



# Support Minnesota Businesses By Expanding Child Care

Child care is the business that lets other businesses be in business

## Support \$5M for the DEED Child Care Economic Development Grant Program

The Coalition of Greater Minnesota Cities and the Greater Minnesota Partnership support investments that will stabilize the child care marketplace, keep providers in the industry, expand access, and provide opportunities for annual training required for providers.

The DEED Child Care Economic Development Grant program has a proven record of accomplishing these goals. But with Greater Minnesota short more than 40,000 child care slots, demand for grants has far outpaced available resources.

In 2021, the Legislature appropriated \$5 million for the 2022-23 biennium for the program, but last grant cycle alone generated \$9.5 million in applications for \$2.5 million in available funding.

With only \$2.5 million in grant funds remaining, we are asking the Legislature to invest an additional \$5 million into the program during the 2022 legislative session.

## CHILD CARE FACTS & FIGURES

**40,000**

number of additional child care spots needed in Greater MN<sup>1</sup>



### Between 2002 & 2020<sup>2</sup>:

- Minnesota lost **50%** of its family child care licenses and **47%** of its family child care capacity
- Greater Minnesota lost more than **20,000** child care slots:
  - » Gained **15,000** child care center slots
  - » Lost **35,500** family child care spots
- Twin Cities metro area lost **2,600** child care slots:
  - » Gained **37,100** child care center slots
  - » Lost **39,700** family child care spots



**54%**

growth needed in licensed child care capacity to fill shortfall statewide<sup>1</sup>

**654**

number of child care centers in Greater Minnesota as of 2020, down from 692 in 2000<sup>2</sup>



<sup>1</sup>First Children Finance, "Child Care Need Summary Greater Minnesota" June 2021

<sup>2</sup>Center for Rural Policy and Development, "Child care in rural Minnesota after 2020" February 2021, [ruralmn.org/child-care-in-rural-minnesota-after-2020](http://ruralmn.org/child-care-in-rural-minnesota-after-2020)

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

Photo credit: Kandiyohi County Area Family YMCA

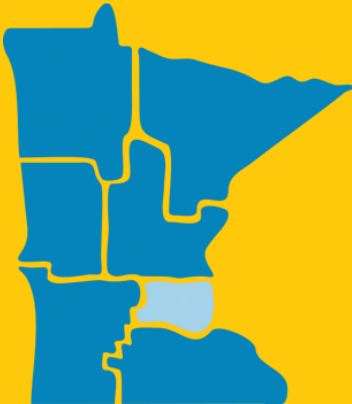


*"None of this would have been possible without a broad base of support. Our rural area is extremely generous, as are many other small communities in Minnesota. We had over 80 pledges, donations and grant resources come in ranging from \$10 to \$100,000. The DEED grant was valuable to this project in 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."*

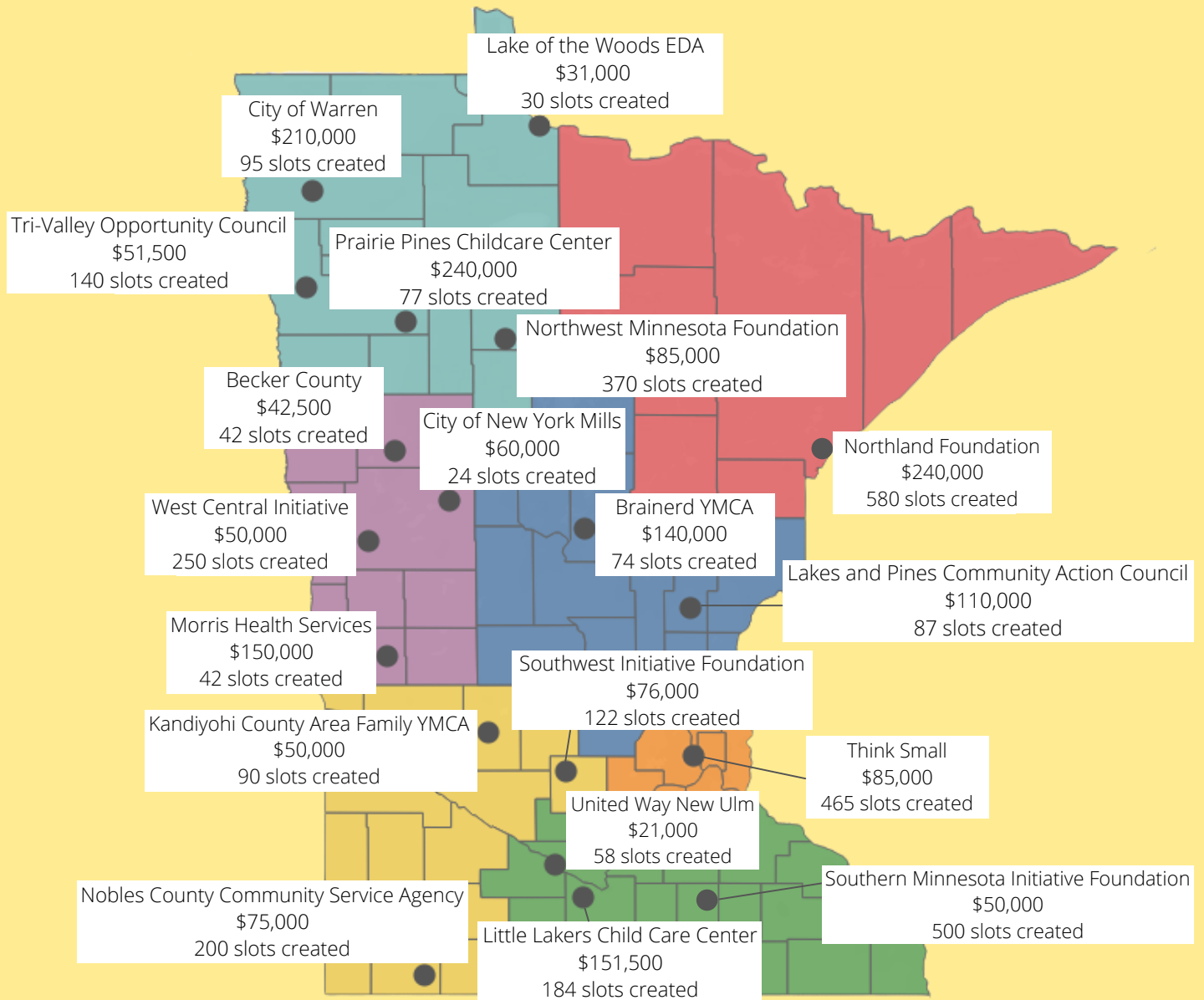
*- Diana Anderson, President, Southwest Initiative Foundation*

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.

# DEED Child Care Grants Awarded

Between 2017 and 2021, the Minnesota Department of Employment and Economic Development (DEED) allocated 38 Child Care Grants across the state. Many grants were leveraged by local matches and other funding sources. The numbers on the map reflect some of those awards and the number of child care slots created utilizing both the grant listed and matching funds per organization.



## Totals per region between 2017 and 2021

