



Written Testimony to Frontline Worker Pay Working Group

July 27, 2021

ISAIAH is a statewide organization of congregations, mosques, childcare centers, and barber shops in Minnesota. Our mission is to enable people to organize for racial, social and economic justice, and build a democracy that respects every person's dignity and a caring economy where everyone can thrive. I am writing today on behalf of the Kids Count On Us coalition of 512 child care centers across the state.

No matter where they live or what they look like, every Minnesota child deserves a nurturing and enriching environment especially during their crucial formative early years. Yet for too long, our state has failed. We have failed to ensure support for families with young children, failed to provide widespread access to quality affordable child care, and failed to support those who do the essential work of caring for and educating our youngest Minnesotans. This failure extends across the state but hits families of Black, Indigenous and People of Color the hardest.

As a state we also have been asking unreasonable amount of child care workers, who tend to be disproportionately women and women of color. Because of a lack of public funding, child care wages are very low, while child care costs are extremely high. Too many child care workers live in poverty, or leave the profession altogether. According to the Economic Policy Institute, nationwide, the families of child care workers are more than twice as likely to live in poverty as other workers' families (11.8% are in poverty compared with 5.8%). A median child care worker in Minnesota would have to spend a stunning 66.6% of her earnings to put her own infant in child care.

We are grateful for the modest improvements made in the 2021 budget, thanks to the federal American Rescue Plan dedicated funding for child care. Yet that funding is still a drop in the bucket compared to the needs of Minnesota children and families. In Minnesota, child care providers who accept child care assistance program participants will still be eligible only to be reimbursed at 30-40% of the most recent market rates, far below the federally-recommended 75%. Most states, from Idaho to Iowa, South Dakota to South Carolina, do better by child care providers than does Minnesota when it comes to child care assistance reimbursement. Low reimbursement rates mean that childcare providers cannot afford to provide staff with family-supporting wages and benefits that reflect the true value of the care and education they provide.

Industries experiencing labor shortages have also named the lack of child care, and/or the high expense of child care, as a key barrier to finding workers to fill many jobs. While emergency state and federal funding has been a lifeline to many in the child care sector, the COVID pandemic highlighted the precarious position of child care around the country.

We know the current allocation of \$250 million will not go far enough to meet the needs. We know there are many workers in so many different sectors – health, food, long term care and others - who risked their own health and lives during the COVID pandemic to serve our neighbors and communities. But it is critical that child workers, a backbone of our economy, receive a fair portion of this funding and a commitment from our state to finally pay them what they are worth.

Sincerely,

Lars Negstad, Policy Director