



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

EAST GRAND FORKS, MINNESOTA

MAY 2022

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





This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program.

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

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

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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 East Grand Forks 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 Polk County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors creating the child care shortage in the area through focus groups, individual interviews, and surveys with a multitude of stakeholders in the community.

To understand the potential need for child care in East Grand Forks, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of 210 in East Grand Forks. The analysis revealed that it is very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in East Grand Forks. Nearly 29% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 27% of employers responded that child care impacted their ability to attract employees and 33% said child care impacted their ability to retain employees. Absence from work (when a provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers.

Some of the major factors contributing to the child care shortage in East Grand Forks 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 lack of community recognition for child care providers.

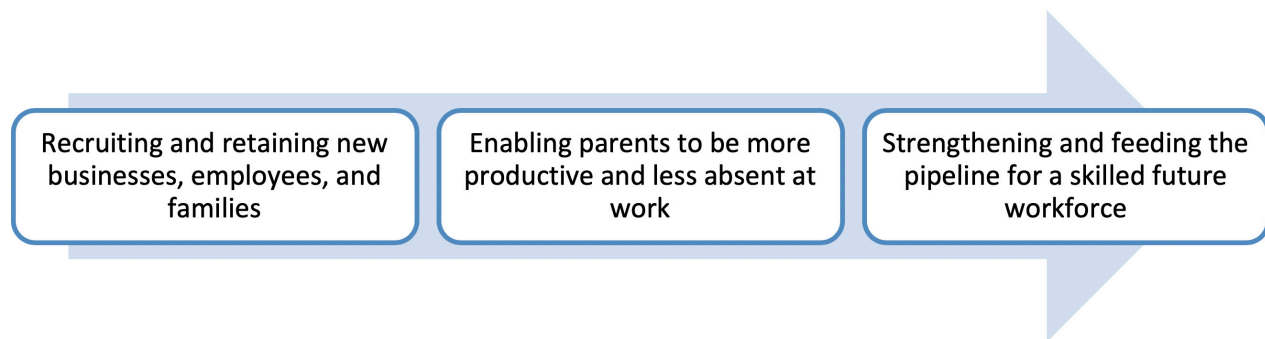
Through the RCCIP, East Grand Forks has identified six goals to address child care challenges. These goals include:

1. Sponsor an annual recognition event to support/celebrate providers.
2. Formalize a process for annual fire extinguisher checks to be completed at the location of the child care businesses.
3. By August 1st the core team will identify a solution to complete required background checks/fingerprinting locally.
4. Within the next 6 months we will identify and implement financial supports to help reduce capital and operating costs for child care.
5. Within the next year (Fall 2023 Educational Year) we will maintain and increase by at least 20 teacher qualified child care workers by working with Northland Community and Technical College.
6. Within 4 months, create a facility list of available locations for both Center and Family child care options to create more child care slots in the community.

In implementing these goals, East Grand Forks will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and providers with better resources to run and operate their child care business. In the next 18 months, First Children's Finance will support the core team in implementing these goals and measuring outcomes of their efforts.

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

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



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

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

Child care is an economic driver for rural communities across the United States, but many communities are facing shortages of high-quality child care. The Rural Child Care Innovation Program (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 rural areas. The Rural Child Care Innovation Program leverages communities' independent, can-do attitudes to address early care and education in Greater Minnesota.

PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Webinar	July 6, 2021	Learn about RCCIP, expectations, and ask questions
Application Opens	July 20, 2021	Send the application, post on website
Application Deadline	August 6, 2021	Due by 5:00pm
Follow Up Questions For Applicants	August 24, 2021	FCF will connect by phone or email
Final Awards Made	August 31, 2021	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	September 9, 2021	Webinar with Core team leaders to set expectations
Core Team Orientation Retreat (6hrs)	January 8, 2022	Face-to-face meeting to discuss RCCIP details and expectations
Core Team Planning Meeting (2hrs)	January 29, 2022	Face-to-face meeting to map out community engagement activities and fully develop the timeline
Data Gathering & Community Engagement Activities	February 2022	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Dinner	April 4, 2022	Dinner is organized to recognize and appreciate providers in the community
Synthesize Data	April 2022	FCF synthesizes data into useful info for town hall meeting
Planning Meeting for Town Hall (1hr)	April 2022	Core Team planning for the town hall meeting
Town Hall Event	April 25, 2022	Community wide event to identify and develop projects
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	May 2022	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat (4hrs)	May 5, 2022	Face-to-face meeting to prioritize goals; develop SMART goals and map out implementation activities, Plan for the Community Launch
Core Team Lead meeting	June 2022	Webinar with core team leads from this year's RCCIP communities to network and share town hall outcomes
Community Solution Action Plan (CSAP)	June 2022	In person meeting to provide updates on goal progress
Community Launch of CSAP	August/Sept 2022	Press release and community luncheon to share the CSAP
Regular Core Team Meetings	June 2022–September 2023	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead
Quarterly updates	June 2022–September 2023	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	June 2022–September 2023	Project teams meet to Implement community solutions; facilitated by project team lead
Technical Assistance Support	June 2022–September 2023	FCF provides Technical Assistance when needed
Final Report	September 2023	Core Team leader submits final written report to FCF
Celebration	September 2023	Core team celebrates its success



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 EAST GRAND FORKS

The City of East Grand Forks (EGF) is the applicant. But the city, by its location, includes the hinterlands in Northwest Minnesota. The public school district includes a territory significantly larger than the city. The non-public schools also draw attendees from outside the city.

Although the city of East Grand Forks is part of the Grant Forks MSA, that is true for all cities in Polk County, MN' including places like Crookston, Fisher, and Fosston. Although EGF does have a role as part of an urbanized area, it is still a part of rural Northwest MN. With one notable exception, the primary EGF businesses are agricultural businesses: American Crystal Sugar (sugar beet processing), Mayo Manufacturing (Potato handling equipment), Dakota Peat (use of peat derived products to enhance agricultural production and sited growing grasses for recreational activities). Other businesses serve the needs of the agricultural community, such as insurers and financial institutions.



LOCAL CORE TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in East Grand Forks. The Core Team has and will continue to support development of solutions to sustain a high quality and sustainable child care infrastructure in the local area. The active members are identified with a * before their first name.

- * Fadumo Ahmed
- * Karla Anderson, East Grand Forks City
- * Kelly Berg, EGF Public Schools, District ISD 595
- * Diane Blair, East Grand Forks EDA
- Chet Bodin, DEED
- Sami Bouldoc, Great Expectations Child Care
- * Brianna Feil, East Grand Forks W&L
- * Paul Gorte, East Grand Forks EDA
- * Cherie Graves, Resident
- Cindy Gregg, Early Childhood Director, NCTC
- Maureen Hams, Tri Valley Opportunity Center Child Care Referral
- Kelly Holm, Great Expectations Child Care
- * Ann Holub, Tri Valley Opportunity Center Child Care Referral
- Mark Johnson, MN State Senator
- * Sandy Kiddoo, President, NCTC
- * Deb Kiel, MN State Representative
- * Janelle Wald Kovar, NW PIC
- * Mandy Legg, Sacred Heart Childcare
- Ericca Maas, Close Gaps by 5
- * Annabelle Narlock, Polk County Licensing
- * Missy Okeson, NW Minnesota Foundation
- Marie Remz, NCTC Childhood Department
- * Shannon Schweigart, Pace Fundraising
- * Rich Slagle, Pace Fundraising
- * Dyann Stordahl, EGF Public Schools, District ISD 595
- Janel Tecrick, Tri Valley Head Start
- * Susan Weber, Susan Weber Childcare
- Barry Wilfahrt, The Chamber

CHILD CARE DATA AND EARLY EDUCATION TRENDS

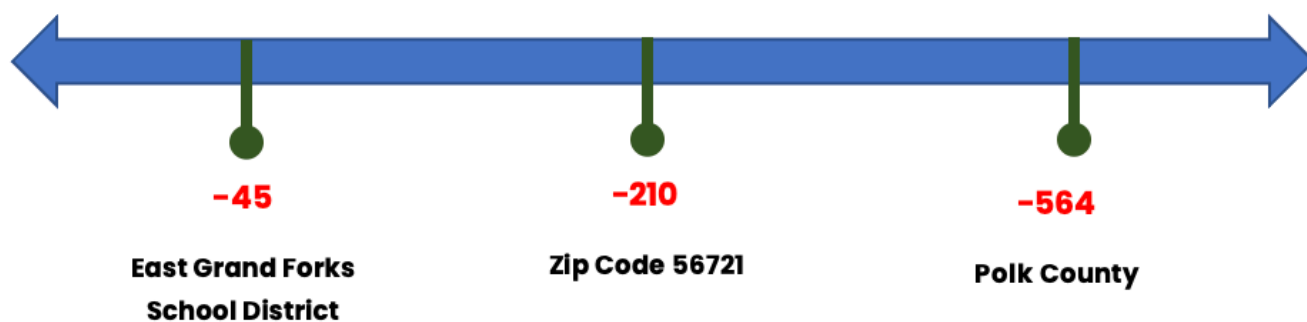
As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors for the child care challenges. First Children's Finance leveraged different data sources to pull together an illustrative picture of the impact of child 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 best picture of need in the community. The Supply Demand Gap Analysis for East Grand Forks dated November 1, 2021 show a shortage range of 564 - 45 slots for children birth to five with all available parents in the workforce. The highest potential need is in the communities of East Grand Forks with 210 slots needed. Narrowing that down even further, the data shows that roughly 66% of the slots needed are for infants and toddlers.

Child Care Need Birth to Age 5



November 2021

When asked about how long providers plan to stay in the business 22% of providers said they are planning on staying in business less than 3 years, while 22% said they are planning on staying in business for 3-5 years. The survey indicated that 22% of providers are planning on being in business 6-9 more years while 36% said they are planning on staying in business for 10 plus years. It is important for East Grand Forks to consider 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 even to the state average length of service.
- 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 turn-over rates.

	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	38	7071
AVERAGE LENGTH OF SERVICE	11.64 years	13.8 years
LESS THAN 5 YEARS / SERVICE	15 / 39.4%	1904 / 26.9%
MORE THAN 20 YEARS / SERVICE	10 / 26.3%	2276 / 32.2%
NON-OWNER OCCUPIED	3 / 7.8%	236 / 3.3%
NON-RESIDENTIAL DWELLING	0 / 0.0%	43 / 0.6%

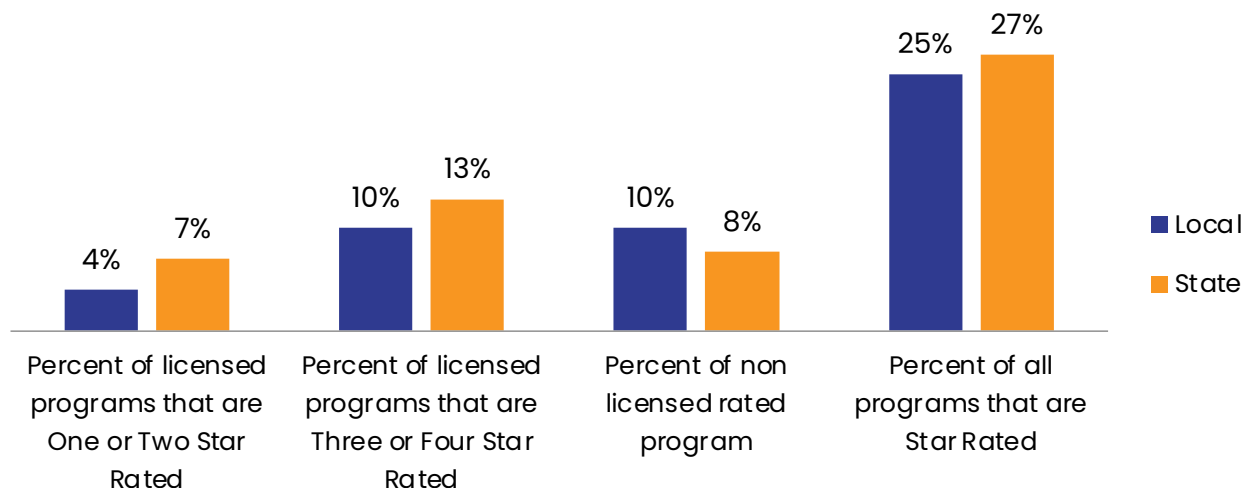
November 2021



QUALITY CHILD CARE OVERVIEW

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

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



The chart above demonstrates that child care providers in Polk County are slightly lower than state average when it comes to Parent Aware enrollment. This is a critical component when we evaluate the quality of child care program offerings in the area.



AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. A review of the Child Care Aware market rate survey of child care providers was conducted as part of the Renville County RCCIP to inform child care costs in the area.

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

Area Market Rates –Polk County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$225.00	\$11,700
75TH PERCENTILE - TODDLER WEEKLY	\$ 194.00	\$ 10,088
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 180.00	\$ 9,360
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 160.00	\$ 8,320

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$ 140.00	\$ 7,280
75TH PERCENTILE - TODDLER WEEKLY	\$ 135.00	\$ 7,020
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 130.00	\$ 6,760
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 125.00	\$ 6,500

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 on the 25th percentile of the market rate 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, 61% of family providers and 67% of Centers accept CCAP reimbursement for families.

CCAP – Polk County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$184.00	\$9,568
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 168.00	\$ 8,763
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 160.00	\$ 8,320
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 137.50	\$ 7,150

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 125.00	\$ 6,500
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 120.00	\$ 6,240
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$115.00	\$ 5,980
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$103.35	\$ 5,374

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 increases by a 15% differential. Three-Star Parent Aware 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 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 Polk county.

CCAP – Polk County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 220.80	\$ 11,482
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 201.60	\$ 10,483
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 192.00	\$ 9,984
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 165.00	\$ 8,580

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 150.00	\$ 7,800
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 144.00	\$ 7,488
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$138.00	\$ 7,176
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 124.02	\$ 6,449

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

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



OTHER LOCAL SUPPORTING DATA

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

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
East Grand Forks #595	35.7%
Statewide	48.5%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2020 GRADUATION RATE
East Grand Forks #595	92.4%
Statewide	83.8%

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 chart provide an overview of the local household income that can further impact child care.

Household Income – East Grand Forks

TOTAL HOUSEHOLDS ACS 2018 5YR ESTIMATE	# OF HOUSEHOLDS	%
Less than \$10,000	325	7.8%
\$10,000 to \$14,999	246	5.9%
\$15,000 to \$24,999	384	9.2%
\$25,000 to \$34,999	363	8.7%
\$35,000 to \$49,999	429	10.3%
\$50,000 to \$74,999	630	15.1%
\$75,000 to \$99,999	617	14.8%
\$100,000 to \$149,999	746	17.9%
\$150,000 to \$199,999	258	6.2%
\$200,000 or more	167	4.0%
TOTAL HOUSEHOLDS	4,169	
MEDIAN HOUSEHOLD INCOME	\$64,059	

U.S. Census American Community Survey 2019

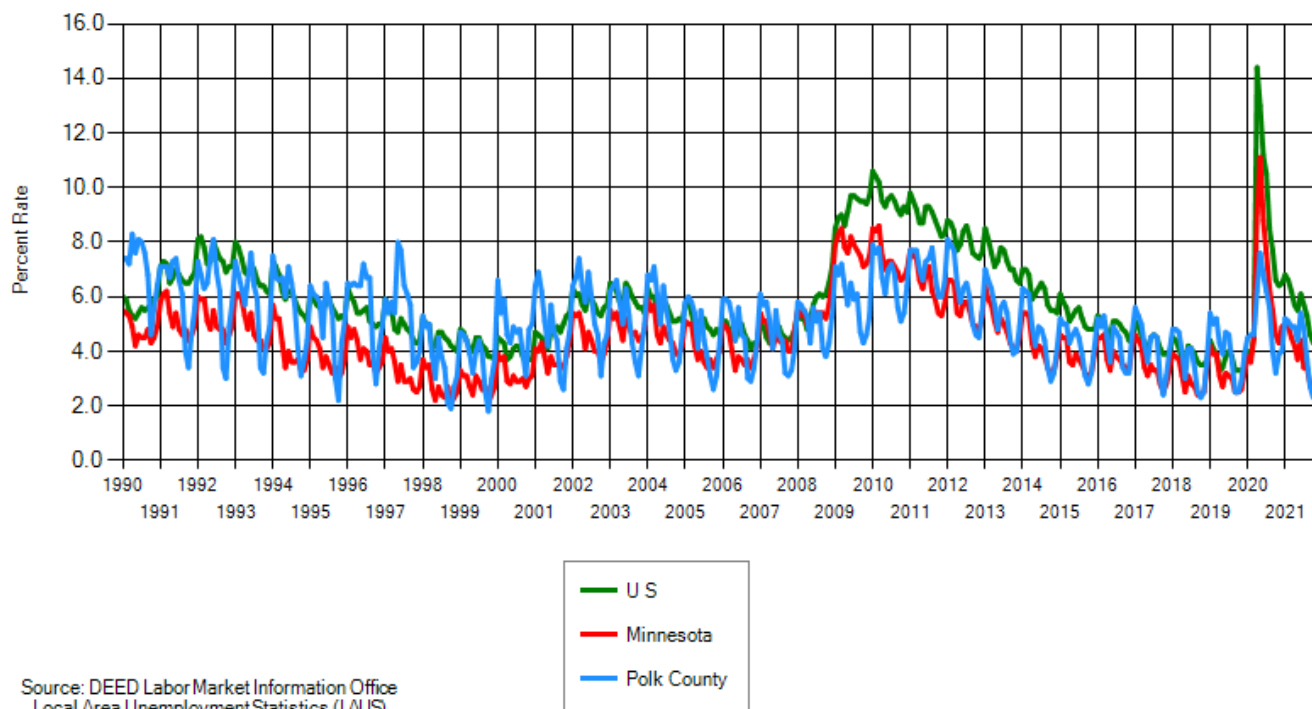


LOCAL EMPLOYMENT CONDITIONS

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

Unemployment Rates – Polk County

2.3% Unemployment Rate



November 2021

Top Local Industries – Polk County

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

Top 3 Industries in Polk County	# Employees	% of Workforce
Industry: Health Care & Social Assistance	2,356	19.3%
Industry: Manufacturing	1,501	13.1%
Industry: Educational Services	1,403	12.2%

www.ruraldataportal.org

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, electronic surveys of parents, providers, and employers, focus groups, and presentations about child care. Through these various inputs, the Core Team was able to better understand the underlying causes of local child care challenges.

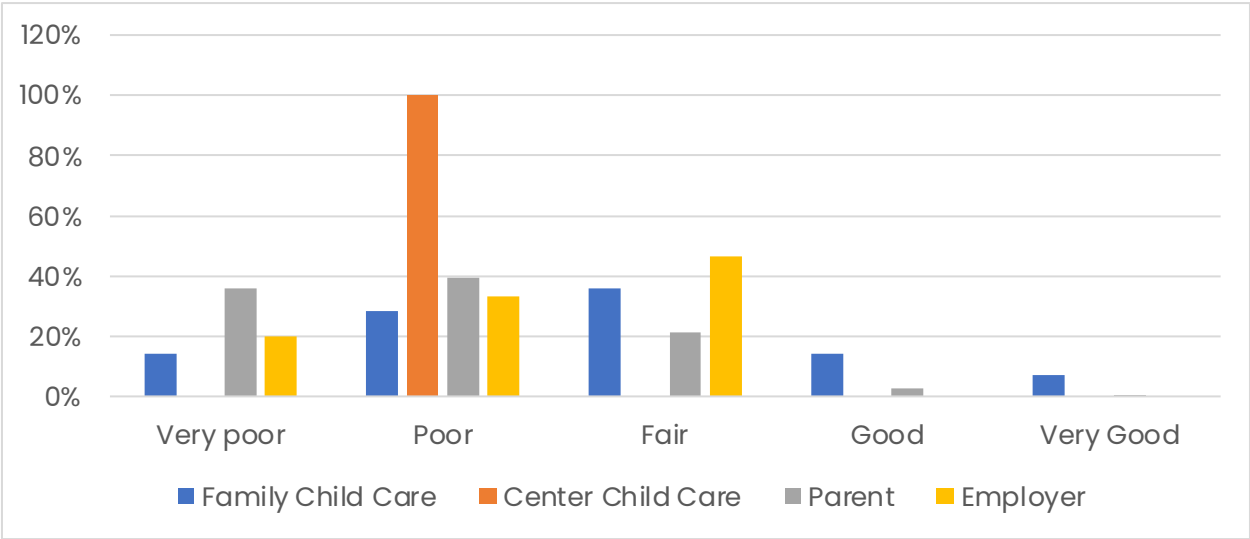


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in the local East Grand Forks community. Over 322 individuals participated in the community parent survey 14 large and small employers participated in the community employer survey, and 1 child care center and 14 family child care providers participated in a separate survey specific for child care programs.

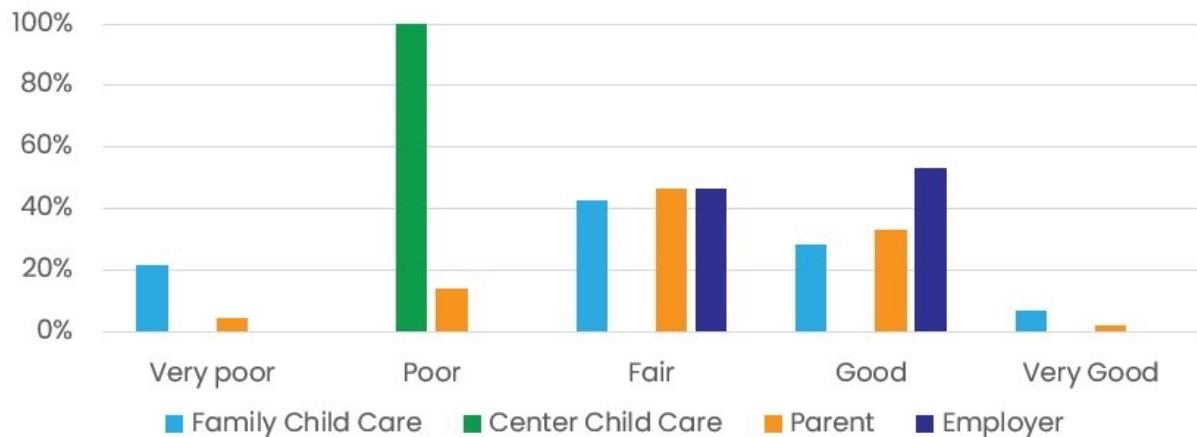
The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child Care in the Local Area



Survey respondents indicated that they were traveling great distances to find appropriate child care. 56% of parents are traveling 2-10 miles out of their way (one direction) for child care. Nearly 12 % indicated that they were traveling more than 11 miles for child care.

Perceptions: Quality of Available Child Care in the Local Area

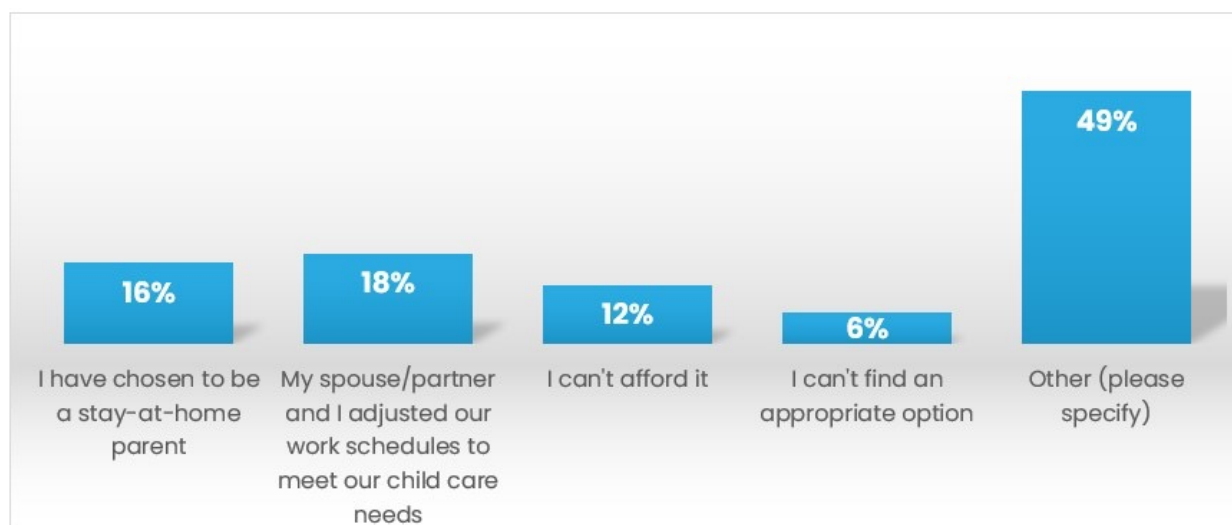


While specific questions about quality were not part of this survey, this shows that there is a positive perception between child care providers and the local community on the quality of child care programs in the area. When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

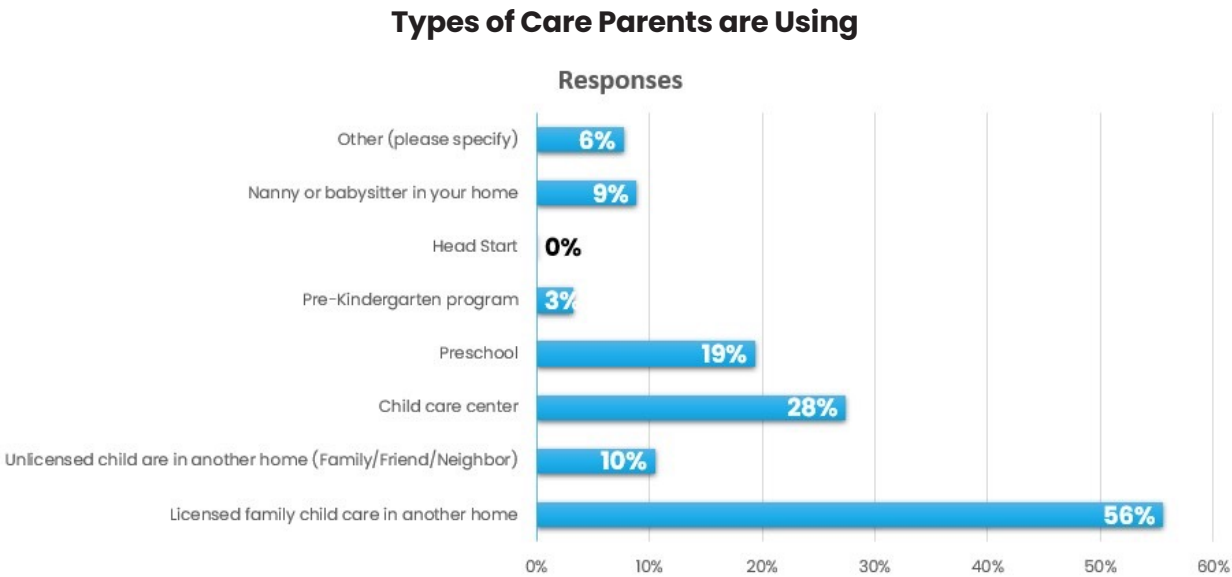
1. Safe and healthy environment
2. Licensed by DHS
3. Educational curriculum
4. Conveniently located
5. Provider has high level of education
6. Provider is someone I know
7. Provider is Parent Aware rated

A breakdown of the parent survey showed that 55% of the parents had children under the age of 5. While 56% of parents pay for child care 44% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using child care is in the chart below.

Reasons for Not Enrolling in Paid Child Care



The breakdown of the other category in the parent survey varied. Most parents mentioned that their children stayed at home by themselves because their children are old enough, have older siblings watch them, or they have relatives that watch their children. The need for summer school age care was strongly mentioned by parents.



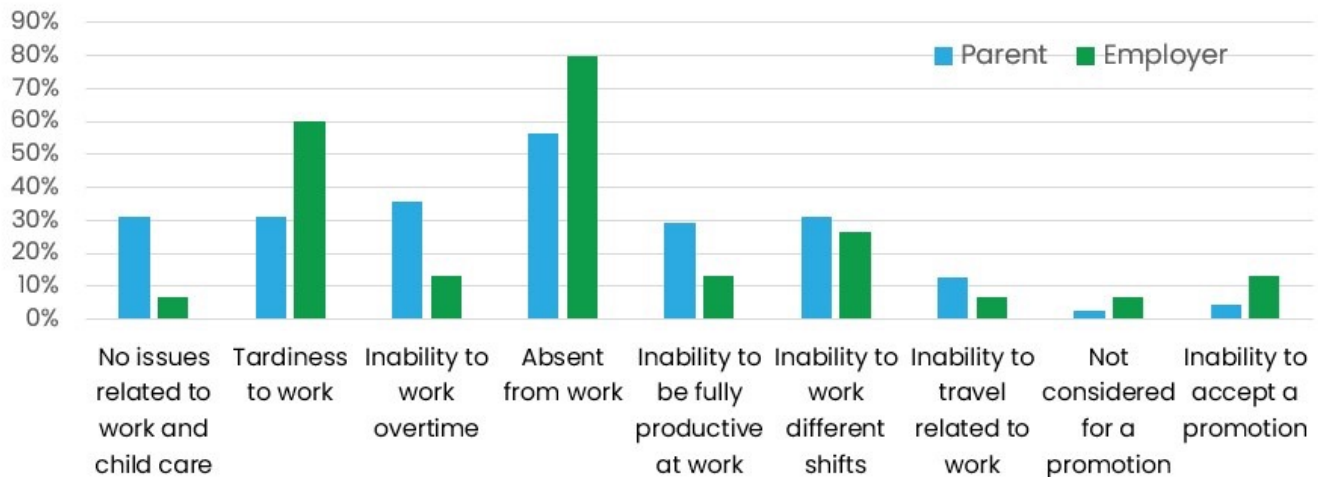
Parents preferred type of care was 53% family care, 32% center care and 7% for a nanny. When asked why they are not in their preferred type of care 17% said they were not accepting enrollment, 17% said it was too expensive, and 11% said it does not exist. This is an indication of the importance of parents having the ability to choose from a variety of child care options within the community.



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 the lack of child care or by businesses relocating to environments with better availability of care.

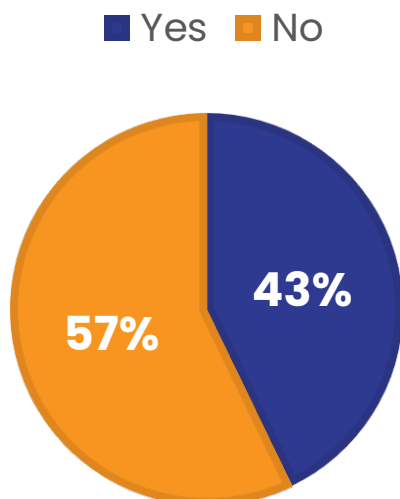
Work Issues Occurred Due to Child Care Arrangements in the Last 12 Months



Challenges for parents 31% had no issues related to work because of reliable child care. The top challenges parents expressed 31% not able to work different shifts, 31% parents expressed they were tardy to work, 56% were absent from work, and 36% were not able to work overtime. 3% of parents said they were not considered for a promotion and 4% were not able to accept a promotion due to child care challenges. While employers responded that only 7% of parents had no issues related to work and child care. However, they expressed that 80% of parents were absent from work, 60% were tardy to work, and 27% were not able to work different shifts. It is also important to note that employers said 7% of parents were not considered for a promotion and 13% were not able to accept a promotion due to child care challenges. 7% of the employers do not track this data.

Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. From the employer survey, 27% of employers indicated that the lack of child care impacted their ability attract employees. While 33% of employers indicated that the lack of child care impacted their retain employees. A study in 2004 showed the national impact of child care issues on the economy, it was valued at over \$3 billion dollars annually.

Impact on the local Businesses



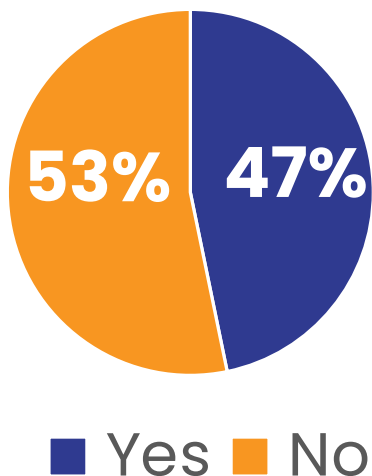
QUOTE

"Staff have been unable to return from maternity leave, staff have had attendance issues due to lack of child care or back up child care options."

—Local Employer

Impact on Family Planning –East Grand Forks

We asked parents: Has the availability of your preferred child care option impacted your decision to have another child and/or limited the size of your family?



In addition to impacting family planning, child care shortages can also impact the local employment environment. In the survey 29% percent had declined employment or withdrawn from the workforce due to child care issues.

QUOTE

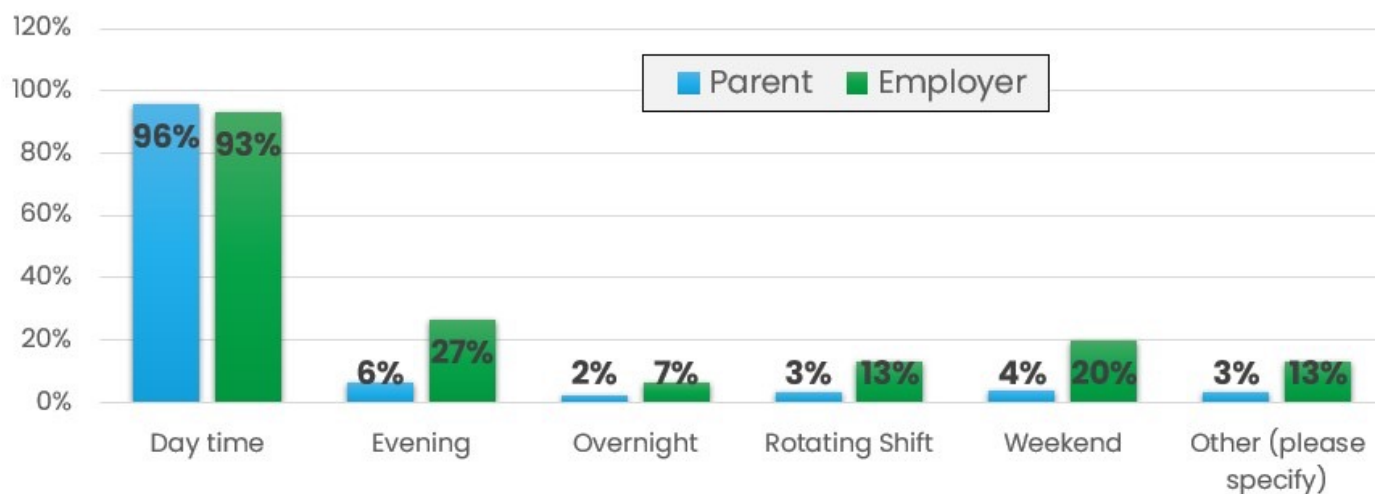
"There are so few options for infant care, that we did not get to make a decision on the type of childcare we wanted for our children. We essentially were forced to take the first open infant care spot we could find.

–Local Parent

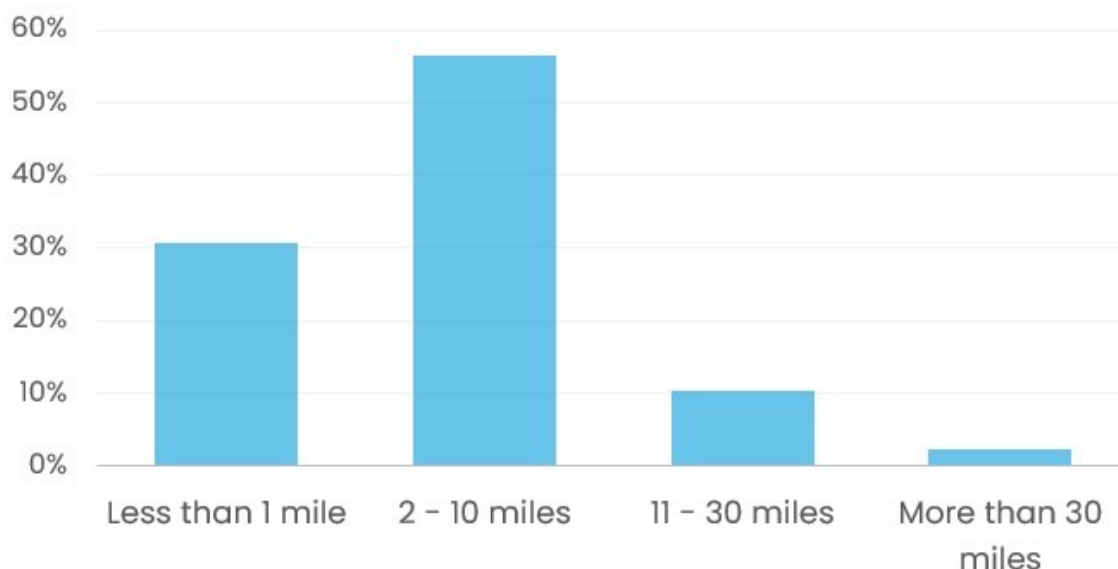
TYPES OF CHILD CARE NEEDED

It is important for a community to understand the type of child care parent need, to be able to identify the right sized solutions for the community. The survey indicated that 72% of parents need more than 35 hours of care and are looking for full-time child care options, 15% of parents need 20-35 hours of care and 14% of parents are needing less than 20 hours of care.

What is the type of child care arrangements needed?

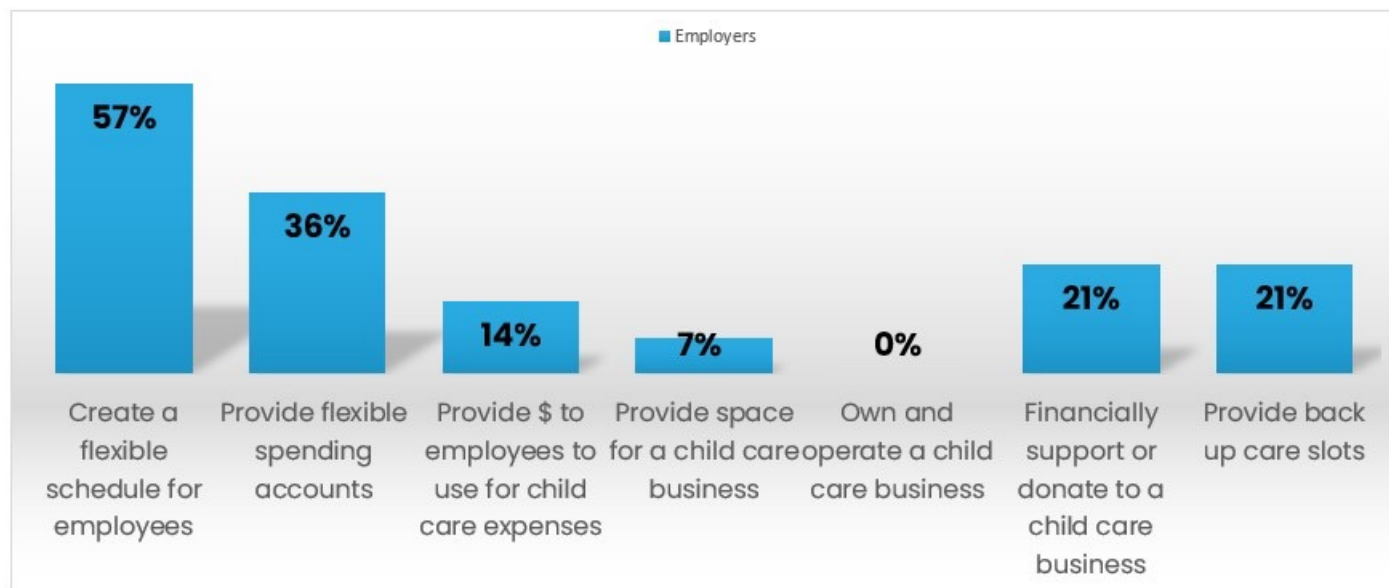


How far do you travel out of your way (one direction) for child care?



Survey respondents indicated that they were traveling to find appropriate child care. Nearly 12% indicated that they were traveling more than 11 miles for child care one way to access child care.

Employers Are Willing to Help Address the Issue of Child Care



Employers can help address the issue in multiple ways. From the employer survey, there are many ways employers want to help address the child care issue. The survey results show the top two ways employers are willing to help is to create flexible schedules or flex spending accounts, and 21% are also willing to support programs financially and 21% provider back up child care slots.



UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in East Grand Forks spent several months investigating the underlying reasons for the local child care challenges. This work involved engaging with many members of the community to determine the underlying causes for the identified shortage of care. The deep dive of information gathering helps to identify the size and scope of local child care challenges.

“Increased regulations, burnout, and increased Healthcare costs have all been reasons I’ve heard as reasons. I’ve employed 2 employees who stopped doing childcare in order to get a job that has health insurance.”
- Local Employer

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers do not feel treated as business owners and parents do not understand the value of the service they offer
- Centers can’t find and keep good quality workers – can’t afford to pay them more Isolating
- Low wages, long hours and have NO benefits (such as health insurance, retirement, or PTO)
- Lack of space to expand or operate outside of the home
- Complicated business model – constantly changing
- A child care business is expensive to start and the first year may not/may never have a positive cash flow
- When providers take time off parents have a hard time paying for their vacation and they have a hard time finding replacement care

“Demands of child care providers are overwhelming. Families are unreasonable in their expectations.”

- Local Parent

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

- Need for low cost for parents, but want quality care, need to have community supports to support/enhance existing or new programs
- Sometimes parents take what they can get – even if they do not like or trust program
- Community wide frustration with paperwork and rules
- Highly regulated industry
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for – hard to cash flow infants and toddlers
- Preschool programs are where programs make money and school programs are affecting this
- Growing number of requirements & regulations for centers and home providers – especially during COVID.
- Potential new providers are frightened of the regulations and experienced providers are frustrated by the regulations

“Increased stress on employees and their families. Increased call ins and reduction in productivity.”

–Local Employer

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 wanted enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the county. As child care quality increases, the community should expect increased family and community investments in child care.

FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Families have a hard time finding and affording child care
- Infant care is very hard to find
- Lack of afterschool and summer care options
- Child care has small profit margins, expensive to start, and may not/hard to cash flow – lack of resources
- Parents want high quality care, but they can't pay enough to compensate providers
- Employers struggle to cover when employees have challenges with child care
- Hard to find care that meets family's needs
- Programs have a hard time charging enough to maintain staff or be financially stable

“Having another child was never an option because of the lack of infant child care.”

–Local Parent

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

TOWN HALL MEETING & GATHERING

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



COMMUNITY DEVELOPED POTENTIAL SOLUTIONS:

THEME: TRAINING

- Incentives to hire high school students
- Mentorships with providers that have been providing for 5+ years to guide new providers and offer a cash incentive to mentor
- Have licensed individuals go into Daycares to provide in-service free of charge for the daycare and a stipends for the trainer
- Incorporate early education into Wave academy
- Partnership with NCTC for background checks (instead of providers having to drive out of area)
- Free training/CPR Training
- EMT Training from city help from local FNDN new training content
- NCTC and or Altru provide training grant funds
- Grants for training
- Recruit trainers and make it easier for them to be a trainer through Child Care Aware
- Offer CPR/First Aide classes at least bi-monthly
- Partner with NCTC for background checks
- Mentor new providers

THEME: WORKFORCE DEVELOPMENT

- Partner with NCTC Early Childhood program
- NCTC partnership – work study/ on site care utilize existing buildings= lower cost
- Allow staff licenses to go with the staff (subs)
- Businesses “buy” childcare slots to hold spaces for employees, once the employee uses, they pay
- Create a volunteer bank to provide respite/sub care for providers
- Develop “respite care” for childcare substitute program
- Get funds to coordinate a sub bank to help with respite care & substitutes to support existing providers
- Internship with NCTC EC program credit/paid/unpaid – grants to fund internships
- NCTC students get business training to open a childcare business

THEME: COMMUNITY EDUCATION/PARTNERSHIPS

- Recruitment of new providers in EGF (we need a recruiter)
- Extend playground program to longer days and FT ours
- Reach out to Stable Days or Point Paradise to offer School Age Program after school and summer
- Partner with Local landowners for rural outdoor space
- Create a Forest School Model at City Parks for school age summer and after school
- Intergenerational childcare classrooms in nursing homes
- Develop a foster grandparent program
- Ensuring kids achieve a quality education
- Parenting with local senior living facilities
- Partner with Residents at Good Sam to provide “foster” grandparents
- GF has a Forest School
- In recruitment of new providers, getting the word out to new members of the community – welcome Wagon And a resource for current providers
- A nature school could provide new slots
- Partnering with senior centers for intergenerational program could help with capacity building

THEME: FINANCIAL SUPPORT/INCENTIVES

- Form buying coops for supplies
- Business contributes annually to support families paying for childcare
- Infant Daycare Grants
- Local financial institution childcare grant for start up support. Replacement or expansion costs or a one-time operating expense
- Franchises to facilitate administration and training
- Community advocates
- Encourage providers to offer more incentives on employees getting their CDA's
- Collect donations for kids' items and divide out to new providers
- Discounts for Providers around town (groceries/supplies) other incentives (potatoes from Simplot, Aldi, Menard's etc.)
- Funding for Providers to hire additional help
- No cap on MN Sure for providers
- State Health insurance for Providers
- Big Businesses to offer yearly grants to help start another center in town
- EDA forgivable loan program
- Liability protection for providers tort reform
- Provide Health Benefits like State Employees
- Creating buying coops can help to offset for lower pay and reduce operating costs for supplies

THEME: RECOGNITION

- Recognition Dinner
- Private Foundation grants for centers to cover cost of CDA's for employees
- Support of Childcare Association
- Annual recognition/dinner raffle
- Childcare Gala, local business donates
- Reward program for providers (grocery store)
- Have a quarterly networking event include childcare association, get donations of food and space
- Have annual recognition dinner/comedy entertainment/raffles get businesses and city to partner for donations, space, gift cards, food

THEME: FACILITIES

- Nature/Outdoor Program
- Open Rooms in Businesses
- The Old Bowling Alley
- Furnishings/ equipment donation center
- Facility space at NCTC to house a year around childcare center
- Help the Mosque get day care started (they are working on it)
- Grand Cities/Riverwalk Center
- Churches (unused Sunday school classes during the week)
- Funding may be needed to meet regulations
- Use in-kind donations for labor
- PODS for summer school aged childcare
- Local parks

OTHER IDEAS

- Provide funding for childcare similar to school funding instead of tax credits
- Help parents understand their role and partnership with providers
- Need options for children with special needs
- Mental health doctors for teachers, include in now, training content, local businesses (hair center, colors, massages)
- Make fire extinguisher refills/exchanges time more accessible
- Check with providers on how extinguishers are currently checked/filled
- Create a template that could be used for policies to help parents better understand procedures, include childcare association
- New training content for mental health, self-care strategies and technique, involve local businesses (haircuts, massages, yoga) also would support local businesses



IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple view points and ideas related to addressing the local child care challenges. 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

Sponsor an annual recognition event to support/celebrate providers.

Expected Outcomes and Impact

Celebrate years of service and Parent Aware, connect new and long term providers for mentorship to help sustain existing child care and promote new programs.

Core Team Lead –Brianna Feil

Additional Team Members –Susan Weber, Kelly Berg, Ann Holub and Annabelle Narlock

SMART Goal Two

Formalize a process for annual fire extinguisher checks to be completed at the location of the child care businesses.

Expected Outcomes and Impact

Having a service come to the child care facility to perform annual inspections will save time and ensure safety regulations are being met.

Core Team Lead –Susan Weber

Additional Team Members –EGF childcare association

SMART Goal Three

By August 1st the core team will identify a solution to complete required background checks/fingerprinting locally.

Expected Outcomes and Impact

Having a local venue for the required background checks will save providers from driving 50 miles to the county site which means time off and the expense of traveling to the out-of-town site. This would help with startup and existing childcare for safety and to support the industry.

Core Team Lead – Cherie Graves

Additional Team Members –Cindy Gregg, Maureen Hamms

SMART Goal Four

Within the next 6 months we will identify and implement financial supports to help reduce capital and operating costs for child care.

Expected Outcomes and Impact

Reducing licensing fees and having funding for trainings will help to sustain quality local child care.

Core Team Lead –Brianna Feil and Karla Anderson

Additional Team Members –Annabelle Narlock and Missy Okeson

SMART Goal Five

Within the next year (Fall 2023 Educational Year) we will maintain and increase by at least 20 teacher qualified child care workers by working with Northland Community and Technical College.

Expected Outcomes and Impact

By Increasing accessibility to training opportunities (pediatric first aid and CPR) and having access to Early Childhood trainings in the high school/NCTC we can help to grow qualified staff.

Core Team Lead –Ann Holub

Additional Team Members – Kelly Berg, Marsha Walsh, Jenny Semling, and Mandy Legg

SMART Goal Six

Within 4 months, create a facility list of available locations for both Center and Family child care options to create more child care slots in the community.

Expected Outcomes and Impact

This list will give options that will help with expanding child care for centers, PODS and or Family Child care.

Core Team Lead –Paul Gorte

Additional Team Members –Carly Tate, Dyann Stordahl, Diane Blair



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 and Michigan. First Children's Finance works to stabilize, improve, and expand high-quality child care businesses serving low and moderate-income families. First Children's Finance provides financing, child care business training and consulting, and builds 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