

# A Community's Plan to Build a New Child Care Facility: A Case Study

Expanding Child Care Availability

## South Dakota Child Care Workforce Study

Developing Practical Strategies to Strengthen the Workforce and Support Economic Growth

### Initiative Highlights

- Brand new state-licensed child care facility for up to 140 children
- Partnership with EmBe, well known and established child care provider
- Lease-free facility for EmBe for first five years

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## Grassroots Efforts to Build a New Child Care Facility

According to Brooke Rollag, Executive Director of the Lake Area Improvement Corporation, the vast majority of parents in Lake County work, and just over half of Lake County residents call the city of Madison home. The corporation hired a consultant to conduct a study of Madison's community needs, which included contacting as many local family day care providers as possible. Corporation staff were alarmed at a few of the findings. Outside of a Head Start program, Madison area parents rely solely on family day care providers. Further, a handful of the long-operating providers are soon retiring. "At this point, family day care providers are continuing to care for children because they just love their families so much," said the Executive Director. "When I think about the families that are left in really tricky situations day in and day out, it's time to support them in a bigger way."

Using multiple data sources, including basic census data, data collected from family day care providers, and kindergarten enrollment data, the consultant also determined that Madison was over 300 slots short of the community's needed care for children, from infants up to five years old.

No existing structures in Madison met the requirements to accommodate a state-licensed child care facility and an efficient child care business model. In order to meet the community's child care needs, the Lake Area Improvement Corporation has decided to build a brand new child care facility from the ground up. The funds to construct the facility will come from a combination of grants, gifts, and pledges from local employers. The community also recognizes that ongoing scholarships will be necessary to meet families' child care needs.

## Community Partnerships

### Child Care Provider

Child care does not typically fall on Lake Area Improvement Corporation's list of responsibilities, which often includes building infrastructure, expanding industrial parks, and building roads, to name a few. "We know there is a need for child care, but we have no experience in delivering child care services," said the Executive Director. "We knew it would





be really important to partner with someone that has child care experience. By this, I mean not only the experience to offer quality child care, but also that experience to keep the doors open and the lights on financially year after year.”

To find a child care partner, the corporation requested proposals from potential partner organizations and chose EmBe, a South Dakota-based organization that has provided child care for over 100 years. EmBe staff have been very involved with planning for the new facility from a business operations standpoint, including features such as classroom sizes, security, and the outdoor space.

### **Business Community**

The Lake Area Improvement Corporation also has partnerships with many business organizations in the Madison community that support the new child care facility. Prior to approaching these entities for financial support, the corporation wanted to try to eliminate as many variables as possible. “Once you confidently put forward a well thought out plan, you receive strong buy-in from the business community,” the Executive Director said. “It’s being upfront, it’s being honest, it’s being realistic.”

Members of the business community were aware of the stressors that a lack of available child care was causing their own employees and, therefore, were supportive of the corporation’s process to find a solution.

### **High School and Higher Education**

The corporation is also working toward strengthening the child care workforce through collaborations with Madison

High School and Dakota State University (DSU). Madison High School’s Career and Technical Education program will include early education for the first time during the 2024–2025 school year. “You graduate with a certification, and it gets you one step closer to that degree through one of our technical colleges or through one of our universities. Or, you can just go right into the workforce with that certification as well,” noted the Executive Director. These high school students, as well as DSU students pursuing an elementary education degree, will have opportunities to complete experience needed to earn their certifications and degrees through the new child care facility. “It will be a win-win for both the university and the child care provider,” said the Executive Director.

## **Benefits for the Child Care Workforce**

The corporation secured funds needed to build a state-of-the-art, highly efficient child care center which is being offered to EmBe lease free for five years. This will reduce EmBe’s financial burden and enhance their annual budget during that time. That support will allow EmBe to better financially support their employees and to focus on strengthening the quality of the child care workforce.





## Benefits for Working Parents

Not only will the facility be open to any family that needs child care, families choosing care at the facility will also have help to connect with programs to meet their needs. A staffer will be available to help families navigate the process of applying for state child care assistance and seek any additional resources needed.

## Supporting Strategies and Resources

- **Buy-in from business leaders and community** – It takes a village to raise a child, and the same goes for planning to build a child care facility.
  - The Executive Director noted, “I commend the community engagement, the business community, city of Madison, Lake County, and collaborative support from my board of directors, the chamber of commerce, and other key stakeholders. We’re all in lock step.”
  - The corporation worked closely with local family day care providers in developing plans for the child care facility. The providers are happy that families will have access to quality child care once they retire.
- **Continued business community education and parent and employer education**
  - “As far as building the facility, we’re on a great trajectory, and I’m confident,” said the Executive Director. Assisting families to cover child care costs, however, will require ongoing education of the community about the importance of their

continued involvement. “It’s not just upfront, it’s not a ‘one and done.’ There’s no such thing as one-time expenses in the world of child care. It’s ongoing.”

- For a community most familiar with family day care rates, the increased price tag of child care tuition at the facility may be a surprise. It will be important for them to understand why the costs are different and that they can receive scholarships to help cover tuition. Scholarships will be available for those who meet eligibility based on income.
- The corporation is collaborating with employers to find some unique ways to support working parents’ child care costs, for example, through pre-taxed employee benefits similar to employees’ health savings plans.

## Implementation Facilitators

Commitment from the corporation’s leadership has been instrumental in the initiative’s progress. “Our board of directors has been over-the-top committed to solving the community’s child care challenges,” said the Executive Director. “There have been a lot of times we could have said, ‘This is just too big.’”

Initial funding through the corporation, grants and fundraising efforts have also provided strong support for the child care facility. In addition to the corporation investing its own funds, it received grants for planning and implementation. Lake Area Improvement Corporation was a recipient of the Governor’s Office of Economic Development Planning Grant and Implementation Grant through Governor Kristi Noem’s Investment Plan for Child Care.

## Progress Indicators

- The Lake Area Improvement Corporation's Executive Director noted strong community support for the initiative: "The outpouring of community support solidifies that we're doing the right thing."
- The corporation has hosted and will continue to host multiple fundraising events. For their first, 'Calcutta for Child Care,' they raised \$25,000. They're working on another called 'last passport standing' to encourage fundraising to win a trip to Greece. "We have developed some unique fundraising strategies to engage the community which can be repeated annually to ensure ongoing support," said the Executive Director.

## Considerations for Replication

The Executive Director believes that other communities can replicate the Lake Area Improvement Corporation's efforts. "It can be copy-paste. It's not going to be the same provider, and the facility does not have to look the same. It's everyone taking some burden, removing roadblocks, busting down barriers, and allowing child care providers to focus more on children, their families, and workforce."

- **Thoughtful short- and long-term planning** – The corporation conducted a study to assess the community's child care needs and hired a consultant for the planning phase of implementation. "A lot of it is educating yourself and understanding where those landmines and pitfalls are going to be so that you can address them," the Executive Director said.
- **Ongoing fundraising** – According to the Executive Director, any community wishing to replicate this initiative will have to invest their own time and resources as well as raise additional funds.
- **Community-wide support** – The corporation is collaborating with multiple business organizations, community partners, and local and state government agencies that each uniquely contribute to the project. "It has to be an 'all in.' It just has to be," the Executive Director noted. "If you leave out one of those entities, or one is resistant, it could stifle the entire project."
- **Dedicated leadership** – The corporation has dedicated and continues to dedicate significant resources to building and sustaining the child care facility. The initiative has required a lot of the Executive Director's time. "I'd estimate that historically, any given week, about 50% of my time has been dedicated to child care efforts. However, since we launched our capital campaign in January, that percentage has increased."

