



First Children's Finance



RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

EAGLE LAKE, MINNESOTA

JANUARY 2025

The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Children, Youth, and Families

mn DEPARTMENT OF CHILDREN,
YOUTH, AND FAMILIES



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.

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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 Eagle Lake 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 Eagle Lake, 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 individual conversations, interviews, and surveys with a multitude of stakeholders.

To understand the potential need of child care in Eagle Lake, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of approximately 105 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 impacted parents living in Eagle Lake. Twenty-six percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Forty percent of employer respondents stated child care has impacted their ability to attract employees, while 60% stated they do not track data showing the impact for attracting employees. Additionally, 20% of employers said the child care shortage has impacted their ability to retain employees, while 80% state they do not track data showing the impact child care has on the retention of staff. Absence from work (when a provider is closed for the day), inability to work overtime, inability to work different shifts, and tardiness to work hinder 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 Eagle Lake 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, Eagle Lake has identified five goals to address the child care challenges. These goals include:

1. Form a child care committee that forms connections, provides support, and shows appreciation.
2. The core team will explore and compile a hub of resources to help both providers and families.
3. We will explore facilities for the purpose of creating more child care capacity.
4. Identify five key items providers need to pay for regularly and find funding solutions for them.
5. By the end of 2026, at least 1 funded child care work study.

In implementing these goals, Eagle Lake 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 12 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:

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, 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 and General Timeline

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Application Opens	January 8, 2024	Send the application, post on website
Webinar	January 22, 2024	Learn about the RCCIP process, expectations, and ask questions
Application Deadline	February 2, 2024	Due by 5:00PM
Application review and follow-up questions for applicants	February 5-16, 2024	FCF will connect by phone or email
Final Awards made	February 23, 2024	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	March 19, 2024	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	June 5, 2024	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	July 17, 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	July–November 2024	The Core Team engages the community in data collection and informs them about their work
FCF Facilitated Ongoing Core Team Check-ins	August 2024–February 2025	Virtual monthly Core Team meetings
Child Care Provider Appreciation Event	October 23, 2024	A face-to-face dinner or virtual event is organized to recognize and appreciate the community's providers
Synthesize Data	November 2024	FCF synthesizes data into useful info for Town Hall event
Planning Meeting for Town Hall	November 15, 2024	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	November 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	November/ December 2024	FCF staff organizes Town Hall ideas into a workable format
Goal Setting and Implementation Meeting (4 Hours)	December 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	January 7, 2025	One or two virtual meetings action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	January-March 2025	FCF creates a report detailing community data, types of solutions, and community-identified projects
Planning meeting for Community Launch and Action Step updates	April/May 2025	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	May/June/July 2025	Press release and/or community activities to share the CSAP
Regular Core Team Meetings	Feb 2025- February 2026	Updates discussed from project teams to the core team; frequency determined by the core team; facilitated by the Core Team Lead
Biannual Reporting	July/August 2025	Core team lead provides written biannual update to FCF
Regular Project Team Meetings	February 2025- February 2026	Project teams meet to implement community solutions; facilitated by project team lead
Technical Assistance & on-going Support	February 2025- February 2026	FCF provides technical assistance when needed
Final Report	January/February 2026	Core Team leader submits final written report to FCF
Celebration with the Core Team	February 2026	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 changes 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 Eagle Lake

Eagle Lake is in southern Minnesota and is nestled in a region known for its beautiful natural landscapes, with several lakes and rivers nearby. The Minnesota River flows just west of Eagle Lake, adding to the scenic beauty of the area. Eagle Lake's geographic location provides easy access to outdoor recreational activities, including boating, fishing, and hiking, making it an attractive destination for nature lovers. The 2022 census reported 3,229 residents living in Eagle Lake.

Eagle Lake is a rapidly growing community that is experiencing a shortage of available child care. The local economy and childcare services in Eagle Lake have a reciprocal relationship. The state of the local economy influences the demand for childcare, while childcare services can contribute to the local economy by creating jobs and supporting workforce participation. Having adequate child care services is essential for parents to remain in the workforce and employers abilities to fill workforce demands.



Local Core Team Representation

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

Jennifer Bromeland	City Administrator, Eagle Lake
Brian Hughes	Economic Development Authority Chair, Eagle Lake
Erica Tummers	Director and Owner, Little Sprouts Daycare Center and Preschool
Sarah Deutsch	Pastor, Epiphany Lutheran Church
John Whittington	Mayor, City of Eagle Lake
Ryan Vesey	Business Development Director, Greater Mankato Growth, Inc.
Audra Boyer	Director of Community Education, Mankato Public Schools
Beth Rohrich	Council Member, City of Eagle Lake
Tori Breiter	Wayfinder Child Care Start Up and Retention Navigator, Families First of Minnesota
Alejandra Bejarano	Economic Recovery Planner, Region 9 Development Commission
Garrett Lieftring	Associate Director of Employer Relations, Kivu Immigration Law PLLC

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 Eagle Lake dated April 3, 2024, shows a shortage of 105 slots for children birth to age five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 14% of the slots needed are for infants and toddlers. Closures happening after the data was pulled would indicate an additional increase in local need according to the number of birth-five slots that are no longer available. There were several program closures in Eagle Lake after April 2024.



Eagle Lake
Population 3,229

City of Eagle Lake

Child Care Need Analysis

CITY INCLUDED

56024-Eagle Lake



8

Licensed
family
child care

2

Licensed
child care
centers

145 Current child care capacity
FCF Calculation

Birth to 5 spots needed
FCF Calculation

775 Blue Earth County

570 School District #77

105 Zip Codes

\$563

per month/preschool

Cost of

Family

Child Care



County level data from
2021 DHS Market Rate Study
50th percentile price cluster 2



250

Children under 5
with all
parents working

Estimate based on the ACS 2022

84%



Children under 5
with all parents
in the workforce

Estimate based on the ACS 2022



14%

Infant & Toddler Need

FCF Calculation

\$780

per month/preschool

Cost of

Center

Child Care



County level data from
2021 DHS Market Rate Study
50th percentile price cluster 2



First Children's Finance

April 2024

In surveying family child care providers, we learned that 33% of the respondents have been in business for 3-5 years and 67% have been in business over 20 years. When asked how long they plan on staying in business, 33% plan on staying in business for 3-5 years, while 67% state they plan on being in business over 10 years. It is important for Eagle Lake to think both 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 slightly higher than the state average.
- Thirty-seven and a half percent of providers have less than 5 years of service, which is higher than the state average of 27.4%. 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 indicates that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are at risk most for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	8	5,983
AVERAGE LENGTH OF SERVICE	14.58 years	14.15 years
LESS THAN 5 YEARS / SERVICE	3 / 37.5%	1,640 / 27.4%
MORE THAN 20 YEARS / SERVICE	2 / 25%	1,964 / 32.8%
NON-OWNER OCCUPIED	0 / 0%	276 / 4.6%
NON-RESIDENTIAL DWELLING	0 / 0%	66 / 1.1%

April 2024



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 – Blue Earth County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE-INFANT WEEKLY-CENTER	\$208	\$10,816
50TH PERCENTILE - TODDLER WEEKLY-CENTER	\$194	\$10,088
50TH PERCENTILE - PRESCHOOL WEEKLY-CENTER	\$180	\$9,360
50TH PERCENTILE - SCHOOL AGE WEEKLY-CENTER	\$160	\$8,320

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE - INFANT WEEKLY-FAMILY	\$140	\$7,280
50TH PERCENTILE - TODDLER WEEKLY-FAMILY	\$135	\$7,020
50TH PERCENTILE - PRESCHOOL WEEKLY-FAMILY	\$130	\$6,760
50TH PERCENTILE - SCHOOL AGE WEEKLY-FAMILY	\$125	\$6,500

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, 100% of family providers and 100% of center respondents accept CCAP reimbursement for families.

CCAP –Blue Earth County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$225	\$11,700
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$205	\$10,660
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$193	\$10,036
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	\$150	\$7,800
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$150	\$7,800
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$145	\$7,540
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$140	\$7,280

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 the Blue Earth County.

CCAP –Blue Earth County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$270	\$14,040
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$246	\$12,792
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$231.60	\$12,043
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	\$180	\$9,360
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$180	\$9,360
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$174	\$9,048
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$168	\$8,736

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 ages birth to five the higher the achievement later in life. As depicted in the tables below, Eagle Lake has reading proficiency levels that are higher than that of the state average and graduation rates that are slightly lower than the state average.

Third Grade Reading Levels

DISTRICT	2022 PROFICIENCY RATE
Eagle Lake Elementary	56.8%
Mankato #77	55.2%
Statewide	48%

Local Graduation Rates

DISTRICT	2021 GRADUATION RATE
Mankato #77	79.8%
Statewide	83.3%

Minnesota Department of Education Report Card



Ability to Pay for Child Care

Many families working at 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 –Eagle Lake, MN

TOTAL HOUSEHOLDS ACS 2022 5YR ESTIMATE	%
Less than \$10,000	2.1%
\$10,000 to \$14,999	1.4%
\$15,000 to \$24,999	8.3%
\$25,000 to \$34,999	3.6%
\$35,000 to \$49,999	9.6%
\$50,000 to \$74,999	17.1%
\$75,000 to \$99,999	15.1%
\$100,000 to \$149,999	29.8%
\$150,000 to \$199,999	7.7%
\$200,000 or more	5.4%
TOTAL HOUSEHOLDS	1,162
MEDIAN HOUSEHOLD INCOME	\$87,130

U.S Census American Community Survey 2022

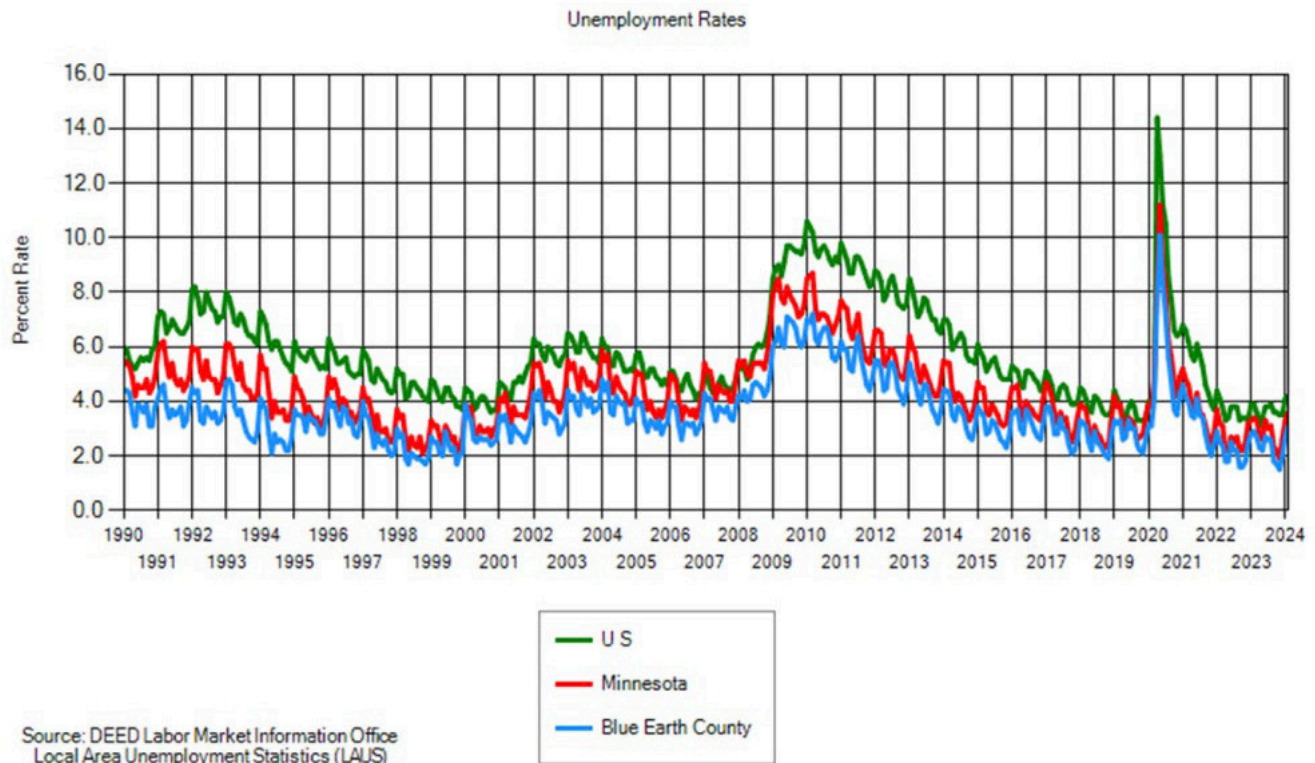


Local Employment Conditions

Employment data was also considered by First Children’s Finance in the analysis of the child care situation in Blue Earth county. 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 – Blue Earth County

In April 2024, when this initial analysis of data for Eagle Lake was completed, the unemployment rate in Blue Earth county was 3.1% which is slightly higher than that of the state unemployment rate of 2.7%. This can also indicate a need for more child care in the community. Adding additional child care strengthens the local economy by allowing more families to return to the workforce..



Top Local Industries – Blue Earth County

Employers in Eagle Lake 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: Health Care and Social Assistance	8,397	21.7%
Industry: Retail Trade	5,498	14.2%
Industry: Manufacturing	4,234	10.9%

Community Insights

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included discussions with various community leaders, parent, provider, and employer electronic surveys, and presentations about child care. Through these various inputs, the Core Team was able to better understand the causes of local child care shortages.

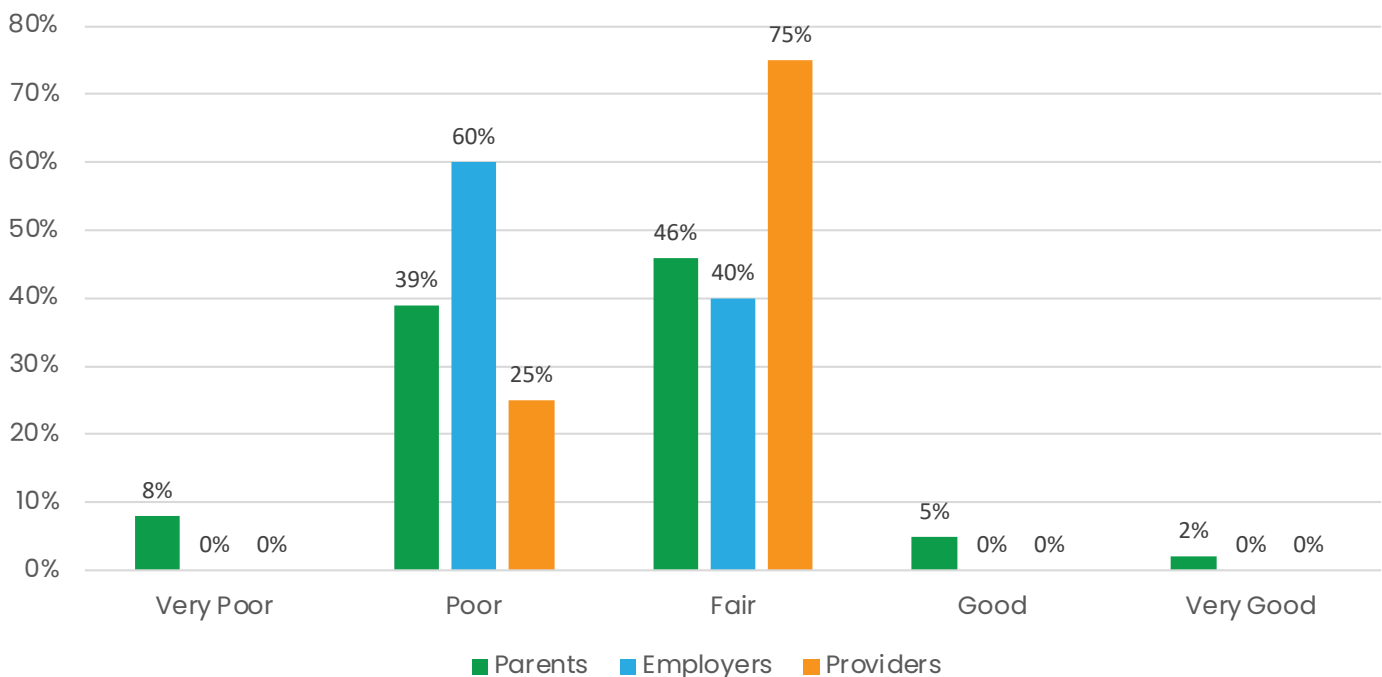


Community Surveys – Selected Perspectives

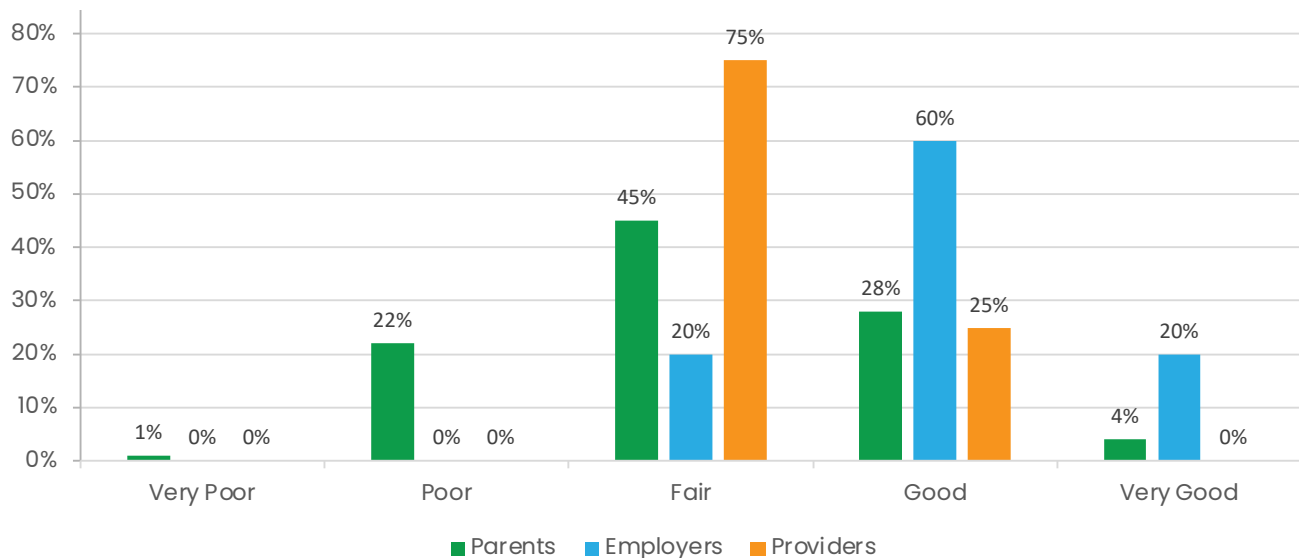
The general community was invited to participate in a comprehensive survey about child care in the local Eagle Lake community. Respondents included 111 individuals for the parent survey and 5 employers for the employer survey. A separate survey gathered information specific to child care businesses from 4 early care and education providers.

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

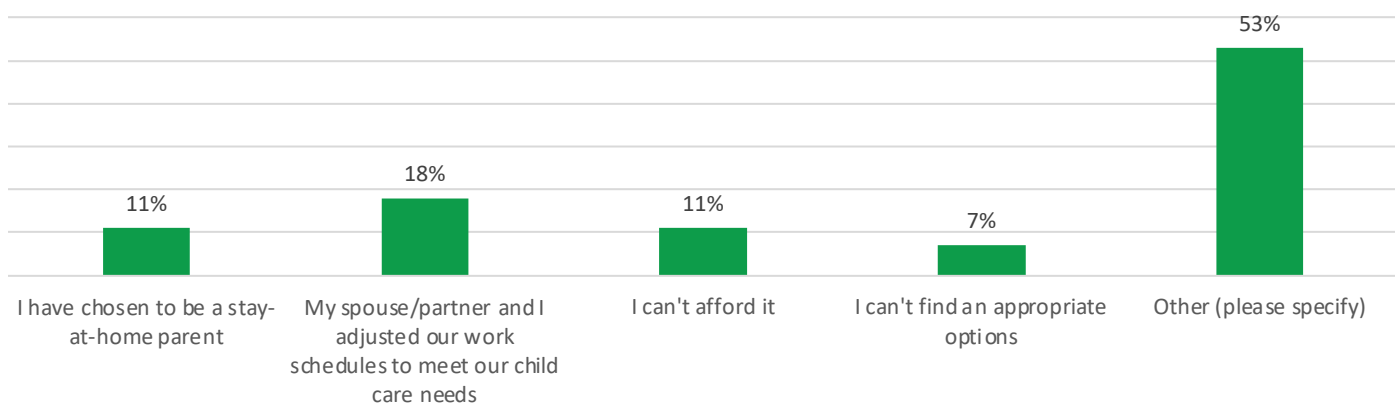


While specific questions about quality were not part of this survey, responses show there is some difference between what parents are perceiving the quality of available child care is in the area as compared to what both employers and local child care providers are perceiving. When parents were asked 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. Licensed by DCYF
3. Educational curriculum
4. Conveniently located
5. Provider has a high level of education
6. Provider is someone I know
7. Provider is Parent Aware rated

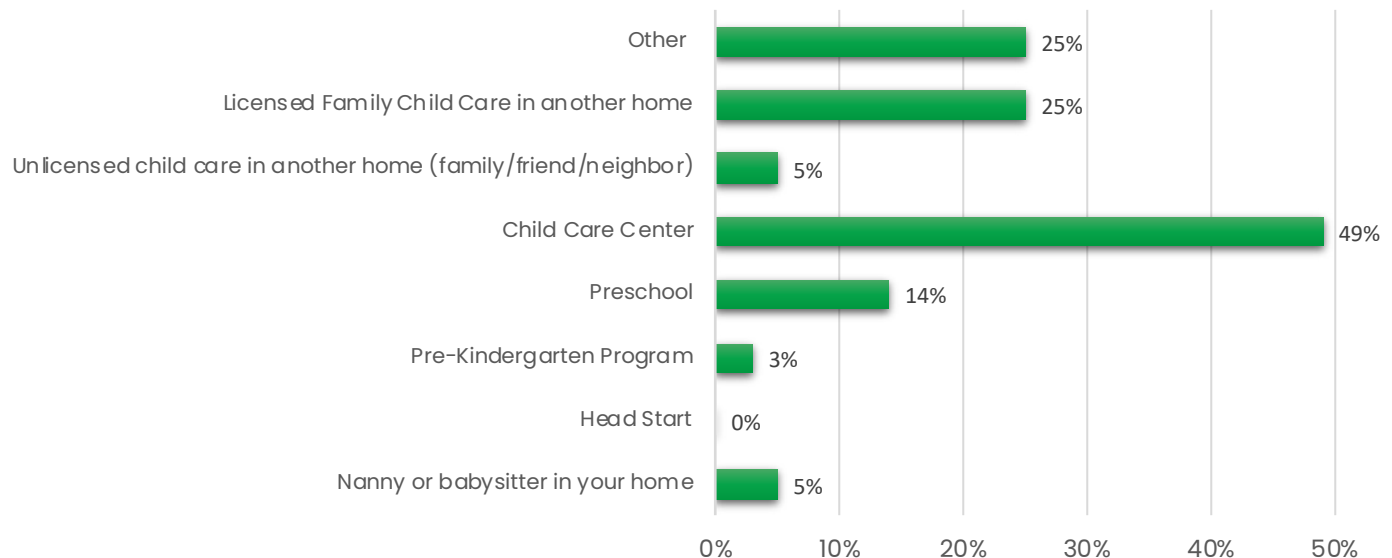
Reasons for Not Enrolling in Preferred Care

Below is a chart depicting the percentage of parents who responded to the survey stating they no longer require child care. It is worth noting that 59% of the parents who completed the survey did not answer this question. Eighteen percent of the respondents say they have adjusted work schedules with their spouse/partner in order to meet child care needs, and 11% state they cannot afford care and 11% share they have chosen to be a stay at home parent. The other category is made up 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 business.



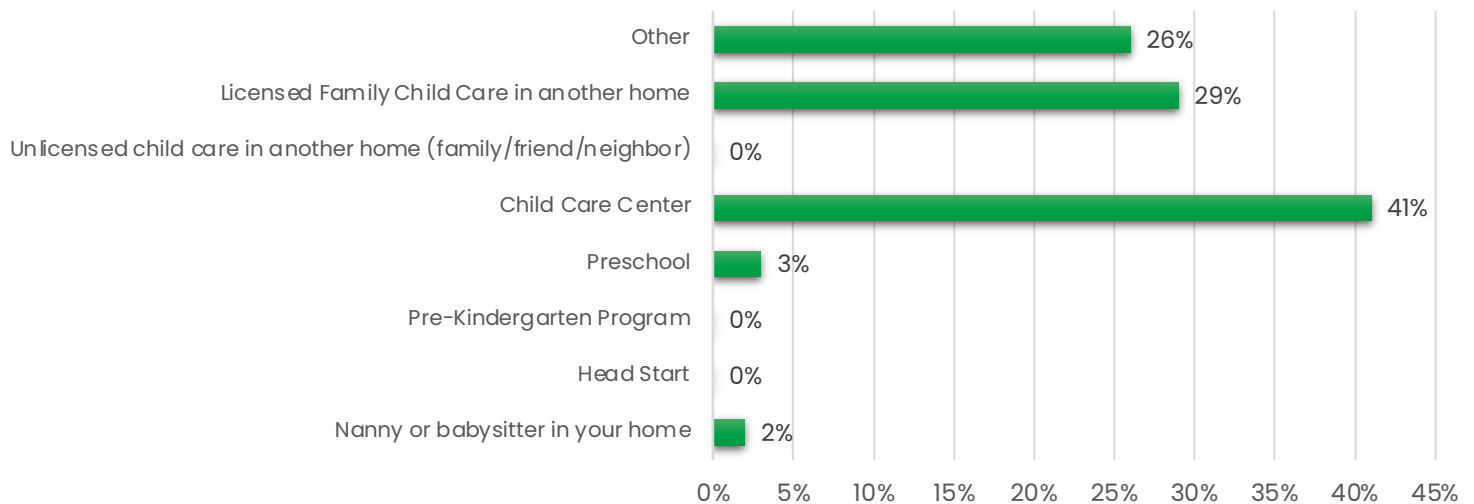
Types of Care Parents are currently using

The chart below shows the types of child care currently being used by families in Eagle Lake. The other category in this graph includes families who either don't currently use child care or have children using a school age after school program.



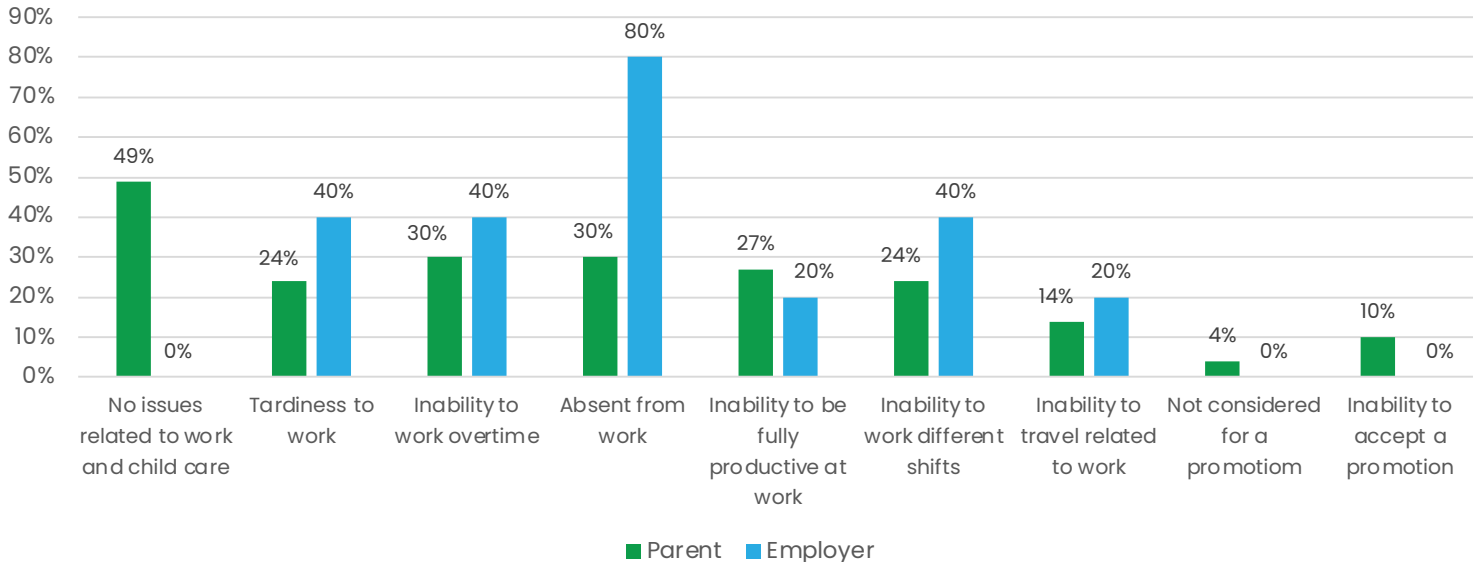
Types of Care Parents Prefer to Use

The types of care parents in Eagle Lake 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. The other category in this graph includes families who either don't currently use child care or have children using a school age after school program.



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



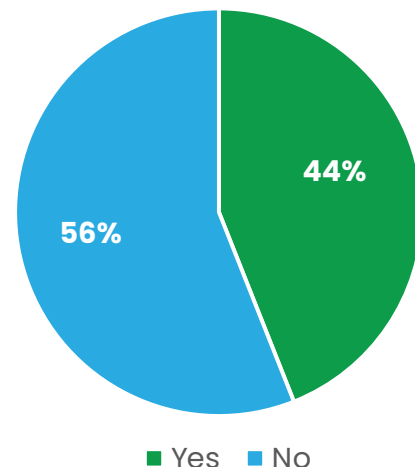
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work overtime, and inability to be fully productive at work. Forty percent of employer respondents stated child care has impacted their ability to attract employees, while 60% stated they do not track data showing the impact for attracting employees. Additionally, 20% of employers said the child care shortage has impacted their ability to retain employees, while 80% state they do not track data showing the impact child care has on the retention of staff. Tracking employee feedback on challenges related to child care can help employers to determine to the actual level child care is inhibiting their growth and retention opportunities.

Additional child care related challenges for parents included 24% reporting tardiness to work, 24% with an inability to work different shifts, and 14% with the inability to travel related to work. While 10% of parents also reported being able to accept a promotion, and 4% reported not being considered for a promotion, 0% of employers stated either of these were happening.

Impact on Family Planning – Eagle Lake

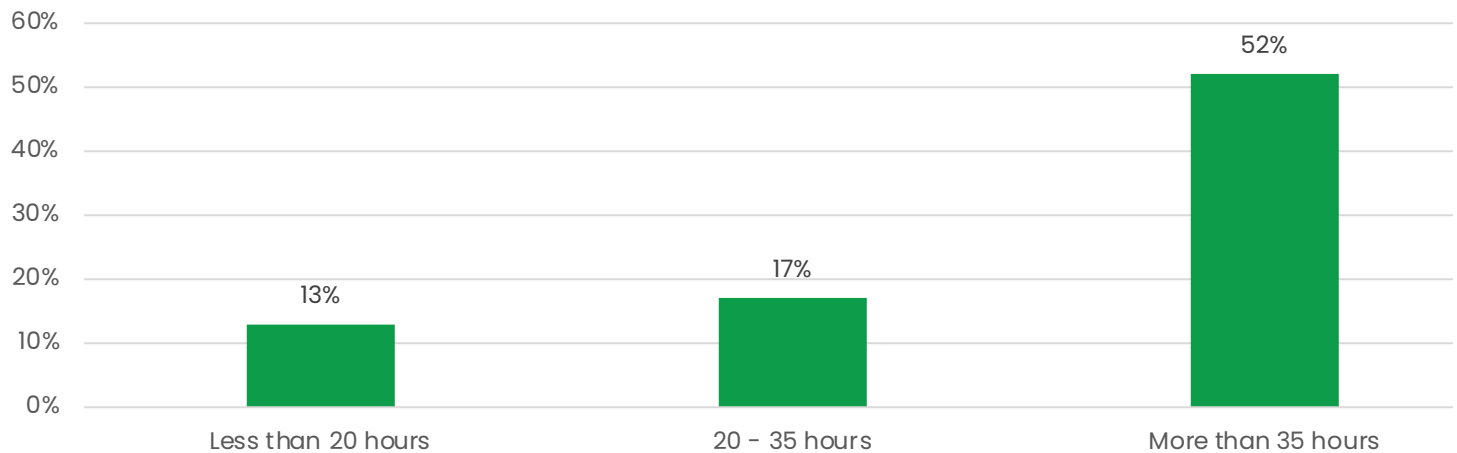
When parents were asked if the availability of their preferred child care option had impacted their decision to have another child and/or if it limited the size of their family, 44% responded it had.

In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 26% of parents responding had declined employment or withdrawn from the workforce due to child care issues.

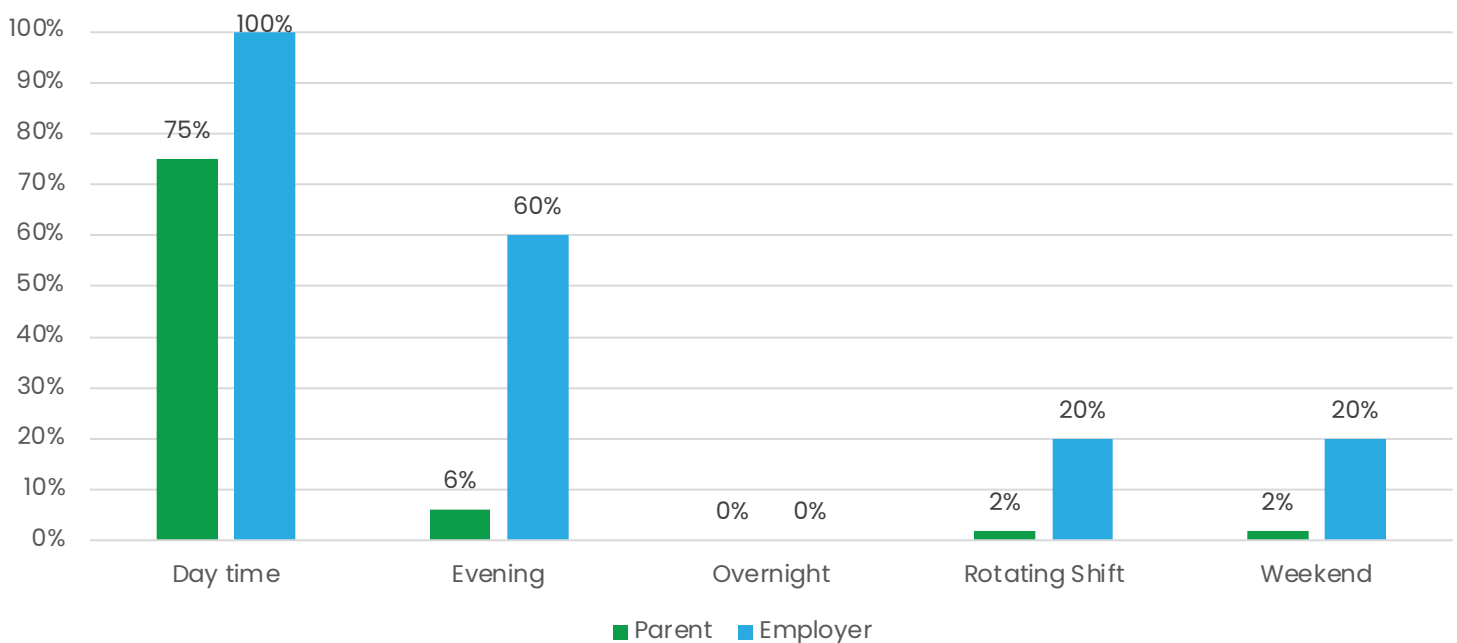


Types of Child Care Needed

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 52% of parents need more than 35 hours of care and are looking for full-time child care options. Not shown on this chart are the 17% of parents who currently do not use paid child care.

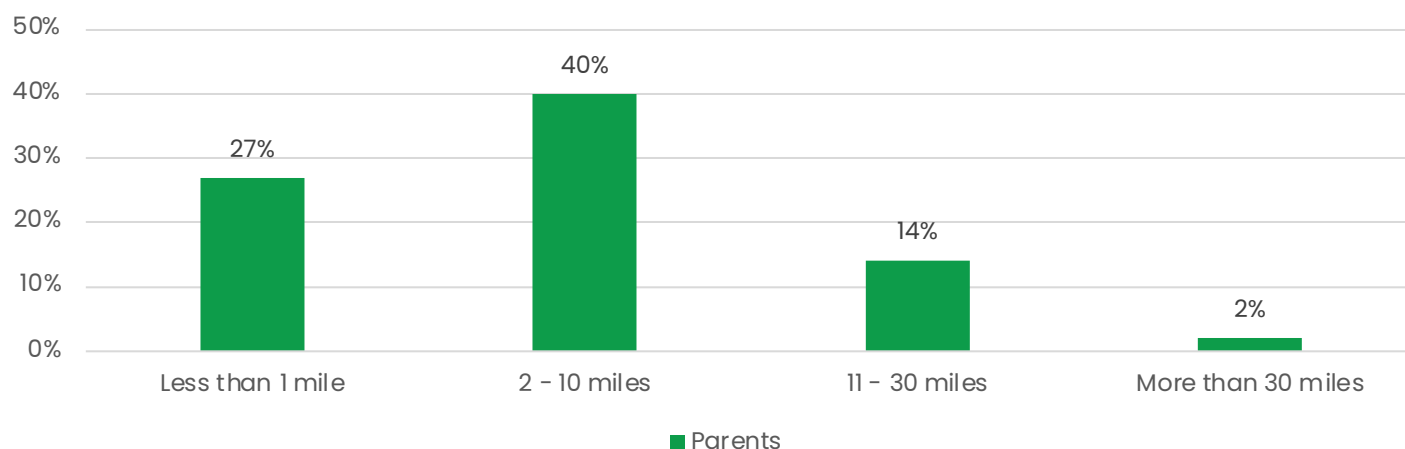


What Hours of Care do you need?



It is also important to determine when parents need care so the community can offer options that meet the need. The chart above 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.

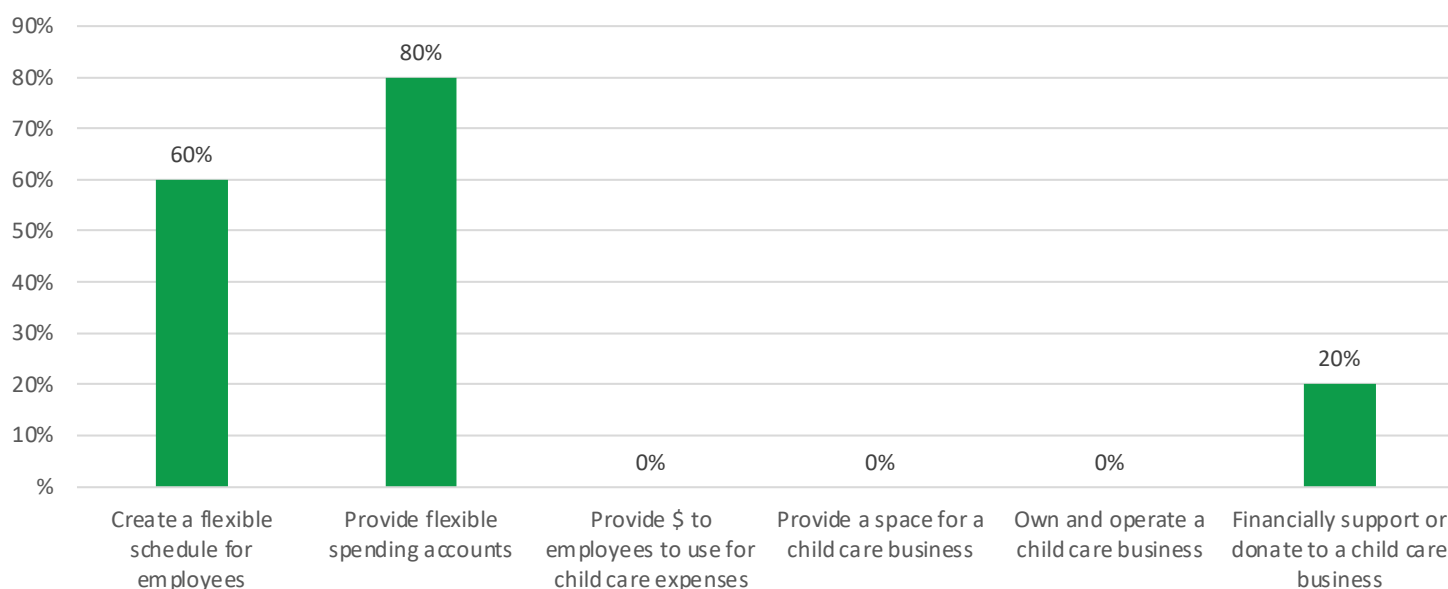
How far do you travel out of your way (one direction) for child care?



Some Eagle Lake parent respondents indicated that they were traveling notable distances to find appropriate child care. Sixteen percent indicated that they were traveling more than 11 miles for child care.

Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in Eagle Lake are willing to help is to provide flex spending accounts and create flexible schedules. Twenty percent of employers surveyed are also willing to financially support or donate to a child care business. None of the employers surveyed are willing to provide money to employees to use for child care expenses, provide space for or own and operate a child care business themselves.

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



Understanding the Underlying Challenges

The Core Team in Eagle Lake spent several months investigating the underlying reasons for the local child care challenges by having discussions, 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.

“ Eagle Lake is predominantly a bedroom community, but we want to continue to grow and increase our commercial businesses. To be able to attract more businesses and employees, we need to be able to offer childcare in our community that is high-quality and convenient. ” – Local Employer

FACTOR: It is Challenging to be a Child Care Provider

“ Child care can be an isolating experience. Training is often isolating too due to the number of online vs. in person trainings. ” – Local Provider

- Challenges with longevity in the industry. There are other jobs out there with better pay and support.
- Not enough financial rewards for people working in early childhood and providers are earning low incomes.
- Higher cost of living and increases in fees paid for licensing needs.
- Child care is mentally, physically, emotionally draining.
- Acknowledge providers are professionals, we are more than babysitters.
- There are not enough staff so current staff have difficulty taking time off from work.
- Difficulty finding, retaining, and paying qualified staff.
- Lack of funding available to child care programs and start-ups.

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

“ The rules and regulations for in home child care providers have become next to impossible to follow.” – Local Parent

- Ratios for numbers of children in younger age groups reduce the number of infants a provider can care for, making it extremely difficult to cash flow those slots.
- Dealing with all the new policies from licensing and finding the initial costs to purchase items needed can be a challenge for start-up programs.
- Figuring out all the training and things that need to be done, like Fire Marshall requirements, etc. can be a challenge.
- Requirements, like Rule 3, are a lot to follow and lead teacher requirements are strict for low pay.
- Requirements, paperwork, rules and regulations are necessary, but difficult to cover.
- Highly regulated; reduces the numbers of in-home daycares and increases costs for centers.
- It's hard for places to employ quality staff that want to stay long term, which affects the children.

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

“ Providers don't have the financial resources to hire and train staff they would like to.” – Local Provider

- Lack of funding and low profits lead to shortages in child care.
- It seems that while we may have an opening or two, even at our lower rates, many families can't afford care.
- Childcare workers are not paid enough, there is not enough support given to them.
- Proposed modernization regulations and legislation requirements, if passed, will impact on both costs monetarily and in time spent outside of childcare program hours to fulfill.
- Many families can't afford care.
- 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.
- We must turn families away due to being full.

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 Eagle Lake 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: TRAINING

- CPR training by ELFD [Eagle Lake Fire Department].
- First Aide/CPR with local health care providers for free or reduced cost.
- Training partnerships to pay for CPR training – it's expensive!
- Mentorship.
- City help provide training for providers – family and center.
- [Child care providers to have] meetings together
- Can more be done to mentor prospective providers and encourage them to get into childcare?
- Mentorship program – stipend for providers who “mentor” new folks.

THEME: WORKFORCE DEVELOPMENT

- MAPS child development embedded pathway/certificate.
- Eagle Lake city website – CC [child care] info.
- Information on city website about providers (resources, ratings, slots, availability).
- Central pool of affiliated subs
- Promotion, education of job opportunity to high schools.
- Regional or local meetings for licensed providers.
 - “Hub” of resources

THEME: COMMUNITY AWARENESS & EDUCATION

- All about CCAP – where to find more resources?
 - For providers and families.
- Higher education outreach.
- Highlight local challenges of child care.
 - Encourage community engagement in problem solving.
- Where do Eagle Lake residents work? Who are top employers?
- Word out to employers as to crisis – flexible hours, work from home, etc.
- How many Eagle Lake providers currently accept CCAP?
- Who are top employers from Eagle Lake residents? Potential partners?
- Newsletter, mention of child care.
 - Slots, cost, availability.
- Great Start Grant Compensation.
- MN Facility Revitalization Grant.

THEME: FINANCIAL SUPPORT/INCENTIVES

- Continue forgivable loans to enhance/expand child care.
- Local grants.
- Start up grants provided by the city for FCC providers – a perk!
- Educate [potential or current providers] no fees for license, fingerprint, etc. for 2024-2025 – most fees waived.
- Forgivable loans.
- Employee/employer education on pre-tax CC spend accounts.
- Subsidize where it's needed not across the board.
- MAPS underwriting operating cost for facility at EL elementary.

THEME: RECOGNITION & APPRECIATION

- Local EL groups for appreciation events for funding.
 - Legion dinner, FD event, EDA, community fundraiser.
- Eagle Lake support group.
- Yearly child care appreciation events.

THEME: FACILITIES

- Facilities
- New fire hall – add space for CC.
- EL elementary district bond funds.
- Connect church for space.
- Apartment rental (for CC space).
- “POD” model in local community building.

THEME: PARTNERSHIPS

- Continue working with school, county, and nonprofit organizations.
- “Sponsor a spot” aka a local organization sponsors a spot to financially support the child care program.
- Engage employers.
- Local resources for potential providers.
- Rolls Royce, Mayo, Johnson Outdoors, Walmart.

THEME: OTHER

- Stop the crazy regulations the government is waiting to pass.
- Continuing state/federal grants and support.

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 are new ideas that the core team brought forward for additional consideration before developing goals.

New Ideas by Core Team

- Advocacy.
- Epiphany space to use for child care.
- Work study partnership with MSU for child care staffing.
- Local trainer for First Aid/CPR.
- Local resources for potential providers.

The following SMART goals were developed after ideas were further narrowed down.

SMART GOAL ONE: Form a child care committee that forms connections, provides support, and shows appreciation.

Project Team Leaders: John Whittington and Sarah Deutsch

Additional Team Members: Beth Rohrich, Erica Tummers, and Tori Breiter

Expected Outcomes and Impact:

- Attracting more child care providers to Eagle Lake and retaining the current child care providers by showing them they are valued and appreciated.

SMART GOAL TWO: The core team will explore and compile a hub of resources to help both providers and families

Project Team Leaders: Sarah Deutsch and Beth Rohrich

Additional Team Members: Tori Breiter, Erica Tummers, Garrett Lieftring and Michelle Lechner

Expected Outcomes and Impact:

- We will compile the information needed to provide resources and support to the child care providers and families in the community.

SMART GOAL THREE: We will explore facilities for the purpose of creating more child care capacity.

Project Team Leaders: Beth Rohrich

Additional Team Members: John Whittington, Erica Tummers, Ryan Vesey, and Audra Nissen Boyer

Expected Outcomes and Impact:

- We want to continue to be aware of the need for child care, provide community education about how access to child care is a workforce promoter, and proactively recruit child care programming locally.

SMART GOAL FOUR: Identify five key items providers need to pay for regularly and find funding solutions for them.

Project Team Leaders: John Whittington

Additional Team Members: Ryan Vesey, Garrett Lieftring, and Brian Hughes

Expected Outcomes and Impact:

- To obtain input on what child care providers need with a plan on how to sustainably outsource those items for the purposes of supporting child care providers.

SMART GOAL FIVE: By the end of 2026, at least 1 funded child care work study.

Project Team Leaders: Beth Rohrich

Additional Team Members: Alejandra Bajarano, Ryan Vesey, Audra Nissen Boyer, and Kate Hengy-Gretz

Expected Outcomes and Impact:

- To provide career pathway opportunities to individuals interested in exploring child care as a career to be used as a solution to fill current gaps in the early care and education workforce.



First Children's Finance

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Minnesota, Iowa, Michigan, Vermont, and Oregon. Its National teams provide consulting, training, and analysis services across the United States. 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