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ACTION PLAN
DATE: FALL 2011

Half of Minnesota kids arrive for kindergarten unprepared. Too many never catch up, and eventually drop out of school.

If that is unacceptable to you, **DO NOT THROW THIS BLUEPRINT AWAY.**

EARLY EDUCATION REFORM BLUEPRINT

Minnesota Early Learning Foundation
FALL 2011

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Dear Early Education Supporter:

Half of Minnesota kids arrive for kindergarten unprepared. Too many never catch up, and eventually drop out of school.

If that is unacceptable to you, **DO NOT THROW THIS BLUEPRINT AWAY.**

Blueprints guide construction projects every step of the way. So please use this Blueprint to guide the renovation of Minnesota's early education system. Use it to steer your construction team – your public, non-profit, and private leaders – to ensure they are staying true to this plan which was built on an unprecedented foundation of $20 million worth of pilot testing and evaluation.

All too many evidence-based reform plans just gather dust on shelves. It's up to you, and all of us, to make sure that doesn't happen with this Blueprint.

Sincerely,

Brad Anderson, Chair
Vice Chairman (retired), Best Buy Co., Inc

Jean Taylor, Vice Chair
CEO (former), Taylor Corporation

Michael Fiterman, Treasurer
CEO, Liberty Diversified International

Mike Ciresi, Secretary
Robins, Kaplan, Miller & Ciresi L.L.P.

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President and CEO, Interim Solutions

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President, University of Minnesota

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Ted Staryk
Partner, CNote Management

Charlie Weaver
Executive Director, MN Business Partnership

blue·print (bloo′ print) *n.* A detailed plan of *action.*

Action. That's what this Blueprint is all about. The first portion of the Blueprint provides background on why the Minnesota Early Learning Foundation (MELF) formed, and the exciting things it has learned in its pilot projects. But in the end, it's about action.

The Problem

Up to 90% of brain development happens by age five, making those early years a crucial time for children to be in stimulating learning environments.

Early learning looks more like play time than a formal elementary school classroom scene, but is the type of stimulating play that, according to research, helps young minds develop.

Minnesota is not doing well on the early learning front. Research consistently shows that only half of Minnesota children are arriving in kindergarten prepared to succeed. Too many who start behind never catch up, and eventually drop out of school.

That's a tragedy for those kids. Every child should start kindergarten prepared, so they have an opportunity to pursue the American dream.

And beyond the human tragedy, it's also a fiscal and economic tragedy.

When kids fall behind and ultimately drop out of school, it leaves Minnesota without the educated workforce it needs to compete in the global marketplace. It also costs taxpayers billions in expenses related to unemployment, social services, supplemental education, health care, law enforcement and prisons.

The Opportunity

Because of these expenses, economists at the Federal Reserve Bank of Minneapolis estimate that every $1 of investment in helping low-income kids access high quality early education yields about $16 in benefits to society.

For this reason, Minnesota Early Learning Foundation (MELF) leaders sometimes refer to low-income children as "high-return" children, because helping them succeed delivers an especially high return-on-investment (ROI).

But to get that ROI, our investments must be directed to the kind of high quality early education that actually prepares kids for kindergarten. Investing in low quality not only doesn't produce high returns, there is evidence that it sets children back.

So, as the commercial used to say, "quality is job one." Increasing investments before reforms are in place to target investments to early education quality does a disservice to children and taxpayers.

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MELF

In 2005, Minnesota business and non-profit leaders formed the Minnesota Early Learning Foundation and raised $20 million in private funding to learn more about how to improve early education quality.

MELF's leaders weren't players in the child care sector, so they had no prejudices on the subject, and no vested interest to protect. They also turned down government funding to remain independent of political influences.

From the beginning, the MELF Board was determined to be an "honest broker" in the early education debate.

MELF's sole focus: Determine effective and affordable ways to improve early education quality, so more kids would be ready for kindergarten.

To learn about what works, MELF piloted several approaches for improving early education quality in a number of Minnesota communities—Saint Paul, Minneapolis, Wayzata and Nicollet and Blue Earth counties.

The Parent Aware Ratings

Through a rigorous evaluation of the pilots, MELF found a quality rating and improvement system (QRIS) to be an especially effective and efficient reform tool. In the pilots, the Parent Aware Ratings were a simple-to-use one- to four-star rating system for helping parents find the early care and education providers in their community who were using the best practices for preparing kids for kindergarten (www.parentawareratings.org).

Some of the evidence-based best practices tracked included regular communication with parents, tracking each child's progress in learning, using evidence-based teaching materials and strategies and improving teacher training and education.

The ratings were voluntary, but child care providers who volunteered to be rated were rewarded with: 1) access to Parent Aware quality coaches and grants to help them implement best practices, 2) the business of parents using the Ratings in their shopping, 3) the business of parents using a new scholarship program and 4) marketing support.

The Parent Aware pilot represented the most market-based approach ever used in the nation. This is a reward model, not a regulatory model. Market forces, not government mandates, drive quality improvements.

While 36 other states use QRIS, the Parent Aware pilot represented the most market-based approach ever used in the nation.

Unlike other states, the Parent Aware Ratings were aggressively marketed to parents through yard signs, window clings, banners, mailings, press releases, a searchable website, a multi-lingual referral phone line, radio ads and online ads. This marketing encouraged parents to use the Parent Aware Ratings in their early care and education shopping, subsequently providing market rewards to providers who volunteered to be rated.

In other words, this is a reward model, not a regulatory model. Market forces, not government mandates, drive quality improvements.

Overall, MELF found the Parent Aware ratings to be a remarkably versatile reform tool.

- For parents, Parent Aware served as a sort of Consumer Reports-type resource to better inform their shopping.

- For providers, the rating system provided a clear quality improvement roadmap, and a host of rewards.

- For taxpayers, the Ratings could serve as a warrantee to ensure their tax dollars don't flow to providers who are not using school readiness best practices.

Scholarships

Another central reform that proved especially promising in the MELF-funded pilots was a scholarship model tested in Saint Paul.

Scholarships were designed to help low-income children access high quality early care and education. But the scholarships were different than traditional government child care programs in fundamental ways.

- The scholarships were streamlined, involving less paperwork for parents and providers.
- They were portable. Families could take the scholarship from provider to provider without losing eligibility.
- They were empowering. Families viewed the funds as a scholarship for early learning, not a welfare program.
- Finally, they were focused on high quality early learning. Unlike traditional government programs, the scholarships could only be used with providers who had strong Parent Aware Ratings.

Reforms Effective in Pilots

MELF's outside evaluators conducted a series of evaluations of the piloted reforms. All MELF research reports are available at www.melf.us, but these are among the most significant findings:

- **High-Return Kids Moved Into Proven Quality.** The coupling of the Parent Aware Ratings and the scholarship program greatly increased low-income/high-return kids' access to high-quality programs. Prior to receiving a scholarship, the majority of children were being cared for in unlicensed care (57%). After receiving a scholarship, all (100%) children were attending a program that could demonstrate, thanks to the Ratings, that they offered high quality early education.

Among those child care providers who have volunteered to be rated, 92% say that the Parent Aware program improved their quality.

- **Ratings Effectively Convinced Providers to Improve Quality.** The Ratings and the rewards associated with them successfully convinced providers to improve their early education quality. Over a two-year period in Saint Paul, the number of 3- and 4-star rated programs in and near the pilot area increased more than 55 percent. Throughout the pilot areas, the number of rated providers increased each year the Ratings were in use. Finally, 63% of fully rated providers improved their ratings the second time they sought them.

- **Rated Providers Used Grants to Improve Quality.** Quality improvement grant funds were used for improving the learning environment (58%), purchasing curriculum and assessment tools (33%) and covering the tuition for non-scholarship children (21%).

- **Rated Providers Said Parent Aware Helped Them.** Among those child care providers who have volunteered to be rated, 92% say that the Parent Aware program improved their quality, and over time more are volunteering (over 400 so far).

- **All Types of Providers Improved.** All types of programs, including smaller licensed home-based providers, proved able to achieve high ratings. On average, licensed family child care providers gained a full star upon re-rating, while center-based programs saw a one-half star improvement.

- **Scholarships Supported Continuity of Care.** An amazing 93% of providers viewed the scholarships as helping children stay enrolled in high-quality programs (compared to 70% for traditional government assistance).

- **Scholarships Reduced Provider Paperwork.** Almost all (95%) of the providers caring for families with scholarships said that the paperwork and administrative processes associated with scholarships were minimally disruptive to services, compared to 64% who said that of traditional government assistance (Child Care Assistance Program, or CCAP).

- **Teaching Materials and Strategies Needed Improvement Most.** Rated programs were making the most progress in implementing best practices in the "Family Partnerships" category. Rated providers had the most work to do in the "Teaching Materials and Strategies" category, which includes use of a research-based curriculum that the provider chooses, as well as the effectiveness of adult-child interactions.

- **Ads Increased Online Ratings Use, But Steady Promotion Needed.** About 40,000 unique visitors visited the Parent Aware Ratings search website. Visitors spiked by about 300% when a brief advertising campaign was piloted. However, only about 25% of parents with a child in a rated program had heard of Parent Aware, indicating that an ongoing multi-year marketing effort is needed to more fully tap into market forces.

- **Reforms Have Overwhelming Public Support.** A December 2010 MELF-commissioned survey found:

    - 96% of Minnesotans agreed that, "parents should have access to the best available information to help them find the best places for preparing children for kindergarten."

- An overwhelming majority (73%) agreed that "we should only allow tax dollars to be spent on early childhood education providers who have proven they are effective in preparing children for kindergarten."
- Overall, 82% agreed that "it is important for legislators to find ways to improve children's kindergarten readiness, even if additional funding is not available."

Children in child care settings with high Parent Aware Ratings showed significant gains in kindergarten readiness measures.

- **22,000 Children Were in Programs with Commitment to Quality.** At least 22,000 Minnesota kids, both low-income and non-low-income, were served in programs committed to quality, as demonstrated by their Parent Aware Rating.
- **Low-income Kids Made Greater Gains.** In terms of language and literacy measures, low-income children in rated programs made greater progress than the full sample of children.
- **Kids in Rated Programs Making Strong Gains.** Children in child care settings with high Parent Aware Ratings showed significant gains in kindergarten readiness measures, such as expressive and receptive vocabulary, phonological awareness, print knowledge and social competence. This is the most important finding of all.

MELF Policy Recommendations

Based on these extraordinary findings, MELF worked with a bipartisan group of legislators and a broad community coalition on an early education reform package—Senate File 331 and House File 669. The central elements of the 2011 reform package were:

- **Parent Aware Ratings.** The legislation called for making the Parent Aware quality rating and improvement system available to providers and families statewide.

- **Scholarships.** The proposed legislation called for offering streamlined scholarships targeted to low-income Minnesota children. The scholarships could only go to highly rated child care providers.

- **Tax Incentives.** To further reward quality improvement, the legislation proposed three tax incentives for 1) child care providers who volunteer to enter Parent Aware; 2) child care workers who improve their education and stay on the job at rated programs and 3) private donors supporting quality improvement efforts and/or scholarships.

- **A Vision For Future Streamlining.** The proposal also required that the state government recommend options for making the current system of thirty-four child care and early education related revenue streams more streamlined, accountable and focused on early learning.

- **Reform Before New Funding.** Minnesota was facing a $6 billion budget shortfall in 2011, but the reform bill was not dependent on new appropriations. MELF recommended that funding from existing programs should be shifted to cover the cost of the reforms. Moreover, MELF recommended that new funding not be put into the child care system until the reforms were enacted. It wanted to ensure that new funding would go to the kind of high quality early education that can produce a strong return-on-investment.

Beyond the legislation, the public sector also offered to support the reform initiative.

- **Public-Private Partnership.** If the state government enacted the early education reforms, Minnesota business and non-profit leaders pledged to raise millions of dollars in private funding for a new non-profit group Parent Aware for School Readiness (PASR, pronounced "passer").
    - PASR would market the Ratings to parents, a critically important step for making this a truly market-based, parent-empowered approach. The public sector is unwilling and ill-equipped to conduct such a multi-year Parent Aware marketing campaign, making the private sector role crucial.

- Anticipating that political pressure would mount to weaken rating standards, the more politically insulated PASR would also fight to keep the rating standards strong.

- Finally, the new organization would regularly evaluate the rating standards and recommend evidence-based improvements as needed.

2011 Legislature Fails To Act

The MELF reforms were supported by all three major political parties' 2010 gubernatorial candidates, the Minnesota Chamber of Commerce, the Minnesota Business Partnership, MinnCAN (the Minnesota Campaign for Achievement Now), a coalition of respected non-profits, a bipartisan group of legislators and an overwhelming majority of Minnesotans from all parties and all regions of the state.

Despite this, the reforms were blocked by a relatively narrow proportion of the Legislature. A small scholarship program was enacted, but MELF opposed the approach because it did not tie scholarships to early education quality.

Governor Enacts Foundational Reforms

After the legislative session, Governor Mark Dayton acted to extend and expand Parent Aware, and link the newly adopted scholarship funding to quality ratings.

As a result of the Governor's leadership, private leaders agreed to move ahead to create and fund the new Parent Aware for School Readiness group.

While these were critical steps in the direction of reforming Minnesota's early childhood system, they were only the beginning of what is needed to ensure all Minnesota children enter kindergarten ready for success.

Therefore, Minnesota still has much reform work to do.

EARLY EDUCATION REFORM BLUEPRINT

From its inception in 2005, MELF pledged to its funders and the community that it would sunset at the end of 2011. While MELF is keeping that pledge, the need to reform the early education system remains as pressing as ever.

The MELF Board of Directors recommends that Minnesota leaders in the public and private sector partner over the coming months and years to swiftly implement a very specific Early Education Reform Blueprint:

Private Sector To-Do List

- ✓ Form non-governmental Parent Aware for School Readiness (PASR) group.
- ✓ Raise non-governmental money to adequately fund PASR work.
- ✓ Through PASR, fund parent-targeted advertising and promotions to empower parents and create market rewards for rated providers.
- ✓ Through PASR, use evaluation results to recommend continuous improvement of the rating system.
- ✓ Fight any efforts to weaken rating standards.
- ✓ Through employers, encourage parents to focus at home on their child's school readiness, including use of the MELF-funded www.IsYourChildReady.com tool.

- ✓ Expand the size and level of commitment of the business coalition supporting reforms.
- ✓ Speak out in favor of the portions of the MELF reform agenda that were not passed in 2011.
  - o The three tax credits to reward quality improvement and encourage private investment.
  - o Reforming existing government child care and early education programs so that they are more streamlined (for parents and providers), accountable and focused on school readiness.
- ✓ After quality improvement reforms are in place, speak out in favor of improving low-income kids' access to quality programs.

Public Sector To-Do List

- ✓ Make the Parent Aware Ratings available to all Minnesota parents, providers and children within three years.
- ✓ Make Parent Aware simple and easily accessible for parents.
- ✓ Make the quality improvement system simple and easily accessible for providers.
- ✓ Link the new scholarships to Parent Aware and make them simple and accessible for parents and providers.
- ✓ Resist pressure to weaken evidence-based Parent Aware Ratings standards.

- ✓ Strengthen Parent Aware Ratings standards whenever research supports stronger standards.
- ✓ Make the current government child care programs much more streamlined (for parents and providers), accountable and focused on school readiness.
- ✓ Seek federal Race to the Top grant to fund an acceleration of reforms.
- ✓ Enact the three tax credits MELF proposed in 2011 to reward quality improvement and encourage private investment.
- ✓ After quality improvement reforms are in place, invest in improving low-income kids' access to quality.

Time To Build

It's just as true today as it was when MELF was launched in 2005: Half of Minnesota children start kindergarten behind, and too many never catch up.

Minnesota can't rest until that changes, so it's time to get to work.

Thanks

The MELF initiative could not have succeeded without the following partners.

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Vice Chairman (retired), Best Buy Co., Inc

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President and CEO (former), Taylor Corporation

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Marsha McDonald
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Jean Taylor and Roger Griffith
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Barbara Yates

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- Child Trends
- University of Minnesota's
  - Center for Early Education and Development (CEED)
  - Humphrey School of Public Affairs
- SRI International
- Wilder Research

MELF Policy Champions

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- Senate Bill Authors
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  - Sen. Linda Berglin
  - Sen. Terri Bonoff
  - Sen. Ted Daley
  - Sen. Carla Nelson
- GOP gubernatorial nominee Tom Emmer
- IP gubernatorial nominee Tom Horner
- Minnesota Chamber of Commerce
- Minnesota Business Partnership
- MinnCAN (Minnesota Campaign for Achievement Now)
- Minnesota Early Childhood Funders Network
- Minnesota's Future alliance

Parent Aware Quality Implementation Team

- Minnesota Department of Human Services
- Minnesota Department of Education
- Minnesota Child Care Resource and Referral Network
- Resources for Child Caring
- Child Care Resource & Referral
- Metropolitan State University's Minnesota Center for Professional Development
- University of Minnesota Center for Early Education and Development

Saint Paul Early Childhood Scholarship Pilot

- Federal Reserve Bank of Minneapolis
- City of Saint Paul Mayor Chris Coleman's Office
- Resources for Child Caring
- Saint Paul-Ramsey County Department of Public Health
- Minnesota Department of Human Services

Community Grantees

- Anoka Healthy Start Partnership
- Autism Society of Minnesota
- Bloomington Public Schools
- Caring for Kids Initiative (CfKI) (Wayzata Public Schools)
- Five Hundred Under Five/Minneapolis Youth Coordinating Board (North Minneapolis)
- Joyce Preschool
- Minnesota Head Start Association
- Parents as Teachers (ECFE programs at Waseca, Saint Paul and Anoka-Hennepin Public Schools)
- Saint Paul Public Schools Project Early Kindergarten
- Suburban Ramsey Family Collaborative (Moundsview, North Saint Paul, Roseville and White Bear Lake Public Schools)
- Wilder Research Family Literacy and School Readiness Study

Hundreds of Early Educators and Thousands of Families in MELF Pilot Areas

Minnesota Early Learning Foundation
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