### Hopkins Early Learning Center

**Challenges to Early Childcare and Education (ECE)**

<table>
<thead>
<tr>
<th>Primary Challenge</th>
<th>Secondary Challenges</th>
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<tbody>
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<td><strong>ECE is undervalued and is not recognized as a “public good.”</strong> A public good is a commodity or service that benefits all members of society and is often provided for free through public support. Two main criteria: Non-rivalous -- supply of the good does not decrease as more people consume it Non-excludable -- the good is available to all citizens</td>
<td><strong>High quality ECE has a triple bottom line with tangible benefits for:</strong> 1) Children &amp; Families Prepar... 2) Businesses / Economy Parents are able to enter and remain in... 3) Broader Society Eliminates opportunity gap that contributes to educational disparity</td>
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### Impact of COVID-19

**COVID-19 has exacerbated the fundamental problems that affect ECE.**
- Increased expenses for cleaning, PPE and additional classroom space to allow for social distancing
- Reduced tuition revenue as fewer children are enrolled (approx. 50% capacity)
- Added new risk and liability for providers as they struggled to keep children and staff safe

Many providers have had no choice but to close their doors, further worsening what was already a childcare crisis.

### Societal Impacts

Unequal access to ECE creates opportunity and achievement gaps that carry large, down-stream societal costs.

Triple bottom line is not fully realized for children, their families and our communities.

### CONSEQUENCES FOR HELC

**Unable to secure sufficient public or philanthropic investment to subsize business model.**
- No turn-key facility available in any relevant geography
- No access to below market rate capital to allow financing of one-time costs associated with relocation and site renovation
- Potential public and private partners unable to provide sufficient subsidy or charitable resources for move, renovation or initial losses prior to operating at scale

**Increased demand for affordable childcare further invalidated business model.** Operating in another location would require greater public subsidy or charitable resources to maintain emphasis on high-quality childcare AND meet need for affordability.

**COVID-19 complicated efforts not only to operate but to relocate.**
- Increased operating costs by 57%.
- Decreased enrollment by 50%.
- Childcare competing with other basic needs or public goods for resource allocation
- Diminished bandwidth among potential partners to redesign ECE business model in their community

### IMPACT

**HELC Board of Directors voted to permanently close operations, effective December 18, 2020.**

**117 high-quality spaces for infants, toddlers and pre-schoolers are no longer available in the West Metro.**

**22 experienced, trained staff and teachers unemployed.**