

In Minnesota, federal and state early learning opportunities serve more than 52,458 children and families,¹ or 13% of children ages 5 and under.²

High quality child care and early learning programs support child development and offer parents peace of mind while they work or attend school.

Unfortunately, the demand for quality care far outweighs the supply, so many families struggle to access and afford the care options they want or need. While there are several federally funded programs that provide working families with access to quality child care opportunities, limited funding leaves many eligible children unserved. The impacts of these challenges extend beyond families and carry over to the workplace. As a direct result, the national economy loses **\$122 billion annually** in the form of lost earnings, productivity, and revenue.³

Below is a list of existing child care and early learning programs which together form a mix delivery system that supports parental choice and aims to meet children's individual needs. These programs have unique eligibility requirements and service delivery models. However, at current funding levels, each only reaches a fraction of eligible families.

STATE OF CHILD CARE IN MINNESOTA
410,953

 Children 5 & Under⁴
74%

 Children 5 & Under with All Available Parents in the Workforce⁵
\$20,129

 Annual Price of Center-Based Infant Care (\$1,677 per month)¹⁰
\$9,765

 Annual Price of Home-Based Infant Care (\$814 per month)¹¹
1,828

 Licensed Child Care Centers in 2023 (-5 compared to 2022)⁶
6,092

 Licensed Family Child Care Homes in 2023 (-228 compared to 2022)⁷
Coming soon

 Gap in the Supply of Child Care vs. the Potential Need⁸
\$138,780

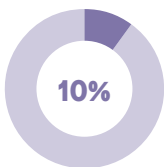
 Median Income of Married-Couple Family¹²
14.5%

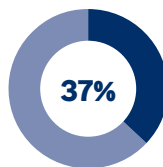
 Portion of Income Spent by a Married-Couple Family on Center-Based Infant Care¹³
\$41,867

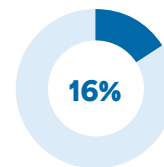
 Median Income of Single-Parent Family¹⁴
48.1%

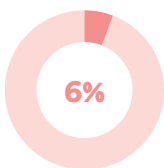
 Portion of Income Spent by a Single-Parent Family on Center-Based Infant Care¹⁵
\$2.1B

 Estimated Economic Impact of Infant-Toddler Child Care Challenges Each Year⁹
CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)

 122,381 CHILDREN 5 & UNDER ELIGIBLE¹⁶
 11,773 CHILDREN 5 & UNDER SERVED¹⁷

 ELIGIBLE CHILDREN 5 & UNDER SERVED¹⁸
HEAD START

 23,125 CHILDREN ELIGIBLE¹⁹
 8,462 CHILDREN ENROLLED²⁰

 ELIGIBLE CHILDREN SERVED²¹
EARLY HEAD START

 23,125 CHILDREN ELIGIBLE²²
 3,611 CHILDREN ENROLLED²³

 ELIGIBLE CHILDREN SERVED²⁴
STATE-FUNDED PRE-K

 7,799 CHILDREN ENROLLED²⁵

 3-AND 4-YEAR-OLDS SERVED²⁶
MIGRANT AND SEASONAL HEAD START

 554 CHILDREN ENROLLED²⁷
MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)

 1,716 FAMILIES SERVED²⁸
IDEA PART C

 (EARLY INTERVENTION)
 6,105 CHILDREN SERVED²⁹
IDEA PART B, SEC. 619

 (PRESCHOOL SPECIAL EDUCATION)
 12,992 CHILDREN SERVED³⁰

MINNESOTA: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING



| | |
|-----------------|---|
| \$171.3M | CCDBG and Mandatory Funds ³¹ |
| \$146.2M | Head Start and Early Head Start ³² (includes AIAN HS/EHS when applicable) |
| \$4M | PDG B-5 ³³ |
| \$10.1M | MIECHV ³⁴ |
| \$8.9M | IDEA Part C ³⁵ |
| \$8.2M | IDEA Part B, Sec. 619 ³⁶ |
| \$59.6M | TANF Early Care and Education ³⁷ |
| \$57.4M | TANF Transferred to CCDBG ³⁸ |

STATE INVESTMENT

| | |
|----------------|-----------------------------------|
| \$52.5M | State-Funded Pre-K ³⁹ |
| \$35.8M | CCDBG State Match ⁴⁰ |
| \$1.2M | PDG B-5 State Match ⁴¹ |

ELEMENTS OF PROGRAM QUALITY

Program quality varies substantially within and across states.

Quality child care and early learning programs rely on a strong workforce, but low pay makes it difficult to recruit and retain educators. **In Minnesota, child care workers earn \$15.18 per hour (\$31,580 annually).**⁴²

Teacher-child ratios are crucial for ensuring safety, quality, and individual attention. Licensed center-based care providers participating in CCDBG are required to have the following ratios:⁴³

- **Infant 1:4**
- **Toddler 1:7**
- **Preschool 1:10**

The state's pre-K program met **5.4/10 of NIEER's Quality Standards Benchmarks**, which represent minimum standards to support quality preschool programs.⁴⁴

Preschool Development Grant Birth Through Five (PDG B-5) is a competitive federal grant designed to improve states' early childhood systems. **Minnesota's PDG B-5 accomplishments include:**⁴⁵

- Launched Help Me Connect online navigator to connect expecting families and those with young children to local services that support child development and family well-being.
- Piloted an early childhood "Grow Your Own" program and implemented Child Development Associate credentialing in high schools to build the workforce.

CHILD AND DEPENDENT CARE TAX CREDIT (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care.

In its current form, the credit only reaches a small percentage of families and has been swiftly outpaced by the escalating cost of child care as it lacks any adjustment for inflation.

Last permanently updated in 2001, the current credit averages \$500-\$600 a year.⁴⁶

CDCTC IN MINNESOTA BY TAX YEAR

| | |
|--------------|---|
| 2020 | <ul style="list-style-type: none"> • 127,260: Number of taxpayers claiming the CDCTC⁴⁷ • \$506: Average credit |
| 2021 | <p><i>The CDCTC was temporarily expanded and made refundable for one year in response to the pandemic.</i></p> <ul style="list-style-type: none"> • 140,790: Number of taxpayers claiming the CDCTC⁴⁸ (an additional 13,530 from 2020) • \$2,048: Average Credit (an additional \$1,542 from 2020, on average) |
| TODAY | <p><i>The temporary expansion expired; the CDCTC reverted back to 2001 levels.</i></p> <ul style="list-style-type: none"> • \$500-600: Average credit |

NOTE: Major provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) expire at the end of 2025⁴⁹, giving Congress the opportunity to modernize the CDCTC and other tax provisions to better help working families offset the cost of quality child care.⁵⁰



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