

PASR Annual Report 2014

# The state of Minnesota's early education system is unacceptable.

Every year, thousands of Minnesota children arrive in kindergarten unprepared to succeed, and too many never catch up.

What happens as a result? The achievement gap happens. Billions of dollars in taxpayer bills for special education, social services, health care, law enforcement and prison expenses happen. A workforce that can't compete globally happens.

That's bad news for Minnesota's taxpayers and future economic competitiveness. Worse, it's very bad news for those children and their families.

#### Unacceptable.

PASR was created to make lasting changes to Minnesota's early education system—changes that would benefit Minnesotans decades after PASR is gone. PASR took the bold and unusual step of voting to sunset itself in 2016 to give our work the sense of urgency it deserves.

This annual report celebrates Minnesota's early education reform successes to date, but it's also honest about the substantial amount of unfinished business ahead of us in the final two years of PASR's existence.



# Enduring Improvements, So Far

If PASR sunsetted today, PASR leaders, partners, and funders could feel good about the enduring improvements that have already been set in motion.

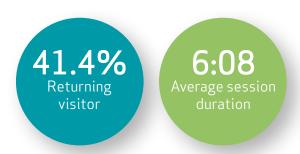
### Empowered Parents Using Ratings When Shopping.

Tens of thousands of Minnesota parents are now using the Parent Aware Ratings to find child care and pre-school programs using kindergarten-readiness best practices.

This didn't happen by accident. In fact, not very long ago, the Ratings were new and unknown. Ratings awareness among parents happened because PASR leaders raised millions of dollars to place radio, online, newspaper, TV and neighborhood signs promoting the Parent Aware Ratings, and rated providers, to Minnesota parents, and worked with partners to embed information about the Ratings in existing parent-directed communications channels (think county social workers, pediatricians offices, etc.).

Building a critical mass of parents who make good use of the Parent Aware Ratings in their shopping is extremely important. After all, those newly aware parents tell other parents about the Ratings, and that peer-to-peer messaging helps more children gain access to high quality early education, and convinces more providers to adopt the best practices.

Consumer demand is now driving quality improvement in Minnesota, and that consumer demand is being almost entirely driven by PASR promotion of the Parent Aware Ratings.



Based on data from August 11-December 31, 2014

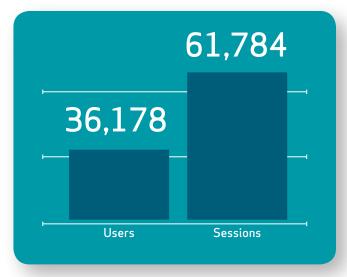
### Over 2,000 Rated Providers Of All Types.

Over 2,000 child care and pre-school programs have already volunteered to get a Parent Aware Rating, so that they can prove to parents and taxpayers that they are using kindergarten-readiness best practices.

Parent Aware-rated providers are now found in all regions of Minnesota, rural, urban, suburban and exurban. In addition, all types of eligible providers—home-based, school-based, church-based and center-based—have proven that they can and will adopt and prove their use of best practices. Providers from a wide variety of backgrounds have embraced the Ratings, as evidenced by the fact that home-based child care providers that speak languages other than English are more likely to participate than their English-speaking counterparts.

More providers are volunteering all the time, in order to take advantage of a variety of rewards that are now available to rated providers. Rewards include: 1) quality improvement coaching; 2) quality improvement grants; 3) new business from Early Learning Scholarship families; 4) higher Child Care Assistance Program (CCAP) subsidy rates; 5) new business from Ratings-driven shoppers; and 6) millions of dollars in PASR-funded advertising promoting Rated providers.

PASR has been a primary driving force behind these provider rewards. Those efforts are paying dividends, and the quality improvements providers are voluntarily adopting will benefit Minnesota children for many years to come.



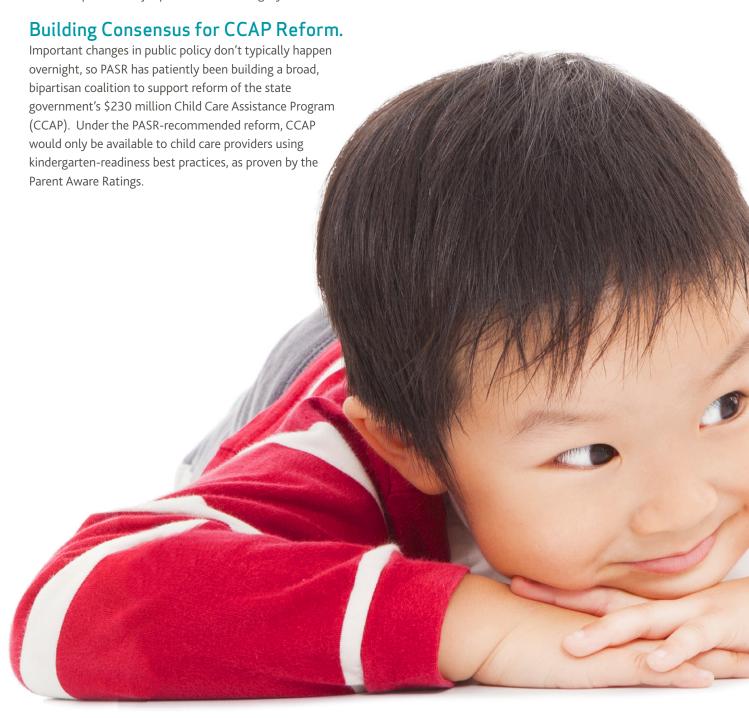
Based on data from August 11-December 31, 2014

### Over 5,000 Scholarships For Low-Income Children.

Making progress in improving kindergarten-readiness has been difficult, in part because high quality early education is beyond the reach of most low-income families. However, new government-funded Early Learning Scholarships are now helping 5,700 low-income children access Parent Aware participating programs.

PASR championed the creation of the scholarships for lowincome children, and continues to push for them to be kept as flexible, portable, and empowering as possible. These scholarships are a major part of the PASR legacy. CCAP reform would create by far the biggest financial reward ever made available to Parent Aware-rated providers, and would connect thousands of children from low-income families to quality early education.

As a result of PASR's steady coalition building, CCAP reform is now supported by Republican and Democratic legislators, the Dayton Administration, the Minnesota Chamber of Commerce, the Minnesota Business Partnership, and others. PASR hopes that 2015 will be the year that these efforts pay off for future generations of Minnesota children.



### Helping Parents Find High Quality Programs, In Seconds.

Without expert help, it's virtually impossible for any parent to identify high quality child care and pre-school options in their area. But the newly revitalized Parent Aware Ratings Online Search Tool, hosted at www.parentaware.org, allows parents to get a list of high quality programs in a matter of seconds.

In a unique public-private partnership, PASR financed an extensive overhaul of this Minnesota Department of Human Services (DHS)-operated tool, so that it is much more user-friendly and focused on educational quality.

DHS Commissioner Lucinda Jesson has given PASR a leadership award for its role in the project.

Because of the quantum improvements to this online search tool, the tool has seen a dramatic spike in usage. As many as 10,000 people a month are currently using the tool, and this steady stream of Ratings searchers demanding high quality early education will continue for decades to come.

# Website traffic 2013 vs. 2014 sessions



# Enduring Improvements, Still Needed

Despite all of these successes, Minnesota's early education improvement work is far from done. Here is a summary of PASR's ambitious to-do list for it's final two years of existence:

### Reforming Minnesota's Largest Child Care Subsidies - CCAP.

Incredibly, Minnesota's largest child care subsidy program, the Child Care Assistance Program (CCAP), is still spending \$230 million/year to send children from low-income families to child care providers who have not proven their use of kindergarten-readiness best practices. This can be harmful to children and wastes limited resources.

As mentioned before, there is a broad bipartisan coalition that now supports CCAP reform. Minnesota citizens are supportive as well. A survey found that 73% of Minnesotans agree 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."

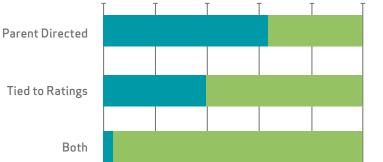
Yes, CCAP reform should have a reasonable phase-in period. Yes, there should be waivers to ease the burden on families. Yes, there should be adequate coaching and grants to help CCAP recipients adopt the best practices. But 2015 needs to be the year that Minnesota finally starts moving towards a system in which all low-income kids being served by CCAP are benefiting from kindergartenreadiness best practices.

## Making Scholarships More Portable, Flexible and Empowering.

During program implementation, half of the available Early Learning Scholarships were made less portable, flexible and empowering than they were originally designed to be.

For instance, with the original scholarship model, parents who changed providers could take their "portable" scholarship with them, so that the child's educational continuity was maintained. With the revised scholarship model, a family that moves loses their scholarship and can not receive another scholarship to keep the child in a high quality program.

For many families, residential relocation and changes in jobs are common occurrences, and educational continuity is critically important for young children. Therefore, this move away from portability is inadvertently harmful to kids. Minnesota needs to move back to the original scholarship model, in which parents are allowed to choose from any rated provider that fits their wants and needs, families can take their child's scholarship with them when their life circumstances change, and paperwork and process is kept to a minimum.



40%

Yes No

60%

80%

100%

0%

20%

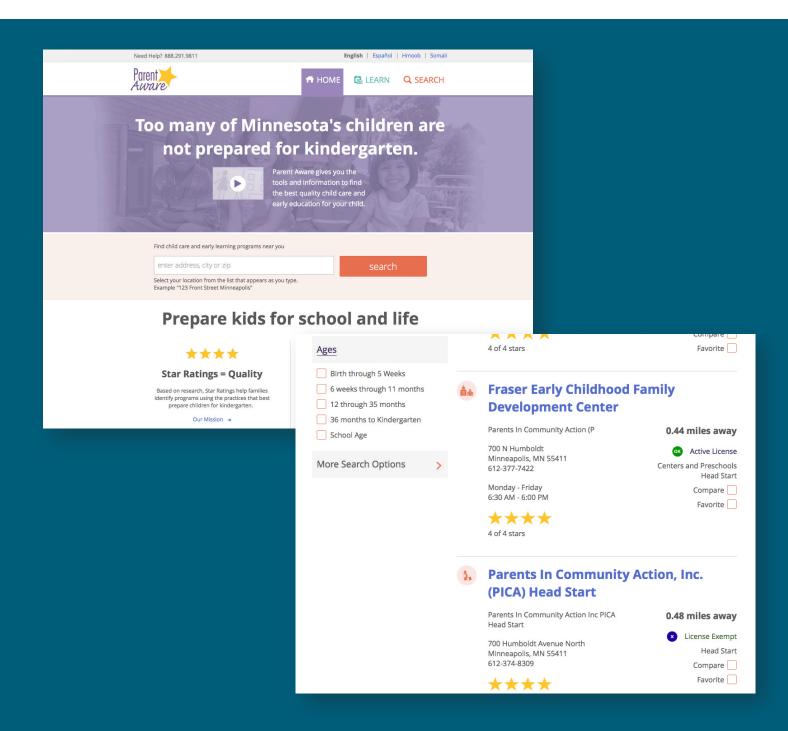
2014 Total Public Investment in Access



### More Parents Using Ratings In Shopping.

As noted earlier, Ratings use in child care provider selection has increased dramatically in recent years, and that's been fantastic news for early education champions. But PASR needs to continue to promote the Ratings, because parents are an ever-changing audience. Every single year, a new group of Minnesotans moves into the "parents of pre-kindergarten kids" category, so every year a whole new group of Minnesotans needs to be educated about the critical importance of pre-kindergarten early education, and how to use the Parent Aware Ratings tool.

Eventually, parent-to-parent referrals should reduce the need for Ratings ads. But at this early stage, promotion is the only real way to build a critical mass of parents demanding quality improvements for their kids. Building that critical mass is another crucial part of PASR's work over the next two years.



### Parent Aware Ratings Standards Protected.

The Parent Aware Ratings standards are based on the best available research about the best practices that are most likely to get children prepared for kindergarten. In the political arena, there is the potential movement to weaken standards, or rig them to favor one type of provider over another.

PASR will continue to fight to ensure that the Parent Aware Ratings standards a) remain research-based, b) stay focused solely on kindergarten-readiness best practices, and c) allow all rated providers an equal opportunity to earn the highest possible rating, and the rewards that come with high ratings.

The quickest way for Minnesota's early education reform gains to collapse is to allow the Ratings standards to become politicized, unfocused and unfair. Therefore, PASR will remain vigilant in opposing any such efforts.



### Strengthen Rewards Available to Rated Providers.

As mentioned earlier, a number of rewards benefit providers who volunteer to get rated and improve their quality, such as coaches, grants, scholarships, bonuses, new customers and marketing support. Maintaining and strengthening these rewards is critically important, because the 2,000 providers who have volunteered so far are not sufficient to serve all Minnesota children who want and need a high quality early education. We need more rewards to recruit more providers.

How can Minnesota strengthen provider rewards? First, we need to maintain the current rewards, and ensure they are equally available to all types of Parent Aware rated providers. Second, we need to ensure that only rated providers benefit from \$230 million per year in CCAP funding. Finally, we need to increase the number of low-income families bringing Early Learning Scholarships to rated providers. These would be powerful rewards to encourage more Minnesota providers to adopt kindergarten-readiness best practices.

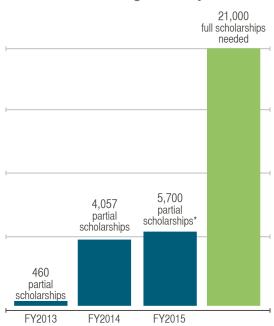
### Ensure All Low-Income Kids Can Access High Quality Early Education.

As encouraging as it has been to see 5,700 Minnesota children get Early Learning Scholarships, we have to keep in mind that more than 15,000 low-income Minnesota kids are still unable to access high quality early education.

In a state with some of the worst educational achievement gaps in the nation, Minnesota can no longer afford to have low-income children starting kindergarten unprepared. Getting all low-income 3- and 4-year-olds into high quality programming must be a top priority for Minnesota. This is not a "nice to have." For those kids, and Minnesota's economic future, it's a "must have."

Implementing these reforms will be the focus of PASR's final two years of existence. It's an ambitious agenda, but a critically important one.

#### More Kids in High Quality Pre-K



\*Current scholarship amount is capped at \$5,000.



#### PARENT AWARE RATINGS AT-A GLANCE



#### **PROBLEM:**

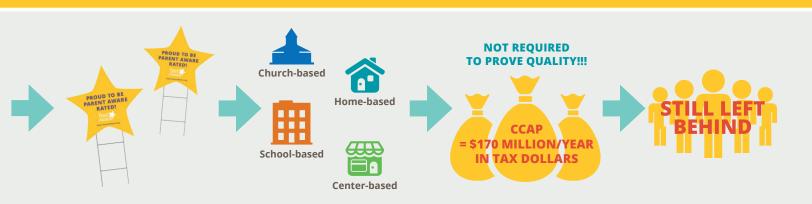
MN kids starting kindergarten behind, and not catching up.

#### **DEMAND:**

Minnesotans want help finding high quality early ed.

#### **SOLUTION:**

Ratings help parents find high quality early ed.



#### **IT'S WORKING:**

2,000+ already volunteering to use k-readiness best practices!

#### EQUAL OPPORTUNITY:

All types of rated providers are given an equal opportunity to earn rewards.

#### REMAINING CHALLENGE:

MN taxpayers still investing millions in low quality early ed.

#### REMAINING CHALLENGE:

15,000 low-income 3- and 4-year-olds still unable to access high quality providers.

#### Financial Outlook

PASR's mission for our final two years is clear. But as the saying goes, "no money, no mission." Thanks to our wonderful funders, PASR's financial position is relatively strong. But additional fundraising will be necessary to complete our mission.

Our most recent 990 filing and audited financial statements are available on our website, www.pasrmn.org/about/donors.

#### Funders as of January 2015

3M Community Giving Albright Foundation

**All Covered** 

Julie and Doug Baker Jr. Foundation

**Carol Barnett** 

Frank Bennett and Mary Lenard
Duane and Melissa Benson
Blue Cross and Blue Shield of
Minnesota Foundation

**Mary Brainerd** 

Kenneth and Elizabeth Burdick

**Cargill Foundation** 

Michael V. and Ann C. Ciresi

**Foundation** 

Kathleen M. Cooney Ecolab Foundation

Eichenwald/Helsing Foundation F.R. Bigelow Foundation

General Mills Foundation Lynn and Reid Haglin

HealthPartners

Hubbard Foundation Marshall D. Johnson

Robbin and Kristine Johnson

Scott and Anne Jones Jan and Gene Kruchoski

**LRE Foundation** 

Kim Maas in honor of JoJo Richter Ericca Maas and Ben Richter in honor

of Peter, Johannes & Fiona Richter

**Margdag Foundation** 

Margaret A. Cargill Foundation Fund of The Minneapolis Foundation

Peter and Jessica McDonald The McKnight Foundation Minneapols Foundation

Minnesota Early Learning Foundation

**Tim Penny** 

**Art and Cheri Rolnick** 

Robins, Kaplan, Miller, and Ciresi LLP

Foundation for Children

Fred Senn

**Saint Paul Foundation** 

Soran Family Fund of the Minneapolis

Foundation
Warren Staley

**Thrivent Financial Foundation** 

**WEM Foundation** 

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