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# Greater Minnesota Child Care Grants

DEED Annual Report to the Legislature  
As required by Minnesota Laws, Chapter 189, Article 7, Section 2,  
Subdivision 2(I)  
January, 2018

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## Background

2016 Minnesota Laws, Chapter 189, Article 12, Section 2, Subdivision 2(l) authorizes \$500,000 in fiscal year 2017 for grants to communities to increase the supply of quality child care providers in order to support regional economic development outside the Twin Cities metro area.

Grant funds must be used to implement solutions to reduce the child care shortage in the state, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, priority must be given to communities in greater Minnesota that have documented a shortage of child care providers in the proposed project area based on the current licensed capacity in the region compared to the estimated number of children under age six with both parents working.

Recipients must match State funds on a dollar-for-dollar basis. Eligible local communities include communities outside of the Twin Cities metropolitan area (as defined under Minnesota Statute, section 473.121, subdivision 2)

The maximum award was administratively set at \$150,000.00 to balance the desire to fund large enough projects that will have a significant impact while also making enough individual grants across a wider area of greater Minnesota.

## Outreach

An effort was made to solicit input for the RFP from potential applicants and communities through a Request for Information. We collected responses from more than a dozen communities, agencies and individuals. Priorities identified by the respondents included:

- Need for reducing education and financial barriers to entry for child care businesses.
- Acute shortage of child care slots for infants and toddlers
- Rural availability in lower population density areas
- Lack of community-based planning to address needs

In addition, DEED consulted with experts from DHS to review and make suggestions for the Request for Proposals and to assist in the evaluation and recommendation of proposals.

## Awards

The Request for Proposals was released on October 31<sup>st</sup>, 2016 with proposals due on January 6<sup>th</sup>, 2017. Fifteen proposals were submitted to DEED with a total of \$1.3 million in requests.

A total of eight proposals were awarded funding totaling \$500,000 in grant funds, which organizations deployed as both grants and loans, leveraging \$2.3 million in local matching funds with a projected 972 child care slots created.

Organization	Community	Award	Local Matching Funds	Project Type	Projected Child Care Slots Created
Northland Foundation	Duluth	\$125,000	\$202,500	Start-up, expansion grants.	141
West Central Initiative	Fergus Falls	\$50,000	\$80,000	Forgivable loans	290
Tri-Valley Opportunity Council	Crookston	\$51,500	\$61,594	Start-up grants	140
Lake of The Woods EDA	Baudette	\$31,000	\$31,000	Forgivable Loans.	30
Southwest Initiative Foundation	Hutchinson	\$110,000	\$628,995	Expansion grants	126
Lakes and Pines Community Action Council, Inc.	Mora	\$110,000	\$969,168	Expansion grants	87
United Way New Ulm	New Ulm	\$21,000	\$366,464	Expansion grants	58
Lake Crystal Wellcome Memorial School District	Lake Crystal	\$1,500	\$1,500	Regulatory support	100
<b>Total</b>		<b>\$500,000</b>	<b>\$2,341,221</b>		<b>972</b>

## Program Outcomes to Date

The following is a summary of program outcomes as of September 30<sup>th</sup>, 2017.

- \$216,941.04 of grant funds have been expended leveraging \$313,357.25 in local match dollars invested
- 57 projects have been started or completed resulting in 313 child slots created, 306 child care slots retained, and 54 child care jobs created.
- 13 providers have been trained for a total of 106 hours of training.
- One grantee, United Way New Ulm, has experienced delays in launching their project but are projected to complete their project by June 30, 2018.

## Program Outcome Summary

January 1, 2017 – September 30, 2017

Grantee	Total Projects	New Providers	Providers Trained	Hours of Training	Jobs Created (to date)	Projected Child Care Slots	Actual Child Slots (to date)	Child Care Slots Retained	Grant Funds Expended	Local Matching Funds Expended	Expected Completion Date
Northland Foundation	5	2	NA	NA	8	141	93	NA	\$ 117,000.00	\$ 163,750.00	6/30/2018
West Central Initiative	31	6	NA	NA	6	290	52	306	\$ 50,000.00	\$ 51,000.00	6/30/2018
Tri-Valley Opportunity Council	9	8	NA	NA	6	140	42	NA	\$ 21,268.00	\$ 30,874.00	6/30/2018
Lake of The Woods EDA	2	2	NA	NA	3	30	12	NA	\$ 2,600.00	\$ 10,600.00	6/30/2018
Southwest Initiative Foundation	5	NA	NA	NA	17	126	46	NA	Pending	Pending	6/30/2018
Lakes and Pines Community Action Council, Inc.	2		13	301	11	87	28	NA	\$ 25,623.04	\$ 56,683.25	6/30/2018
United Way New Ulm	NA	NA	NA	NA	NA	58	NA	NA	NA	NA	6/30/2018
Lake Crystal Wellcome Memorial School District	3	3	NA	NA	3	100	30	NA	\$ 450.00	\$ 450.00	6/30/2018
<b>TOTAL</b>	<b>57</b>	<b>21</b>	<b>13</b>	<b>301</b>	<b>54</b>	<b>972</b>	<b>313</b>	<b>306</b>	<b>\$ 216,941.04</b>	<b>\$ 313,357.25</b>	

