- and four-star rated providers. We should consider some smaller increase for one- and two-star rated providers as an incentive to keep them progressing. Once providers who depend on CCAP recognize the shift of funding to quality ratings, they will be more inclined to volunteer to be rated. And tax dollars will be more prudently invested. This won't work smoothly until the supply of high-quality-rated providers can satisfy parent demand in all parts of the state. But, it should be pursued as aggressively as is practical.

Q. What will it take to do better?

A.

What can parents do?

We need to raise the level of parents' understanding of the importance of early learning and the critical role they themselves play as first teachers. Parents need to know more about what they can do to help their children reach the early-developmental milestones that predict school readiness. They can, for example, provide a more language-rich environment to promote early literacy. Minnesota parents spend \$1.2 billion of their own money on child care every year. Many working parents need to become smarter shoppers when choosing the kind of child care and early education that will complement their efforts. PASR conducts market research every fall to measure parental engagement in early learning and understanding of the Parent Aware Ratings. As noted earlier and in the PASR Annual Report, we are making progress. ([PASR Annual Report 2013¹¹](#)).

What can child-care providers do?

First, a bit about the business of child care. Minnesota's parents are also Minnesota's workers. Seventy-three percent of children under six live in homes where parents work; we have one of the highest percentages of parents in the workforce in the nation. That puts tremendous pressure on working families to find child-care or early-learning programs. As stated earlier, the quality of that care is highly variable. Unlike publicly funded K-12 programs, most of the money in the early-childhood system comes directly from parents' wallets. State and federal programs add an additional \$355 million per year to help children access child-care and early-learning programs.

Q. Who takes care of the children of Minnesota’s Working Parents?

A.

Licensed Family Child Care	Programs in the provider’s home. There are 10,277 Licensed Family Care Providers caring for 80,000 to 90,000 children. Of these, 5,256 were located in areas where Parent Aware was available in 2013. Only 251 (5 percent) have earned a Parent Aware Rating.
Centers	Programs providing child care in a commercial setting. There are 1,619 licensed centers caring for 57,000 to 74,000 children. Of these, 1,078 were located in areas where Parent Aware was available in 2013. 315 (29 percent) are already rated.
School-based Pre-K	Operated by school districts (usually serving 4-year-olds). 509 sites serve 23,000 children. 464 (91 percent) are already rated.
Head Start	Federally selected local grantees serving children ages 3-5, and pre-natal to 3 (Early Head Start). 286 sites serve 14,000 children. 258 (90 percent) are already rated.
Family, Friends and Neighbors	The vast informal network of people who care for the children of working parents in their homes, often in addition to the resources listed above. These providers must first be licensed before they can volunteer to earn a rating.

Sources: Minnesota Department of Human Services and Wilder Research.

If this reform is to succeed, at least one third of *all* licensed providers and centers, including Head Start and School-based Pre-K, will need to earn ratings before 2016.

If there’s a void in the current reform plan, it’s this: We still do not have a scalable way to raise the bar for that vast informal “Family, Friend and Neighbors” category of child-care providers. There is a reasonable hope that the change in parental attitudes and broad societal emphasis on early learning will raise the bar everywhere.

Q. What can the Governor do?

A. As you can imagine, this reform requires massive coordination across several departments and agencies. States can make big progress on early learning only when the governor gets personally involved, as Governor Dayton has. In 2011, he created the Office of Early Learning. Its charter is to drive collaboration and coordination between departments. He put the Commissioner of the Department of Education in charge of early education. He appointed her to chair the Children’s Cabinet with the Commissioners of the

Department of Health and the Department of Human Services. All three share in the Race to the Top Grant funding and administration.

The Department of Human Services has primary responsibility for recruiting and training child-care providers to become star rated. Their partner in this rollout is the child-care research and referral system, Child Care Aware Minnesota, the 25-year-old service that connects families with caregivers. Together, they are working hard to streamline both recruiting and training of family child-care providers.

Q. What can schools do?

A. Let's get everybody in Pre-K and K-3 on the same page. In early 2014, the Minnesota Department of Education joins with the Greater Twin Cities United Way and Minnesota Elementary School Principals Association to roll out the PreK-3rd Grade Leadership Institute. Their goal is to make sure Pre-K educators and K-3 educators at the local level are aligned, collaborating, and sharing best practices.

Starting back in 2011, every school district was required by law to have a program in place to improve reading skills by third grade. For example, here is a link to the [Hutchinson School District Plan](#)¹².

Many schools are partnering with [Minnesota Reading Corps](#)¹³, the largest statewide initiative to help children become successful readers by third grade. They work with students who have been identified as at-risk for literacy failure. In 2011-2012, the program served students at 323 K-3 locations and 147 Pre-K sites. Their 766 trained AmeriCorps members tutored over 30,000 children from age 3 to third grade. Impressive results: Of the almost 5,000 third graders who successfully completed their Reading Corps tutoring, 80 percent tested as proficient in reading. That exceeds the state average for all children.

Q. What can communities do?

A. Communities across Minnesota are finding innovative ways to collaborate and make real progress. With the help of the Minnesota Initiative Foundation, 90 communities across the state are actively collaborating to improve both school readiness and reading by third grade. For example, the Southern Minnesota Initiative Foundation (SMIF) partners with employers to bring its "Parents Matter" sessions to work sites. This series of four sessions presented over the lunch hour has been very well received. SMIF's "Quality Provider Training" helps make sure Southern Minnesota child-care providers will be ready for a Parent Aware Rating. [The Promise Neighborhood in St. Paul](#)¹⁴ and the [Northside Achievement Zone in Minneapolis](#)¹⁵ are demonstrating what can be accomplished in the poorest neighborhoods.

A gold-standard example of community collaboration is "[Invest Early](#)" in Grand Rapids¹⁶ in Itasca County. This collaborative delivers comprehensive wraparound services to children and their families. The Grand Rapids-based Blandin Foundation formed the partnership and committed \$1.5 million annually for 10 years. In Itasca County—as in many rural

communities—the support and delivery of public services is a challenge. Family income is 20 percent below the Minnesota average. Invest Early pools resources from programs that all used to work independently. The partnership includes four school districts, the federal Head Start program, and county human services, and serves about 300 children. The results are encouraging, to say the least; in the last six years, the kindergarten readiness scores of the low-income participants have almost doubled.

Willmar, a community of 20,000 in central Minnesota, is another pioneering example. With both the immigrant Somali and Hispanic populations growing at double-digit rates, community leaders knew they had to improve school readiness. Six out of every ten children under five are minorities, and 70 percent qualify for free or reduced lunch. But, as in many rural communities, there were simply not enough high-quality child-care and early-learning programs. The school district had two Parent Aware Rated preschools/school readiness programs. (They had earned the Parent Aware Rating on what's called the Accelerated Path for preschools that had previously met high-quality standards.) But the scheduled rollout to train other providers wasn't coming to Kandiyohi County until 2014. So, the Willmar school district took two private child-care providers under its wing and trained them in the Parent Aware protocol. Twenty-seven scholarships have been awarded, and there is a waiting list. The local United Way, the school district, and other local community partners are now working directly with the leaders of the immigrant communities to expand to two more locations. Needless to say, neighboring communities are studying this Willmar model.

Q. What can our legislature do?

A. Important work has already started. In the 2013 session, legislators enacted a CCAP bonus. Under this bonus program, providers with a three- or four-star rating are rewarded with higher CCAP payments. In the 2014 session, legislators need to find new ways to move the existing \$130 million investment in CCAP to Parent Aware Rated providers. That change alone will go a long way to fund the early-learning scholarships needed.

As this reform rolls out across the state, both the supply of Parent Aware Rated providers and the waiting lists of eligible families will increase. It will be “mission critical” that early-learning scholarships are funded as demand increases. Keep in mind that the Federal Race to the Top grant funding for scholarships ends in 2016. The total additional funding needed for early-learning scholarships for Minnesota's preschoolers at risk is less than two percent of the state budget for K12.

Q. What can we all do?

A. As you can see, this is a critical moment in Early Education reform. Finally, we are poised to effect real change. The reform methodology has been tested and proven. All the critical players are onboard. If the public/private partnership that launched this reform continues its course, the lives of thousands of Minnesota children will change trajectory. Imagine the impact on K-12, on the achievement gap, and on high-school graduation rates. It's been well established: The best investment we can make as a state is to make sure our at-risk children can prosper in school. We hope you agree. For our part, the Early Learning Council intends to focus on bringing this reform to scale across the state.

We are most grateful to all actually involved in this pioneering work.

If you'd like to learn more, here are the links to more information about the early learning reform in Minnesota:

Child Care Aware

<http://www.childcareawaremn.org/professionals-caregivers/parent-aware>

This organization has been helping parents find child care and helping providers for 25 years.

MinneMinds

<http://www.minneminds.com>

MinneMinds is a statewide coalition to increase public funding for access to high-quality early care and education programs proven to prepare our children for success in school and in life.

Learn Together MN

<http://unitedfrontmn.org/learntogethermn/about/>

The Greater Twin Cities United Way, in partnership with The McKnight Foundation, has launched this website to keep our community connected with what's happening around the federal education grants and to capture essential lessons for our region and the nation.

Statewide School Readiness Report Card, Wilder Research

[http://www.wilder.org/Wilder-Research/Publications/Studies/School Readiness Report Card/School Readiness Report Card - All Fact Sheets.pdf](http://www.wilder.org/Wilder-Research/Publications/Studies/School%20Readiness%20Report%20Card/School%20Readiness%20Report%20Card%20-%20All%20Fact%20Sheets.pdf)

Parent Aware Ratings

<http://parentawareratings.org/>

A Rating Tool for Selecting High-Quality Child Care and Early Education.

PASR (Parent Aware for School Readiness)

<http://www.pasrmn.org/>.

PASR is a business-led nonprofit organization using private-sector strategies to improve school readiness in Minnesota.

Minnesota Department of Human Services

Supporting Parent Aware: Guidance for the Philanthropic Community

<http://unitedfrontmn.org/learntogethermn/files/2013/11/2013-October-10-Parent-Aware-Guidance-to-Funders.pdf>

Start Early Funders Coalition

<http://startearlyfundersmn.org/html/early-childhood-minnesota.html>

Footnotes and Links:

¹ A Governor's Guide to Early Literacy: Getting All Students Reading by Third Grade
<http://www.nga.org/files/live/sites/NGA/files/pdf/2013/1310NGAEarlyLiteracyReportWeb.pdf>

² Wisconsin's "Read to Lead Task Force"
<http://read.wi.gov/Home>

³ Governor's Early Learning Council
<http://education.state.mn.us/MDE/Welcome/AdvBCT/EarlyLearnCoun/index.html>

⁴ MDE 2012 School Readiness Study
<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/SchReadiK/index.html>

⁵ Wilder Study, One Child Ready = \$56,000 saved
<http://www.wilder.org/Wilder-Research/Publications/Studies/Minnesota's%20One%20Child%20School%20Readiness%20Dividend/Minnesota's%20One-Child%20School%20Readiness%20Dividend.pdf>

⁶ MCA III
<http://rc.education.state.mn.us/#testResults>

⁷ Brain Development
http://developingchild.harvard.edu/topics/science_of_early_childhood/

⁸ Parent Aware Ratings
<http://parentawareratings.org/>

⁹ Minneminds
<http://www.minneminds.com/minneminds-about.html>

¹⁰ PASR
<http://www.pasrmn.org/>

¹¹ PASR Annual Report
<http://www.pasrmn.org/about/news>

¹² Hutchinson School District Plan for Pre-K to #3 Reading
<http://www.hutch.k12.mn.us/userfiles/file/Website/K%20-%203%20Literacy%20Plan%20%20Submitted%20Revised%20June%202013%20-%20090613.pdf>

¹³ Minnesota Reading Corps
<http://minnesotareadingcorps.org/>

¹⁴ Promise Neighborhood in St. Paul

<https://www.wilder.org/Community-Leadership/Saint-Paul-Promise-Neighborhood/Pages/default.aspx>

¹⁵ Northside Achievement Zone in Minneapolis

<http://northsideachievement.org/>

¹⁶ Invest Early, Grand Rapids

<http://www.investearly.org/>