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## Cedar Valley Kids: Addressing Local Childcare Needs Through Community Collaboration and Employer Partnerships

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Labor and Demographic Economics | Childcare | Regional Economy

As part of the Chicago Fed’s Spotlight on Childcare and the Labor Market, we describe the Black Hawk County Child Care Coalition—a burgeoning alliance of community partners in northeast Iowa working to create a local solution for a local challenge. We also explain what went into recently launching the Cedar Valley Kids (CVK) childcare facility in Black Hawk County—the culmination of years of effort by the coalition to help address local childcare shortages in the wider six-county region.

Childcare is an acute challenge for employers and families in Black Hawk County. Iowa Child Care Resource & Referral (CCR&R) reported in 2015 that the county, which includes the Waterloo–Cedar Falls metropolitan area, had lost 40% of its childcare centers and programs, leaving a deficit of 3,000 childcare spaces. With over 130,000 residents, Black Hawk County is among Iowa’s most populated and serves as an important economic hub in the wider Cedar Valley region. More broadly, according to one estimate from a business member organization, limited access to childcare costs Iowa over \$1 billion in economic activity (see Anderson, Healy, and Heissel, 2024). In response, Iowa has invested \$500 million in state and federal dollars to help address the issue.

Leaders from the CCR&R of Northeast Iowa, the Community Foundation of Northeast Iowa (CFNEIA), and other local organizations established the Black Hawk County Child Care Coalition in 2017, with the goal of creating solutions to close the local childcare gap. Initially opening in its temporary facility in 2023 and serving 30 children as of June 2024, the Cedar Valley Kids childcare center is but one example of the coalition’s many efforts<sup>1</sup> (a permanent CVK facility will be built by 2025). The launch of the CVK center demonstrates how private sector employers—in this case, UnityPoint Health–Allen Hospital—can work with the community to improve childcare access while meeting their own employee attraction and retention needs.

In what follows, we summarize how the Black Hawk County Child Care Coalition and the Cedar Valley Kids initiative were formed and evolved, based on our interviews with coalition leaders and members. We conclude with some lessons that the leaders of this public–private partnership shared from their experience with launching the CVK childcare facility in northeast Iowa.

### **An early setback catalyzes the creation of a community coalition**

A rejection of funding for a childcare facility in Black Hawk County inspired community conversations on ways to expand childcare access. These conversations brought together private and public sector leaders who were looking to alleviate childcare needs, resulting in the formation of the coalition.

In 2015, Iowa Child Care Resource & Referral began exploring the option of opening a childcare center in collaboration with its host organization Exceptional Persons, Inc. (EPI), said Mary Janssen, regional director of the Northeast Iowa CCR&R. They thought that EPI, a local nonprofit serving people with disabilities, had the space and resources necessary for a sustainable childcare operation. They engaged a local architect with expertise in childcare facilities and determined a need

of \$150,000 to adapt a building owned by EPI. EPI then applied for a grant to cover the amount, but the grantmaking organization rejected the request. “We had not done our work of showing the need,” said Janssen. “There was not enough education and awareness out there.”

Rather than give up on the goal of developing a new childcare facility, Janssen and other local leaders saw this setback as an opportunity for a broader community conversation about the lack of childcare in the region. Subsequent discussions with community partners showed that others were similarly concerned about the need for childcare and eager to work on solutions. “EPI’s childcare story was one of the reasons we established the coalition, but there were other leading factors,” said Janssen. “HR directors and business leaders were asking questions about solutions to childcare needs.”

Concurrently, Kaye Englin, president and CEO of the Community Foundation of Northeast Iowa, was also focused on finding solutions to the local lack of childcare. Like Janssen, Englin and her organization were approached by business leaders and other community members with concerns about childcare accessibility’s impact on workforce recruitment and retention. Englin summed up what she’d heard from these parties: “Employers have to have employees, most employees will have children, and there is a shortage of people in Iowa to take care of children.”

EPI’s setback, employers’ needs for childcare solutions, and momentum from community discussions would lead to the creation of the Black Hawk County Child Care Coalition in 2017. Led jointly by Janssen and Englin, the coalition is made up of almost 40 leaders across the childcare, nonprofit, education, and business sectors. This large network representing a cross section of the community began to create and deploy strategies to expand childcare accessibility across the Cedar Valley region.

## **The genesis of the Cedar Valley Kids initiative: Community needs, partnerships, and funding**

Starting in 2017, the Black Hawk County Child Care Coalition hosted community convenings and conducted surveys to understand the multifaceted challenges of childcare accessibility. According to Janssen, the community offered clear feedback: Regional childcare shortages had resulted in a major workforce attraction and retention issue for employers. Business support quickly became one of the key focus areas. “Early on, the dream was to open a childcare center in partnership with a business,” Janssen recalled.

While the strategy would require significant involvement of local businesses, those businesses would in turn be able to reserve childcare spaces to recruit and retain employees within the Cedar Valley region.

Working with local civic leaders, Janssen, architect Dan Levi, and other coalition members began developing partnership models and siting scenarios. They identified target geographies around the sites of potential partnering businesses. Unfortunately, land costs within these target geographies were too expensive. But just as this new obstacle emerged for the coalition, a local developer in Levi’s network committed to donating an undeveloped parcel on the east side of Waterloo for the project. With the help of a local law firm, the local CCR&R board established Cedar Valley Kids as an LLC to begin project implementation.

Conveniently, the donated land was located across from UnityPoint Health–Allen Hospital. The hospital, already an integral member of the coalition, was eager to partner. Zach French, the hospital’s regional vice president of finance, explained that the hospital shared the same vision for the CVK childcare facility as the coalition. Moreover, he said management regularly gathered feedback from the hospital’s employees to understand their needs. The staff consistently mentioned a need for accessible, affordable, and quality childcare.

UnityPoint’s significant resources helped move the project forward. Through its grant-writing resources, the hospital secured over \$2 million in 2022 from the [State of Iowa’s Business Incentive Grant](#) to fund childcare facility construction for Cedar Valley Kids. Following this success, UnityPoint’s contributions extended to operational and infrastructural support. The hospital remodeled a building as a temporary location so that CVK could start operating and provide childcare to the community sooner. According to Janssen, the hospital hired both the director and assistant director of the temporary facility and covered their salaries and benefits in addition to providing ongoing maintenance, IT, and HR support. The CVK operating model has allotted slots for use by employees of UnityPoint, which directly supports general operating costs and ensures revenue for CVK.

As community support has grown, CVK has received substantial financial support from sources beyond UnityPoint. The City of Waterloo invested in extending municipal infrastructure to the donated site. As noted by Janssen, the project also received a \$100,000 award from the CFNEIA, \$300,000 from Black Hawk Racing and Gaming, and \$150,000 from the McElroy Trust, a local nonprofit focused on youth and education, collectively demonstrating broad support for CVK and underscoring its importance to the region’s employers and families.

Under Levi Architecture’s project management, construction planning for the permanent CVK childcare facility is under way. CVK will soon move into the request for proposal (RFP) and bidding stage of the process to build the center. According to Janssen, the 8,413-square-foot facility is committed to provide slots for 116 children—60 of which are reserved for UnityPoint employees, with the remaining available to the community on a first-come, first-served basis. The state grant also requires facility construction and occupancy by 2025. Because the project is funded primarily through gifts, CVK staff expect no debt service for the construction of the childcare facility. Underscoring this success, Englin said: “We know that Iowa has a huge gap in childcare providers, and we recognize the importance of investing in projects that will increase access for our community members to quality childcare. It has been our privilege to help facilitate these important childcare barrier conversations and to continue uplifting these efforts through impactful investments in capital improvements and capacity building for solutions for families in our region.”

Janssen stated that CVK and its partners continue to assess the needs of the community and hope that CVK’s reputation will grow among UnityPoint’s employees. Within five years, Janssen expects the facility to be full and have a positive impact on business employee attraction and retention.

## Community lessons: Childcare needs can mobilize employers and partners

The leaders of the Black Hawk County Child Care Coalition shared the following insights about creating and implementing solutions to community childcare needs that they’ve gained from their experience with the Cedar Valley Kids initiative thus far:

- Childcare is a workforce attraction and retention issue that can mobilize large employers to deploy resources. UnityPoint’s active participation throughout the planning and operational phases of the project shows that private sector partners can contribute to community projects that align with their business objectives and workforce needs.
- Community partners and networks are key to overcoming challenges in developing and implementing regional childcare solutions. CVK managed to cover its costs during the first year because of the generosity of local foundations, such as CFNEIA, in providing start-up funding to cover overhead costs. The success of CVK in overcoming setbacks and challenges is attributed to the collaborations between many different entities in both the private and public spheres, all willing and committed to solving a community need.
- The process to launch the CVK childcare facility may be replicable, but the success of similar efforts depends on the existence of strong and persistent community networks, trust among partners, and individual leaders. According to Janssen, the Cedar Valley community stands out for being so dedicated and tenacious: “When you know the need, everyone’s coming to the table.”

The CVK initiative reflects how childcare solutions that benefit employers and families can emerge from community collaboration. According to Englin, this effort is a “testament to Iowans” and their “resourcefulness, generosity, stick-to-itiveness, and their ability to connect all the dots to make sure something important happens.”

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## Note

<sup>1</sup> Some of the coalition’s other successes include opening smaller childcare centers and developing business training with Hawkeye Community College for childcare center directors. These efforts are detailed in the January 2020 PDF of the Black Hawk County Child Care Coalition information sheet and success stories, which we accessed offline.

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