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 through solution development and implementation. Please visit www.ruralchildcare.org for continued updates on community progress.

First Children’s Finance
Lead: Jessica Beyer
Contributors: Joan Berntson

Community Core Team
Lead: Debi Brandt
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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
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 Kandiyohi County, Minnesota, 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 Kandiyohi 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 Kandiyohi County, First Children's Finance conducted a Supply and demand gap analysis, which showed a child care shortage of 776 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 Kandiyohi County. Nearly 36% 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 overtime, 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 Kandiyohi County include: an increase in dual-working families, new immigrant populations looking for culturally appropriate care, attraction of new employees to the area, difficulties of being a child care provider, and lack of community recognition for child care providers. Furthermore, there is a lack of business supports and business incentives in the area, including parent support and parent education.

**EXECUTIVE SUMMARY**

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

- Streamline Professional Development Opportunities within the County
- Increase Network Opportunities for Early Childhood Professionals
- Increase Awareness of Business Planning and Funding Opportunities for New and Existing Child Care Programs
- Increase Financial Supports for Child Care Programs within Kandiyohi County
- Identify Non-Owner Occupied Space for Potential Child Care Programs
- Develop a Scholarship Program to Support Individuals Pursuing Child Care Education
- To provide three provider appreciation activities in Kandiyohi County over the next 24 months
- Educate the public about the child care profession through one media outlet and two community events over 24 months.
- Develop a system to support English Language Learners/diverse persons working or desiring to work in the child care field, to be ready to begin June 30, 2019.

In implementing these goals, Kandiyohi 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 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’s 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 INNOVATION 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.
# PROGRAM ACTIVITIES AND GENERAL TIMELINE

## APPLICATION PHASE

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>TIMING</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webinar</td>
<td>March 26, 2018</td>
<td>Information session on RCCIP</td>
</tr>
<tr>
<td>Application Deadline</td>
<td>April 30, 2018</td>
<td></td>
</tr>
<tr>
<td>Selection of Communities</td>
<td>May 25, 2018</td>
<td>Communities notified via email</td>
</tr>
<tr>
<td>Program Setup</td>
<td>May 2018</td>
<td>FCF connected by phone with the main community contact to set up first Core Team meeting.</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 Onboarding Retreat</td>
<td>July 27, 2018</td>
<td>Face-to-face meeting with FCF and the Core Team to discuss project details and expectations.</td>
</tr>
<tr>
<td>Core Team Planning Meeting</td>
<td>September 7, 2018</td>
<td>Face-to-face meeting to map out community engagement activities and fully develop the program timeline.</td>
</tr>
<tr>
<td>Community Engagement Activities</td>
<td>September 2018- November 2018</td>
<td>Implementation of engagement activities within the community.</td>
</tr>
<tr>
<td>Child Care Provider Trainings</td>
<td>February 2019- May 2019</td>
<td>Series of business trainings and one-on-one consultations conducted by FCF.</td>
</tr>
<tr>
<td>Town Hall Event</td>
<td>November 29, 2018</td>
<td>Community wide event to identify and develop community solutions.</td>
</tr>
</tbody>
</table>

## IMPLEMENTATION PHASE

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>TIMING</th>
<th>DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Planning Retreat</td>
<td>January 11, 2019</td>
<td>Face-to-face meeting to map out smart goals and implementation activities with project teams.</td>
</tr>
<tr>
<td>Regular Project Team Meetings</td>
<td>February 2019- September 2019</td>
<td>Implementation of community solutions.</td>
</tr>
<tr>
<td>Regular Core Team Meetings</td>
<td>February 2019- September 2019</td>
<td>Connect with FCF to discuss Project Team outcomes.</td>
</tr>
<tr>
<td>Technical Assistance Support</td>
<td>December 2018- September 2019</td>
<td>FCF available to provide ongoing business support</td>
</tr>
<tr>
<td>Final Report</td>
<td>September 28, 2019</td>
<td>Core Team submits final report to FCF.</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
- Access to First Children's Finance's 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 KANDIYOHI COUNTY, MINNESOTA

The city of Willmar is the County Seat for the 42,510 people living within Kandiyohi County's 800 square mile territory. Within its boundaries are the communities of Atwater, Blomkest, New London, Spicer, Kandiyohi (city), Sunburg, Prinsburg, Lake Lillian, and number of unincorporated municipalities and townships, such as Hawick, Regal, and Colfax Township. Gender is quite evenly distributed (49.9% female, 50% male), while population by age shows that children ages 5-17 are tied with adults 65 and older as the highest population groups, 17.19% and 17.23% respectively.

Ethnically, Kandiyohi County is made up of 88.8% Caucasian, 3.7% Black/African American, .7% Asian, .6% Native American, and 4.8% Other. From the total population, 11.75% identifies as Hispanic or Latino. Of all community members, 7.1% reporting being of foreign birth. Kandiyohi County has 2,852, or 6.7%, residents who are ages 0-4 years, 44.14% of those children live in households with income below 200% of the Federal Poverty Level, and 16.98% are at or below 100% of the Federal Poverty Level.

There are currently a total of 5 Head Start centers, which is at a rate of 17.13 per 10,000 children under five; considerably higher than the state rate of 6.3 as well as the federal rate of 7.18. Interestingly, of the 30.29% of families with children in Kandiyohi County, 84.5% of those surveyed families identify as Hispanic/Latino. When examining data by race alone, 40% of families with children identify as White, 93% as Black or African American, 58% as Native American or Alaska Native, 58% as Multiple Race, and 92% as Some Other Race (data taken from the US Census Bureau, American Community Survey 2012-16). While the number of total residents within Kandiyohi County are majority Caucasian, the number of families with children are shifting away from historical pre-immigration cultural trends when expressed as a percentage of households with children by race alone.
LOCAL CORE TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in Kandiyohi 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.

- Chery Johnson - Kandiyohi Co. Public Health
- Jean Duane - Born to Thrive, UCAP
- Michelle Kromm - Jennie-O Turkey Store
- Sue Thomes - Childcare Aware, UCAP
- Mary Lockhart-Findling - Head Start, UCAP
- Harlan Madsen - Kandiyohi Co. Commissioner
- Connie Schmoll - Kandiyohi Co. EDC
- Jodi Wambeke – Early Childhood, Willmar Public School
- Nancy Hafner - Willmar Public Schools
- Darala Loch - Childcare Aware
- Sara Carlson - Willmar Area Community Foundation
- Tammy Wachter– Licensed Family Child Care Provider
- Chris Stark – Loving Arms Child Care Center
- Nagi Abdullahi - Southern Prairie Community Care
- Bailee Hauser – Bethesda
- Charlotte Hand - Kandiyohi Co.
- Amanda Lager - Kandiyohi Co. Child Care Licensing
- Les Nelson - Mid MN Economic Development
- Donn Winkler - Mid MN Economic Development
- Scott Marquardt - Southwest Initiative Foundation
- Rep. Dave Baker - MN House of Representatives
- Cindy Salfer - Ridgewater College
- Jenny Holweger - Kandiyohi Co. Area YMCA
- Debi Brandt - United Community Action
- Sally Calvin – Family Child Care Provider
- Melissa Schofield – Child Care Aware, UCAP
As part of the Rural Child Care Innovation Program, the local community was provided with various forms of support 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, and other internal research tools including First Children’s Finance data.

POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a supply and demand gap analysis which provided a view of potential child care needs.

This analysis was conducted in July 2018 and showed a shortage of 776 slots in Kandiyohi County and surrounding areas. Additional focus on the 56201 zip code in Willmar showed a gap of 164 slots and Zip Codes of 56273 in New London and 56288 in Spicer showed a gap of 255 between the two communities.

<table>
<thead>
<tr>
<th>ZIP CODE</th>
<th>CITY</th>
<th># OF CHILD CARE CENTERS (CCC)</th>
<th># OF FAMILY CARE CENTERS (FCC)</th>
<th>PLUS/ MINUS/ TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>56201</td>
<td>Wilmar</td>
<td>4</td>
<td>57</td>
<td>-164</td>
</tr>
<tr>
<td>56209</td>
<td>Atwater</td>
<td>0</td>
<td>4</td>
<td>-61</td>
</tr>
<tr>
<td>56216</td>
<td>Blomkest</td>
<td>0</td>
<td>1</td>
<td>-37</td>
</tr>
<tr>
<td>56251</td>
<td>Kandiyohi</td>
<td>0</td>
<td>0</td>
<td>-68</td>
</tr>
<tr>
<td>56253</td>
<td>Lake Lillian</td>
<td>0</td>
<td>1</td>
<td>-40</td>
</tr>
<tr>
<td>56273</td>
<td>New London</td>
<td>0</td>
<td>13</td>
<td>-112</td>
</tr>
<tr>
<td>56279</td>
<td>Pennock</td>
<td>0</td>
<td>1</td>
<td>-52</td>
</tr>
<tr>
<td>56281</td>
<td>Prinsburg</td>
<td>0</td>
<td>2</td>
<td>-25</td>
</tr>
<tr>
<td>56282</td>
<td>Raymond</td>
<td>0</td>
<td>5</td>
<td>-43</td>
</tr>
<tr>
<td>56288</td>
<td>Spicer</td>
<td>0</td>
<td>7</td>
<td>-143</td>
</tr>
</tbody>
</table>

- JULY 2018
QUALITY CHILD CARE OVERVIEW

First Children's Finance examined state-wide 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 Kandiyohi County, MN is above the state average when it comes to Parent Aware enrollment. This is a critical component when we evaluate the quality child care program 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 conducted as part of the RCCIP to inform 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. It means that 25% of child care programs charge more than the market average and 75% of child care programs charge less.

RESULTS OF THE 2017 CHILD CARE MARKET RATE SURVEY: MINNESOTA CHILD CARE PROVIDER BUSINESS UPDATE

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.
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 that indicate the 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>2017 PROFICIENCY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willmar #347</td>
<td>41.1%</td>
</tr>
<tr>
<td>New London Spicer #345</td>
<td>52.0%</td>
</tr>
<tr>
<td>ACGC #2396</td>
<td>58.8%</td>
</tr>
<tr>
<td>BOLD #2534</td>
<td>34.0%</td>
</tr>
<tr>
<td>KMS #775</td>
<td>42.9%</td>
</tr>
<tr>
<td>MACCRAY #2180</td>
<td>46.6%</td>
</tr>
<tr>
<td>BBE #2364</td>
<td>79.5%</td>
</tr>
<tr>
<td>Prinsburg #815</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Statewide</strong></td>
<td><strong>57.50%</strong></td>
</tr>
</tbody>
</table>

**LOCAL GRADUATION RATES**

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>2017 4 YEAR GRADUATION RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willmar #347</td>
<td>68.8%</td>
</tr>
<tr>
<td>New London Spicer #345</td>
<td>96.9%</td>
</tr>
<tr>
<td>ACGC #2396</td>
<td>98.5%</td>
</tr>
<tr>
<td>BOLD #2534</td>
<td>93.0%</td>
</tr>
<tr>
<td>KMS #775</td>
<td>98.0%</td>
</tr>
<tr>
<td>MACCRAY #2180</td>
<td>88.9%</td>
</tr>
<tr>
<td>BBE #2364</td>
<td>95.3%</td>
</tr>
<tr>
<td>Prinsburg #815</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Statewide</strong></td>
<td><strong>82.20%</strong></td>
</tr>
</tbody>
</table>
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 and Household Income Information – Kandiyohi County

<table>
<thead>
<tr>
<th>Total Population Living Below Poverty Threshold in Last 12 Months</th>
<th>4,732</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related Children Under Age 18 Living with Income Below Poverty Threshold</td>
<td>1,685</td>
</tr>
<tr>
<td>Families With Related Child Under Age 5 Living Below Poverty Threshold</td>
<td>501</td>
</tr>
</tbody>
</table>

Household Income – Kandiyohi County

<table>
<thead>
<tr>
<th>TOTAL HOUSEHOLDS ACS 2009-13 ESTIMATE</th>
<th>17,120</th>
<th>% OF TOTAL POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSEHOLDS: INCOME LESS THAN $10,000</td>
<td>989</td>
<td>5.8%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $10,000 TO $14,999</td>
<td>819</td>
<td>4.8%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $15,000 TO $24,999</td>
<td>1,938</td>
<td>11.3%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $25,000 TO $34,999</td>
<td>2,009</td>
<td>11.70%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $35,000 TO $49,999</td>
<td>2,778</td>
<td>16.2%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $50,000 TO $74,999</td>
<td>3,294</td>
<td>19.2%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $75,000 TO $99,999</td>
<td>2,396</td>
<td>14.0%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $100,000 TO $149,999</td>
<td>1,925</td>
<td>11.2%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $150,000 TO $199,999</td>
<td>450</td>
<td>2.6%</td>
</tr>
<tr>
<td>HOUSEHOLDS: INCOME $200,000 OR MORE</td>
<td>522</td>
<td>3.1%</td>
</tr>
<tr>
<td>MEDIAN HOUSEHOLD INCOME</td>
<td>$ 50,149</td>
<td></td>
</tr>
</tbody>
</table>

www.ruralchildcare.org
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 – Kandiyohi County

- 2.3% Unemployment Rate

Top Local Industries – Kandiyohi 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: EDUCATIONAL SERVICES, AND HEALTH CARE AND SOCIAL ASSISTANCE</th>
<th>5,828</th>
<th>27.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY: MANUFACTURING</td>
<td>3,196</td>
<td>14.8%</td>
</tr>
<tr>
<td>INDUSTRY: RETAIL TRADE</td>
<td>2,505</td>
<td>11.6%</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, employer, parent and provider electronic surveys, focus groups, and presentations about child care. Through these various inputs, the Core Team was able to better understand the underlying causes of the local child care challenges.

COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in Kandiyohi County. Over 1,200 individuals participated in the parent survey, over 62 employers participated in an employer survey, and 35 providers participated in a separate survey specific for child care providers.

The following charts represent some highlighted perspectives within the community:

**PERCEPTIONS: AVAILABILITY OF CHILD CARE IN THE LOCAL AREA**

Survey respondents indicated that they were traveling great distances to find appropriate child care. Nearly 56% indicated that they were traveling 2-10 miles for child care and 28% 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 77% of the parent’s responses state that there is fair to very good availability of high quality child care in the area. This is also shown as the participation rate of child care programs in the Parent Aware Program is higher than the state average. 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 PAID CHILD CARE

- Chosen to be a stay at home parent: 31%
- Can't afford it: 28%
- Adjusting schedules: 17%
- Can't find an appropriate option: 17%
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 work force. 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 more 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 overtime, and tardiness to work, and inability to work a flexible schedule or work different shifts. 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 –KANDIYOHI COUNTY

In the survey, 50% of the respondent's stated that the lack of availability of child care is having an impact on family planning. In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 71% of the respondents said the need for child care was during the day time hours and 21% had the need for a mix of mainly day time hours with some evening and weekend care. Also in the survey, 36% had declined employment or withdrawn from the workforce due to child care issues.
UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Kandiyohi 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 Kandiyohi:

• IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

“"I found quality child care when needed, but it was a struggle. With quality comes greater cost. Child care workers should be trained, paid, and treated like professionals. Their work is valuable.” -Local Parent

◊ 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

The challenges of being a family child care provider are well-documented and come in a variety of ways. Licensing and regulations have changed over the years along with increasing expectations around outcomes for children entering the primary school system. Many family child care providers operate their businesses with minimal business supports which can sometimes lead to issues with overall sustainability.

Family child care providers have a tough job – one that often comes with very few benefits and recognition. Local providers and other community organizations have an opportunity to recognize the ongoing contributions, and continuous innovation of family child care providers in the child care industry. This could be achieved through recognition programs, and other material support such as training.

• QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

“I think it is a demanding job with maybe a lot of regulations and high risk responsibilities with not as much of a financial reward.” -Local Parent

◊ 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

Residents indicated the desire to have more licensed child care choices and quality offerings available to select from. While some of these desires were in the form of new child care offerings, many also included enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the county. As child care quality increases, the community should expect increased family and community investments in child care.
• **HIGH COST AND LOW AVAILABILITY OF CHILD CARE**

“Yes, the need for care is great. I have done this for a long time, and I have never seen so much warranted concern. I always have a waiting list!” -Local Provider

◊ Some families make too much for child care assistance but not enough to pay for 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

There is no clear answer to the ongoing challenge of costs 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.

• **DIVERSITY OF CARE NEEDED**

“As an employer, we have had good employees leave us or not come back from maternity leave because they couldn't find child care.” -Local Employer

◊ Somali parents are uncomfortable with non-Somali child care providers
◊ Cultural differences are causing tension between Somali and Caucasian populations
◊ There is a need for Hispanic and Somali providers
◊ There is a need for all providers to be culturally sensitive to the children in their care

As communities grow and evolve, needs of new community members can sometimes be different from what the current child care market offers. Working to understand needs of specific populations and their child care needs can better position the community and the existing provider network to better respond to those needs.

• **DELIVERY OF INFANT AND TODDLER CARE IS HIGHLY REGULATED AND EXPENSIVE**

“We would like to have another child, but my childcare won't have an opening for an infant until 2020” –Local Parent

◊ There aren't enough infant and toddler slots in the community

It is clear that a big part of the shortage of child care can be attributed to infant and toddler slots that are often difficult to find. Provider/Staff ratios for infants and toddlers are much lower than preschool and school age children. Additional focus on ensuring these slots are created as part of larger community solutions is critical to address overall child care needs in the community.
TOWN HALL MEETING & GATHERING

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

DIVERSE PROVIDERS/ SUPPORT

- Opportunities to gain experience for diverse providers

PROVIDER SUPPORT

- Develop a mentoring program
- Host an annual provider appreciation event

TRAINING AND EDUCATION

- Local health providers invite child care providers to attend First Aid and CPR at no charge
- Develop a community scholarship professional development fund
- Develop opportunities for cultural awareness and responsiveness

FINANCIAL SUPPORTS

- Technical assistance and financial planning
- Loans for child care

INFANT TODDLER CARE

- Open an infant and toddler child care center
- Open an infant and toddler child care family based program

LICENSENING AND REGULATIONS

- Reinstate variances
- Create cooperative group health insurance for providers/centers
- Work with the food program to eliminate tier system
- Identify regulations to adjust to make it easier for providers to hire subs

BUSINESS SUPPORTS

- Identify businesses to purchase slots
- Find businesses to offer onsite child care
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 – STREAMLINE PROFESSIONAL DEVELOPMENT OPPORTUNITIES WITHIN THE COUNTY

CORE TEAM LEAD – Chris Stark, Nancy Hafner, Jodi Wambeke, Cindy Salfer and Melissa Schofield

Align and communicate professional development opportunities around early care and education in all settings by September 1st and annually thereafter.

Expected Outcomes and Impact

Early childhood professionals will have access to high quality training opportunities that align with one another and reflect early childhood best practices. A second result is to effectively collaborate with partner organizations so that practitioners in any setting have access to similar content to more efficiently utilize resources.

All child care professionals will benefit from high-quality professional development designed to improve overall program quality for children and families.

SMART GOAL TWO – INCREASE NETWORKING OPPORTUNITIES FOR EARLY CHILDHOOD PROFESSIONALS

CORE TEAM LEAD – Chris Stark, Nancy Hafner, Jodi Wambeke, Cindy Salfer and Melissa Schofield

Over the next six months explore developing or enhancing early childhood networks of professionals, e.g. Family CC, Center Directors/Staff, ECI Network.

Expected Outcomes and Impact

Professionals will come together in a safe place to share ideas, resources, and learning within a familiar network of practitioners. By feeling supported in their work, retention will increase.

SMART GOAL THREE – INCREASE AWARENESS OF BUSINESS PLANNING AND FUNDING OPPORTUNITIES FOR NEW AND EXISTING CHILD CARE PROGRAMS

CORE TEAM LEAD – Connie Schmoll, Don Winkler and Scott Marquardt

Prepare and distribute a child care business information document for providers entering and wanting to expand their business.

Expected Outcomes and Impact

Produce an online PDF document that will be useful to those interested in starting or expanding a child care business. The document will provide information on capital resources (local, state, federal, foundations and other) business planning assistance resources, and give some knowledge of steps needed to start a business and what typical documents are needed by funders.
SMART GOAL FOUR – INCREASE FINANCIAL SUPPORTS FOR CHILD CARE PROGRAMS WITHIN KANDIYOHI COUNTY

CORE TEAM LEAD – Connie Schmoll, Donn Winkler, Les Nelson and Scott Marquardt

Within 18 months, increase the financial resources so that at least $20,000 is available in grants and loans to new or expanding childcare centers and child care home businesses in Kandiyohi County.

Expected Outcomes and Impact
The additional resources will help support new and existing programs to be developed or sustain child care programs in the county.

SMART GOAL FIVE – IDENTIFY NON-OWNER OCCUPIED SPACE FOR POTENTIAL CHILD CARE PROGRAMS

CORE TEAM LEAD – Connie Schmoll, Donn Winkler, Les Nelson and Scott Marquardt

Identify spaces available in the community to be used by start-up family child care providers to run their businesses.

Identify spaces available in faith based organizations, non-profits, or businesses in the community to be used for a new start-up center or new or existing family child care programs to run their businesses.

Expected Outcomes and Impact
The expected outcome from this work is the identification of facility arrangements to be used by existing or new, center or family based child care providers. This work supports SMART goal three and the development of new licensed slots for center or family child care.

SMART GOAL SIX – DEVELOP A SCHOLARSHIP PROGRAM TO SUPPORT INDIVIDUALS PURSUING CHILD CARE EDUCATION

CORE TEAM LEAD – Patty Dols and Bailey Hauser

Develop a scholarship program in partnership with the Ridgewater College Foundation that would be available for the spring 2020 semester. This scholarship will pay for education expenses for students pursuing child care education and promote engagement opportunities to encourage students to provide child care in Kandiyohi County. It will allow businesses to financially support the Rural Child Care Initiation Program without a large time commitment.

Expected Outcomes and Impact
This scholarship will increase interest and enrollment of new students that go into the field of child care. It will create opportunities for students to build relationships within the community so that they are engaged and want to provide childcare within Kandiyohi County.
SMART GOAL SEVEN – TO PROVIDE THREE PROVIDER APPRECIATION ACTIVITIES IN KANDIYOHİ COUNTY OVER THE NEXT 24 MONTHS

**CORE TEAM LEAD** – Sue Thomes
Additional Partners: Deb Brandt, Darala Loch and Jean Duane.

**Expected Outcomes and Impact**
Ongoing recognition activities will highlight the quality and innovative contributions of child care programs within the community. The measurement of success will be the number of providers who participate in appreciation activities.

SMART GOAL EIGHT – EDUCATE THE PUBLIC ABOUT THE CHILD CARE PROFESSION THROUGH ONE MEDIA OUTLET AND TWO COMMUNITY EVENTS OVER 24 MONTHS.

**CORE TEAM LEAD** – Sue Thomes
Additional Partners: Deb Brandt, Darala Loch and Jean Duane.

**Expected Outcomes and Impact**
Education will equip parents and the community with better understanding about the field of child care.

SMART GOAL NINE – DEVELOP A SYSTEM TO SUPPORT ENGLISH LANGUAGE LEARNERS/DIVERSE PERSONS WORKING OR DESIRING TO WORK IN THE CHILD CARE FIELD, BY JUNE 30, 2019.

**CORE TEAM LEAD** – Sue Thomes
Additional Partners: Deb Brandt, Darala Loch and Jean Duane.

**Expected Outcomes and Impact**
With the growing diversity in Kandiyohi County, this support system will help grow a diverse workforce and create new diverse child care programs within Kandiyohi County.
ABOUT FIRST CHILDREN’S FINANCE

Founded in 1991, First Children’s Finance is a multi-state nonprofit organization. We work with communities, and early care and education businesses to increase the supply of high quality early care and education in urban and rural areas. We do this through business management training, one-on-one consulting, and financing. For more information about First Children’s Finance, please visit: www.firstchildrensfinance.org

If you are having difficulties viewing this document please contact First Children’s Finance, Jessica Beyer at jessica@firstchildrensfinance.org