



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

HOUSTON COUNTY, MINNESOTA

JULY 1, 2023

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 size and scope of their child care challenges and to empower and support communities to develop solutions to address these challenges.

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

To understand the potential need for child care in Houston County, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 206 slots. The analysis revealed 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 also revealed the child care shortage has severely impacted parents living in Houston County. Thirty-two percent of parent survey respondents declined employment or withdrew from the workforce due to child care issues, and 39% of employers responded that child care impacted their ability to attract employees. Additionally, 17% of employers said the child care shortage has 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 and the ability of employers to meet their business needs.

Some of the major factors contributing to the child care shortage in Houston County 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.

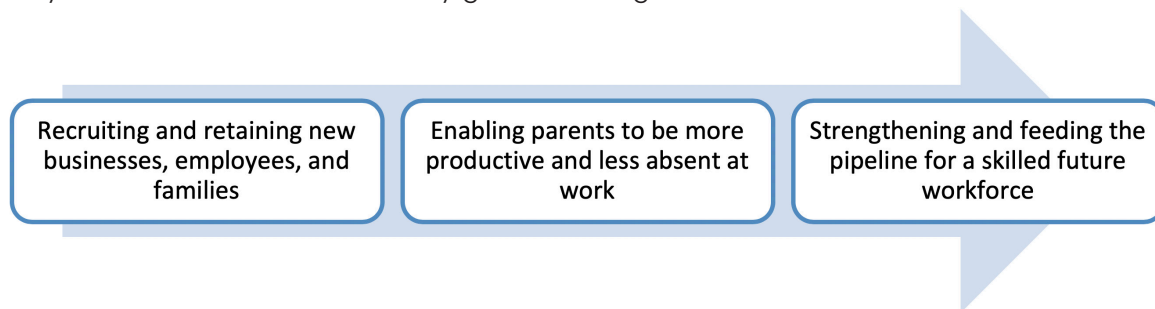
Through the RCCIP, Houston County has identified five goals to address child care challenges. These goals include:

1. Identify within 6 months facilities available for additional slots such as pod, centers, and home providers in facilities.
2. In the next year, develop biannual "Super Saturday" training tracks for required continuing education for home and center providers, including how to offset provider costs.
3. Implement a child care appreciation program countywide within 6 months.
4. In the next year, interest at least 10–15 individuals in a pathway to child care entrepreneurship.
5. Create a website or webpage for child care—for the public, for new providers, and current providers. Within 6 months, do research, and within one year put in place said website.

In implementing these goals, Houston County 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 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 the ebbs and flows of the local economy greatly influence the sustainability and supply of child care and vice versa. Because of this, the Rural Child Care Innovation Program addresses child care and early education challenges through a framework of regional economic development. A robust supply of high-quality child care fosters community growth through:



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

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

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

PROGRAM FOCUS

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

PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Application Opens	April 4, 2022	Send the application, post on website
Webinar	April 14, 2022	Learn about RCCIP, expectations, and ask questions
Application Deadline	May 13, 2022	Due by 5:00pm
Follow Up Questions For Applicants	Week of May 23, 2022	FCF will connect by phone or email
Final Awards Made	June 10, 2022	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	July 19, 2022	Meeting with Core team leaders to set expectations
Core Team Planning Meeting	October 24, 2022	Face-to-face or virtual meeting to map out community engagement activities and fully develop the timeline
Data Gathering & Community Engagement Activities	November 2022	Core Team engages community in gathering data and makes community aware of their work
Ongoing Core Team Check-ins	November 2022–February 2023	Virtual monthly Core Team meetings
Child Care Appreciation Event	January 24, 2023	Dinner is organized to recognize and appreciate providers in the community
Synthesize Data	January–February 2023	FCF synthesizes data into useful info for town hall meeting
Planning Meeting for Town Hall	February 3, 2023	Core Team planning for the town hall meeting
Child Care Provider Recruitment	On-going	Recruit providers to participate business trainings, business leadership cohorts, and one-on-one consultation conducted by FCF
Town Hall Event	February 7, 2023	Community wide event to identify and develop projects
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	February 2023	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat	March 1, 2023	Face-to-face meeting to prioritize goals; develop SMART goals and map out implementation activities, plan for the Community Launch
SMART Goal Finalization	March 17, 2023 and April 21, 2023	One or two virtual meetings to finalize goals, action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	March– May 2023	FCF creates report detailing community data, types of solutions, and community identified projects
Planning mtg for Community Launch and Action Step updates	June 2023	Face-to-face or virtual meeting to share the CSAP, plan the community launch of the CSAP, and share action step updates
Community Launch of CSAP	June/July 2023	Press release and community activities to share the CSAP
Regular Core Team Meetings	May 2023 – June 2024	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead
Biannual Reports	May 2023 – July 2024	Core team lead provides written biannual updates to FCF
Regular Project Team Meetings	May 2023– July 2024	Project teams meet to Implement community solutions; facilitated by project team lead/facilitated by project team lead
Technical Assistance Support	May 2023– June 2024	FCF provides Technical Assistance when needed
Final Report	May 2024	Core Team leader submits final written report to FCF
Celebration	June/July 2024	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 HOUSTON COUNTY

Houston County, nestled in the Driftless region of Southeastern Minnesota is home to quaint, historic towns and surrounding farmland. The rural communities in the County are home to mom-and-pop stores and international manufacturing companies alike. The 2020 U.S. Census reports 18,843 people make their permanent home within the county.

Houston County reports that the lack of child care is having a negative impact on their local businesses and overall economy. The county's workforce shortage when combined with a child care shortage is forcing some parents to either drop out of the workforce altogether, cut back on time spent working, or requiring them to travel long distances outside of the County to find childcare. Houston County has several in-home childcare providers that are nearing retirement age and will be retiring in the next five years. Houston County shared they have a long history of working together to solve community challenges and are committed to working creatively to implement solutions that will help to narrow the gap they are experiencing for child care need within the County.



LOCAL CORE TEAM REPRESENTATION

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

- Allison Wagner- Director, Houston County Economic Development Authority/Small Cities Development Program Specialist at CEDA
- Chris Hardie- Chief Executive Officer, Seven Rivers Alliance
- Robert Burns- Commissioner, Houston County Board of Commissioners
- Michelle Ellingson- Assistant to the City Administrator, City of Caledonia
- Dee Slinde- Employer Outreach Specialist, Workforce Development of Southeast Minnesota
- Gretchen Juan- Director of Community Education, Caledonia Public Schools
- John Pugleasa- Director of Public Health and Human Services, Houston County
- Karen Kohlmeyer- Financial Assistance Supervisor, Houston County Public Health and Human Services
- Larry Kirch- Economic Development Director, City of La Crescent
- Courtney Bergey Swanson- Director, Spring Grove Economic Development Authority
- Teala Amberg- Interim Director, The Little Gnome Childcare and Preschool; Special Education Teacher, Spring Grove Public Schools
- Alissa Peterson- Parent
- Brianna Renk- Licensed Childcare Provider in Caledonia, MN
- Dawn Felton- Child Care Trainer
- Ty Haupt- Thrivent Financial Representative
- Jean Kinneberg- Caledonia Chamber of Commerce

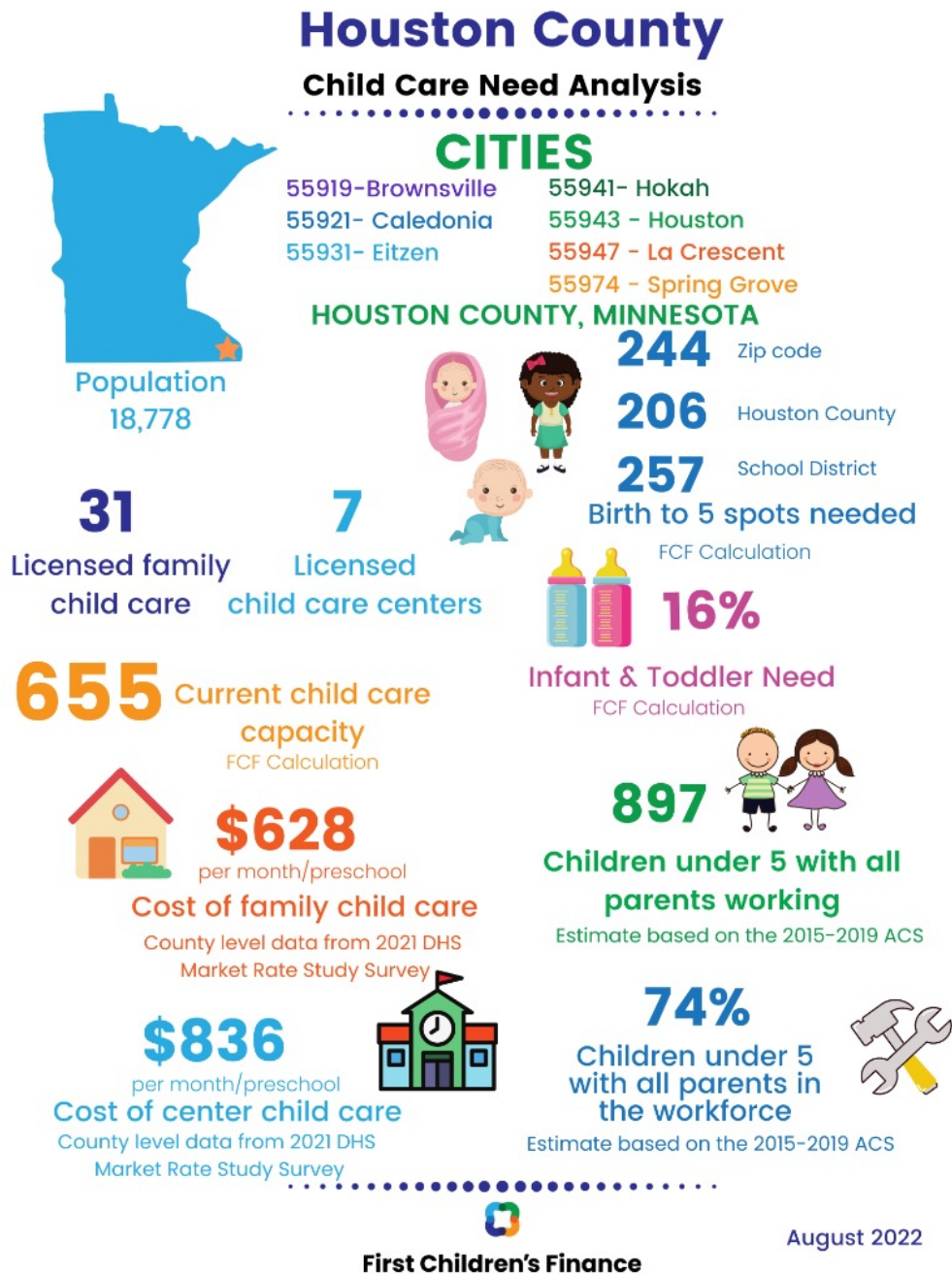
CHILD CARE DATA AND EARLY EDUCATION TRENDS

As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors to 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 data, we look at a range of slots. This gives us the best picture of the need in the County. The Supply Demand Gap Analysis for Houston County dated August 10, 2022 shows a shortage of 206 slots for children birth to age five with all available parents in the workforce. The highest potential need is in the City of Houston and the City of La Crescent with 77 slots needed in each community. Narrowing that down even further, the data shows that roughly 16% of the slots needed are for infants and toddlers.



In surveying family child care providers, we learned 33% plan on staying business less than 5 years. Seventeen percent of providers stated they are planning on being in business 6-9 more years while 50% said they are planning on staying for 10 plus years. It is important for Houston County to think about ways to retain family child care providers as well as building more slots within the community.



FAMILY CHILD CARE – BY THE NUMBERS

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

- The average length of service is slightly higher than the state average.
- Twenty-nine percent of providers have less than 5 years of service, which is slightly higher than the state average of 27%. Thirty-two percent of providers have more than 20 years of service which is on par with that of the state average.
- 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	31	7071
AVERAGE LENGTH OF SERVICE	14 years	13.8 years
LESS THAN 5 YEARS / SERVICE	9 / 29%	1904 / 26.9%
MORE THAN 20 YEARS / SERVICE	10 / 32%	2276 / 32.2%
NON-OWNER OCCUPIED	0 / 0%	236 / 3.3%
NON-RESIDENTIAL DWELLING	0 / 0.0%	43 / 0.6%

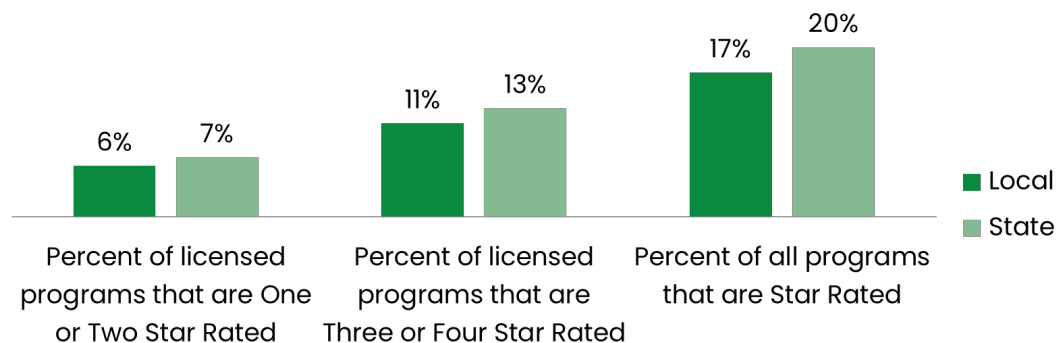
June 2022



QUALITY CHILD CARE OVERVIEW

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

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



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



AVERAGE COST OF CHILD CARE

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

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

Area Market Rates –Houston County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$ 225.00	\$ 11,700
75TH PERCENTILE - TODDLER WEEKLY	\$ 205.00	\$ 10,660
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 193.00	\$ 10,036
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 175.00	\$ 9,100

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$ 150.00	\$ 7,800
75TH PERCENTILE - TODDLER WEEKLY	\$ 150.00	\$ 7,800
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 145.00	\$ 7,540
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 140.00	\$ 7,280

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 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, 67% of family providers and 100% of centers indicated they accept CCAP reimbursement for families.

CCAP –Houston County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 200.00	\$ 10,400
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 185.00	\$ 9,620
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 174.00	\$ 9,048
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 150.00	\$ 7,800

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 135.00	\$ 7,020
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 130.00	\$ 6,760
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 145.00	\$ 5,980
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 125.00	\$ 6,500

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 Houston County.

CCAP –Houston County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 240.00	\$ 12,480
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 222.00	\$ 11,544
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 208.80	\$ 10,858
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 180.00	\$ 9,360

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 162.00	\$ 8,424
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 156.00	\$ 8,112
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 174.00	\$ 9,048
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 150.00	\$ 7,800

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.

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





OTHER LOCAL SUPPORTING DATA

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

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Houston Public Schools #294	56%
Spring Grove School District #297	42%
Caledonia Area Public Schools #299	71%
La Crescent-Hokah Public Schools #300	45%
Statewide	49%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2021 GRADUATION RATE
Houston Public Schools #294	60%
Spring Grove School District #297	93%
Caledonia Area Public Schools #299	92%
La Crescent-Hokah Public Schools #300	98%
Statewide	83%

Minnesota Department of Education Report Card



ABILITY TO PAY FOR CHILD CARE

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

Household Income –Houston County

TOTAL HOUSEHOLDS ACS 2019 5YR ESTIMATE	%
Less than \$10,000	4.4%
\$10,000 to \$14,999	3.3%
\$15,000 to \$24,999	8.3%
\$25,000 to \$34,999	9.2%
\$35,000 to \$49,999	13.9%
\$50,000 to \$74,999	22.5%
\$75,000 to \$99,999	14.0%
\$100,000 to \$149,999	15.4%
\$150,000 to \$199,999	5.2%
\$200,000 or more	3.7%
TOTAL HOUSEHOLDS	8,253
MEDIAN HOUSEHOLD INCOME	\$60,382

U.S. Census American Community Survey 2019



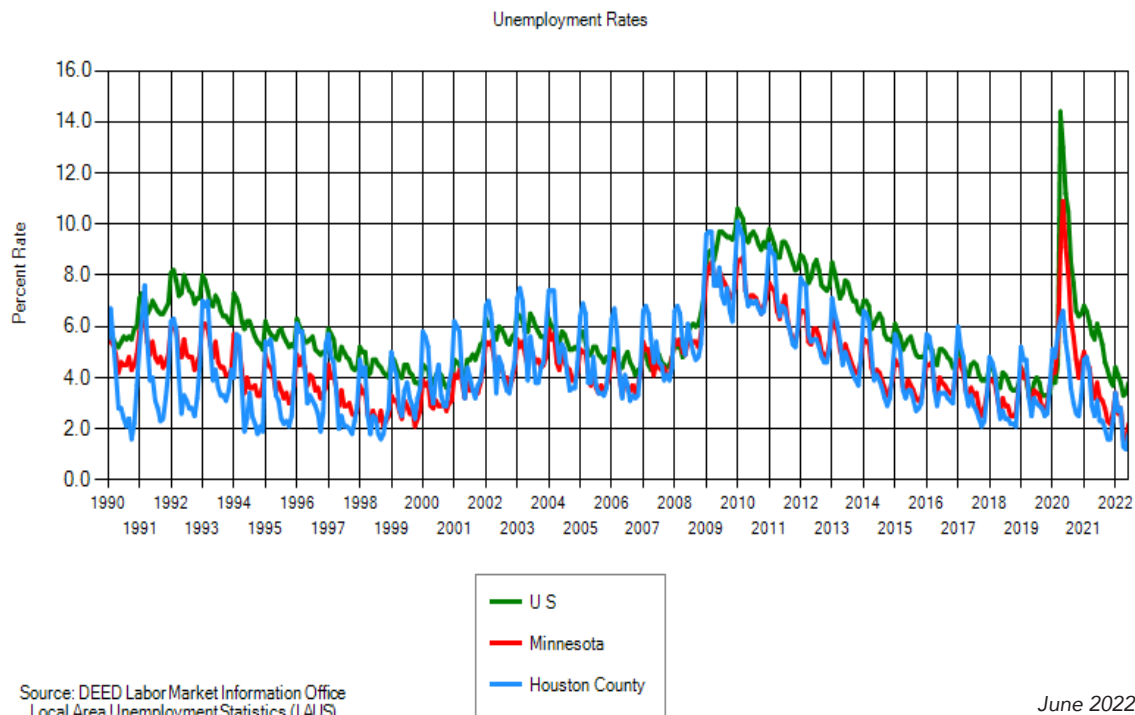


LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children's Finance in the analysis of the child care situation in Houston 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 –Houston County

In June of 2022, when this initial analysis of data for Houston County was completed, the unemployment rate was 1.8% which is a relatively low unemployment rate. This can also indicate the need for more child care in the community. Additional additional child care strengthens the local economy by allowing more families to return to the workforce.



Top Local Industries –Houston County

Employers in Houston County 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	906	18%
Industry: Educational Services	546	11%
Industry: Manufacturing / Retail Trade	494	10%

COMMUNITY INSIGHTS

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

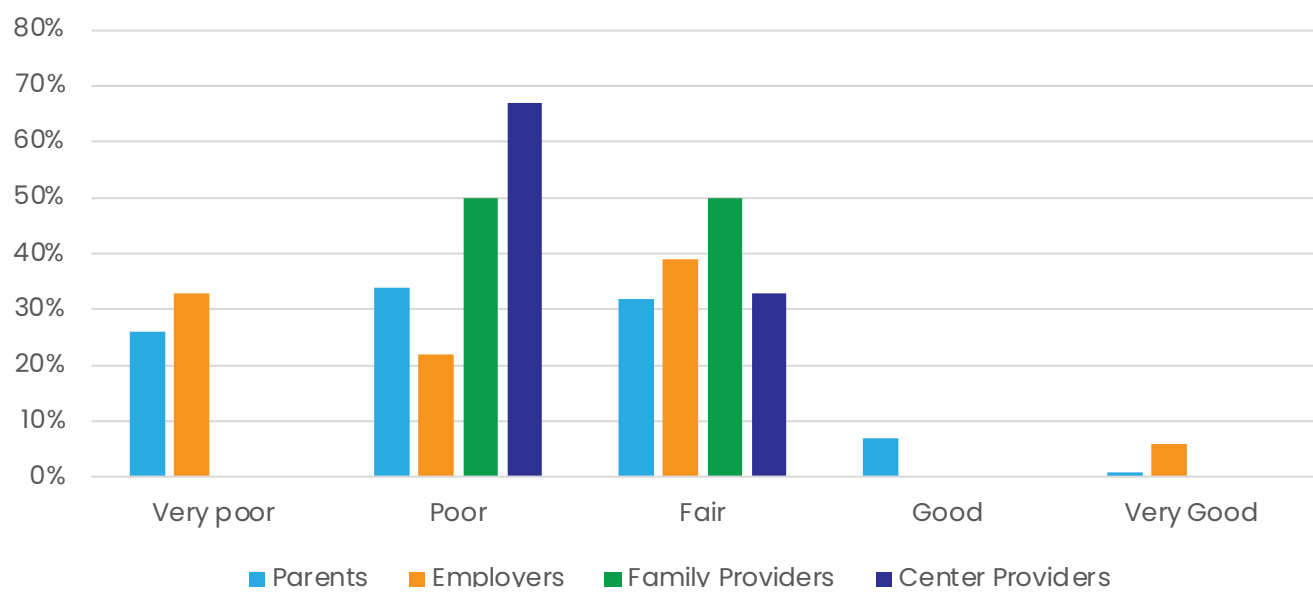


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

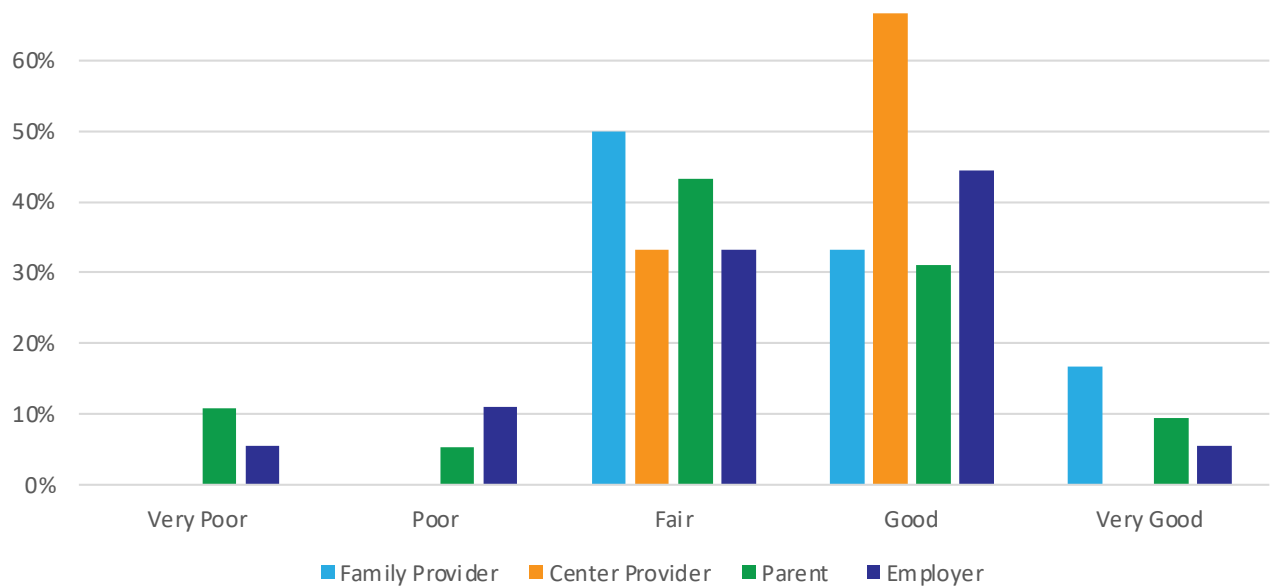
The general community was invited to participate in a comprehensive survey about child care in Houston County. Respondents included 113 individuals for the parent survey and 18 employers for the employer survey. A separate survey gathered information specific to child care businesses from 6 family child care providers and 3 child care centers.

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

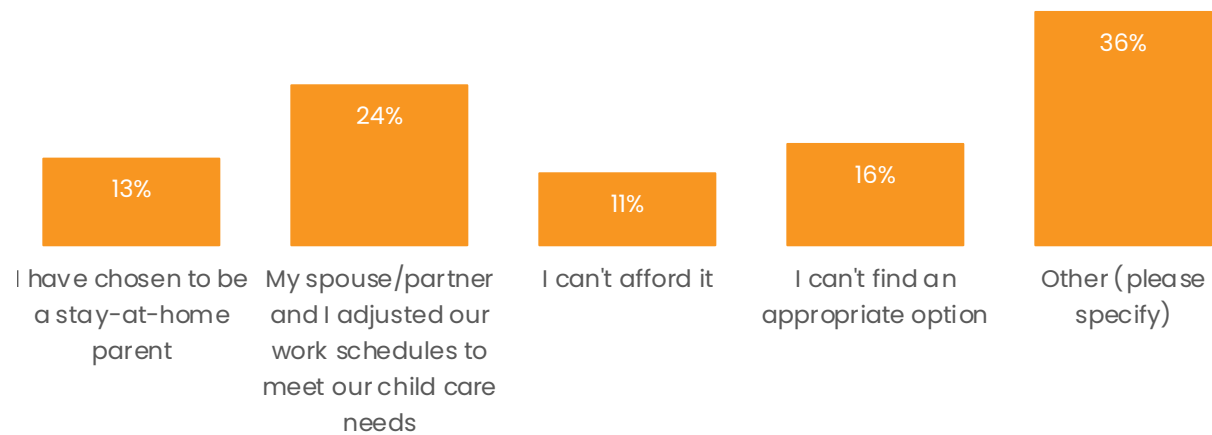


While specific questions about the definition of quality were not part of this survey, survey responses show child care providers and the local community are in general agreement on the availability of high quality child care in the area. When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

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

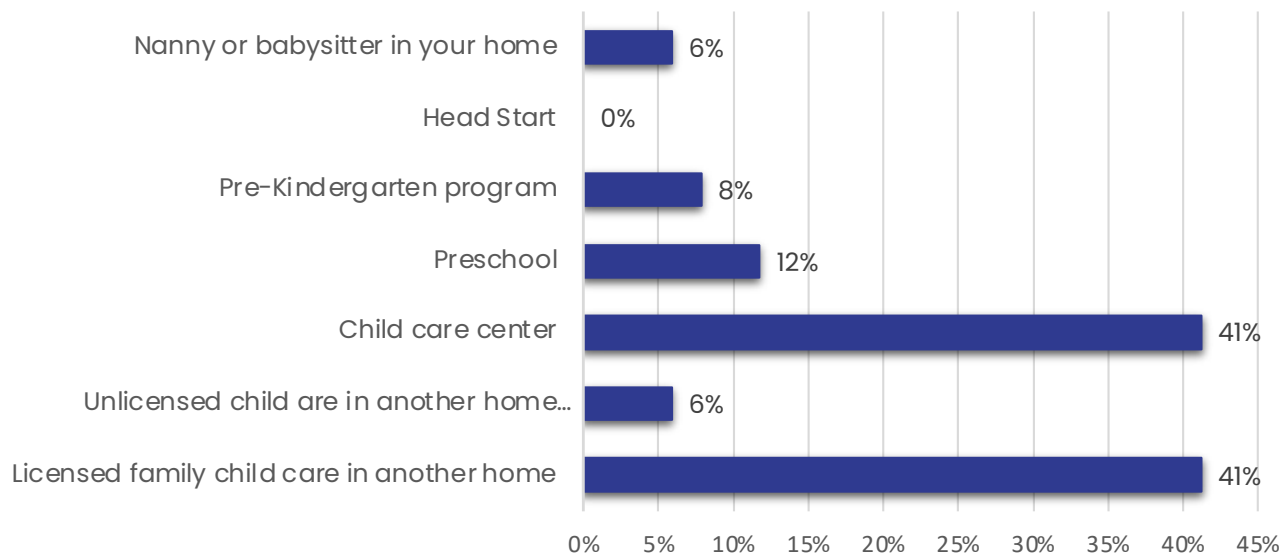
Reasons for Not Enrolling in Preferred Care

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 60% of the parents who completed the survey did not answer this question. We also see notable responses stating that parents adjusted their work schedules to meet the needs of their child care or that they can not find an appropriate child care option.



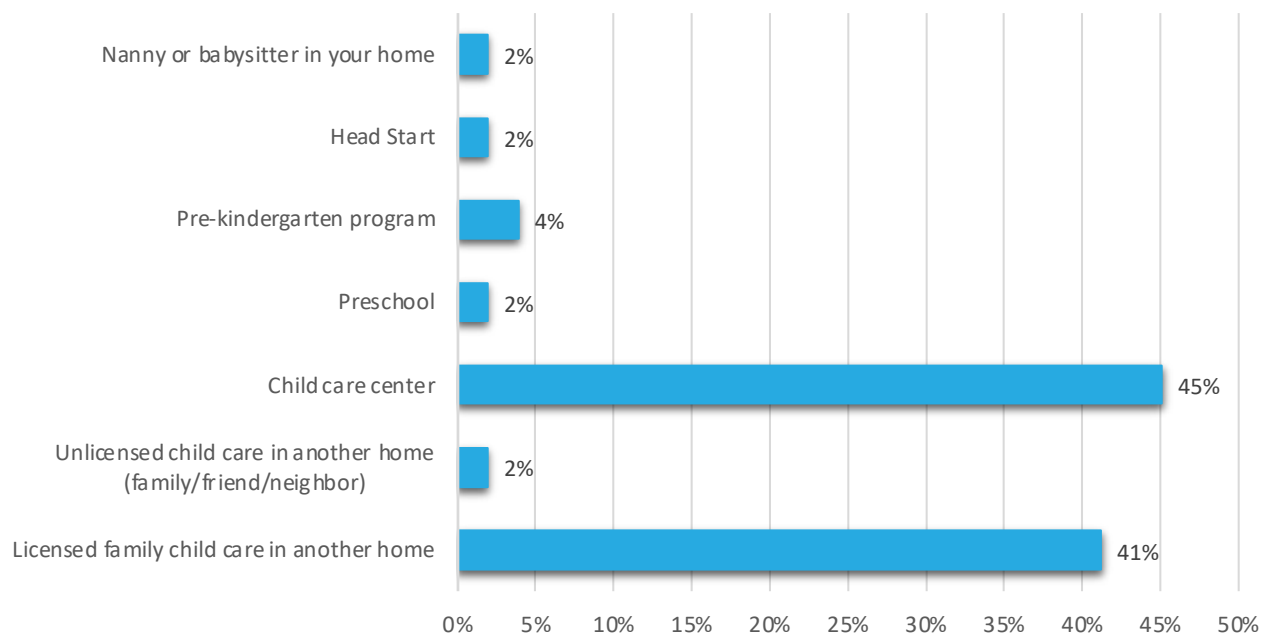
Types of Care Parents are currently using

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



Types of Care Parents Prefer to Use

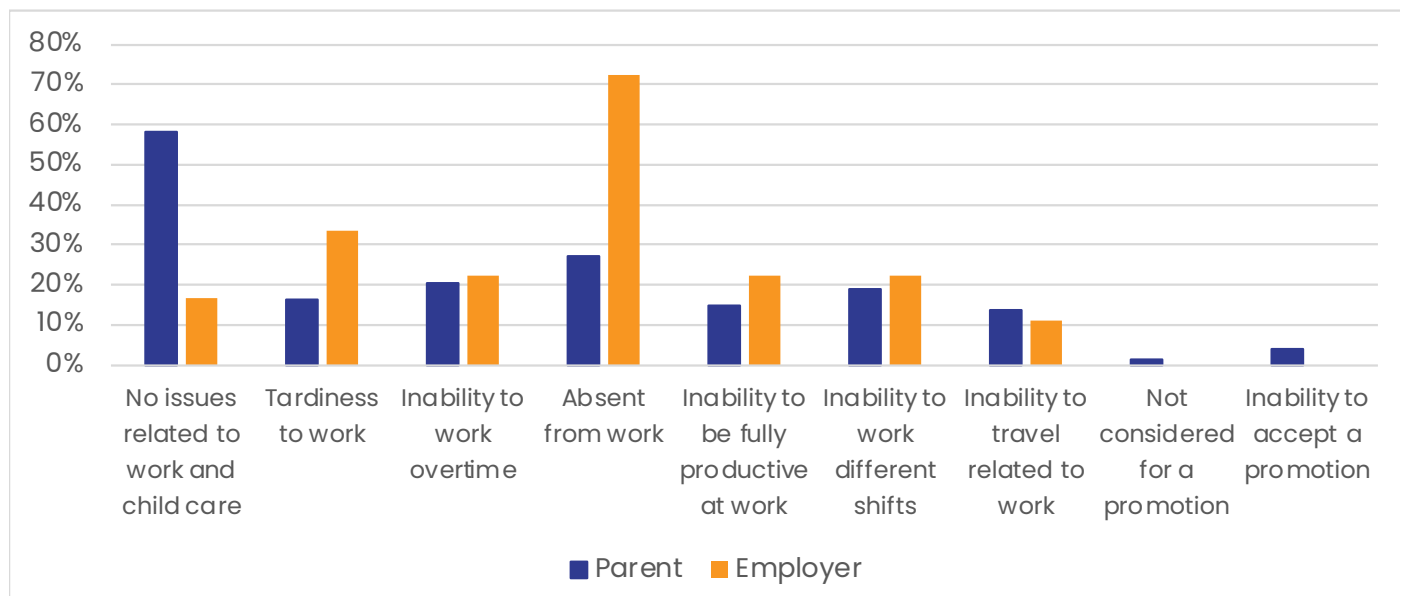
The types of care parents in Houston County prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.



Community and Business Impacts of the Child Care

Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the work force. These issues can compound and further extend into the business community by causing loss of workers due to unavailable child care or by businesses relocating to environments with better availability of care. The chart below illustrates the occurrence of various work-related issues from both a parent employee and an employer perspective.

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

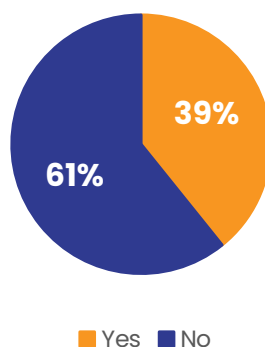


Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. Thirty-nine percent of employers responded that the lack of childcare impacted their ability attract employees and 17% stated that it has an impact to retain employees.

Additional child care related challenges for parents included 20% with an inability to work overtime, 15% with an inability to be fully productive at work and 14% are not able to travel related to work. While employers responded that 11% of their employees were not able to travel for work, 0% mentioned that parents were not considered for promotion or did not accept a promotion due to child care challenges.

Impact on Family Planning –Houston County Area

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, 39% responded it had.

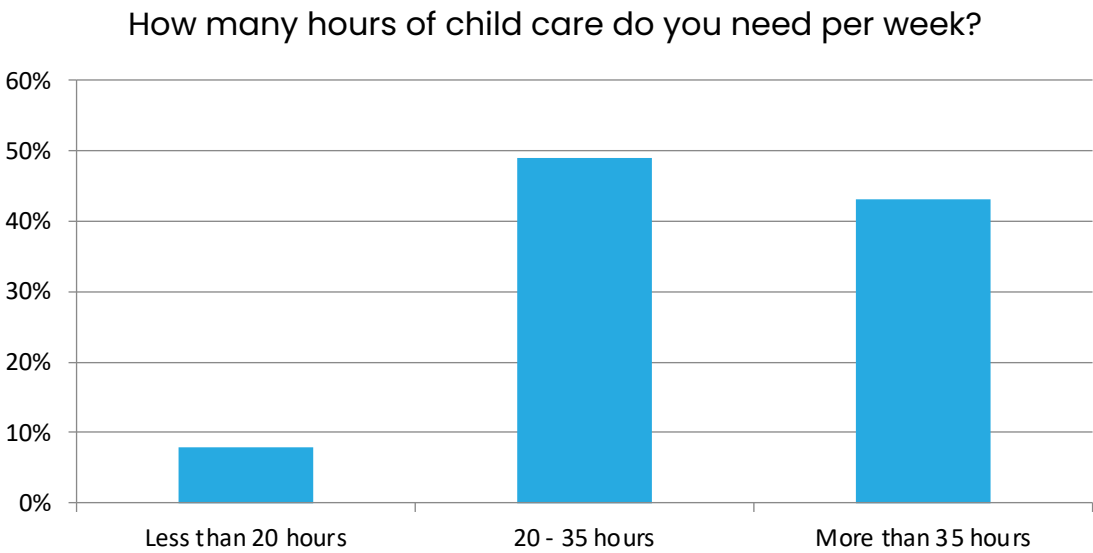


In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 32% of parents responding had declined employment or withdrawn from the workforce due to child care issues.

TYPES OF CHILD CARE NEEDED

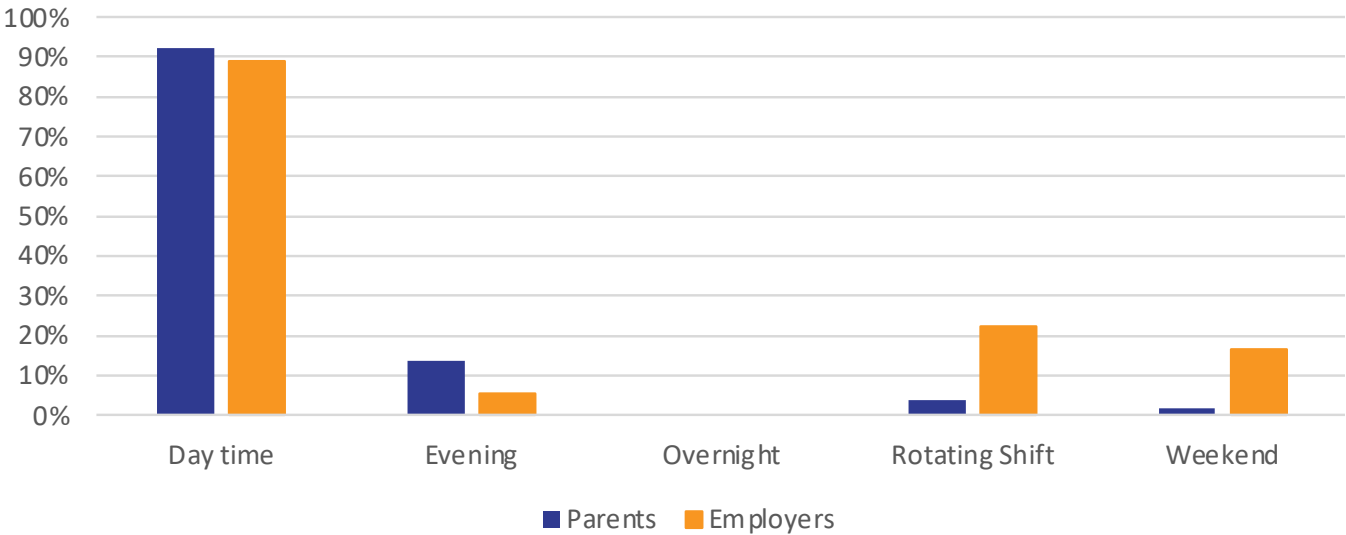
It is important for a community to understand the types of child care parents need to be able to identify the right sized solutions for the community. The survey indicated that 49% of families need care for 20-35 hours per week and 43% need care for more than 35 hours of care and are looking for full-time child care options.

What is the type of child care arrangements needed?

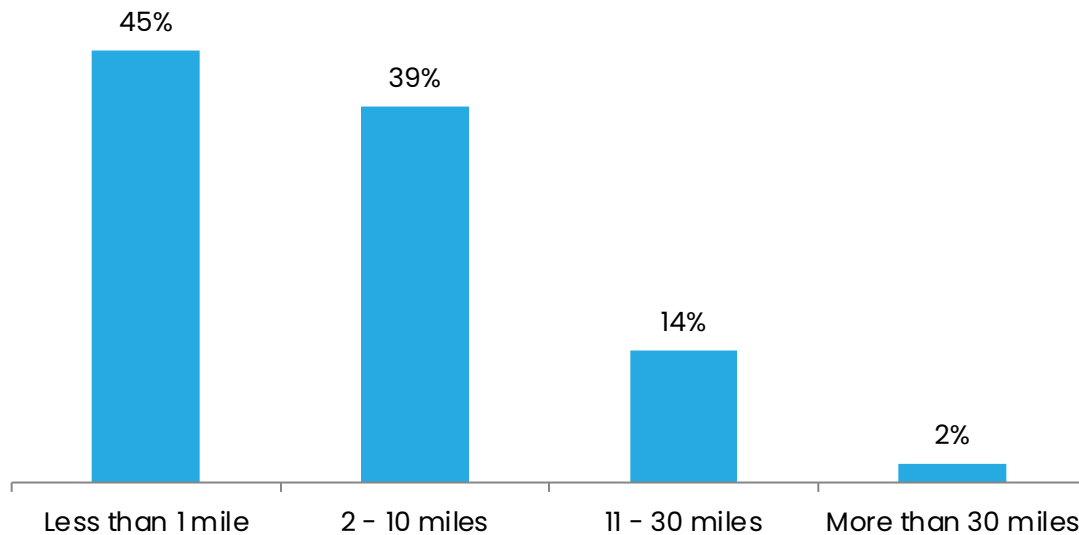


It is also important to determine when parents need care so the community can offer options that meet the need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers need care options on rotating 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.

What hours of care do you need?

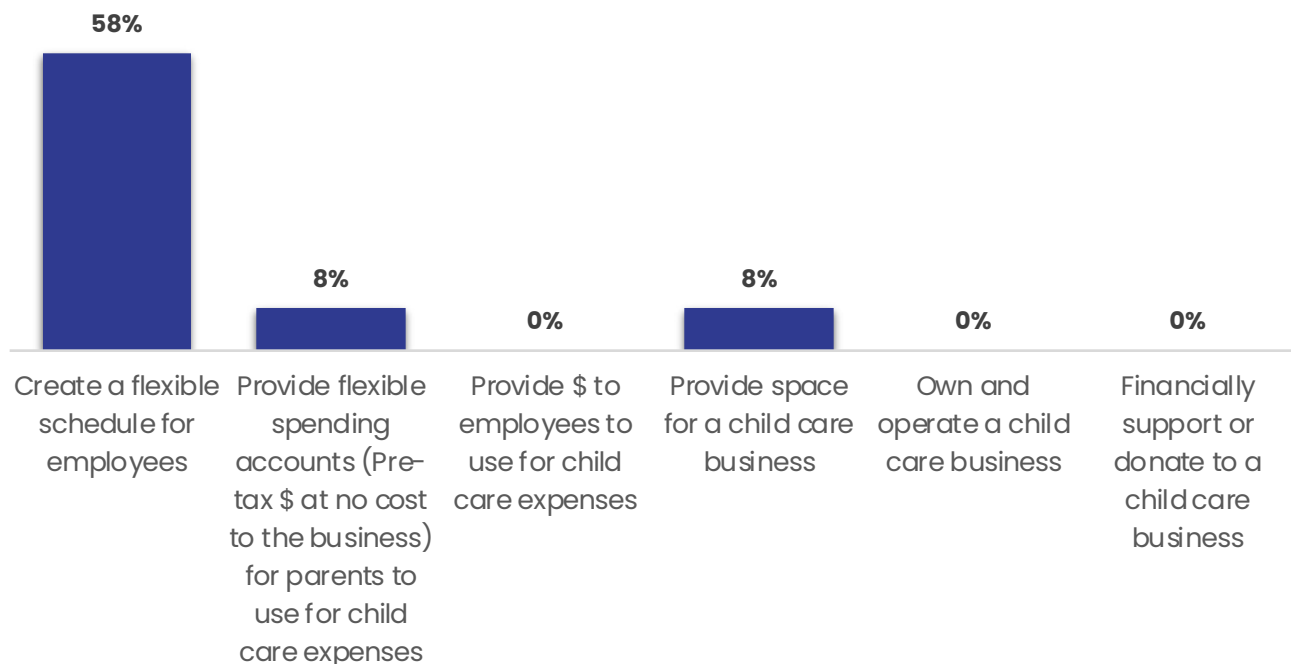


How far do you travel out of your way (one direction) for child care?



Some Houston County survey respondents indicated that they were traveling notable distance to find appropriate child care. Fourteen percent indicated that they were traveling between 11-30 miles for child care.

Employers can help address the child care shortage in multiple ways. From the employer survey, 58% of employers respondents in Houston County are willing to help by creating flexible schedules for their employees. Eight percent also stated they would be willing to provide flex spending accounts for their employees and provide space for a child care business. None of the employers surveyed are willing to provide money to employees to use for child care expenses, own and operate a child care business or financially support or donate to a child care business.





UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Houston County spent several months investigating the underlying reasons for the local child care challenges by conducting one-on-one interviews, engaging with members of 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.

“Employees with families have limited work hours available. They often need to make a choice between working and staying home, and weighing the cost benefits because even if they can find child care, the cost is often too prohibitive.” – Local Employer

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Lack of child care availability and providers are having to turn away children who need care due to being at capacity.
- Low wages, long hours, and no benefits (such as health insurance, retirement, or PTO).
- School-based program offerings make it harder for home-based programs to compete. When children are taken away from private programs it becomes more difficult to maintain a positive cash flow.
- It is hard to complete all the required training while trying to balance a personal life.
- High start-up costs, rising costs for food, supplies, and equipment.
- It is a stressful job.
- Lack of appreciation and time off.
- Small profit margins and it is expensive to operate a child care program.
- Difficulty finding staff.

“It’s not very profitable because families can’t afford to pay for high-quality care, so we can’t pay high-quality staff.” –Local Provider

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

- Limiting ratios for the number of children allowed in younger age groups reduces the number of infants a provider can care for, making these slots difficult to cash flow.
- There are a growing number of requirements and regulations for all providers making it overwhelming to stay in the business.
- Potential new providers are intimidated by the regulations and experienced providers are frustrated by the regulations.
- There are challenges with getting training and background requirements completed in a timely manner.
- Requirements for centers are strict, tough to maintain and very time-consuming.
- Providers feel too regulated and limited in their ability to make their own decisions.

“There is a great need for child care and growth in the daycare business, if we are able to staff that growth will be the question.” – Local Provider

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

- There is a shortage of staff which is partially due to low wages.
- Child care workers are underpaid. The job is demanding and not a good fit for everyone.
- Child care has small profit margins, it is expensive to start a program, and may be difficult to cash flow. There is a lack of resources.
- Costs are going up and programs have a hard time charging enough to maintain staff or to be financially stable.
- Parents want high-quality care, but most cannot pay enough to compensate providers for their true value.
- Infant care is hard to find – parents are trying to line up infant care in early pregnancy or before they become pregnant.
- It is hard for families to live off one income, but finding child care so that both parents can work is challenging.

“It’s a lot of work, for what may not be the best pay. It takes the right type of person to do childcare.” –Local Parent

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 Houston County RCCIP Core Team conducted brainstorming with the community to come up with a variety of possible solutions to address the child care shortage. Below are the main themes from the brainstorming session. To ensure the community's ideas remain authentic, little to no content edits were made in the solution ideas listed within this section.

THEME: CHILD CARE PROVIDER TRAINING

- Education for new provider coming in. "How to" guide for providers
- CPR: combine with City/EMT/Fire
- Local fire departments/ambulance provide free CPR
- Community education, child education/development course
- Tap into Mayo/Gunderson for possible training
- State-funded training (ARPA)
- Providers have to pay for new training every year
- Community provider for CPR/Ped first aid training—funding + training
- Help get more trainers to this area. Trainers are very expensive for our small association
- Mentoring program for new providers
- Having local training for providers so they don't need to travel
- Training in Hokah for providers
- Close trainings
- Resource guide for new providers/mentor

THEME: WORKFORCE DEVELOPMENT

- Substitutes/Interns like a substitute teacher with basic certifications
- Create programming for high school students to obtain CDA for credit within school
- Workforce training scholarships
- Have schools offer childcare training/apprenticeship programs
- Help businesses to provide tuition assistance
- More available substitutes so we don't have to close every time we have an appointment

THEME: COMMUNITY EDUCATION, AWARENESS, & PARTNERSHIPS

- Can local businesses combine to support child care costs?
- Community partnership to offer free education
- Rental equipment with the schools
- Co-op with schools/businesses to get food at cost
- Greater understanding of the value investment in early care
- Educating employers on how they can help pay for childcare
- Partner with community gardens/farms
- Flex schedules from employers
- Bluff County Collaborative to educate students
- Partnerships between senior care/nursing homes and child care
- Community Facebook page to connect providers with opening to parents looking for care
- More collaboration between community partners
- Businesses being flexible with days off for childcare needs
- Contact farmers' markets for purchasing surplus at discounted prices
- Wish list for parents/businesses
- First Children's Finance should give their information to new licensor
- What does it take to be 3 & 4-star Parent Aware? How can we support?
- Schools and home daycare partnering for food order costs if cheaper
- Employer daycare allowance
- Seniors in community as volunteers in daycare
- Bring back Early Childhood & Family Education

THEME: FINANCIAL SUPPORT/INCENTIVES

- Helping providers have good Wi-Fi and good devices for trainings
- ARPA money for training. CPR costs about \$120/person
- ARPA dollars for training
- State stipends
- Workforce development has some ability to pay starting/education/training costs. Advocate for more government money for this support.
- City/county could subsidize training/licensing costs
- Fingerprinting is ever 5 years and will now be charged. A way to cover this for providers and make it more accessible
- Scholarship for early childhood education
- Scholarship for training
- Help cover some cost for training
- Help for new providers starting out
- Help with supplies for crafts
- Educational supplies free of charge
- Supplies delivered--can be curriculum, etc.--through grants
- Money for curriculum usage
- More information on startup grants
- Grant opportunity-startup costs
- County grants/investment group for childcare startups
- Food assistance programs
- Food programs funding
- \$125 for two Saturdays
- More tax credits for additional operating expenses and supplies

THEME: CHILD CARE PROVIDER RECOGNITION

- Child care appreciation in the community
- Feature a provider in Argus weekly/monthly
- Appreciation at local events
 - Sporting events
 - School assemblies
- Work with Argus to raise awareness for local, in-home providers
- Provider wish list for the state to appreciate us

THEME: FACILITIES

- Pods in community
- Nursing home & child care connections
- Space to start in-home childcare
- Inventory existing empty building and space
- Take advantage of empty storefronts



IMPLEMENTATION PROJECTS

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

SMART Goal One

Identify within 6 months facilities available for additional slots such as pod, centers, and home providers in facilities.

Expected Outcomes and Impact

Offer new space for a daycare facility

Project Team Lead – Allison Wagner

Additional Team Members –Shelley Ellingson, Ty Haupt, Jean Kinneberg, Karen Kohlmeyer

SMART Goal Two

In the next year, develop biannual “Super Saturday” training tracks for required continuing education for home and center providers, including how to offset provider costs.

Expected Outcomes and Impact

Alleviate provider costs, reduce the number of providers leaving the profession, assist with the sustainability of the profession long-term.

Project Team Lead – Teala Amberg & Dawn Felten

Additional Team Members – Brenda Beckman, Gretchen Juan, Larry Kirch, John Pugleasa, Sue Thesing, Allison Wagner, & Licensed Daycare Association Providers

SMART Goal Three

Implement a child care appreciation program countywide within 6 months.

Expected Outcomes and Impact

Providers feel appreciated and promote incentives for new providers.

Project Team Leads – Allison Wagner & Jean Kinneberg

Additional Team Members –Shelley Ellingson, Karen Kohlmeyer, Ty Haupt

SMART Goal Four

In the next year, interest at least 10-15 individuals in a pathway to child care entrepreneurship.

Expected Outcomes and Impact

Have several of these interested individuals enter the pipeline to become child care entrepreneurs and 1-2 open in-home operations in Houston County.

Project Team Leads – John Pogleasa & Dee Slinde

Additional Team Members –Dawn Felten, MaryAnne Smith, Beth Theede, Workforce Development, Inc., Houston Co. HS Students

SMART Goal Five

Create a website or webpage for child care – for the public, for new providers, and current providers. Within 6 months, do research, and within one year put in place said website.

Expected Outcomes and Impact

Develop a website within a year after determining who can use it

Project Team Leads– – Shelley Ellingson & Karen Kohlmeyer

Additional Team Members – Chris Hardie, Ty Haupt, Jean Kinneberg, Allison Wagner



First Children's Finance

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