



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

CITY OF BECKER, MINNESOTA

JULY 24, 2024

The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Human Services and other regional funding partners.



DEPARTMENT OF
HUMAN SERVICES



Initiative
FOUNDATION



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

Minnesota Associate Director
Jessica Beyer

Program Lead
Candace Cegla

Contributing Member
Stephanie Sanvig

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
IMPORTANCE OF HIGH QUALITY CHILD CARE	6
THE RURAL CHILD CARE INNOVATION PROGRAM	6
ABOUT CITY OF BECKER	9
CHILD CARE DATA & EARLY EDUCATION TRENDS	10
COMMUNITY INSIGHTS	18
COMMUNITY DEVELOPED SOLUTIONS	26
IMPLEMENTATION PROJECT	28
ABOUT FIRST CHILDREN'S FINANCE	29



"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 the City of Becker 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 Becker, 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.

To understand the potential need of child care in Becker, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of approximately 265 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 also revealed that the child care shortage has severely impacted parents living in Becker. Thirty-nine percent of parent survey respondents declined employment or withdrew from the workforce due to child care issues. Eight percent of employer respondents stated child care has impacted their ability to attract employees, while 60% of stated they do not track data showing the impact for attracting employees. Additionally, 21% of employers said the child care shortage has impacted their ability to retain employees, while 37% state they do not track data showing the impact child care has on the retention of their employees. Absence from work (when a provider is closed for the day), inability to work overtime, inability to work different shifts, tardiness to work, and the inability to be fully productive at work hinders the ability of parents to advance in their careers and the ability of employers to meet their business needs.

Some of the major factors contributing to the child care shortage in Becker include an increase in dual-working families, attraction of new employees to the area, affordability of child care, difficulties of being a child care provider, and a lack of community recognition for child care providers.

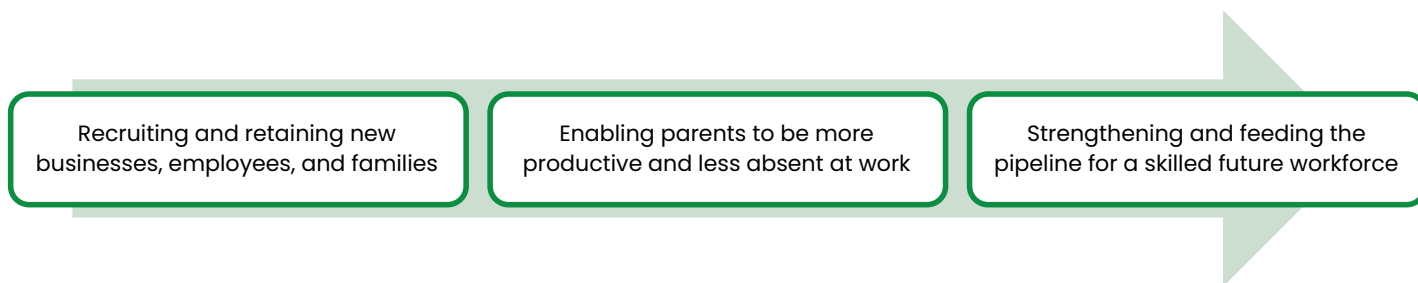
Through the RCCIP process, Becker has identified four goals to address the child care challenges. These goals include:

1. By the end of February, build awareness of how childcare affects workforce and community development by educating business leaders, employers, and the community.
2. In 8-months, we will identify 6 sites and determine feasibility of space to expand child care slots.
3. Provider event to increase awareness of child care resources and provide access to relevant training. Open to existing [child care providers] and [those] interested in starting a child care business.
4. In 9 months identify at least 3 community partnerships and create a framework and workplan that will increase awareness and interest in the child care profession while supporting the retention and expansion of existing providers.

In implementing these goals, Becker will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and give providers stronger resources to run and operate their child care business. In the next 13 months, First Children's Finance will support the core team in implementing these goals and measuring the 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. Because of this, 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:



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, and many communities are facing shortages of high quality child care. The Rural Child Care Innovation Program (RCCIP) 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 their communities. The Rural Child Care Innovation Program leverages communities' independent, can-do attitudes to address early care and education in Greater Minnesota.

PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Application Opens	July 10, 2023	Send the application, post on website
Webinar	July 24, 2023	Learn about the RCCIP process, expectations, and ask questions
Application Deadline	August 7, 2023	Due by 5:00PM
Application review and follow-up questions for applicants	August 7–18, 2023	FCF will connect by phone or email
Final Awards made	August 25, 2023	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	October 17, 2023	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	January 4, 2024	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	January 11, 2024	During the face-to-face or virtual meeting, the community engagement activities will be mapped out and a timeline for the process will be developed
Data Gathering & Community Engagement Activities	January –May 2024	The Core Team engages the community in data collection and informs them about their work
FCF Facilitated Ongoing Core Team Check-ins	February 2024–August 2025	Virtual monthly Core Team meetings
Child Care Provider Appreciation Event	April 18, 2024	A face-to-face dinner or virtual event is organized to recognize and appreciate the community's providers
Synthesize Data	April–May 2024	FCF synthesizes data into useful info for Town Hall event
Planning Meeting for Town Hall	May 2024	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	May 20, 2024	A face-to-face community wide event held to learn about data collected and identify and develop projects
Child Care Provider Recruitment	On-going	Recruit providers to participate in business trainings, business leadership cohorts, and one-on-one consultations conducted by FCF

IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	May-June 2024	FCF staff organizes Town Hall ideas into a workable format
Goal Setting and Implementation Meeting (4 Hours)	June 11, 2024	Face-to-face or a virtual meeting to prioritize goals, develop SMART goals, map out implementation activities, and plan for the Community Launch
SMART Goal Finalization Meeting	July 16, 2024	One or two virtual meetings action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	July-August 2024	FCF creates a report detailing community data, types of solutions, and community-identified projects
Planning meeting for Community Launch and Action Step updates	Fall 2024	Face-to-face or a virtual meeting to share the CSAP, plan the CSAP Community Launch, and share updates on action steps
Community Launch of CSAP	Fall 2024	Press release and/or community activities to share the CSAP
Regular Core Team Meetings	August 2024-September 2025	Updates discussed from project teams to the core team; frequency determined by the core team; facilitated by the Core Team Lead
Biannual Reporting	February 2025	Core team lead provides written biannual update to FCF
Regular Project Team Meetings	August 2024-September 2025	Project teams meet to Implement community solutions; facilitated by project team lead
Technical Assistance & on-going Support	January 2024-September 2025	FCF provides technical assistance when needed
Final Report	August 2025	Core Team leader submits final written report to FCF
Celebration with the Core Team	September 2025.	Core team celebrates its success
Learning Communities	Various Times as determined by FCF	Opportunities to learn from and network with other RCCIP communities who are either in the implementation phase or who have completed the RCCIP process





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 CITY OF BECKER

The City of Becker is in Sherburne County and is situated between the Mississippi and Elk Rivers. The city is located 19 miles southeast of St. Cloud and 46 miles northwest of Minneapolis. The 2022 census reported 4,970 residents living in Becker. This energy-rich community offers a variety of amenities to support industrial and manufacturing businesses, local agricultural companies, and locally owned businesses. The citizens of Becker possess the spirit and energy needed to sustain a healthy and prosperous community.



The City of Becker is currently experiencing a shortage of child care programs, which is having a significant impact on the local economy and community. Becker reports having a large population of dual-income families with more than 3 children making adequate access to child care, a necessity. There is currently a limited number of child care centers and a declining number of family child care providers with few remaining spaces available for children requiring care. Because of these circumstances, residents are either forced to move to another community, unable to work outside the home, or forced to find care elsewhere.

The City of Becker is participating in the Rural Child Care Innovation Program to explore and implement local and right-sized solutions to address child care shortages, and support workforce development, with the goal of positively impacting economic growth.

LOCAL CORE TEAM REPRESENTATION

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

- Jacob Sanders- Community Development Director, City of Becker
- Nicole Smude- Economic Development Coordinator, City of Becker
- Tracy Bertram- Mayor, City of Becker
- Bartt Gevens- Recreation Services Manager & Director, Becker Community Center
- Sue Hiltner- Early Childhood Director, Becker Public Schools ISD #726
- Michelle Peacock-Community Education Director, Becker Public Schools ISD #726
- Alyssa Braaten- Human Resources Consultant, AFLAC
- Jessica Barthel- Economic Development Coordinator, Sherburne County
- Amy Chmielewski- Insurance Agent, American Family Insurance
- Jennifer Shaw- Owner, Starz Dance Studio
- Jessica Gilder- Childcare Solutions Program Officer, Initiative Foundation
- NeTia Bauman- CEO, Greater St. Cloud Development Cooperation
- Jodi Heureung-Dick -Social Services Planner, Sherburne County Health and Human Services
- Nicole Schmidt- Founder, Project 1204
- Mitchell Fennell- Lead Child Care Licenser, Sherburne County
- Melissa Pribyl- Community Health Nurse
- Nicole Schmitz- Child Care Startup and Retention Navigator
- Shannon Mortenson- City Clerk/HR, Safety, and Risk Manager, City of Becker
- Gail Cruikshank- Talent Director, Greater St. Cloud Development Corporation

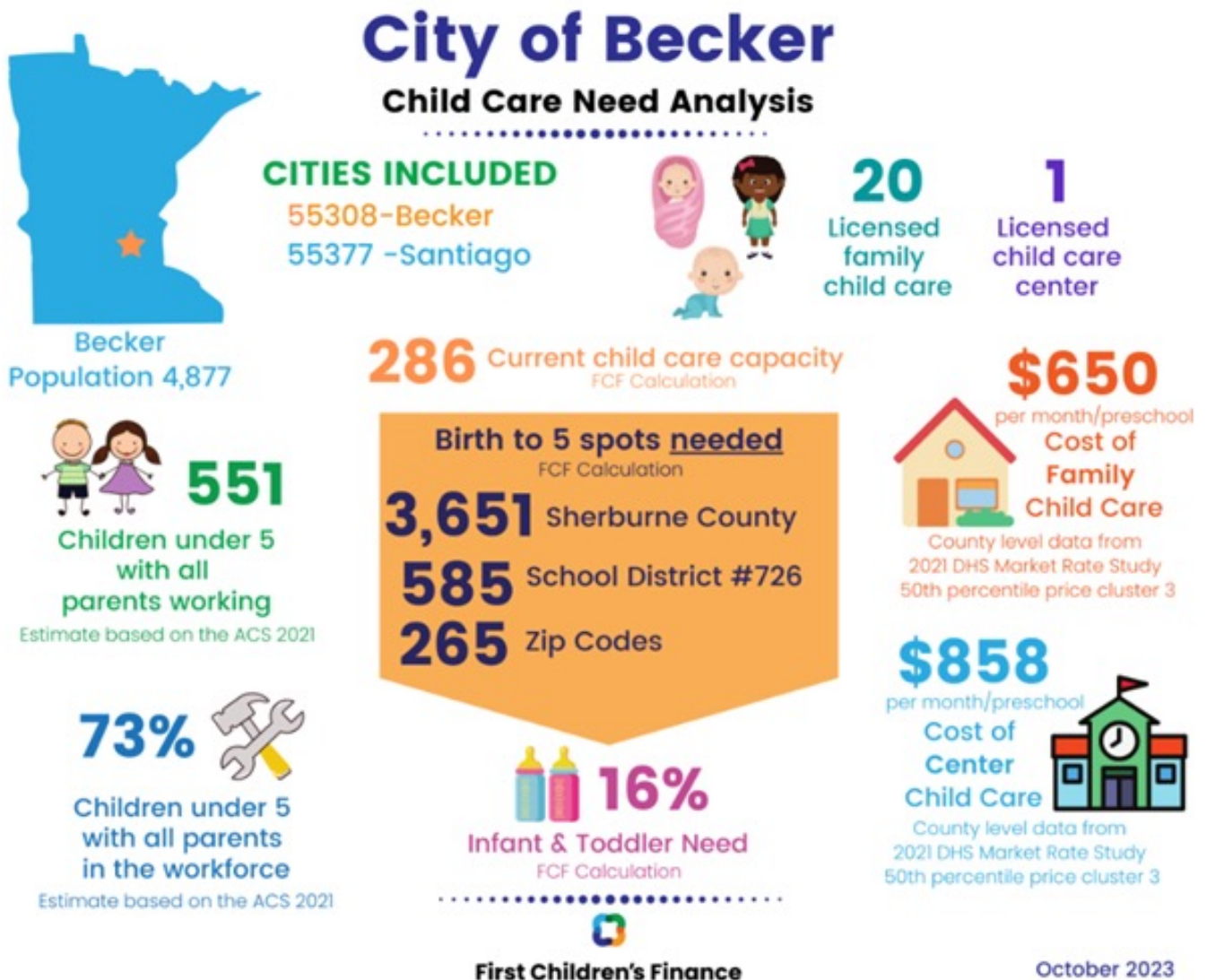
CHILD CARE DATA AND EARLY EDUCATION TRENDS

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.



POTENTIAL NEED OVERVIEW

First Children's Finance conducted a supply and 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 the need in the city. The Supply Demand Gap Analysis for the City of Becker dated October 2023, shows a shortage of 265 slots for children birth to age five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 16% of the slots needed are for infants and toddlers.



In surveying family child care providers, we learned 24% plan on staying in business for less than 3 years. Twenty-nine percent stated they are planning on being in business 3-5 years, 12% of providers stated they are planning on being in business 6-9 years, while 35% said they are planning on staying for 10 plus years. It is important for Becker to think about ways to retain family child care providers as well as building more slots within the community.



FAMILY CHILD CARE – BY THE NUMBERS

First Children's Finance evaluated the current supply of family child care to identify trends that needed further examination.

- The average length of service is lower than the state average.
- Thirty percent of providers have less than 5 years of service, which is slightly higher than the state average of 27%. Twenty-five percent of providers have more than 20 years of service, which is lower than the state average.
- Providers with more than 20 years of service typically indicate that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	20	6,177
AVERAGE LENGTH OF SERVICE	11.82 years	14.12 years
LESS THAN 5 YEARS / SERVICE	6 / 30%	1,642 / 26.58%
MORE THAN 20 YEARS / SERVICE	5 / 25%	2,023 / 32.75%
NON-OWNER OCCUPIED	0 / 0%	243 / 3.93%
NON-RESIDENTIAL DWELLING	0 / 0%	52 / 0.84%

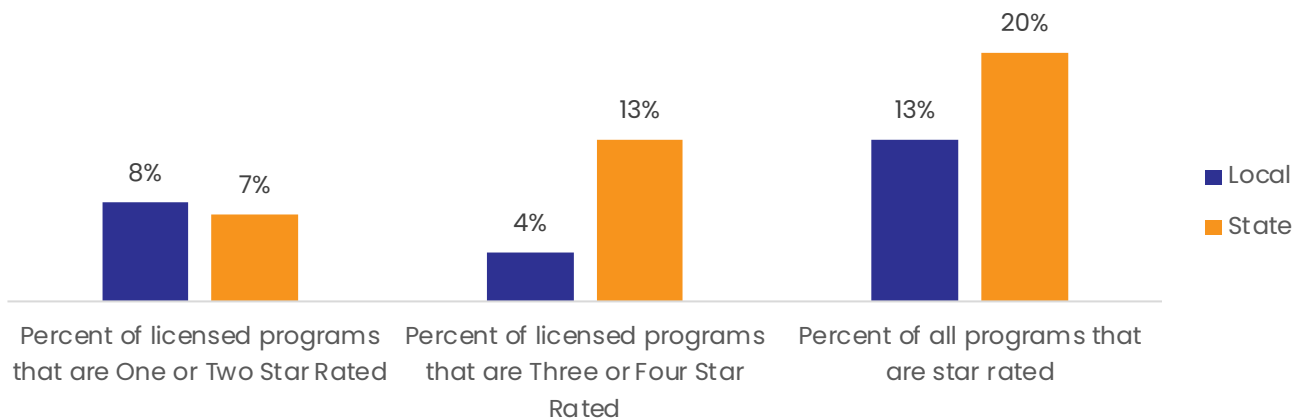
October 2023



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 learning environments in their child care programs. Enrolling in the Parent Aware program is optional for child care providers.



The chart above demonstrates the percentage of programs that are enrolled in the Parent Aware Quality rating program in Sherburne County as compared to the State. Providers in Sherburne County are above the state average for one and two star rated programs and below that of the state average for three and four star rated programs. 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 50th percentile for each age group in both a center and family child care setting. This number means 50% of child care programs charge more than this number and 50% of child care programs charge less.

Area Market Rates – Sherburne County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE - INFANT WEEKLY	\$235	\$12,220
50TH PERCENTILE - TODDLER WEEKLY	\$210	\$10,920
50TH PERCENTILE - PRESCHOOL WEEKLY	\$198	\$10,296
50TH PERCENTILE - SCHOOL AGE WEEKLY	\$165	\$8,580

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE - INFANT WEEKLY	\$170	\$8,840
50TH PERCENTILE - TODDLER WEEKLY	\$160	\$8,320
50TH PERCENTILE - PRESCHOOL WEEKLY	\$150	\$7,800
50TH PERCENTILE - SCHOOL AGE WEEKLY	\$140	\$7,280

Results of the 2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps families of low-income to afford high quality child care. Families need to financially qualify to access CCAP and the amount of CCAP received by families will vary depending on their income levels. CCAP reimbursement rates are based around the 75th percentile market rates, and there is a maximum reimbursement rate a county can distribute to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, 54% of providers accept CCAP reimbursement for families.

CCAP – Sherburne County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$294	\$15,288
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$265	\$13,780
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$250	\$13,000
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$175	\$9,100

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$185	\$9,620
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$175	\$9,100
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$170	\$8,840
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$150	\$7,800

Because high-quality child care programs cost more to operate there is a CCAP differential for programs that are volunteering to participate in the Parent Aware Star Rating Program. If a child care program has a 3-Star Parent Aware rating, the CCAP maximum reimbursement rate increases by a 15% differential. Three-Star Parent Aware rated programs are required to implement curriculum and assessment tools throughout their entire program. The chart below shows the increased maximum reimbursement rate. If a child care program has a 4-Star Parent Aware rating the CCAP maximum reimbursement rate increases by a 20% differential. Four-Star Parent Aware programs are also required to implement curriculum and assessment tools throughout their entire program. Below is the 4-Star 20% differential maximum CCAP reimbursement rate for Sherburne County.

CCAP –Sherburne County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$352.80	\$18,346
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$318	\$16,536
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$300	\$15,600
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$210	\$10,920

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$222	\$11,544
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$210	\$10,920
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$204	\$10,608
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$180	\$9,360

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

Many 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.



OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance shared additional data outcomes such as third grade reading proficiency rates and local graduation rates. There are multiple studies indicating a link between the quality of early education opportunities and school readiness. Third grade reading proficiency rates and high school graduation rates are one way to link the two. Lower Achievement levels from birth to age five can be an early indicator of future challenges in school, engagement in higher education, and teen pregnancy rates. The higher the quality of early care and education programs for children birth to age five the higher the achievement later in life. As depicted in the tables below, Becker has reading proficiency levels and graduation rates that are slightly higher than the state average.

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Becker Public Schools #726	54.3%
Statewide	48%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2021 GRADUATION RATE
Becker Public Schools #726	86.4%
Statewide	83%

Minnesota Department of Education Report Card





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:

Household Income –City of Becker

TOTAL HOUSEHOLDS ACS 2021 5YR ESTIMATE	%
Less than \$10,000	4.2%
\$10,000 to \$14,999	4.3%
\$15,000 to \$24,999	1.6%
\$25,000 to \$34,999	9.4%
\$35,000 to \$49,999	5.7%
\$50,000 to \$74,999	14.8%
\$75,000 to \$99,999	21.8%
\$100,000 to \$149,999	21.7%
\$150,000 to \$199,999	9.8%
\$200,000 or more	6.8%
TOTAL HOUSEHOLDS	1,782
MEDIAN HOUSEHOLD INCOME	\$80,385

U.S. Census American Community Survey 2021



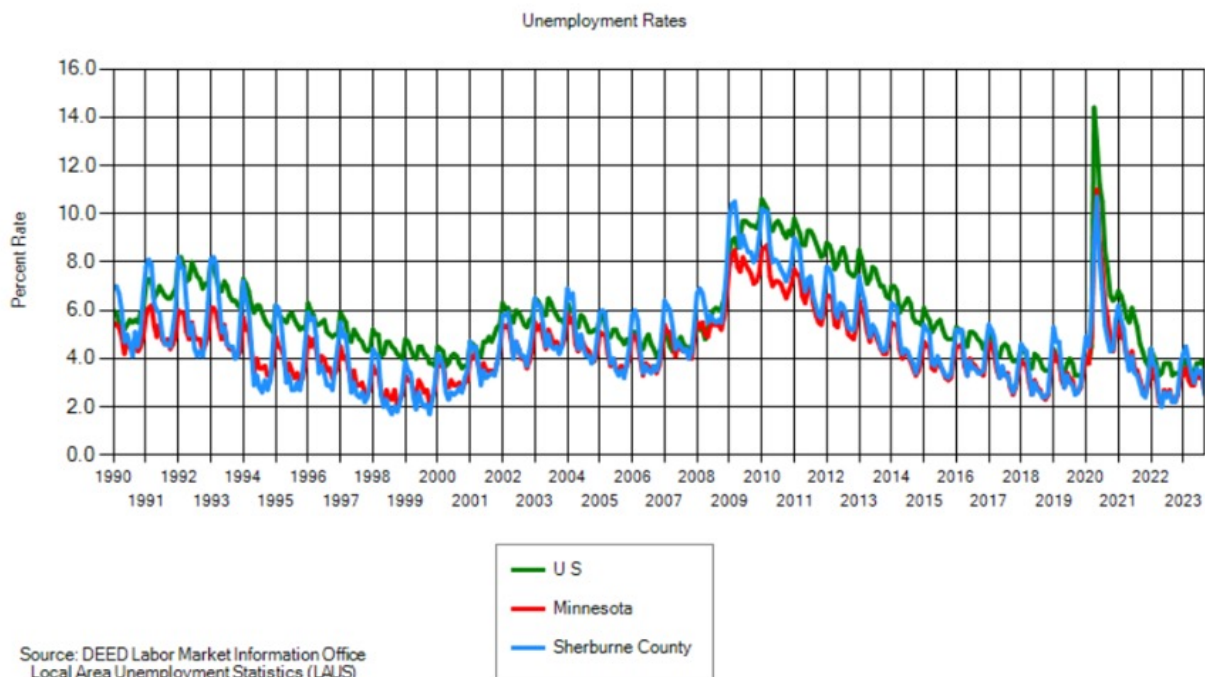


LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children's Finance in the analysis of the child care situation in Becker. Employment data can serve as 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 – Sherburne County

In September 2023, when this initial analysis of data for Becker was completed, the unemployment rate was 2.5% which is a relatively low unemployment rate. This can also indicate a need for more child care in the community. Additional child care strengthens the local economy by allowing more families to return to the workforce.



Top Local Industries – Sherburne County

Employers in Becker were invited to participate in the child care conversation and complete surveys because they are impacted by absenteeism and decreased employee productivity when child care is a challenge. Furthermore, employers have been able to provide valuable insight and resources into child care discussions.

Top 3 Industries	# Employees	% of Workforce
Industry: Manufacturing	4,015	14.9%
Industry: Retail Trade	3,540	13.2%
Industry: Health Care & Social Assistance	3,432	12.8%

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, parent, provider, and employer electronic surveys, focus groups, and presentations about child care. Through these various inputs, the Core Team was able to better understand the causes of local child care shortages.

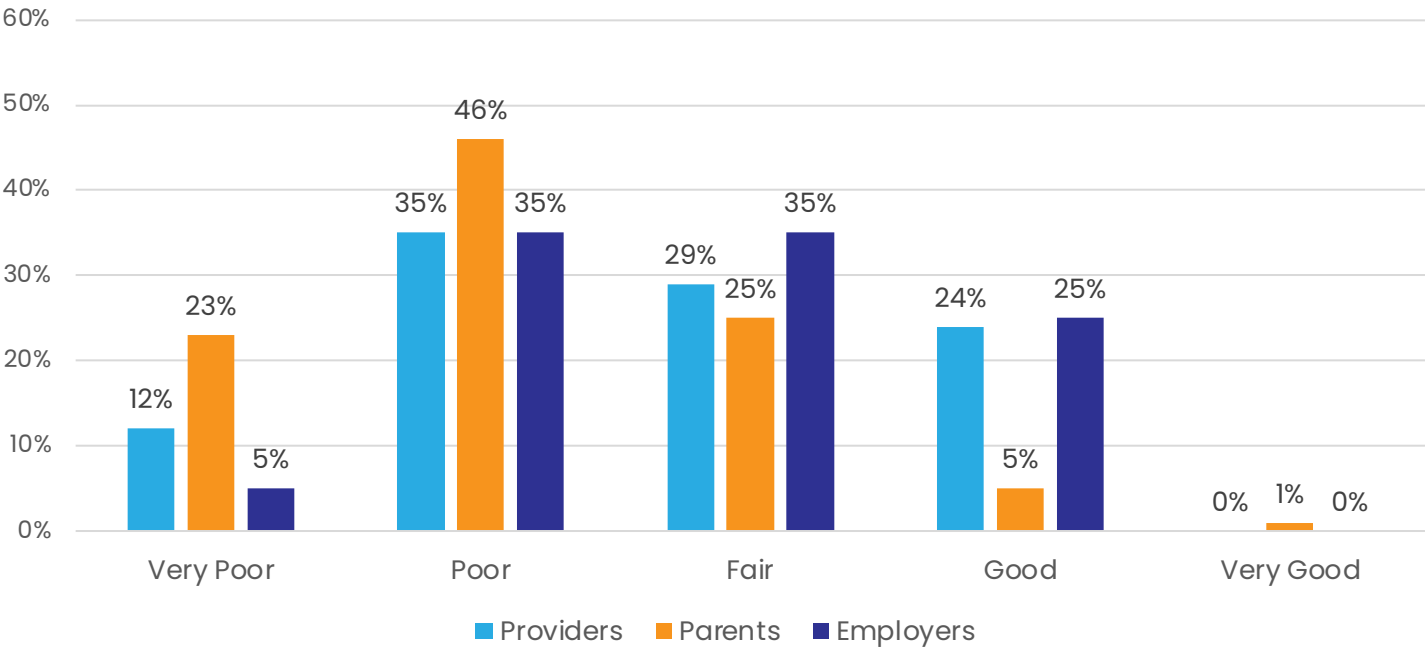


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

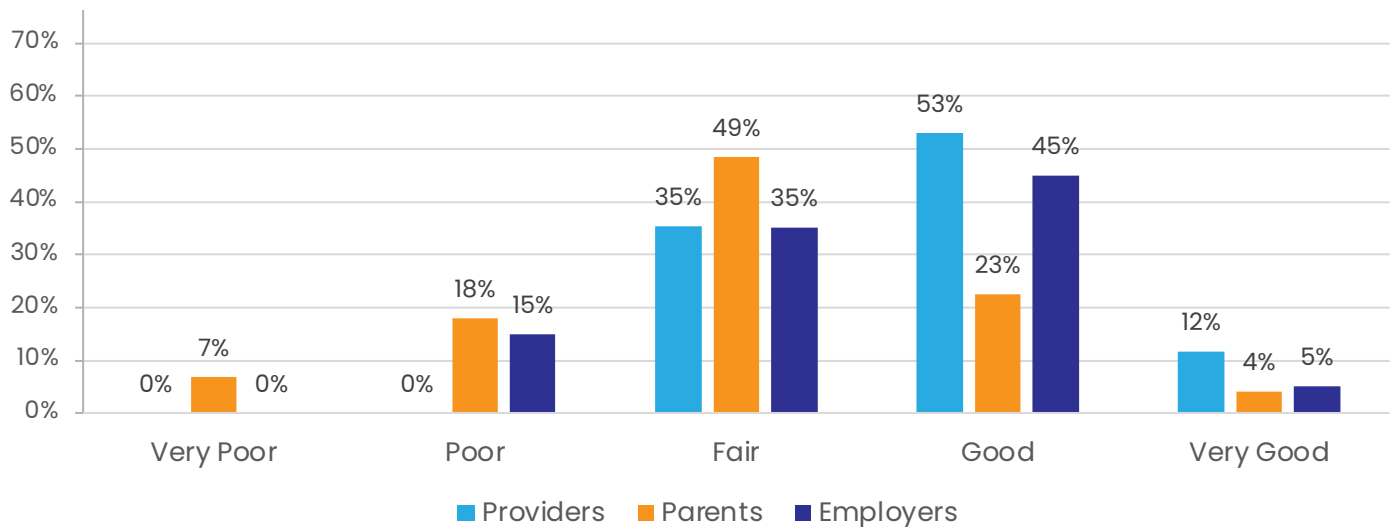
The general community was invited to participate in a comprehensive survey about child care in Becker. Respondents included 215 individuals for the parent survey and 25 employers for the employer survey. A separate survey gathered information specific to child care from 17 child care businesses.

The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child care in the Local Area



Perceptions: Quality of Child Care in the Local Area

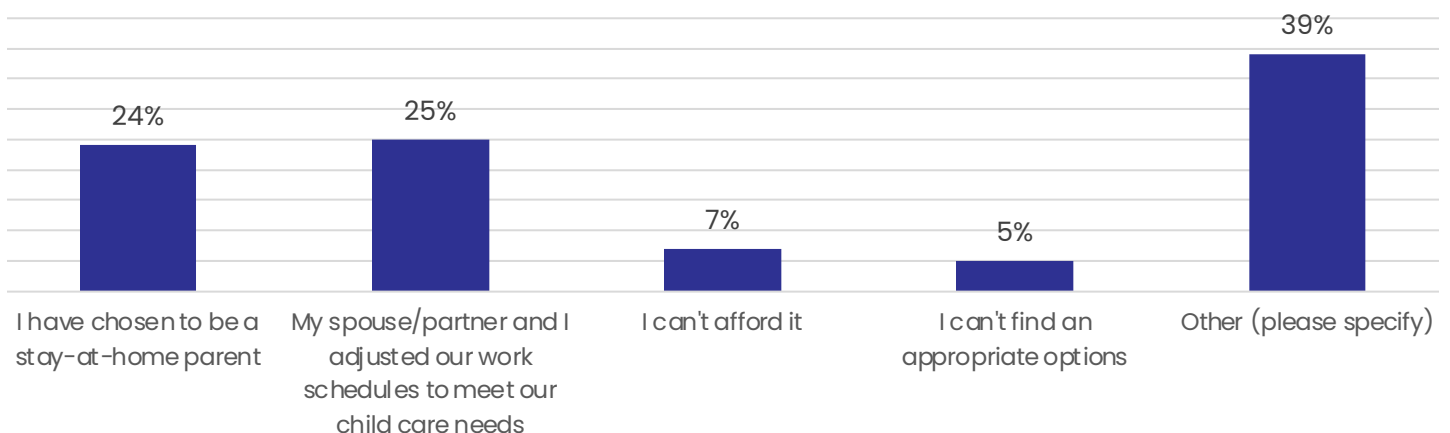


While specific questions about quality were not part of this survey, responses show there is a difference between what parents are perceiving the quality of available child care is in the area as compared what both employers and local child care providers are perceiving. When parents were asked to rank what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

1. A safe and healthy environment
2. Conveniently located
3. Uses an Educational Curriculum
4. Licensed by DHS
5. Provider has high level of education
6. Parent Aware rated and/or nationally accredited
7. Provider is someone I know

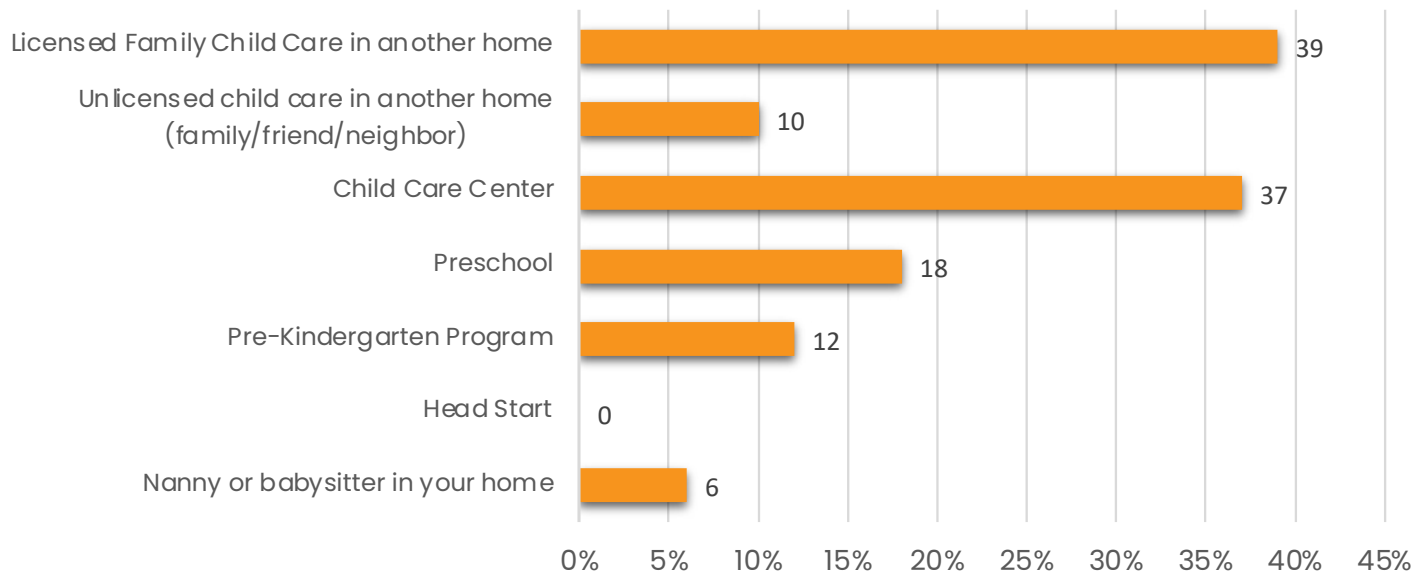
Reasons for Not Enrolling in Preferred Care

Below is a chart depicting the percentage of parents who responded to the survey stating they no longer require child care. Twenty-five percent of parent respondents say they have adjusted their work schedules to meet the needs of child care and 24% have chosen to be a stay-at-home parents. According to survey comments, the other category is made up mostly of those respondents who either have no need for child care, have family who care for their children, or who care for their children within their home business.



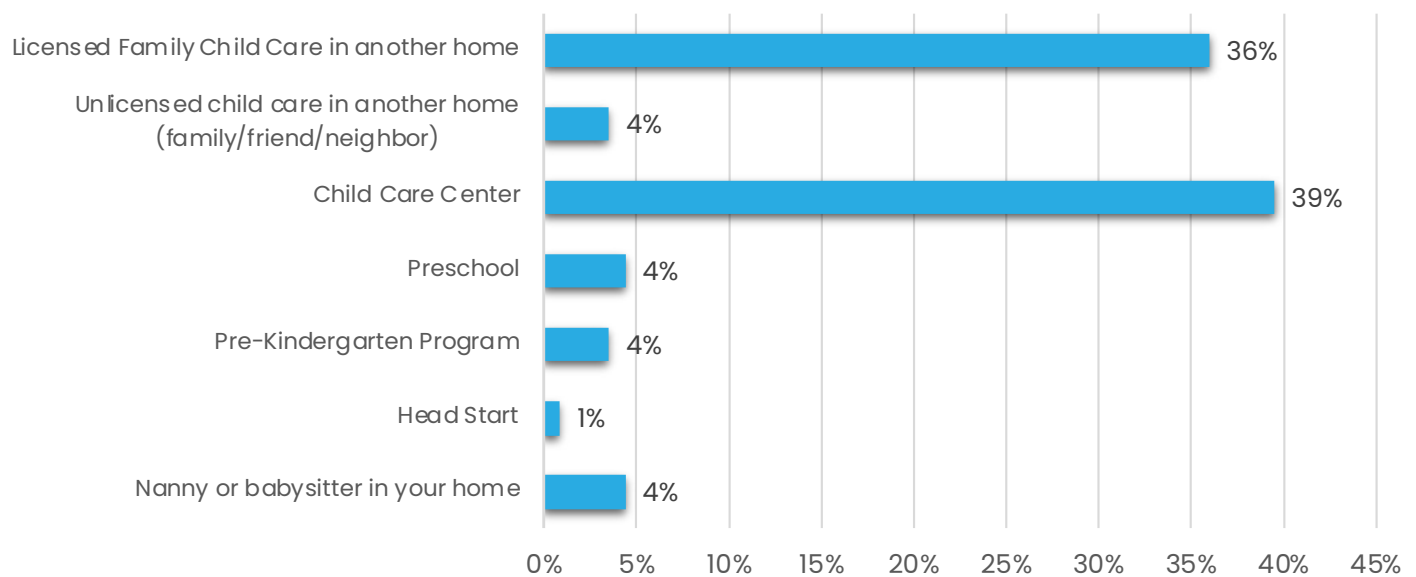
Types of Care Parents are currently using

The chart below shows the types of child care currently being used by families in Becker.



Types of Care Parents Prefer to Use

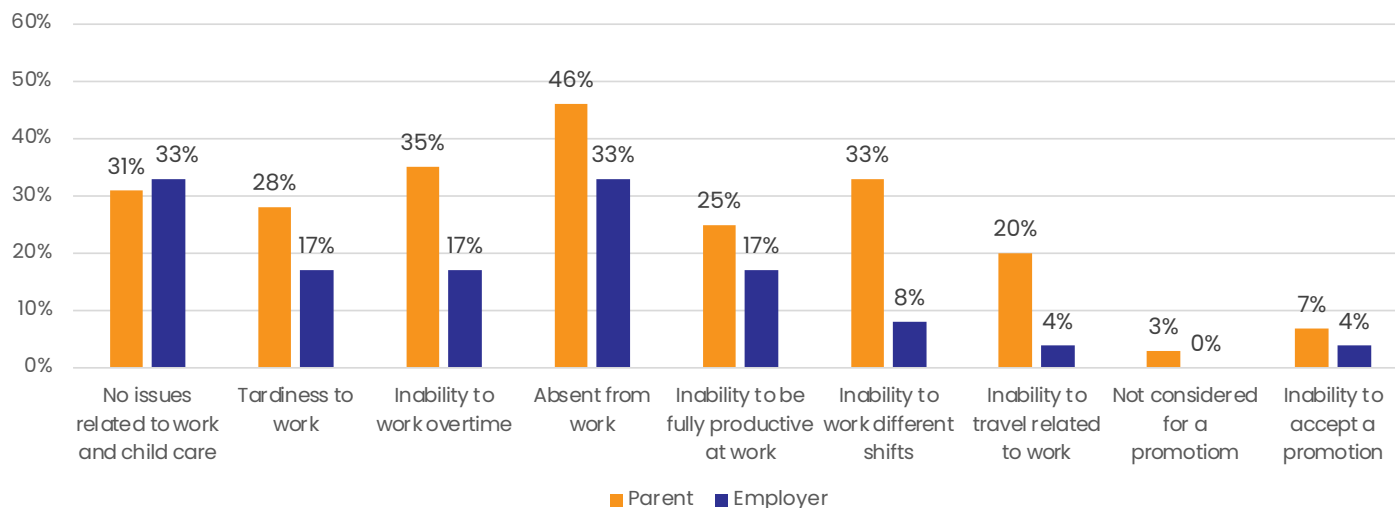
The types of care parents in Becker prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.



Community and Business Impacts of the Child Care

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 better availability of care. The chart below illustrates the occurrence of various work-related issues from both a parent employee and an employer perspective.

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



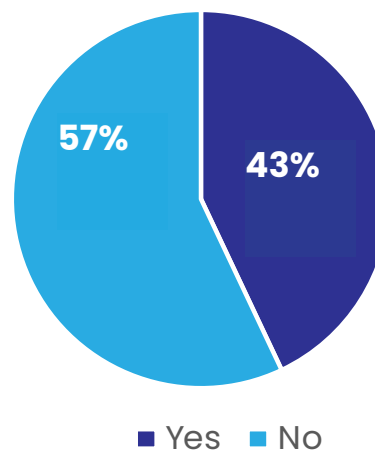
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work overtime, inability to work different shifts, and tardiness to work. While only 8% of employers responded that the lack of child care has impacted their ability to attract employees, 60% stated they do not track this data. Additionally, 21% of employers responded that it has an impact on their ability to retain employees, while 37% of employer respondents stated they do not track that data.

Additional child care related challenges for parents included 25% with an inability to be fully productive at work and 20% have an inability to travel related to work. While employers responded that 4% of their employees were not able to travel for work and/or were unable to accept a promotion, 0% mentioned that parents were not considered for a promotion due to child care challenges.

Impact on Family Planning – Becker

When parents were asked if the availability of their preferred child care option had impacted their decision to have another child and/or if it limited the size of their family, 43% responded it had.

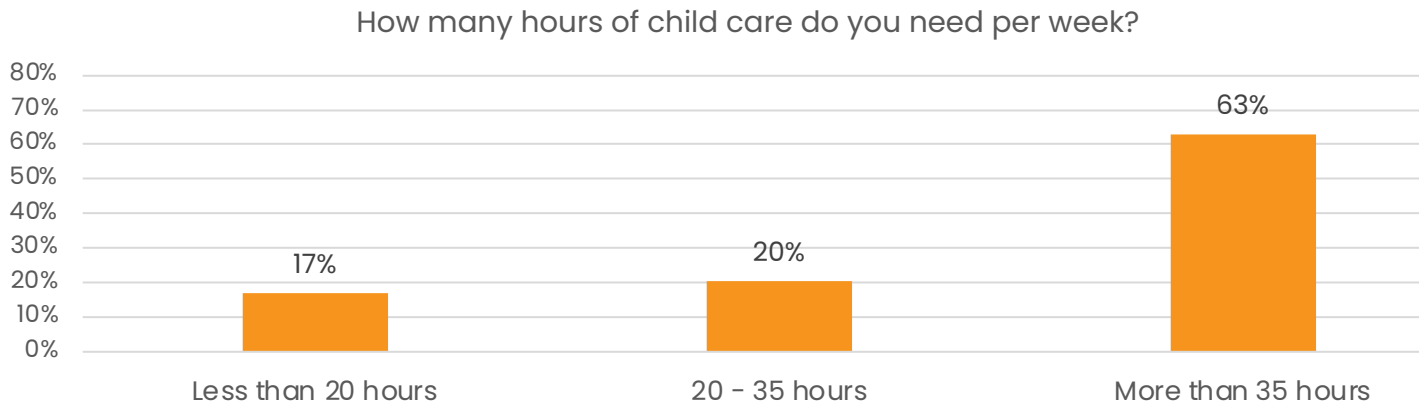
In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 39% of parents responding had declined employment or withdrawn from the workforce due to child care issues.



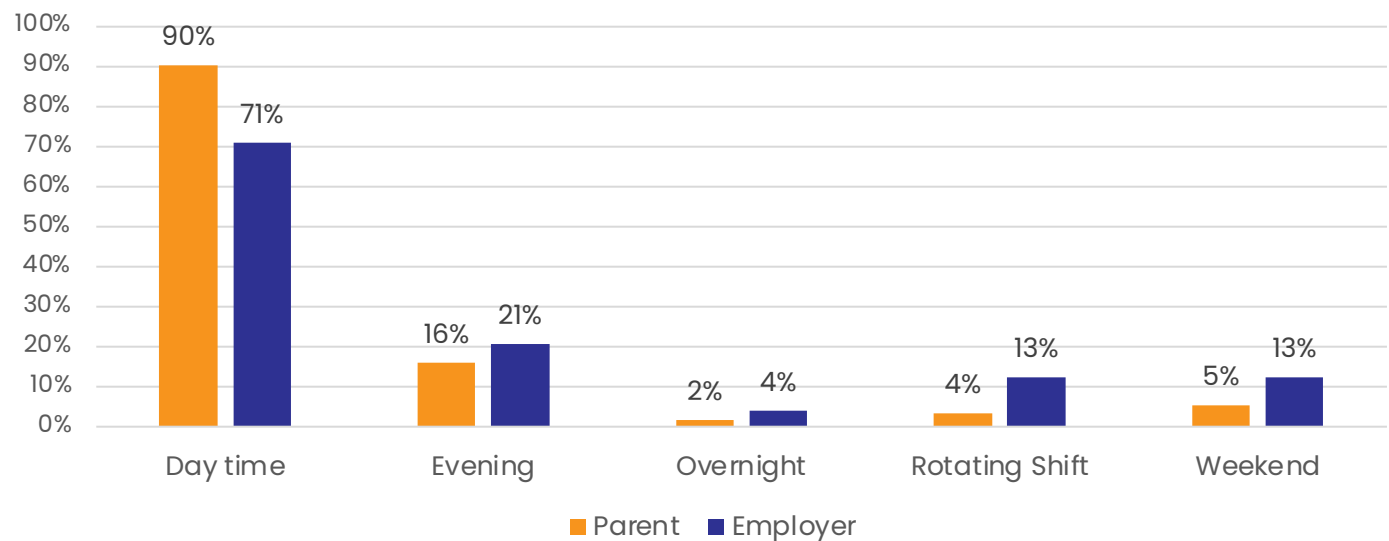
TYPES OF CHILD CARE NEEDED

It is important for a community to understand the types of child care parents need to be able to identify the right sized solutions for the community. The survey indicated that 63% of parents need more than 35 hours of care and are looking for full-time child care options.

Hours of care needed per week

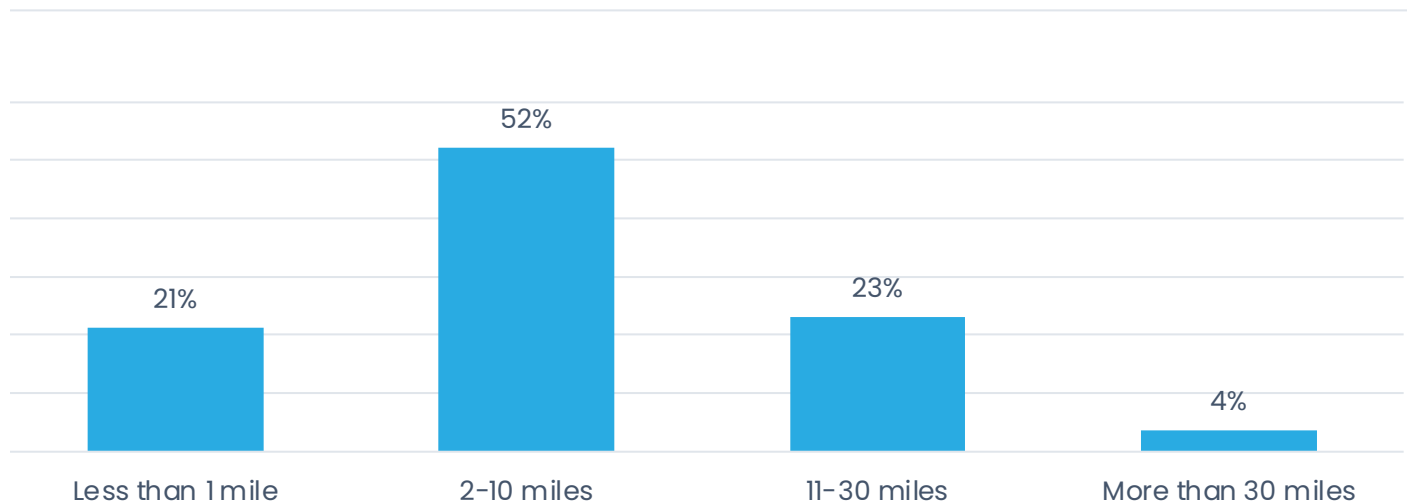


What Hours of Care do you need?



It is also important to determine when parents need care so the community can offer options that meet the need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers believe families need care options on evenings, overnights, rotating shifts, and weekends at a much higher rate than families want. It's important to be aware of these things as a community creates options for child care. We need to be careful not to build or create options that won't be utilized by families.

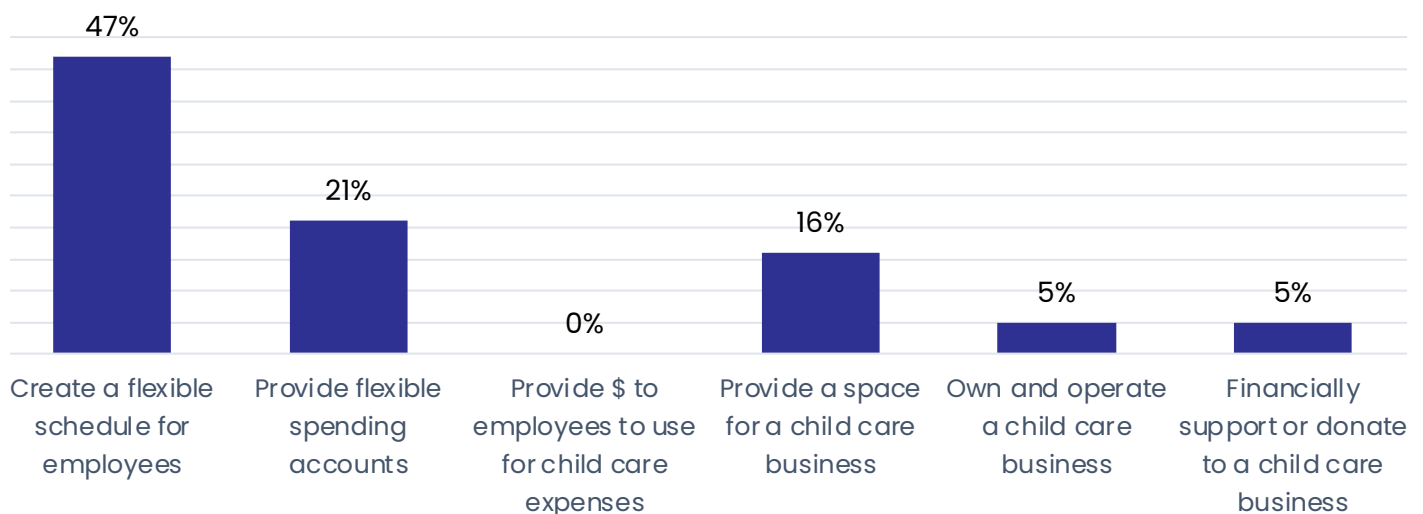
How far do you travel out of your way (one direction) for child care?



Some Becker survey respondents indicated that they were traveling notable distances to find appropriate child care. Fifty-two percent indicated that they were traveling 2-10 miles, while 23% indicated traveling 11-30 miles for child care.

Employers can help address the child care shortage in multiple ways. From the employer survey, 47% employer respondents in Becker are willing to help by creating flexible schedules and 21% are willing to provide flex spending accounts for their employees. Sixteen percent of employers surveyed are willing to provide a space for a child care business, while another 5% say they are willing to own and operate a child care business and/or financially support or donate to a child care business.

How would you as an employer be willing to assist in addressing the child care shortage?



UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Becker spent several months investigating the underlying reasons for the local child care challenges by conducting one-on-one interviews, engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing around child care and the factors contributing to those challenges.

“Both parents need to work to make ends meet. No longer can you afford to have one parent at home unless you are making a lot of money.” –Local Employer

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

“I have been a licensed child care provider for two years; the work is hard and draining for the amount of money you get paid to keep prices affordable for families. I don’t think the income was worth it.” –Local Parent

- Not enough child care availability.
- Low wages, long hours, and no benefits (such as health insurance or retirement).
- School based and preschool programs opening makes it harder for home-based programs to keep older children enrolled.
- High start-up costs, rising costs for food, supplies, and equipment make it difficult for financial profitability.
- It is a stressful job.
- Lack of appreciation and recognition as professionals.
- Small profit margins and expensive to operate.
- The availability of qualified staff and keeping them. It is not an easy job, and turnover is high.

The challenges of being a family child care provider or running a child care center are well-documented. 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 community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or 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.

FACTOR: QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

“State regulations are too complicated for people to bother with getting into child care.” – Local Employer

- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for, making it extremely difficult to cash flow infant and toddler spots.
- There are a growing number of requirements and regulations for all providers making it overwhelming to stay in the business.
- Potential new providers are intimidated by the regulations and experienced providers are frustrated by the regulations.
- Challenges with getting training and background requirements completed in a timely manner.
- Requirements for centers are strict and tough to maintain, very time consuming.
- Providers feel too regulated and not able to make own decisions.
- Parents expressed concern on the quality and trust of programs.
- Parents expressed a desire for clean, safe, and quality environments.

Residents indicated the desire to have more licensed child care choices and quality offerings available to select from. While some of this desire is for new child care offerings, many also want 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 area. As child care quality increases, the community should expect increased family and community investments in child care.

FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

“One of the challenges is having to keep rates reasonable for parents and trying to make a reasonable living for ourselves.” –Local Provider

- There is a shortage of staff, turnover is high.
- Child care workers are underpaid. The job is demanding and not a good fit for everyone.
- Child care has small profit margins, expensive to start, and may be difficult to cash flow – lack of resources.
- Financially it is getting overwhelming with the increase in utility and grocery expenses. It can be so expensive to have a child care in your home.
- Parents want high quality care, but most cannot pay enough to compensate providers for their true value.
- Infant care is hard to find – parents are trying to line up infant care in early pregnancy or before they become pregnant.
- It is hard for families to live off one income, but finding child care so that both parents can work is challenging.

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.

COMMUNITY-DEVELOPED SOLUTIONS

The City of Becker RCCIP Core Team conducted brainstorming with the community to come up with a variety of possible solutions to address the child care shortage. Below are the main themes from the brainstorming session.

To ensure the community's ideas remain authentic, little to no content edits were made in the solution ideas listed within this section.

THEME: CHILD CARE PROVIDER TRAINING

- Training scholarships
- Training collaboration w/ local businesses
- In person training
- Online minimal cost training by medical persons
- School district offers free training
- CPR/1st Aid training done by local fire department or medical
- Local clinics offer free/low priced CPR
- Training at nap time between 1:00 – 2:00 PM
- Incentivize trainings and trainers
- Local B.E.S.T. training
- Have local health care provider offer CPR for providers free/discount

THEME: WORKFORCE DEVELOPMENT

- On-site consultation/mentorship/training
- Internships (high school) for credit
- Work with employers on employer provided child care
- Shared services certified back-up care to provide substitutes
- More kids and high schoolers could get credit
- Child care center with extended hours to accommodate commute time (may need 2 over lapping staff shifts)
- "Substitute" providers, fill in when needed (ill, vacation)
- Employers being more respectful of need to parents

THEME: COMMUNITY AWARENESS & EDUCATION

- Community daycare association
- Community newspaper offer free ads to get word out for daycare related need
- Presenting this data to the local chamber or local groups
- Community event or "job fair" to promote your daycare, connect to new families
- Provider advocate (admin enrollments, etc.)

THEME: FINANCIAL SUPPORT/INCENTIVES

- Discounts to local businesses for providers i.e. community center
- Provider free or low-cost rent to child care
- Have local business owners offer child care "stipends" as part of benefit package
- Hiring and retention bonuses

THEME: CHILD CARE PROVIDER RECOGNITION & APPRECIATION

- Community sponsored childcare appreciation events
- Employee appreciation – coffee, food, goodies
- More grants for providers to have appreciation and help
- Local restaurants offering free lunches to daycares sometimes
- Annual appreciation by local community
- Community support for provider appreciation events at least quarterly – discounts, free pizzas, meal delivery, Target or other gift cards, toy drives

THEME: FACILITIES

- Church
- Facilities, Furniture World
- Explore church space/partnerships for childcare
- Dance studio – open daytime space
- Another daycare center
- Off – site facility
- Facilities – Industrial Park possibly
- Use church spaces
- Employer located childcare centers with “discount” for their employees
- Is there a business with a space? Or a space to be repurposed – special license CC
- Private preschool

THEME: PARTNERSHIPS

- Partner with senior living communities (multi-generational)
- Oven ready meal from food company
 - ◊ Sysco?
- School partnership students/teachers
- Partner with local hospital / clinic for 1st Aid or other training
- Businesses offering regularly required material – smoke detectors, fire ext., etc.
- Businesses volunteering to do upkeep work – refinishing wood play structures, decks, etc.
- Partner to provide food to child care – hospital, farm to early care, CSA (crop sharing) bulk purchasing
- Local food establishments donate surplus of food to help with snacks/meal times
- Partnership with local schools for food
- Retired persons working as volunteers at home daycares
- High schools partnering with summer care – providers could take on
- Volunteer programs through local churches
- Toy donation to new daycares
- Book donations or reduced price of withdrawn library book



IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple viewpoints 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

By the end of February, build awareness of how childcare affects workforce and community development by educating business leaders, employers, and the community.

Expected Outcomes and Impact

Partnering with facilities team to educate/ find solutions and possibilities.

CORE TEAM LEAD – Jennifer Shaw

Additional Team Members – Amy Chmielewski, Bartt Gevens, Michelle Peacock, Mitchell Fennell

SMART Goal Two

In 8-months, we will identify 6 sites and determine feasibility of space to expand child care slots.

Expected Outcomes and Impact

One to two site options that are agreeable to being a childcare location.

CORE TEAM LEAD – Jodi Heurung-Dick

Additional Team Members – Melissa Pribyl, Nicole Schmitz, Shannon Mortenson, Sue Hiltner

SMART Goal Three

Provider event to increase awareness of child care resources and provide access to relevant training. Open to existing [child care providers] and [those] interested in starting a child care business.

Expected Outcomes and Impact

Appreciate, provide resources and collaboration to our local and future [childcare] providers.

CORE TEAM LEAD – Alyssa Braaten

Additional Team Members – Amy Chmielewski, Bartt Gevens, Jennifer Shaw, Michelle Peacock, Mitchell Fennell, Nicole Smude

SMART Goal Four

In 9 months identify at least 3 community partnerships and create a framework and workplan that will increase awareness and interest in the child care profession while supporting the retention and expansion of existing providers.

Expected Outcomes and Impact

Expand the number of childcare providers in the Becker community and retain existing providers. Create awareness of education programs for the child care profession.

CORE TEAM LEAD – Gail Cruikshank

Additional Team Members – Nicole Schmitz, Sue Hiltner



First Children's Finance

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa, Michigan, Vermont, and Oregon. 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 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. FCF 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

For more information about Rural Child Care Innovation Program visit www.ruralchildcare.org