COALITION OF GREATER MN CITIES

GMNP GREATER MN PARTNERSHIP

The Child Care Conundrum

Exploring solutions to the child care shortage in Greater Minnesota

CHILD CARE FACTS & FIGURES

74%
of Minnesota households with children under the age of 6 in which all parents are in the workforce[1]

39,000
number of additional child care spots needed in Greater MN[2]

27%
statewide drop in the number of in-home family child care providers between 2006-2015[3]

65%
of the child care capacity in Greater MN covered by family providers, compared to 30% in the metro area[4]

52%
growth needed in licensed child care capacity to fill shortfall statewide[2]

$200-450K
average start-up costs for a 52-seat child care center in Greater MN plus property acquisition[5]

[1]U.S. Census Bureau estimates, 2014
[2]First Children's Finance, Summer 2020
[3]Center for Rural Policy and Development, September 2016
[4]Center for Rural Policy and Development, August 2017
[5]Legislative Task Force on Access to Affordable Child Care (January 2017), using performance model created by First Children's Finance

TWO BILLS, ONE GOAL

Coalition of Greater Minnesota Cities and Greater Minnesota Partnership support investments aimed at stabilizing the child care marketplace, keeping providers in the industry, expanding access to child care for families and providing opportunities for annual training required for child care providers.

These efforts are supported by investments contained in the following bills:

Minnesota Initiative Foundations Child Care Grants

Provides funding for community planning coordination, training, and education necessary to expand child care access. The money will be used to help child care providers with business improvement planning, quality mentoring and workforce development to stabilize the child care provider marketplace in Greater Minnesota.
Amount seeking from Legislature: $4 million

DEED Child Care Grants

Provides funding for child care business start-ups or expansions, trainings, facility modifications, child care employee retention grants, and licensing assistance.
Amount seeking from Legislature: $10 million (at least 50% dedicated to Greater Minnesota)

Created for the Coalition of Greater Minnesota Cities and Greater Minnesota Partnership by Flaherty & Hood, P.A. 12/21/20.

HOW HAVE DEED & MIFs CHILD CARE GRANTS HELPED GREATER MINNESOTA COMMUNITIES?

Photo credit: Kandiyohi County Area Family YMCA

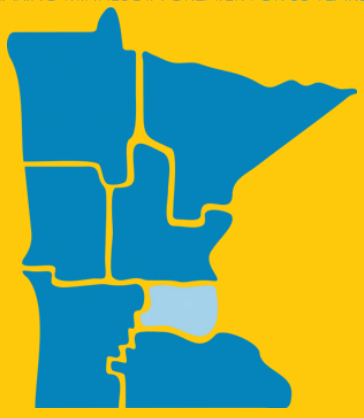
"None of this would have been possible without a broad base of support. Our rural area is extremely generous, as are many other small communities in Minnesota. We had over 80 pledges, donations and grant resources come in ranging from $10 to $100,000. The DEED grant was valuable to this project in that it provided important foundational elements to help us serve the children and families in Kandiyohi County."

- Jenny Holweger, Executive Director, Kandiyohi County Area Family YMCA

Kandiyohi County Area Family YMCA received a $50,000 DEED grant in 2019. This funding leveraged against $750,000 in local contributions to build a new 90-spot child care facility. The DEED grant helped stimulate more than $750,000 in local gifts.

MINNESOTA Initiative Foundations

MAKING MINNESOTA GREATER FOR 30 YEARS



"Our Minnesota Initiative colleagues are each approaching our child care work based on the regions' unique needs. These dollars have a catalytic affect in addressing the shortage when combined with other dollars and resources."

- Diana Anderson, President, Southwest Initiative Foundation

The Initiative Foundation, based in Little Falls, launched pilot partnerships in four communities: the Greater St. Cloud area, Todd County (Long Prairie, Clarissa and Staples-Motley), Little Falls and Mora. In each one, the foundation helped convene key stakeholders and identify the primary assets and challenges the community faces in expanding quality, affordable child care. It then helped the community develop goals and an action plan to address the need, while also supporting the plan's implementation. Each community received a challenge grant of $10,000, with an aim to leverage private and public sector matching support, with the goal of creating at least 75 new child care slots in each community.

The Southern Minnesota Initiative Foundation (SMIF) has used its past state appropriation to provide technical assistance to providers looking to expand child care opportunities in a community. For example, in Gaylord, SMIF partnered with the local faith communities to identify ways to retrofit an existing building to be used as a child care facility. Once the building needs were identified, the foundation assisted the community in developing and implementing a capital campaign to raise the funds necessary to build out the facility and expand child care opportunities.

For more information on housing or other economic development issues that impact Greater Minnesota, please visit greatermncities.org or gmnp.org or contact GMNP Executive Director Scott McMahon at scott@gmnp.org.