## Great Start Scholarships



# Great Start Scholarships will make quality early care and education more affordable for Minnesota families.

Great Start Scholarships are a vision for an early care and education funding system that will work for all Minnesota children ages birth to five, families, and early childhood educators. They will help Minnesota reach its affordability goal that no family has to pay more than 7% of their income toward child care costs. Current child care funding assistance programs are complicated and don't reach everyone who could benefit. Great Start Scholarships offer a new approach.

#### How will Great Start Scholarships work?

Great Start Scholarships will make the scholarship process easier for everyone by:

- Combining existing funding sources, including the Child Care Assistance Program (CCAP) and Early Learning Scholarships (ELS).
- Streamlining eligibility and creating one application for families.
- Simplifying the billing system and cycles for providers.

With Great Start Scholarships, the state will coordinate the details. Families will see one set of requirements and a scholarship amount based on a sliding scale. Child care providers will only have to navigate one billing-system.

Great Start Scholarships

Child Care
Assistance Program

Early Learning Scholarships

**Fast Facts** 

330,000

Children in Minnesota, birth-age 4<sup>1</sup>

21%

Average % of income paid for child care by a Minnesota family with an infant<sup>2</sup>

\$3 Billion

Amount per year needed to fill the funding gap for Great Start Scholarships<sup>3</sup>





#### Where did the idea come from?

The **Great Start for All Minnesota Children Task Force** was established by state legislation and is made up of many voices, including parents of young children, early care and education professionals, state legislators, and an organization supporting tribal nations. The 2021 legislation directed the creation of a plan for all families in the state to have access to affordable, quality early care and education.

#### What has been done so far?

The good news is we're already on the way to making Great Start Scholarships a reality! The Minnesota state legislature has directed and funded these improvements:

- An online application to make it easier for families to apply.
- Better alignment of procedures between CCAP and Early Learning Scholarships.
- Streamlined payment rules and systems for providers, making it easier to participate.

### The Current System<sup>4</sup>

Funding and family contributions do not cover total cost of quality early care and education.



## **After Great Start Scholarships**

Scholarships and family contributions cover total cost of quality early care and education.

ELS

Federal

State

Our current system doesn't have enough funding to reach all families who could benefit from financial assistance to pay for quality early care and education. A fully funded Great Start Scholarships program would include more state and federal funding to reach the goal that no family has to pay more than 7% of their income for child care.

- <sup>1</sup> Young children | MN Compass
- <sup>2</sup> Child care costs in the United States | Economic Policy Institute
- <sup>3</sup> Based on future state costs as outlined in the <u>2023 Minnesota Child Care Cost Modeling report</u> and inflation adjustment per Think Small calculations
- <sup>4</sup> Inspired by A Vision for Financing Early Care and Education | Transforming the Financing of Early Care and Education | the National Academies Press







