

program is funded by the federal Child Care and Development Fund, the state general fund, and county funds. The federal Child Care and Development Fund was enacted under the Omnibus Budget Reconciliation Act of 1990. The Personal Responsibility and Work Opportunity Act of 1996 consolidated three federal child care programs previously serving low-income families.

4. The CCAP serves the state's interest in providing low-income families with access to affordable, quality child care for children through age 14, and allowing parents in low-income families to go to work, look for work, and pursue education and training to prepare them for work.
5. Statewide, children in poverty increased from approximately 109,000 in 2000 (9 percent) to 192,000 in 2010 (15 percent), representing a 62 percent increase. (Attached hereto as Exhibit 1 is a true and correct copy of page 2 of the Children's Defense Fund of Minnesota's publication entitled "Minnesota Kids Count 2012: Children Across Minnesota.")
6. According to a 2009 statewide study commissioned by DHS and conducted by the Wilder Foundation, families with low incomes in Minnesota pay, on average, 20 percent of their income for child care arrangements. The statistics also show that low-income families are paying more than double the proportion paid by families with higher incomes (9%), and double the amount considered affordable. (Attached hereto as Exhibit 2 is a true and correct copy of page 79 of a November 2010 report prepared by Richard Chase and Jennifer Valorose of Wilder Research entitled "Child Care Use in Minnesota: Report of the 2009 Statewide Household Child Care Survey.")
7. In Minnesota, the 2011 average annual cost of full-time family child care is less expensive than care provided by child care centers. The average annual cost for an infant in family child care is \$7,686, compared with \$13,579 for a child care center; a difference of \$5,893. The average annual cost for a four year old in family child care is \$6,947, compared with \$10,470 for a child care center; a difference of \$3,523. (Attached hereto as Exhibit 3 is a true and correct copy of page 36 of the Appendix to Child Care Aware of America's publication entitled "Parents and the High Cost of Child Care 2012 Report.")
8. In state fiscal year 2012, the CCAP provided an average monthly subsidy of \$890.61 per family towards the costs of child care, and each month, approximately 32,656 Minnesota children from birth through age 14, received child care from child care providers who receive the CCAP funds. Forty-three percent of these children were served by licensed or legally non-licensed family child care providers. (Attached hereto as Exhibit 4 is a true and correct copy of page 2 of the Minnesota Department of Human Services' February 2013 Forecast, attached

hereto as Exhibit 5 is a true and correct copy of page 19 of the Minnesota Department of Human Services' publication entitled "Family Self-Sufficiency and Health Care Program Statistics Report," and attached hereto as Exhibit 6 is a true and correct copy of page 1 of the Minnesota Department of Human Services' publication entitled "Minnesota Child Care Assistance Program State Fiscal Year 2012 Family Profile.")

9. The reimbursement rates in the CCAP are not tied to the current market for child care prices. In 2012, statewide, only 25.8% of licensed family child care providers reported rates at or below the CCAP maximum reimbursement rates. Therefore, the majority of licensed family child providers charge a rate that is not fully reimbursed by the CCAP. (Attached hereto as Exhibit 7 is a true and correct copy of page 6 of the Minnesota Department of Human Services' publication entitled "Minnesota Child Care Assistance Program State Fiscal Year 2012 Family Profile.")
10. According to the Minnesota 2010 School Readiness Study: Developmental Assessment at Kindergarten Entrance, children from disadvantaged backgrounds are less likely to be fully prepared for kindergarten than their more advantaged peers, and forty percent of Minnesota kindergartners did not reach the seventy-five percent achievement level for overall school readiness. According to studies of early human development and the impact of early investment on schooling and adult outcomes, investment in early education for disadvantaged children from birth to age five helps reduce the achievement gap, reduce the need for special education, increase the likelihood of healthier lifestyles, lower the crime rate, and reduce overall social costs. (Attached hereto as Exhibit 8 is a true and correct copy of the Minnesota Department of Education's publication entitled "Summary of the Minnesota 2010 School Readiness Study: Developmental Assessment at Kindergarten Entrance" and attached hereto as Exhibit 9 are pages 31 and 32 of James J. Heckman, *The Economics of Inequality, the Value of Early Childhood Education*, The American Educator (Spring 2011).)
11. Sixty-three percent of children served by the CCAP in state fiscal year 2012 were zero to five years of age. (Attached hereto as Exhibit 10 is a true and correct copy of page 2 of the Minnesota Department of Human Services' publication entitled "Minnesota Child Care Assistance Program State Fiscal Year 2012 Family Profile.")
12. In light of the rapidly increasing numbers of children in poverty, the fact that low-income families pay a disproportionately high amount in child care costs, and the fact that early childhood education increases the likelihood of a child's success in school and later in life, the CCAP serves an important state interest in enabling families access to quality, affordable child care.

13. To be eligible for the CCAP, parents must be employed or pursuing education leading to employment. The CCAP serves the important state interest and goal of allowing its employed citizens, and those pursuing education and training leading to employment, to send their children to quality care while they are at school or work.
14. Because family child care is significantly less expensive than center based child care and is the primary type of care available in some parts of the state, the state has an interest in supporting family child care providers to deliver quality care that will increase the likelihood of a child's success in school and later life, and provide parents with the opportunity to work, prepare for work, and support their families.
15. Allowing providers a collective voice may, like other collective bargaining contexts, provide an efficient process for the state to consider improvements to the CCAP. This could include, for example, improved training, increased income from higher reimbursement rates, better payment procedures which will benefit children, and payments tied to quality indicators that support school readiness for children. Collective bargaining does not preclude anyone else from petitioning the State or its officials on any family child care matter or issue and DHS welcomes any such input.
16. Collective bargaining on issues such as training, reimbursement rates, payments tied to quality indicators, and payment procedures may result in stability amongst family child care providers and an increase in people who are able to provide care, resulting in improved access for families and improved school readiness for children.
17. Chapter 128, article 1, provides a majority of family child care providers the right to select an advocate for negotiation and focused discussion, which may facilitate the best outcome for both the families and their children, and family child care providers. This may result in improved terms and conditions, and more responsiveness to providers' needs, which will inure to the benefit of the children cared for by family child care providers.
18. Because of the benefits of access to quality affordable care to a child's best well-being, as well the benefits derived from allowing parents to pursue meaningful work and contribute to the economy, the State has a vital interest in improving child care provided for under the CCAP. Chapter 128, article 1, provides a very important process for furthering this compelling State interest.

Further your affiant sayeth not.

s/ Charles E. Johnson
CHARLES E. JOHNSON

Subscribed and sworn to before me this
8th day of July, 2013.

s/ Kathleen K. Calhoun
NOTARY PUBLIC