



## MINNESOTA BUSINESS VITALITY COUNCIL Child Care Business Supports Working Group

The MBVC launched a sprint focused on creation and sustainability of child care businesses through connection with resources in training, navigation, technical assistance, and other supports. The MBVC charged a working group to look for potential recommendations within this scope, including consideration of support for cross-sector community partnerships and governance and funding opportunities to support and sustain child care businesses.

The working group's [report](#) highlights the importance of the child care sector for the ability of all children and families in Minnesota to thrive and for the overall economic health of our state.

- Fundamental disconnects in the child care market lead to racial, socioeconomic, and geographic disparities in access to affordable, high-quality child care for families as well as unsustainable wages for the child care workforce.
- Lack of equitable access to child care has significant economic implications, especially in terms of labor force participation. Employers are increasingly mindful of how crucial the availability of child care is to their ability to hire and retain employees, and of the critical role child care plays in the economic infrastructure of communities across our state.

The sprint working group's recommendations, summarized below, highlight opportunities to expand the state's efforts in four areas highlighted as critical by the sprint's findings. For more detail, see the full [report](#).

The Minnesota Business Vitality Council (MBVC) embeds innovative approaches in government through cross-agency work that is designed to tackle complex economic development issues, discover collaborative solutions, and capitalize on opportunities to grow Minnesota's economy. Read more about the MBVC [<https://mn.gov/deed/business/help/business-vitality/>].

## RECOMMENDATIONS

### 1 Transforming financing of early care and education in Minnesota

- Increase subsidies for family access to child care
- Continue direct supports to providers to stabilize child care sector
- Use cost modeling data to inform future financing decisions

### 2 Supporting cross-sector community partnerships

- Offer tax incentives to employers for investments in child care capacity
- Establish a Regional Child Care Facility Fund
- Ensure community planning funding and support are available in all regions

### 3 Aligning and expanding child care business supports

- Support ongoing coordination across child care capacity-building efforts
- Extend funding for child care business supports
- Leverage connections between One Stop Assistance Network, economic development programs
- Evaluate innovative investments

### 4 Addressing child care workforce challenges

- Increase investment in scholarships for postsecondary education opportunities
- Expand and develop "earn and learn" opportunities in ECE
- Conduct an updated child care workforce study