The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Human Services.
This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program.

You will step through every stage of the community engagement process from solution development to implementation.

Please visit www.ruralchildcare.org for continued updates on community progress.

Minnesota State Director
Suzanne Pearl

Program Lead
Patricia Welsch, Business Development Specialist

Contributing Members
Teri Steckelberg, Business Development Manager
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“If employees can’t find quality care for their children, they won’t work for you. They won’t move to your community, or they’ll be forced to move away, or they might have to consider quitting their job to stay home with their children because they have no other option.”

Kris Bevell
Editor
Prairie Business Magazine
EXECUTIVE SUMMARY

The Rural Child Care Innovation Program (RCCIP), is a community engagement process designed to develop right-sized solutions to address the needs of early care and education in Minnesota’s rural communities. The goal of RCCIP is to help communities identify the scope and size of their child care challenges, and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Carlton County intends to outline the child care challenges identified in the community, and the proposed solutions to improve the state of child care in the area. A Core Team from Carlton County, with the support of First Children’s Finance, conducted a thorough investigation and analysis to uncover the factors creating the child care shortage in the area through focus groups, individual interviews, and surveys with a multitude of stakeholders in the community.

To understand the potential need for child care in Carlton County, First Children’s Finance conducted a Supply Demand Gap Analysis and community surveys, which showed a child care shortage of 672 slots. The analysis revealed that it’s very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in Carlton County. Nearly 28% of survey respondents declined employment or withdrew from the workforce due to child care issues. Absence from work (when a provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers.

Some of the major factors contributing to the child care shortage in Carlton County include quality and regulations. Furthermore, there is a lack of availability and cost of care is high.

Through the RCCIP, Carlton County has identified five goals to address the child care challenges. These goals include:

- Finding space for providers,
- Workforce development,
- Community support,
- Legislative support, and
- Business support.

In implementing these goals, Carlton County will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and providers with better resources to run and operate their child care business. In the next 12 - 18 months, First Children’s Finance will support the core team in implementing these goals and measuring outcomes of their efforts.
THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities, ebbs and flows of the local economy greatly influence the sustainability of a community’s child care supply, and vice versa. That is why the Rural Child Care Innovation Program addresses child care and early education challenges through a framework of regional economic development. A robust supply of high quality child care fosters community growth through:

- Recruiting and retaining new businesses, employees, and families
- Enabling parents to be more productive and less absent at work
- Strengthening and feeding the pipeline for a skilled future workforce

The connection is clear: when our children thrive so do our communities. Investing in early care and education is not only the right thing to do for our youngest citizens, but the best thing to do for our economic growth and prosperity.

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

Child care is an economic driver for rural communities across the United States but many communities are facing shortages of high quality child care. The Rural Child Care Innovation Program is based on the fundamental idea that rural communities are greater than their size in numbers and greater than their current challenges. By mobilizing and empowering rural communities, the landscape of early care and education is changing in rural America.

PROGRAM FOCUS

Children living in rural areas are more likely to come from low-income households than children in urban areas, and are more likely to be living in poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in rural areas. The Rural Child Care Innovation Program leverages communities’ independent, can-do attitudes to address early care and education in Greater Minnesota.
## Application Phase

<table>
<thead>
<tr>
<th>Activities</th>
<th>Timing</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webinar</td>
<td>August 6, 2019</td>
<td>Learn about RCCIP, expectations, and ask questions</td>
</tr>
<tr>
<td>Application Opens</td>
<td>July 22, 2019</td>
<td>Send the application, post on website</td>
</tr>
<tr>
<td>Application Deadline</td>
<td>August 21, 2019</td>
<td>Due by 5:00pm</td>
</tr>
<tr>
<td>Follow Up Questions For Applicants</td>
<td>September 6, 2019</td>
<td>FCF will connect by phone or email</td>
</tr>
<tr>
<td>Final Awards Made</td>
<td>September 13, 2019</td>
<td>FCF will notify via email</td>
</tr>
</tbody>
</table>

## Planning Phase

<table>
<thead>
<tr>
<th>Activities</th>
<th>Timing</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Team Lead Orientation</td>
<td>September 25, 2019</td>
<td>Webinar with Core team leaders to set expectations</td>
</tr>
<tr>
<td>Core Team Orientation Retreat (6 hrs)</td>
<td>October 24, 2019</td>
<td>Face-to-face meeting to discuss RCCIP details and expectations</td>
</tr>
<tr>
<td>Core Team Planning Meeting (2 hrs)</td>
<td>November 7, 2019</td>
<td>Face-to-face meeting to map out community engagement activities and fully develop the timeline</td>
</tr>
<tr>
<td>Data Gathering &amp; Community Engagement Activities</td>
<td>November 2019-January 2020</td>
<td>Core Team engages community in gathering data and makes community aware of their work</td>
</tr>
<tr>
<td>Child Care Appreciation Dinner</td>
<td>January 4, 2020</td>
<td>Dinner is organized to recognize and appreciate providers in the community</td>
</tr>
<tr>
<td>Synthesize Data</td>
<td>December 2019-January 2020</td>
<td>FCF synthesizes data into useful info for Town Hall meeting</td>
</tr>
<tr>
<td>Planning Meeting for Town Hall (1 hr)</td>
<td>January 2020</td>
<td>Core Team planning for the Town Hall meeting</td>
</tr>
<tr>
<td>Child Care Provider Recruitment</td>
<td>On-going</td>
<td>Recruit providers to participate in business trainings and one-on-one consultation conducted by FCF</td>
</tr>
<tr>
<td>Business Cohort</td>
<td>June-September 2020</td>
<td>Series of business trainings and one-on-one consultation conducted by FCF</td>
</tr>
<tr>
<td>Town Hall Event</td>
<td>January 14, 2020</td>
<td>Community wide event to identify and develop projects</td>
</tr>
</tbody>
</table>

## Implementation Phase

<table>
<thead>
<tr>
<th>Activities</th>
<th>Timing</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of Town Hall Ideas</td>
<td>February 2020</td>
<td>FCF staff organizes Town Hall ideas into a workable format</td>
</tr>
<tr>
<td>Implementation Planning Retreat (4 hrs)</td>
<td>March 2, 2020</td>
<td>Face-to-face meeting to prioritize goals; develop SMART goals and map out implementation activities, Plan for the Community Launch</td>
</tr>
<tr>
<td>Core Team Lead Meeting</td>
<td>March 16, 2020</td>
<td>Webinar with core team leads from this year’s RCCIP communities to network and share Town Hall outcomes</td>
</tr>
<tr>
<td>Community Solution Action Plan (CSAP)</td>
<td>April 2020</td>
<td>FCF creates report detailing community data, types of solutions, and community identified projects</td>
</tr>
<tr>
<td>Community Launch of CSAP</td>
<td>TBD</td>
<td>Press release to share the CSAP</td>
</tr>
<tr>
<td>Regular Core Team Meetings</td>
<td>June 2020-May 2021</td>
<td>Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead</td>
</tr>
<tr>
<td>Quarterly Updates</td>
<td>June 2020-May 2021</td>
<td>Core team lead provides written quarterly updates to FCF</td>
</tr>
<tr>
<td>Regular Project Team Meetings</td>
<td>June 2020-May 2021</td>
<td>Project teams meet to implement community solutions; facilitated by project team lead</td>
</tr>
<tr>
<td>Technical Assistance Support</td>
<td>June 2020-May 2021</td>
<td>FCF provides Technical Assistance when needed</td>
</tr>
<tr>
<td>Final Report</td>
<td>June 2021</td>
<td>Core Team leader submits final written report to FCF</td>
</tr>
<tr>
<td>Celebration</td>
<td>June 2021</td>
<td>Core Team celebrates its success</td>
</tr>
</tbody>
</table>
EXPECTED OUTCOMES AND IMPACT

The Rural Child Care Innovation Program is designed to support fundamental change in the overall conditions for child care in the areas that it is delivered. This is accomplished through various methods that include:

- A thorough analysis of the current child care supply and demand, and evaluation of community factors impacting the local child care supply.
- Events that educate community members about the link between quality child care, rural economic development and viable communities.
- A Community Solution Action Plan that includes innovative solutions generated through a facilitated Town Hall process.
- Support and business improvement services to existing family child care providers and child care centers.
- First Children’s Finance will provide expertise, resources, and tools: including research and financial modeling.
- Links to other communities working on similar issues.

Measurements of success are determined through a tactical project management grid that provides guidance to the Core Team about the involved participants and their projected steps and progress towards project completion.

ABOUT CARLTON COUNTY

Carlton County is a rural county in Northeastern MN with approximately 35,386 people. This county includes part of the Fond du Lac Band of Lake Superior Chippewa Reservation and twelve cities. Census data from 2000 and 2010 show Carlton County is the fastest growing county in Northeast Minnesota with a growth of 11.73%. At the same time, the number of Family Child Care Businesses is decreasing and went from around 80 providers down to 48 currently.

LOCAL CORE TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in Carlton County. The Core Team has and will continue to support development of solutions to sustain a high quality and sustainable child care infrastructure in the local area.

- Balinda Bailey – Child Care Aware
- Ali Bilden Camps – Executive Director United Way of Carlton County
- Dick Brenner - Carlton County Commissioner
- Tess Christenson (Core Team Lead) – Jump Start 4 Kindergarten Coordinator
- Mary K Finnegan- Executive Director Carlton County Economic Development
- Holly Hansen – City of Cloquet
- Donna Lekander – Director of the Carlton County Collaborative
- Dennis Lennartson – Cloquet Community Memorial Hospital
- Wylma Minkkinen- Child Care Licensor Fond du Lac Nation
- Renee Olsen-Gravelle, Director of Little B’s Learning
- Mandi Rosebrock– Carlton County/U of M Extension
As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors for the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of child care in the local area. These data sources include US Census Information, MN Child Care Licensing Records, Minnesota Department of Education, MN DEED, School District Census information and other internal research tools including First Children’s Finance data.

First Children’s Finance conducted a Supply Demand Gap Analysis which provided a view of potential child care needs.

When analyzing the data we look at a range of slots, this gives us the best picture of need in the community. The Supply Demand Gap Analysis for Carlton County, dated October 09, 2019, shows a shortage range of 607 slots to 953 slots for children birth to 5 with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 31% of the slots needed are for infants & toddlers.

When asked about how long providers plan to stay in business 9% providers said they are planning on staying in business less than 3 years while 55% said they are planning on staying in the business for 3-5 years. The survey indicated that 18% of providers are planning on being in business 6-9 years, while 18% said they are planning on staying for 10 plus years. It is important for Carlton County to think about ways to retain family child care providers as well as building more slots within the county.
QUALITY CHILD CARE OVERVIEW

First Children’s Finance examined statewide information about the number of child care programs that are participating in the Parent Aware program.

Parent Aware is Minnesota’s Quality Rating and Improvement System that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs.

The chart above demonstrates that child care providers in Carlton County are above the state average when it comes to Parent Aware enrollment. This is a critical component when we evaluate the quality of child care offerings in the area.
AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. A market rate survey of child care providers was accessed as part of the RCCIP to provide information about parents’ child care investments in the area.

The following chart shows the average cost of child care investment on a weekly basis at the 75th percentile for each age group in both a center and family child care setting. This number means 25% of child care programs charge more than this number and 75% of child care programs charge less.

### Area Market Rates – Carlton County

<table>
<thead>
<tr>
<th>AGE GROUP - CHILD CARE CENTER</th>
<th>WEEKLY RATE</th>
<th>ANNUAL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>75TH PERCENTILE - INFANT WEEKLY</td>
<td>$213</td>
<td>$11,076</td>
</tr>
<tr>
<td>75TH PERCENTILE - TODDLER WEEKLY</td>
<td>$199</td>
<td>$10,348</td>
</tr>
<tr>
<td>75TH PERCENTILE - PRESCHOOL WEEKLY</td>
<td>$185</td>
<td>$9,620</td>
</tr>
<tr>
<td>75TH PERCENTILE - SCHOOL AGE WEEKLY</td>
<td>$151</td>
<td>$7,852</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGE GROUP - FAMILY CHILD CARE</th>
<th>WEEKLY RATE</th>
<th>ANNUAL TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>75TH PERCENTILE - INFANT WEEKLY</td>
<td>$170</td>
<td>$8,840</td>
</tr>
<tr>
<td>75TH PERCENTILE - TODDLER WEEKLY</td>
<td>$160</td>
<td>$8,320</td>
</tr>
<tr>
<td>75TH PERCENTILE - PRESCHOOL WEEKLY</td>
<td>$150</td>
<td>$7,800</td>
</tr>
<tr>
<td>75TH PERCENTILE - SCHOOL AGE WEEKLY</td>
<td>$145</td>
<td>$7,540</td>
</tr>
</tbody>
</table>

While rates of investment for child care are high for families, many child care operations run on very slim margins due to the high cost of quality staffing and care. Staffing is a significant expense for many child care center programs at 60-80% of overall expenses.

Family Child Care providers invest significant portions of tuition revenue back into their operations leaving providers with less than minimum wage for compensation according to research by First Children’s Finance in 2016.

OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance highlighted additional data outcomes that can impact third grade reading levels and local graduation rates. There are multiple studies indicate a link between early education and school readiness with third-grade reading levels and high school graduation rates. Lower achievement levels can be an early indicator of future challenges with high school graduation rates, engagement in higher education, and teen pregnancy rates.
### Third Grade Reading Levels

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>2019 PROFICIENCY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnum #91</td>
<td>69.10%</td>
</tr>
<tr>
<td>Carlton #93</td>
<td>73.70%</td>
</tr>
<tr>
<td>Cloquet #94</td>
<td>75.00%</td>
</tr>
<tr>
<td>Cromwell-Wright #95</td>
<td>59.10%</td>
</tr>
<tr>
<td>Esko #99</td>
<td>73.00%</td>
</tr>
<tr>
<td>Moose Lake #97</td>
<td>41.50%</td>
</tr>
<tr>
<td>Wrenshall #100</td>
<td>58.60%</td>
</tr>
<tr>
<td><strong>Statewide</strong></td>
<td><strong>55.0%</strong></td>
</tr>
</tbody>
</table>

*Minnesota Department of Education Report Card*

### Local Graduation Rates

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>2019 PROFICIENCY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnum #91</td>
<td>92.9%</td>
</tr>
<tr>
<td>Carlton #93</td>
<td>97.1%</td>
</tr>
<tr>
<td>Cloquet #94</td>
<td>83.1%</td>
</tr>
<tr>
<td>Cromwell-Wright #95</td>
<td>93.8%</td>
</tr>
<tr>
<td>Esko #99</td>
<td>100%</td>
</tr>
<tr>
<td>Moose Lake #97</td>
<td>83.3%</td>
</tr>
<tr>
<td>Wrenshall #100</td>
<td>85.7%</td>
</tr>
<tr>
<td><strong>Statewide</strong></td>
<td><strong>83.2%</strong></td>
</tr>
</tbody>
</table>

*Minnesota Department of Education Report Card*

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### ABILITY TO PAY FOR CHILD CARE

Many families working on the lower end of the wage spectrum have difficulty paying for child care. The following charts provide an overview of local economic factors that can further impact child care:

#### Local Poverty Information – Carlton County

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population Living Below Poverty Threshold in Last 12 Months</td>
<td>12.1%</td>
</tr>
<tr>
<td>Related Children Under Age 18 Living with Income Below Poverty Threshold</td>
<td>12.8%</td>
</tr>
<tr>
<td>Families With Related Children Under Age 5 Living Below Poverty Threshold</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

*U.S. Census American Community Survey 2017*

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### Household Income – Carlton County

<table>
<thead>
<tr>
<th>TOTAL HOUSEHOLD INCOME &amp; BENEFITS (2017 INFLATION-ADJUSTED DOLLARS)</th>
<th># OF HOUSEHOLDS</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>746</td>
<td>5.6%</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>603</td>
<td>4.5%</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>1252</td>
<td>9.3%</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>1172</td>
<td>8.7%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>1822</td>
<td>13.6%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>2838</td>
<td>21.2%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>2146</td>
<td>16.0%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>2017</td>
<td>15.0%</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>485</td>
<td>3.6%</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>332</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**MEDIAN HOUSEHOLD INCOME** $58,874

U.S. Census American Community Survey 2017

### LOCAL EMPLOYMENT CONDITIONS

Employment data was considered as it can be an indicator that additional child care is needed to support the employment needs of the community since there are more two-parent families employed.

**Unemployment Rates – Carlton County**

**3.9% Unemployment Rate**

![Unemployment Rates Chart](chart-image)

October 2019
Source: DEED Labor Market Information Office
Local Area Unemployment Statistics (LAUS)
**Top Local Industries – Carlton County**

The largest employers were invited to participate in the child care conversation since they are impacted by absenteeism and less productivity when child care is a challenge.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Services, and Health Care a &amp; Social Assistance</td>
<td>4,840</td>
<td>28.9%</td>
</tr>
<tr>
<td>Arts, Entertainment, Recreation, and Accommodation &amp; Food Services</td>
<td>1,919</td>
<td>11.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,728</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

**COMMUNITY INSIGHTS**

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included one-on-one stakeholder meetings with various community leaders, and electronic surveys of parents, providers, and employers, focus groups and presentations about child care. Through these various inputs, the Core Team was able to better understand the underlying causes of local child care challenges.

**COMMUNITY SURVEYS – SELECTED PERSPECTIVES**

The general community was invited to participate in a comprehensive survey about child care in Carlton County. Over 229 individuals participated in the community survey. Furthermore, 12 family providers, 10 centers and 18 employers participated in separate specific surveys.

The following charts represent some highlighted perspectives within the community:

**Perceptions: Availability of Child Care in the Local Area**

Survey respondents indicated they were traveling great distances to find appropriate child care. Nearly 26% indicated that they were traveling more than 11 miles for child care.
While specific questions about quality were not part of this survey, it was noted that there is agreement between child care providers and the local community on the availability of high quality child care in the area. When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

1. Safe and healthy environment
2. Licensed by DHS
3. Educational curriculum
4. Conveniently located
5. Provider has high level of education
6. Provider is Parent Aware rated
7. Provider is someone I know

**Reasons for Not Enrolling in Preferred Care**

- Chosen to be a stay at home parent: 26%
- Can't afford it: 5%
- Adjusting schedules: 21%
- Can't find an appropriate option: 9%
Community and Business Impacts of the Child Care Issue

Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the workforce. These issues can compound and further extend into the business community by causing loss of workers due to unavailable child care or by businesses relocating to environments with better availability of care.

Work Issues Occurred Due to Child Care Arrangements in the Last 12 Months

Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. From the employer survey 28% of employers responded that the lack of child care impacted their ability to attract employees and 33% stated that it has an impact on retaining employees. A study in 2004 showed the national impact of child care issues in the economy, and it was valued at over $3 billion dollars annually.

Impact on Family Planning - Carlton County Area

Has the availability of your preferred child care option impacted your decision to have another child and/or limit the size of your family?

In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey 28 percent of parents had declined employment or withdrawn from the workforce due to child care issues.
UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Carlton County spent several months investigating the underlying reasons for the local child care challenges. This work involved engaging with many members of the local area to determine the underlying causes for the identified shortage of care.

The Core Team identified the following factors impacting the child care system in Carlton County:

IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Parents want high quality care, but they can’t pay enough to highly compensate providers
- A child care business is expensive to start and the first year may not have a positive cash flow
- Centers can’t find and keep good quality workers
- Parents know providers need vacation, but it is expensive to pay for child care when not using it and they have a hard time finding replacement care during that vacation time
- No benefits: such as health insurance, retirement savings, or PTO for providers

“I believe more quality educators would be willing to teach if the pay was adequate. I personally would love to be a day care teacher but cannot support my family on the very small income of the occupation.”

- Local Parent

QUALITY AND REGULATIONS: TWO SIDES OF ONE COIN

- Parents have concerns about the care their children receive
- Need for low cost, local training to increase quality care
- Lack of knowledge about Parent Aware Quality Ratings
- Potential new providers are frightened of the regulations
- Experienced providers fear the impact of new regulations and fines
- Community wide frustration with paperwork and rules
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for at one time.

“Child Care is a difficult job and the over-regulation is causing current providers to leave.”

- Local Resident

Community members agreed there is a need for low cost training to increase the quality of care and providers need to be more knowledge about Parent Aware. They acknowledge that providers or potential providers are frightened of regulations and fines. There is community-wide frustration with the regulations and paperwork rules for providers.
HIGH COST AND LOW AVAILABILITY OF CARE

- Some families make too much for child care assistance but not enough to pay for child care plus bills
- Employers see the need to help supplement the cost of child care for employees as well as providing flexibility to schedules when possible to accommodate lack of child care
- Parents are trying to line up infant care in early pregnancy, but some are on waiting lists for up to 2 years
- Parents are taking longer maternity/paternity leave because of a lack of openings for infants

“The system needs to be restructured so there is more stability, and ability to retain providers.” - Local Provider

There is no clear answer to the ongoing challenge of cost of care versus family investment to get quality child care. Additional support in helping families with low-to-moderate incomes become acquainted with existing support systems such as CCAP and Early Learning Scholarships can help bridge the gap.
TOWN HALL MEETING

The Town Hall meeting is designed to provide an opportunity for the Core Team and the community to interact and understand the findings of the extensive focus groups and surveys. Participants shared ideas about how to address the child care challenges in the local community.

COMMUNITY DEVELOPED SOLUTIONS

LEGISLATIVE ACTION (STATE AND LOCAL LEVEL)
• Retention of current providers
• Regulations and rules

SPACES
• Businesses could provide space
• Utilize current empty spaces (churches, facilities, common buildings)

BUSINESS SUPPORT
• Employer subsidized slots
• Business facility space
• Partnerships with local businesses to support operations of running a child care business

BUILD A WORKFORCE
• Co-train/job shadow for high school students

COMMUNITY SUPPORT
• Continuity of care and retain providers
• Mentorship program

IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple view points and ideas related to addressing the local child care challenge. After the Town Hall meeting, the Core Team met to discuss all ideas and formulated an action plan to move forward. The following SMART goals were developed.

SMART Goal One – Find New Spaces

The team would like to identify potential space for POD model or additional child care space

Expected Outcomes and Impact
Increase child care slots in the community by providing a licensed space that allows providers to be more financially viable thus creating more slots.

Core Team Lead – Tess Christensen
**SMART Goal Two - Workforce Development**

Provide supports for current providers as well as potential providers in terms of education and training

**Expected Outcomes and Impact**
Increase the number of providers entering the field. Meet staffing needs and raise quality of care.

**Core Team Lead** – Tess Christensen

**SMART Goal Three – Legislative/State Action**

Pursue county and/or state tax incentives to make child care more affordable. County tax incentives such as an initial grant to set up space/facility

**Expected Outcomes and Impact**
Raise awareness and direct state monies to the child care shortage. Support existing and future child care providers in sustaining their financials.

**Core Team Lead** – Tess Christensen

**SMART Goal Four - Business Support**

Partner with businesses to sponsor child care slots

**Expected Outcomes and Impact**
Create additional child care slots and provide consistent income to providers for existing slots while increasing worker benefits at local businesses.

**Core Team Lead** – Tess Christensen

**SMART Goal Five – Community Support**

Provide community resources and knowledge of those resources to existing and new child care providers

**Expected Outcomes and Impact**
Make owning, operating and starting a child care business more attainable and sustainable.

**Core Team Lead** – Tess Christensen
The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Human Services.

Founded in 1991, First Children’s Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa and Michigan. First Children’s Finance works to stabilize, improve and expand high-quality child care businesses serving low and moderate-income families.

First Children’s Finance provides financing, child care business training and consulting, and build partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children’s Finance understands the issues and challenges child care businesses face in today’s world. We have industry-specific expertise and a shared commitment to the success of child care.

In addition, First Children’s Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. First Children’s Finance brings a unique perspective, approach, and experience to providing business, planning and financial assistance to our child care and economic development partners.

For more information about First Children’s Finance visit www.firstchildrensfinance.org