



UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION (IA): CHILD CARE SOLUTIONS FUND

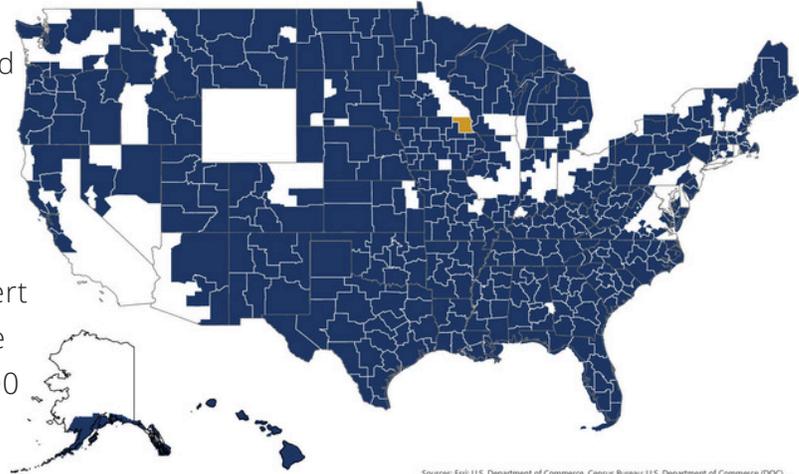
Meeting the Childcare Challenge: Opportunities for Economic Development Districts

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Many regions include substantial areas of what researchers call 'childcare deserts,' census tracts with more than three children under the age of five for every licensed childcare slot. Because access to childcare improves household earnings and career trajectories, a childcare desert can be a significant drag on a region's economic growth and quality of life.

When staff at the Upper Explorerland Regional Planning Commission (UERPC) in 2023 studied childcare access in Allamakee County, Iowa, a rural county in the far northeast corner of the state, they found that many of its communities met the childcare desert criteria. Not only did the county face an acute shortage of slots, with 1,100 missing spaces for children under twelve years old, but the childcare

Upper Explorerland RPC Service Area:



Sources: Esri, U.S. Department of Commerce, Census Bureau, U.S. Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), National Ocean Service (NOS), National Geographic Survey (NGS)

centers that did exist struggled with the low wage/high-cost paradox that plagues the industry across the country. The average family in the county was spending 14% of its income on childcare at licensed centers, double what the U.S. Department of Health and Human Services considers affordable. Meanwhile, average pay for childcare workers was just \$12 an hour, 40% below county median earnings and too low to retain a stable labor force. Alarming, half of the centers reported that they might close in the next decade.

In response, UERPC collaborated with the county's economic development entity, Allamakee County Economic Development and Tourism (ACEDT), and formulated a strategy for action. They took a four-pronged approach: surveying community members, collecting data, convening key community partners, and working to educate elected officials and the business community about the childcare shortage.

Most significantly, in 2023 UERPC and ACEDT applied for, was awarded, and administered a grant from the Iowa Department of Health and Human Services to launch a pilot program to subsidize the wages of childcare workers in the state. The program, the Allamakee County Child Care Solutions Fund, launched in FY 2024 with a \$500k pot of funds to distribute to center-based and at-home childcare providers in the county for wage increases and retention bonuses.

To meet the grant's required 2:1 match, the ACEDT and UERPC launched a two-month fundraising drive. In coordination with local businesses, community organizations, and childcare centers, they identified project champions, built an online donation portal, and marketed the program to community members. The \$178k raised locally came from a mix of philanthropic interests, private businesses, and a large number of individuals who were reached by the campaign.

In the first year alone, the fund reached 62 childcare center staff and 13 in-home providers and directly induced the hiring of nine new childcare workers, a significant number for a small county. For context, nine additional workers would be enough in Iowa to increase infant care by 36 slots, toddler care by 63 slots, or preschool-aged childcare by as many as 135 slots. Providers who participated accessed the funds according to staffing needs and available funding, and reported improvements in hiring, staff retention, and business resilience. One of the county's largest childcare centers, Postville Childcare, credits the wage enhancement funds explicitly with allowing them to keep their doors open that year while it faced challenging economic headwinds.

As the program grew, the partners formalized their collaboration into the Allamakee County Child Care Coalition. The Coalition's membership includes childcare centers, community partners, child care agencies, institutional partners, banks, and local governments, and acts as a structured board to manage the Solutions Fund.

The Solutions Fund pilot grant program expired at the end of 2024, but UERPC, ACEDT, and their partners raised enough additional funds in the community to continue with a modified version, with the hope that the state will relaunch the program in the future. Without state funding it was more difficult to secure commitments from business partners, so the program was more limited in scope in its second year. Instead of direct wage enhancements, the fund was directed towards quarterly retention bonuses for childcare center workers and registered in-home childcare centers. This had a more limited hiring impact but still helped to keep businesses operating and slots open.

UERPC contributed data to a [statewide study](#) of the pilot program's impact to help advocate for a permanent replacement for the pilot program. The study, conducted by the [Iowa Common Sense Institute](#) and released in November 2024, concluded that the pilot program

Foundation support helps launch local child care wage enhancement program



In support of child care in Allamakee County, the Northeast Iowa Family Network was instrumental in leading fund efforts by Upper Eisenhower Regional Planning Commission that ultimately resulted in the establishment of a child care wage enhancement program in Allamakee County. Pictured above at the Postville Child Care Center, a beneficiary of that new program, are, left to right, Allamakee Development Director for the Community Foundation of Northeast Iowa Terry Seaman, South Boardhouse of the Allamakee County Community Foundation, Emily Salsman, Executive Director of the Clayton County Community Foundation, Katelyn Turner of the Postville Childcare Center, Andy Warner and Melissa Johnson of the Clayton County Community Foundation, Emily Stegwee of the Allamakee County Community Foundation, and Michelle Barnes of Upper Eisenhower Regional Planning Commission. Submitted photo.

As the center was gearing up to close, the Northeast Iowa Family Network, made up of community foundations in Allamakee, Chickasaw, Clayton, Fayette, Howard and Winnebago Counties, awarded a grant to Upper Eisenhower Regional Planning Commission to support the work of regional director Michelle Barnes, who is coordinating strategies for addressing child care challenges.

Barnes provided support to Allamakee County providers, economic development leaders and other partners as they worked to raise \$150,000 for a countywide child care wage enhancement program. The state of Iowa provided 2-to-1 matching funds, making nearly \$500,000 available to help providers pay staff competitive wages.

Instead of closing its doors, Postville Childcare now has a plan to increase hourly wages for current teachers, advertise and hire for open positions, and ultimately increase enrollment from 85 to 100 children.

"Keeping rates affordable for families is a priority. A two-income household in Allamakee County is paying around 14-15% of income toward childcare, and we know that 7% is what's considered affordable," says Katelyn Turner, Postville Childcare director. "The wage enhancement fund allows us to keep rates where they are for parents and still increase wages for teachers."

Turner and her board of directors met with local businesses and potential funders, and helped market the new program. Many gifts from individuals, families and businesses in the county contributed to the success of the fundraising campaign, and community members can still make gifts. Turner says future fundraisers and an ongoing awareness campaign will help keep the momentum going.

Turner adds that Barnes' involvement was key to finding a solution. "Melissa identified the need, gathered data on the current situation in the county and helped center leaders create presentations to secure funding," says Turner. Barnes worked within her organization as well as with local and statewide partners to design the parameters for the wage program, and take steps necessary to ensure its quick implementation by the start of this 2024.

Beyond the Allamakee wage enhancement fund, Barnes' plan includes strategic collaboration with statewide child care partners, building awareness about child care challenges across the region, and providing grant writing services for childcare funding.

"This project has helped with morale, giving us hope and a reason to hang on - because it's been really hard," says Turner. "We are so grateful for all of the support."

Local news coverage of the program. *Image via the Waukon Standard.*

was responsible for a 5.9% increase in childcare slots in pilot communities and that a statewide program would cost \$315 million over ten years while growing state GDP by \$13 billion. Armed with those findings, the Coalition is now working with its community champions to advocate to state legislators in hopes of expanding funding in the years ahead.

Key Takeaways:

Coalition building is the backbone of successful economic development work.

UERPC and ACEDT staff both credit the Coalition for the program's success with raising funds, securing and administering the grant, continuing the program in the face of uncertainty, and aligning stakeholders in support of future childcare support efforts. The Coalition continues to meet regularly and to encourage advocacy efforts. It has helped to cultivate community champions who are able to connect with legislators and businesses, and to keep the conversation and momentum going. Should the state reconstitute the program in the coming years, the Coalition is now well-positioned to put in a competitive application that meets the needs of the county's stakeholders.

Asked about the Coalition's success, Michelle Barness, a Regional Planner at UERPC, commented, "If you haven't formed a countywide or a community coalition yet, do it. Having a coalition established right now sets you up for these future grant opportunities." Val Reinke, the Director of ACEDT, further added that the Coalition was essential for finding and empowering program champions. "It's critical to find champions that are not afraid to get out there and talk to legislators and go to events and talk the talk," she commented. "Our legislators aren't in the childcare centers every day, but they need to understand that there's community commitment, that there are parents and grandparents spending their weekends fundraising for these childcare centers, and that this matters to people and we can't do it a dollar at a time."

The problem.



Graphic from UERPC's childcare research.

EDDs can be ideal childcare support program managers.

Economic development organizations like UERPC are well-positioned to manage funds like the Child Care Solutions Fund due to their administrative capacity, regional relationships, and access to technical expertise. UERPC's role included not just overseeing disbursements and tracking pledges, but also coordinating applications, liaising with providers, and maintaining compliance with state reporting requirements. As Barness explained, "As a regional planning organization, we know what some of these key movers and shakers should be, and how to talk to economic developers, planning organizations, and governments." In rural or multi-jurisdictional settings, regional planning commissions and EDDs may be especially well-suited to serve as fiscal agents and conveners, bringing coherence and accountability to programs that span diverse communities.

Public-Private Partnerships (P3s) are a promising model for childcare funding.

Childcare initiatives are especially well-suited for P3s because employers have a direct stake in their outcomes. In Allamakee County, local businesses, civic groups, and individuals contributed \$178,000 in just two months to unlock a two-to-one state match, demonstrating the potential for business engagement and investment in the childcare space. While maintaining that level of engagement has been challenging without ongoing state investment, the initial campaign showed that when childcare access is framed as essential workforce infrastructure, employers are willing to contribute. By supporting childcare initiatives, they help stabilize their own labor force and engage with the community's broader economic development goals. Programs like the Solutions Fund create a vehicle for that engagement and offer a clear way for employers to invest in their communities while solving an issue that affects their bottom line.

Wage support is an effective way to increase childcare access.

Finally, an important lesson from this initiative is simply this: it worked! Data from the program and the broader statewide pilot program study demonstrates that the funds directly increased childcare access and kept at-risk businesses from closing. The higher wages both helped to reduce employee attrition (a major challenge for childcare providers) and made the jobs more attractive to potential employees. By improving workforce stability, wage support directly translated into more available slots for families and more resilient childcare providers.

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