



Representative Greg Davids  
Chair, Taxes Committee  
2nd Floor Centennial Office Building  
St. Paul, MN 55155

March 12, 2025

Mr. Chair and Members of the Committee,

On behalf of Start Early Funders Coalition, we are writing for HF805, in support of reducing costs for nonprofit child care providers. The business model of child care is extremely challenging, and this bill recognizes the role nonprofit child care providers play in serving our state's most vulnerable children. Reducing overhead costs for these providers is one way we can help create a business model that ensures all young children have access to high quality care. Our vision as a coalition is that every child in Minnesota is physically, socially, emotionally and cognitively prepared for school and lifelong success.

Child care providers are the backbone of our economy as the businesses that keep other businesses open and operating. Nonprofit child care centers make up just under half of the licensed child care centers in our state, and are often the providers that serve low-income children, children with disabilities and children with additional care needs. Without child care, parents would be unable to work, businesses would close and our state's economy would suffer. And yet, our early childhood businesses are struggling to remain open because the business model fundamentally does not work, and our system of support leaves providers to fend for themselves. Providers have been asking for these types of support, and this program will provide support directly to child care providers as we continue to build a comprehensive system to ensure all children have access to high quality, accessible and affordable child care and early learning.

We support a robust early childhood system that gives children and families access to a continuum of high-quality child care and early learning programs.

Sincerely,

Allison Corrado,

Start Early Funders Coalition, Public Policy Committee

Support for HF805  
Minnesota House Taxes Committee  
March 9, 2025



Dear Chair Davids and Committee Members,

I write today on behalf of the Minnesota Child Care Association, a statewide non-profit representing licensed child care centers. Our mission is to promote the success of licensed child care centers as an integral part of Minnesota's early education system. We serve as a voice for professional, high-quality child care that is affordable, accessible, and able to meet the diverse needs of Minnesota families. We are pleased to support HF805.

Several states have recently turned to property tax relief as a way to support child care supply in their communities. This bill offering a 10% rebate on rent expenses would bring real savings to child care programs, as facilities-related costs are the largest expense after labor. Our members who would benefit have plenty of needs to address, and depending on the size of these savings are looking toward compensation adjustments, additional training and education for staff, and necessary upgrades to equipment and supplies.

I urge you to support HF805, and to consider expanding such tax relief, in statute, to all licensed child care facilities in future work. This bill will obviously be meaningful for non-profit child care centers, but the fact remains that the vast majority of child care in the United States, both centers and in-home and particularly smaller providers, operates on a for-profit model. This has nothing to do with viewing children as a profit center (child care operates on incredibly thin margins and with compensation nowhere near where we want it to be) and everything to do with our history of funding education as a public good once children enter elementary school, but leaving families, businesses, and communities on their own to figure out early care and education needs in the birth to 5 years.

This bill is a good first step, and echoes an effort proposed this session in HF633 to the benefit family child care providers. If we really want to support the greater field, we need options like this available to all providers.

Thank you,

Clare Sanford  
Government Relations Chair  
Minnesota Child Care Association