

Technical Appendix to

Child Care as Workforce Infrastructure

*A Policy Brief for Employers, Leaders, and Economic Developers
in the Taconite Assistance Area*

About this document. This appendix supplies the county-level data tables, methodology notes, cost estimates, and definitions that the policy brief references but does not contain. It is intended as a reference companion for readers who want the underlying numbers, the assumptions behind them, and the glossary needed to navigate the brief's technical terminology. It is not designed to be read cover to cover.

How to use this appendix. Each section is self-contained. Section A contains the county-level supply, demand, and demographic tables. Section B contains the wage-enhancement cost estimate referenced in the brief's discussion of the Accelerator. Section C is the glossary and acronym list.

Read the brief first. The policy brief that this appendix supports is available at ironrangechildcare.netlify.app.

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A. County-Level Data Tables	Supply, demand, informal care, and household financial hardship by county.
B. Wage Enhancement Cost Estimate	Annual cost of an Accelerator-style wage enhancement program at the Cook County rate.
C. Glossary and Acronyms	Definitions of every acronym and key term used in the policy brief.

Section A

County-Level Data Tables

The policy brief presents the regional picture through interactive maps and a summary \$521-million economic-value figure. This section provides the county-by-county detail behind those visuals — licensed slot counts, children without care, informal-care estimates, and household financial hardship rates for each county in the Taconite Assistance Area.

TABLE A1

County-Level Child Care Supply, Gap, and Workforce Impact

County	Licensed Slots	Children With No Care (0–6)	Priority	Workers Released
Itasca County	1,349	Surplus†	Medium	206
N. St. Louis County	1,149	1,651	Critical	547
Lake County	204	88	High	43
Aitkin / Crow Wing	260	367	High	Above 75% state avg.
Cook County	112	57	Medium	Above 75% state avg.
Regional Total	3,074	2,163	—	796

† Itasca has enough spots for current demand. That apparent surplus disappears once workforce participation rises, because new workers become new families needing care. **Workers Released** estimates how many adults could re-enter the labor force if each county reached the statewide 75 percent workforce participation rate.

Sources: MN DCYF licensing records, February 2026; U.S. Census ACS 2019–2023; Rural Pathways analysis.

TABLE A2

County-Level Informal Caregiver (FFN) Estimates

County	Children in Informal FFN Care	Additional FFN Care Needed (75% scenario)	Total at Full Build-Out	Share of Total Demand
Itasca	455	59	514	~30%
Lake	125	14	139	~30%
Northern St. Louis	1,200	162	1,362	~30%

County	Children in Informal FFN Care	Additional FFN Care Needed (75% scenario)	Total at Full Build-Out	Share of Total Demand
Aitkin / Crow Wing	269	—	269	~30%
Cook	73	—	73	~30%
Regional Total	2,122	~235	~2,357	~30%

— indicates counties already above the 75% state workforce participation average. **Source:** Rural Pathways estimates derived by applying the 30% informal care share documented in the 2022 MN DHS FFN Provider Study to county-level child populations from U.S. Census ACS 2019–2023. These are regional approximations — actual FFN provider counts in any county are unknown without local survey, since informal care operates outside licensing systems.

TABLE A3
Family Financial Hardship by County (ALICE Data)

ALICE — Asset Limited, Income Constrained, Employed — captures households earning above the federal poverty line but below the cost of basic needs. Across the Taconite Assistance Area, between 26 and 40 percent of households fall in the poverty or ALICE category. This is the population for whom an available child care slot may not be a financially accessible one.

County	Poverty Rate	ALICE Rate	% in Poverty or ALICE	Implication for Child Care Policy
Itasca	12.9%	27.2%	40.1%	Apparent surplus masks unmet need — families cannot afford spots that exist on paper.
N. St. Louis	13.5%	26.5%	40.0%	Largest gap in region — affordability compounds severe slot scarcity; both must be solved together.
Lake	10.1%	22.3%	32.4%	Open spots likely unaffordable for 1 in 3 households; new construction without subsidies won't close the gap.
Aitkin / Crow Wing	11.2%	24.6%	35.8%	Protecting existing supply must include affordability mechanisms, not just slot counts.
Cook	8.9%	17.5%	26.4%	Lowest hardship rate in region; still 1 in 4 households cannot cover basic costs including child care.

Source: United For ALICE, 2019–2023 ACS data.

Methodology notes

Licensed slot counts

Licensed slot counts are from MN DCYF licensing records, February 2026. These represent licensed capacity, not current enrollment or actual availability. Many licensed slots are filled, have waitlists, or exist in programs that families cannot afford at market-rate tuition.

FTE estimates

FTE estimates used in the wage enhancement cost calculations (Section B) apply a blended ratio of 1 FTE per 7.5 licensed slots, reflecting a mix of center-based care (approximately 1:8 children per staff) and family child care homes (approximately 1:6–7 children per provider). Actual FTE counts are available from DCYF licensing records upon request and would sharpen all cost estimates.

FFN provider estimates

Informal (FFN) provider counts in Table A2 are regional estimates derived by applying the 30 percent informal care share documented in the 2022 MN DHS FFN Provider Study to county-level child populations. These are approximations. Actual FFN provider counts in any county are unknown without local survey or outreach, as informal care by definition operates outside licensing and data systems.

Workforce participation gap

Workforce participation figures reflect the TAA-eligible footprint described in the policy brief (Lake and Cook counties in full, and the eligible portions of St. Louis, Itasca, Koochiching, Crow Wing, Carlton, and Aitkin counties), aggregated from MN DEED labor force data and U.S. Census ACS 2019–2023. The 75 percent statewide average is the comparison benchmark used throughout the brief.

Section B

Wage Enhancement Cost Estimate

The policy brief introduces the Accelerator as the lever that addresses the structural underpayment of the child care workforce, and points to Cook County, Minnesota as the operating model. This section estimates what a Cook-County-style wage enhancement program would cost annually across the Taconite Assistance Area, using February 2026 DCYF licensing data and the assumptions documented below. Cook County's figure in the table is the closest to verified; all others are estimates.

How to read this estimate. The regional total sizes the gap; it is not a launch budget. A TAA program would scale the way Cook County's did — starting with a lead county and expanding as additional counties identify funding sources.

Assumptions used in this estimate

- **Enhancement rate:** \$5.79/hour per eligible FTE (the Cook County program rate).
- **Hours covered:** 40 hours/week maximum.
- **Annual cost per FTE:** $\$5.79 \times 40 \text{ hrs} \times 52 \text{ weeks} = \$12,043$.
- **FTE estimate:** 1 FTE per 7.5 licensed slots (blended ratio reflecting a mix of center-based care at ~1:8 and family child care at ~1:6–7).
- **FFN stipend:** \$3,000/provider/year for LNL-registered informal caregivers.
- **Coverage:** Wage enhancement applies to direct care staff (lead teachers, assistants, and other classroom-based caregivers), as in the Cook County program. It does not extend to cooks, directors, or administrative staff — those roles are part of what the Employer Slot Compact is designed to support through general operating dollars.

TABLE B1
Estimated Annual Wage Enhancement Cost at \$5.79/hour

County	Licensed Slots	Est. FTEs	Wage Enhancement	Est. FFN Providers	FFN Stipends	Total Annual
Itasca	1,349	180	\$2,168,000	120	\$360,000	\$2,528,000
N. St. Louis	1,149	153	\$1,843,000	300	\$900,000	\$2,743,000
Lake	204	27	\$325,000	33	\$99,000	\$424,000
Aitkin / Crow Wing	260	35	\$422,000	67	\$201,000	\$623,000
Cook†	112	15	\$181,000	18	\$54,000	\$235,000
Regional total	3,074	410	\$4,939,000	538	\$1,614,000	\$6,553,000

† Cook County is already running the wage enhancement program at this rate. Their figure is the closest to a verified cost.

Section C

Glossary and Acronyms

Every acronym and key term used in the policy brief is defined below. Acronyms appear first, followed by key terms in alphabetical order.

Acronyms

ALICE	Asset Limited, Income Constrained, Employed. Households earning above the federal poverty line but below the actual cost of basic needs — housing, food, transportation, and child care. ALICE households work but cannot afford the costs that would allow them to be economically stable. Between 26 and 40 percent of households across the TAA fall in the poverty or ALICE category.
CCAP	Child Care Assistance Program. A federal-state partnership administered in Minnesota by the Department of Children, Youth and Families that subsidizes child care costs for qualifying low-income working families.
DCYF	Department of Children, Youth and Families (Minnesota). The state agency responsible for child care licensing, child protection, and early childhood programs. DCYF maintains the licensing records used for slot count data in the brief.
DEED	Department of Employment and Economic Development (Minnesota). The state agency responsible for workforce development, business development, job training, and unemployment insurance. DEED's occupational projections inform the brief's discussion of sector-level workforce demand.
DHS	Department of Human Services (Minnesota). Administered the 2023 Child Care Cost Modeling Report and 2022 FFN Provider Study referenced in the brief. Some of the early childhood functions previously housed at DHS now sit with DCYF.
EDA	Economic Development Authority. A local or regional government entity with authority and resources to plan and fund economic development activities. EDAs are one of the audiences identified for the brief.
FCC	Family Child Care. Licensed child care provided in a provider's own home, as distinct from center-based care. Minnesota licenses FCC homes for up to 14 children with an assistant. FCC is the primary care model for rural and dispersed communities like the Iron Range.
FFN	Friends, Family, and Neighbors. Informal, unlicensed child care provided by people known to the family — grandparents, aunts, neighbors — outside any licensed setting. Approximately 2,122 children across the TAA are in FFN care arrangements.
FTE	Full-Time Equivalent. A unit of employment equal to one worker working 40 hours/week. Used in Section B to estimate direct care staff eligible for wage enhancement.
IRRRB	Iron Range Resources and Rehabilitation. A Minnesota state agency that manages economic development, conservation, recreation, and community development for the Iron Range region, funded primarily by taconite production taxes. The IRRRB service area defines the geographic scope of the brief (the Taconite Assistance Area).

LNL	Legal Non-Licensed. A registration status for child care providers who are not fully licensed but have completed required health and safety training and a background check through their county or tribal agency. LNL registration makes informal caregivers eligible for CCAP subsidies and employer-funded stipends that qualify under Section 45F.
Section 45F	A provision of the federal tax code (26 U.S.C. §45F) that provides a tax credit to employers who establish, fund, or contract for qualified child care facilities or resource and referral services for their employees. The 2025 expansion (One Big Beautiful Bill Act, signed July 4, 2025) raised the credit to 50% of qualifying expenditures (up to \$600,000/year) for small businesses with average gross receipts below \$31 million, and 40% (up to \$500,000) for larger businesses. The expansion also streamlined the process for multiple employers to jointly contract with a qualified child care provider — a change especially relevant to small and rural employers.
TAA	Taconite Assistance Area. The geographic footprint served by IRRRB. Includes Lake and Cook counties in full, and eligible portions of St. Louis, Itasca, Koochiching, Crow Wing, Carlton, and Aitkin counties.

Key terms

Accelerator	The brief's term for the public and economic development lever that funds wage enhancement for licensed child care providers — the workforce inside those providers. Modeled on Cook County's Wage Enhancement Program. See Section B for cost estimates.
Coordinating entity	The place-based regional structure proposed in the brief to hold the three levers (Employer Slot Compact, Accelerator, Philanthropy Pipeline) together. Organizes employer participation, administers pooled funds, coordinates provider relationships, and sustains the work over time. The brief identifies establishing this entity as the necessary first step in the implementation sequence.
Employer Slot Compact	The brief's term for the employer-facing lever — a pooled regional fund employers contribute to, in exchange for priority access to child care slots for their employees at participating providers. Funds general operating costs that tuition and short-term grants do not reliably support: reserves, maintenance, benefits, training, and core operations.
Operations gap	The brief's term for the difference between what tuition and CCAP reimbursement bring in and what it actually costs to operate a licensed child care program — the gap providers currently absorb through low wages, deferred maintenance, and unpaid labor. The Employer Slot Compact is designed to close this gap.
Philanthropy Pipeline	The brief's term for the supply-building lever — startup capital tailored to rural communities to help informal caregivers move toward legal status, launch new home-based providers, and support new centers. Designed to graduate providers off philanthropic support as they reach operational stability, at which point the Compact and Accelerator carry them forward.
Slot	A specific licensed capacity for one child in a licensed child care program. A licensed slot is not the same as an available slot — many licensed slots are filled, have waitlists, or exist in programs that families cannot afford at market-rate tuition. The brief stresses that supply alone does not solve the problem unless slots are also affordable, age-appropriate, and accessible.
Supply gap	The brief's term for the shortfall between licensed child care capacity and the demand from working families. Distinct from the operations gap and the workforce gap. The Philanthropy Pipeline is designed to close this gap.

True cost of care	The actual operating cost of providing licensed child care — staff wages, benefits, facility costs, food, insurance, training, and administration. The 2023 MN DHS Cost Modeling Report documents that true cost exceeds what tuition and public reimbursement cover anywhere in greater Minnesota.
Wage enhancement	A supplemental payment to licensed child care providers to increase compensation for direct care staff above what family tuition and public reimbursement alone would support. The Cook County program, the model referenced in the brief and costed in Section B, pays approximately \$5.79/hour per eligible FTE for up to 40 hours/week.
Workforce gap	The brief's term for the structural underpayment of the child care workforce itself — distinct from the operations gap. Even fully funded operations will not retain teachers if those teachers can earn more in any other sector. The Accelerator is designed to close this gap.

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