



RURAL CHILD CARE INNOVATION PROGRAM

Park Rapids, Minnesota

**Community Solution
Action Plan for
Child Care**



April 2025

m **DEPARTMENT OF CHILDREN,
YOUTH, AND FAMILIES**

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



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This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program. You will step through every stage of the community engagement process through solution development and implementation.

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

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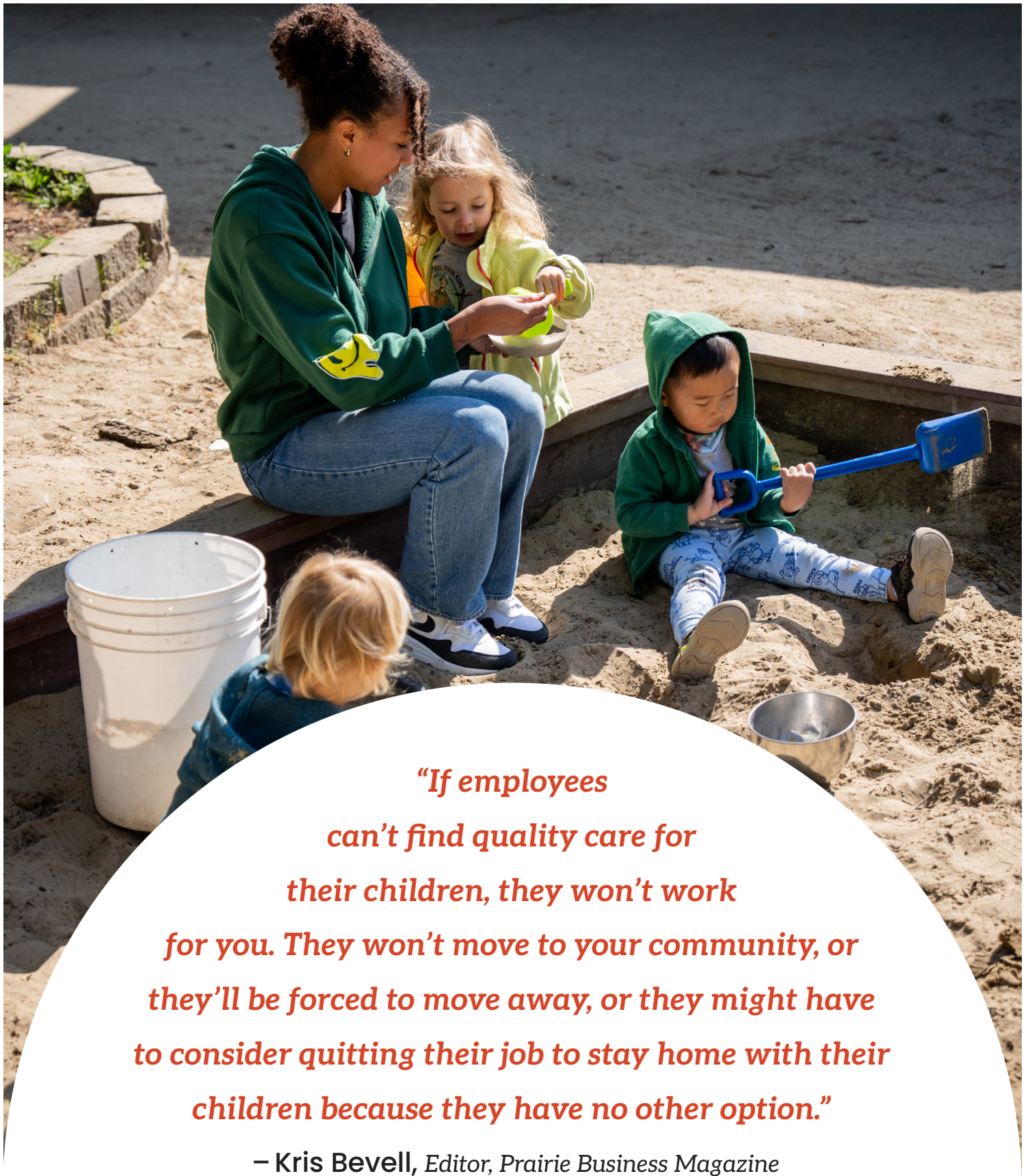
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***“If employees
can’t find quality care for
their children, they won’t work
for you. They won’t move to your community, or
they’ll be forced to move away, or they might have
to consider quitting their job to stay home with their
children because they 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 Park Rapids 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 the Park Rapids area, 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 surveys, individual conversations, interviews, and surveys with a multitude of stakeholders.

To understand the potential child care need in the Park Rapids area, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 355 slots in Hubbard County. The analysis revealed that it's very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis also revealed that the child care shortage has impacted parents living and working in the Park Rapids area. Thirty-eight percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Thirty-three percent of employer respondents stated child care has impacted their ability to attract employees, while 44% stated they do not track data showing the impact for attracting employees. Additionally, 50% of employers said the child care shortage has impacted their ability to retain employees, while 19% state they do not track data showing the impact child care has on the retention of staff. Absence from work (when a provider is closed for the day), inability to work overtime, inability to work different shifts, and tardiness to work hinder the ability of parents to advance in their careers and the ability of employers to meet their business needs.

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

Through the RCCIP process, the Park Rapids area core team has identified five goals to address the child care challenges. These goals include:

1. Within 12 months identify and evaluate four facilities for child care and two indoor large motor spaces.
2. Over the next six months establish a strategy to attract and support the local early childhood workforce.
3. In the next six months establish a strategy to facilitate and support the licensing and renewal process.
4. In the next six months establish a local 7-member child care task force that will support providers via sources of funding.
5. On an annual basis, plan and implement three opportunities to show appreciation to child care providers.

In implementing these goals, the Park Rapids area will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and give providers stronger resources to run and operate their child care business. In the next 12 months, First Children's Finance will support the core team in implementing these goals and measuring the outcomes of their efforts.

The Importance of High-Quality Child Care in Communities

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

Recruiting and retaining new businesses, employees, and families

Enabling parents to be more productive and less absent at work

Strengthening and feeding the pipeline for a skilled future workforce

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

Introducing the Rural Child Care Innovation Program

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

Program Focus

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



Program Activities and General Timeline

APPLICATION PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Application Opens	January 8, 2024	Send the application, post on website
Webinar	January 22, 2024 2:30 – 3:00 p.m.	Learn about the RCCIP process, expectations, and ask questions
Application Deadline	February 2, 2024	Due by 5 p.m.
Application review and follow-up questions for applicants	February 5–16, 2024	FCF will connect by phone or email
Final Awards made	February 23, 2024	FCF will notify via email

PLANNING PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Core Team Lead Orientation	June 6, 2024	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	August 22, 2024	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	October 3, 2024	During the face-to-face meeting, the community engagement activities will be mapped out and a timeline for the process will be developed
Data Gathering & Community Engagement Activities	October – December, 2024	The Core Team engages the community in data collection and informs them about their work
FCF Facilitated Ongoing Core Team Check-ins	October 2024–February 2025	Virtual monthly Core Team meetings
Child Care Provider Appreciation Event	November 21, 2024	A face-to-face dinner is organized to recognize and appreciate the community's providers
Synthesize Data	December 2024	FCF synthesizes data into useful info for Town Hall event
Planning Meeting for Town Hall	December 18, 2024	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	January 8, 2025	A face-to-face community wide event held to learn about data collected and identify and develop projects
Child Care Provider Recruitment	On-going	Recruit providers to participate in business trainings, business leadership cohorts, and one-on-one consultations conducted by FCF

IMPLEMENTATION PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Organization of Town Hall ideas	January/ February 2025	FCF staff organizes Town Hall ideas into a workable format
Goal Setting and Implementation Meeting (4 Hours)	February 11, 2025	Face-to-face or a virtual meeting to prioritize goals, develop SMART goals, map out implementation activities, and plan for the Community Launch
SMART Goal Finalization Meeting	April-July 2025	One or two virtual meetings action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	April-July 2025	FCF creates a report detailing community data, types of solutions, and community-identified projects
Regular Core Team Meetings	Feb 2025- February 2026	Updates discussed from project teams to the core team; frequency determined by the core team; facilitated by the Core Team Lead
Biannual Reporting	July/August 2025	Core team lead provides written biannual update to FCF
Regular Project Team Meetings	February 2025- February 2026	Project teams meet to Implement community solutions; facilitated by project team lead
Technical Assistance & on-going Support	February 2025- February 2026	FCF provides technical assistance when needed
Final Report	January/ February 2026	Core Team leader submits final written report to FCF
Celebration with the Core Team	June 30, 2026	Core team celebrates its success
Learning Communities	Various Times as determined by FCF	Opportunities to learn from and network with other RCCIP communities who are either in the implementation phase or who have completed the RCCIP process

Expected Outcomes and Impact

The Rural Child Care Innovation Program is designed to support fundamental changes in the overall conditions for child care in the areas where it is delivered. This is accomplished through various methods:

- 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 Park Rapids

Park Rapids is in northwestern Minnesota near Itasca State Park which is the gateway to the Headwaters of the Mississippi River, and the beginning of the Heartland State Trail. Park Rapids was formed on the banks of the shimmering rapids, in a stand of pine trees that formed the city's name. True to its heart, it is a city whose people keep it vibrant, thriving, and authentically welcoming. The 2022 census reported 4,269 residents living in Park Rapids.

Child care has become an economic development issue throughout the region. There is currently an approximate shortage of 126 child care slots in Park Rapids, which is causing employers to have difficulty retaining and attracting employees. As a result, parents are unable to enter the workforce to fill vacancies due to a lack of affordable child care. The City of Park Rapids is participating in the Rural Child Care Innovative Program to focus efforts on creating local and right-sized solutions that sustain and increase the supply of child care to further support workforce development, strengthen their economy.



Local Core Team Representation

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

Mary Thompson	Executive Director, Heartland Development Commission
Derek Ricke	President/CEO, Park Rapids Lakes Area Chamber of Commerce
Charlene Christenson	Hubbard County Commissioner
Leah Pigatti	Executive Director, Mahube-Otwa Community Action Partnership, Inc.
Jill Dickinson	Community Education Director, Park Rapids Area Schools
Ben Koppelman	President, CHI St. Joseph's Health
Tom Conway	Human Resource Manager, Lamb Weston, Inc.
Michelle Wilkowski	Head Start Director, Mahube-Otwa Community Action Partnership, Inc.
Kari Smith	Family Child Care Provider
Leeza Branstrom	County Licenser, Hubbard County
Brian Hobson	Music & Technology Teacher, Menahga Public Schools
Sarah Stenberg	Wayfinder Navigator, Mahube-Otwa Community Action Partnership, Inc.
Missy Okeson	Child Care Senior Program Manager, Northwest Minnesota Foundation
Annie Butler-Ricks	Community Development for United Way of Bemidji Area
Roxanne Stinar	Family Child Care Provider
Sara Weiss	Family Child Care Provider
Michelle Mahoney	Family Child Care Licenser, Sourcewell

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 Demand Gap analysis which provided a view of potential child care needs. When analyzing the data, we look at a range of slots. This gives us the best picture of the need in the Park Rapids area. The Supply Demand Gap Analysis for the city of Park Rapids dated August 2024, shows a shortage of 126 slots for children birth to age five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 36% of the slots needed are for infants and toddlers. Closures happening after the data was pulled would indicate an additional increase in local need according to the number of birth-five slots that are no longer available.

Park Rapids

Child Care Needs Analysis



56470 – Park Rapids

Population: 4,269



405

Children under 5
with all
parents working

Estimate based on the ACS 2022

79%



Children under 5
with all parents
in the workforce

Estimate based on the ACS 2022



29

Licensed
family
child care

1

Licensed
child care
center

0

Certified
child care
center

279 Current child care capacity
FCF Calculation

Birth to 5 spots needed
FCF Calculation

355 Hubbard County

209 School District #309

126 56470 Zip Code



36%

Infant & Toddler Need
FCF Calculation

\$563

per month/preschool



**Cost of
Family
Child Care**

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

\$858

per month/preschool

**Cost of
Center
Child Care**



County level data from
2021 DHS Market Rate Study
50th percentile price cluster 3



First Children's Finance

August 2024

In surveying family child care providers, we learned that 33% of the respondents have been in business for 1-5 years and 28% have been in business for over 20 years. When asked how long they plan on staying in business, 28% plan on staying in business for 3-5 years, while 44% state they plan on being in business over 10 years. It is important for the Park Rapids area to think both about ways to retain family child care providers as well as building more slots within the community.

Family Child Care – By the Numbers

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

- At 11.37 years, the average length of service is slightly lower than the state average.
- 34.4% of providers have less than 5 years of service, which is higher than the state average of 27.4%. 24.1% percent of providers have more than 20 years of service, which is lower than the state average.
- Providers with more than 20 years of service typically indicate that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are at risk most for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
Total Family Child Care Providers	29	5,983
Average Length of Service	11.37 years	14.15 years
Less than 5 years / Service	10 / 34.4%	1,640 / 27.4%
More than 20 years / Service	7/ 24.1%	1,964 / 32.8%
Non-Owner Occupied	3 / 10.3%	276 / 4.6%
Non-Residential Dwelling	0 / 0.0%	66 / 1.1%

August 2024



Average Cost of Child Care

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

The following chart shows the average cost of child care investment on a weekly basis at the 50th percentile for each age group in both a center and family child care setting. This number means 50% of child care programs charge more than this number and 50% of child care programs charge less.

Area Market Rates – Hubbard County

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
50th Percentile – Infant Weekly–Center	\$255	\$13,260
50th Percentile – Toddler Weekly–Center	\$240	\$12,480
50th Percentile – Preschool Weekly–Center	\$220	\$11,440
50th Percentile – School Age Weekly–Center	\$182	\$9,464

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
50th Percentile – Infant Weekly–Family	\$155	\$8,060
50th Percentile – Toddler Weekly–Family	\$150	\$7,800
50th Percentile – Preschool Weekly–Family	\$150	\$7,800
50th Percentile – School Age Weekly–Family	\$140	\$7,280

Results of the 2024 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps families of low-income to afford high quality child care. Families need to financially qualify to access CCAP and the amount of CCAP received by families will vary depending on their income levels. CCAP reimbursement rates are based around the 75th percentile market rates, and there is a maximum reimbursement rate a county can distribute to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, 89% of provider respondents accept CCAP reimbursement for families.

CCAP –Hubbard County (No Quality Differential)

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
No Quality Differential – Infant Weekly–Center	\$294	\$15,288
No Quality Differential – Toddler Weekly–Center	\$265	\$13,780
No Quality Differential – Preschool Weekly–Center	\$250	\$13,000
No Quality Differential – School Age Weekly–Center	\$200	\$10,400

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
No Quality Differential – Infant Weekly–Family	\$175	\$9,100
No Quality Differential – Toddler Weekly–Family	\$170	\$8,840
No Quality Differential – Preschool Weekly–Family	\$160	\$8,320
No Quality Differential – School Age Weekly–Family	\$150	\$7,800

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

CCAP –Hubbard County (20% Quality Differential)

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% Quality Differential – Infant Weekly–Center	\$352.80	\$18,345.60
20% Quality Differential – Toddler Weekly–Center	\$318	\$16,536
20% Quality Differential – Preschool Weekly–Center	\$300	\$15,600
20% Quality Differential – School Age Weekly–Center	\$240	\$12,480

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% Quality Differential – Infant Weekly–Family	\$210	\$10,920
20% Quality Differential – Toddler Weekly–Family	\$204	\$10,608
20% Quality Differential – Preschool Weekly–Family	\$192	\$9,984
20% Quality Differential – School Age Weekly–Family	\$180	\$9,360

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

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



Other Local Supporting Data

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

Third-grade Reading Levels

DISTRICT	2023 PROFICIENCY RATE
Park Rapids Area Schools ISD #309	43.3%
Statewide	48%

Local Graduation Rates

DISTRICT	2023 GRADUATION RATE
Park Rapids Area Schools ISD #309	69.9%
Statewide	83.3%

Ability to Pay for Child Care

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

Household Income – Park Rapids, MN

TOTAL HOUSEHOLDS ACS 2022 5YR ESTIMATE	%
Less than \$10,000	5.3%
\$10,000 to \$14,999	12.1%
\$15,000 to \$24,999	10.7%
\$25,000 to \$34,999	13.2%
\$35,000 to \$49,999	14.4%
\$50,000 to \$74,999	16.1%
\$75,000 to \$99,999	11.7%
\$100,000 to \$149,999	11.1%
\$150,000 to \$199,999	3.2%
\$200,000 or More	2.2%
TOTAL HOUSEHOLDS:	1,857
MEDIAN HOUSEHOLD INCOME:	\$42,892

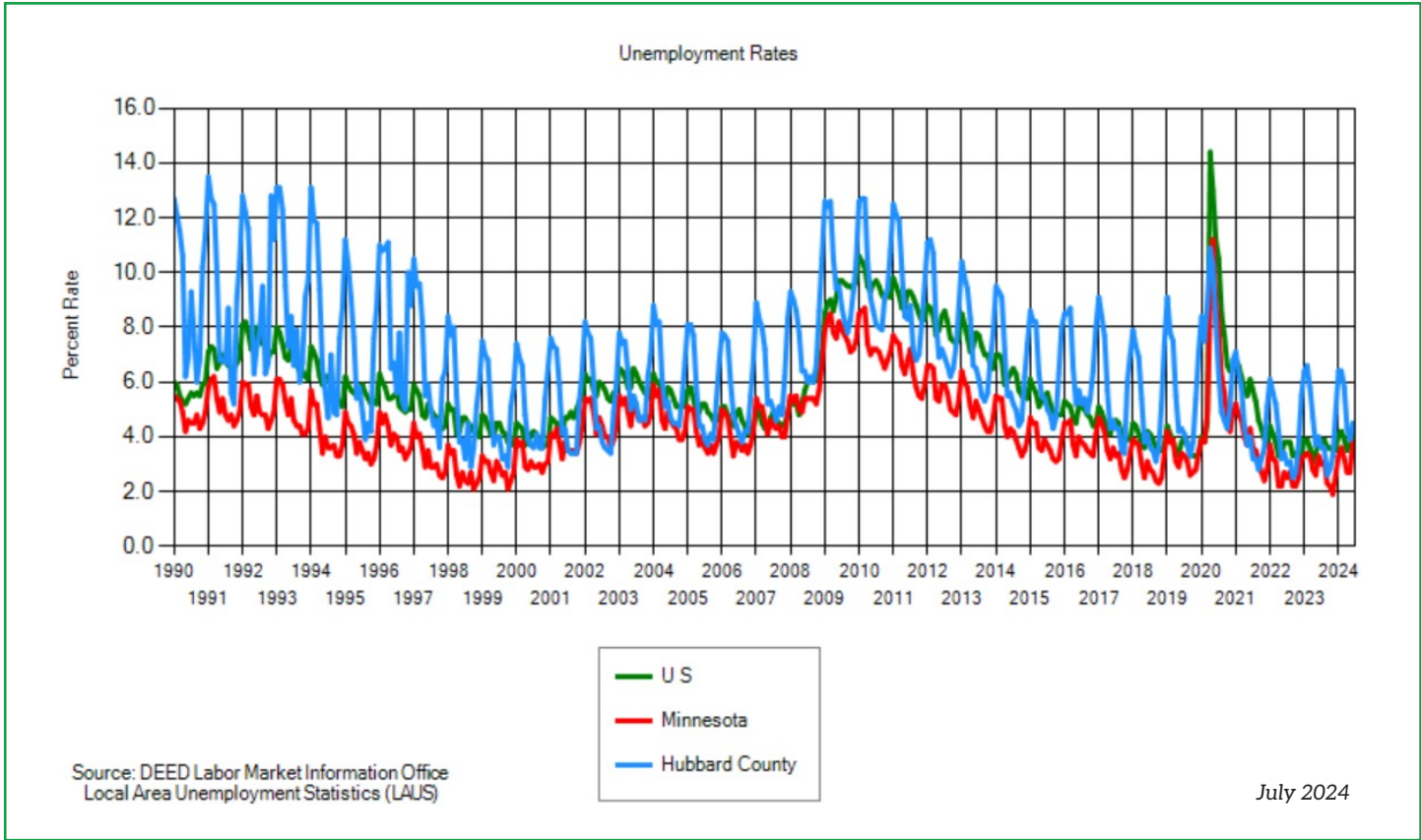
U.S. Census American Community Survey 2022

Local Employment Conditions

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

In July 2024, when this initial analysis of data for Park Rapids was completed, the unemployment rate in Hubbard County was 4.4% which is slightly higher than that of the state unemployment rate of 2.7%. This can also indicate a need for more child care in the community. Adding additional child care strengthens the local economy by allowing more families to return to the workforce.



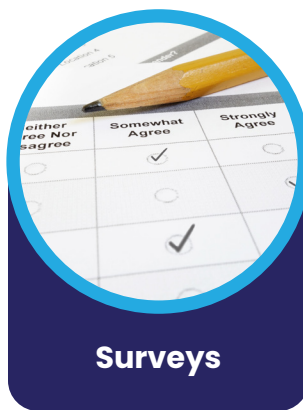
Top Local Industries – Hubbard County

Employers in Park Rapids 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	# OF EMPLOYEES	% OF WORKFORCE
Industry: Retail Trade	1,060	17.1%
Industry: Health Care & Social Assistance	834	13.5%
Industry: Manufacturing	780	12.6%

Community Insights

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

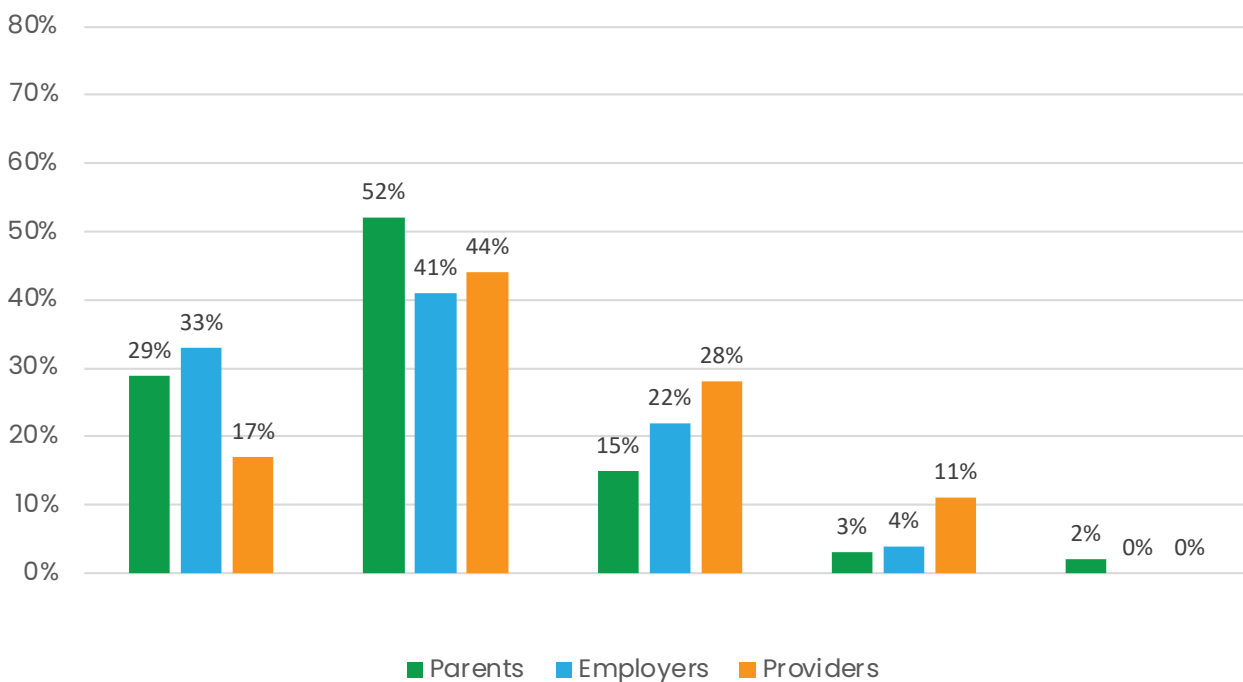


Community Surveys – Selected Perspectives

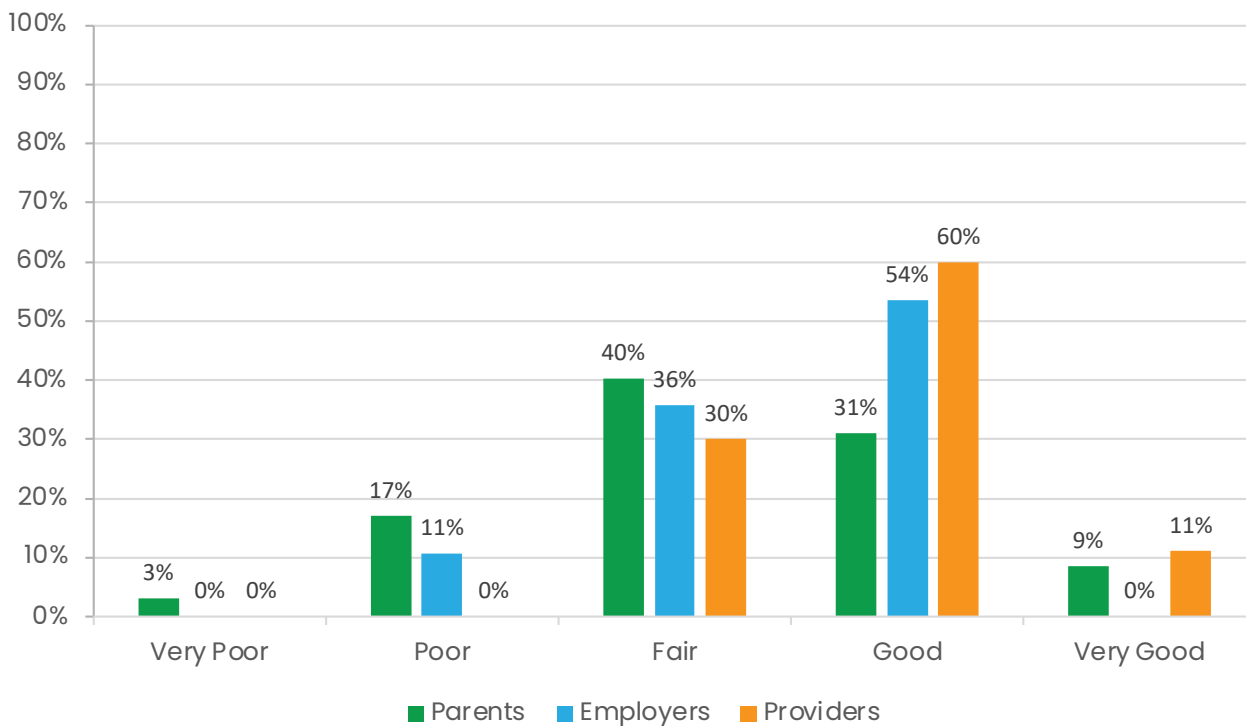
The general community was invited to participate in a comprehensive survey about child care in the local Park Rapids community. Respondents included 185 individuals for the parent and employee survey and 28 employers for the employer survey. A separate survey gathered information specific to child care businesses from 18 family child care providers and a child care center.

The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child Care in the Local Area



Perceptions: Quality of Available Child Care in the Local Area



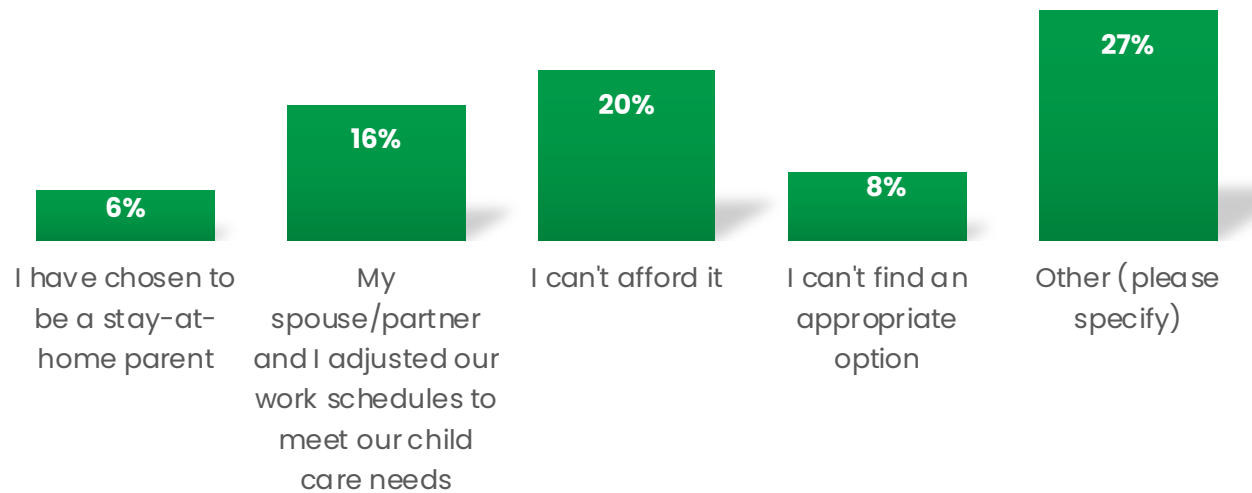
While specific questions about quality were not part of this survey, responses show there is some difference between what parents are perceiving in the quality of available child care in the area as compared to what both employers and local child care providers are perceiving. When parents were asked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

1. A safe and healthy environment
2. Licensed by DCYF
3. Provider is conveniently located
4. Provider uses an educational curriculum
5. Provider has achieved a high level of education or credentials
6. Provider is a friend, family member, neighbor, or someone I have known
7. Provider is Parent Aware rated



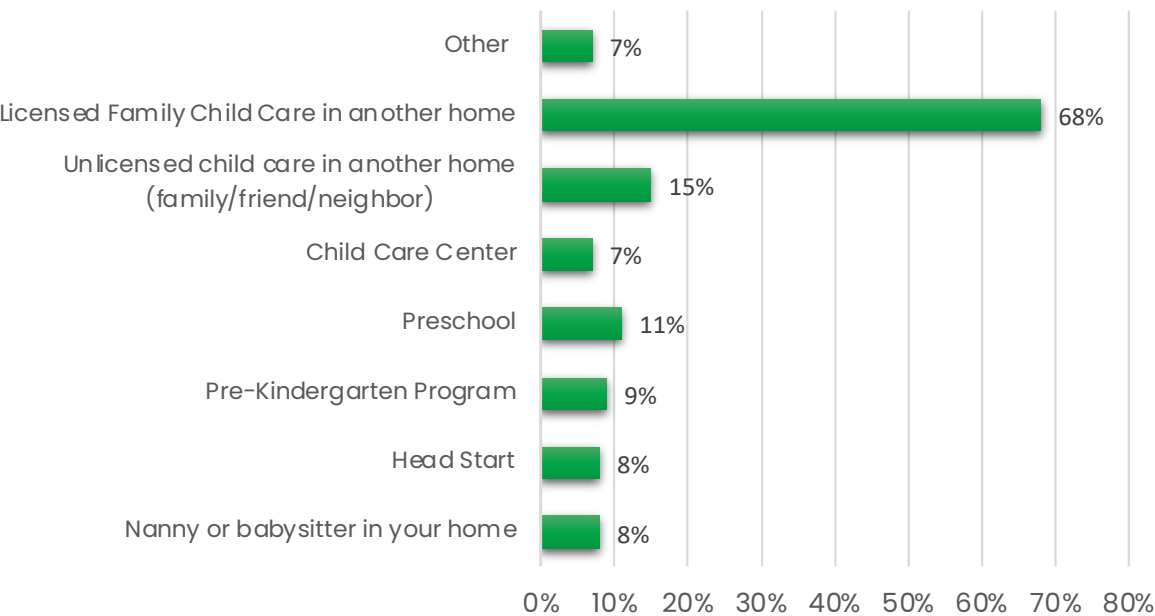
Reasons for Not Enrolling in Preferred Care

Below is a chart depicting the percentage of parents who responded to the survey stating they are not currently using paid child care. It is worth noting that 69% of the parents who completed the survey did not answer this question. Sixteen percent of the respondents say they have adjusted work schedules with their spouse/partner in order to meet child care needs, and 20% state they cannot afford care and 6% share they have chosen to be a stay-at-home parent. The other category is made up of those respondents who either have no need for child care, have family who care for their children, or have not had their first child yet.



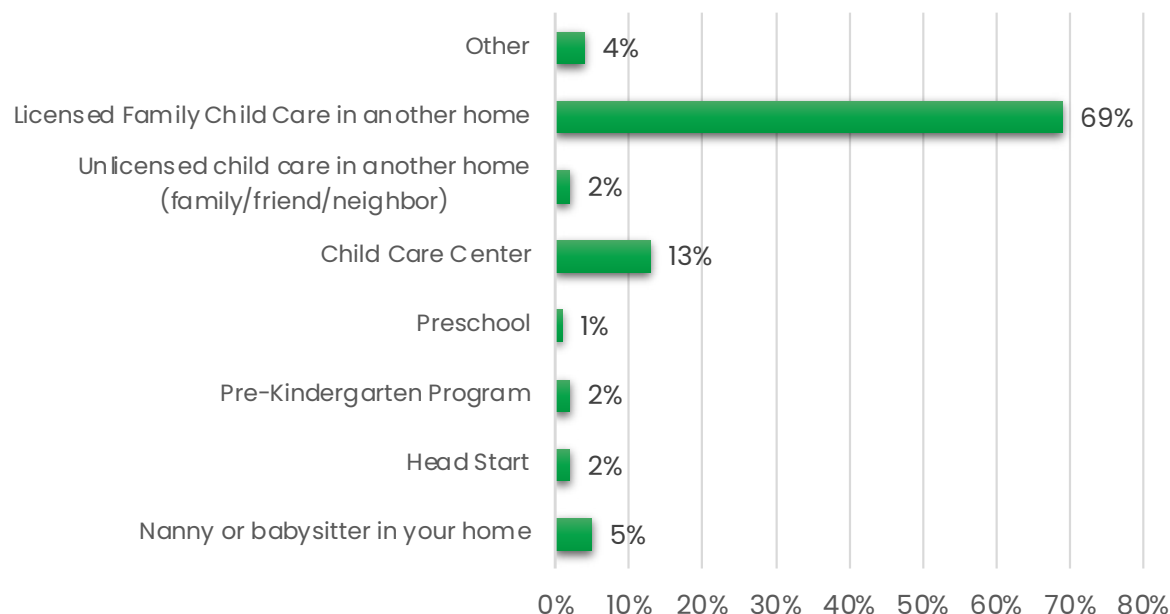
Types of Care Parents Are Currently Using

The chart below shows the types of child care currently being used by families in the Park Rapids area. The other category in this graph includes families who either use family for care or having children using a school age after school program.



Types of Care Parents Prefer to Use

The types of care parents in the Park Rapids area prefer are shown on the chart below. When a community can better meet the preferred child care options of families, the community will be more successful in attracting new families and individuals to the community to live and work. The other category in this graph includes families who would prefer part-time care, Montessori, or nature-based care.

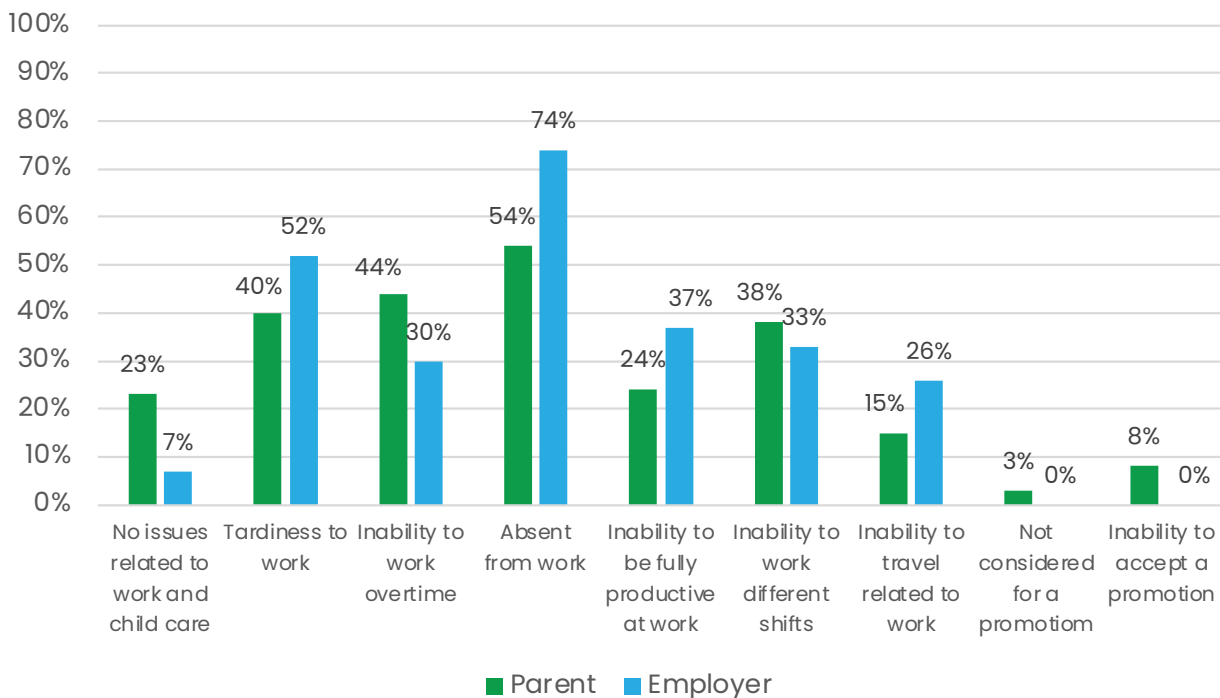


Community and Business Impacts of the Child Care Issue

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



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



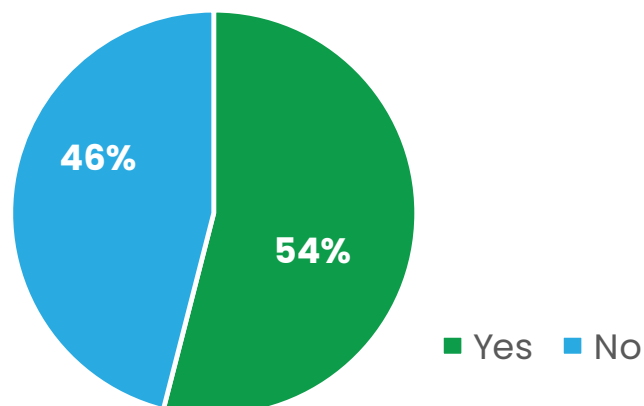
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), tardiness to work, inability to work overtime, and inability to work different shifts. Thirty-three percent of employer respondents stated child care has impacted their ability to attract employees, while 44% stated they do not track data showing the impact for attracting employees. Additionally, 50% of employers said the child care shortage has impacted their ability to retain employees, while 19% state they do not track data showing the impact child care has on the retention of staff. Tracking employee feedback on challenges related to child care can help employers to determine to the actual level child care is inhibiting their growth and retention opportunities.

Additional child care related challenges for parents included 40% reporting tardiness to work, 38% with an inability to work different shifts, and 15% with the inability to travel related to work. While 8% of parents also reported being unable to accept a promotion, and 3% reported not being considered for a promotion, 0% of employers surveyed stated either of these were happening.

Impact on Family Planning – Park Rapids

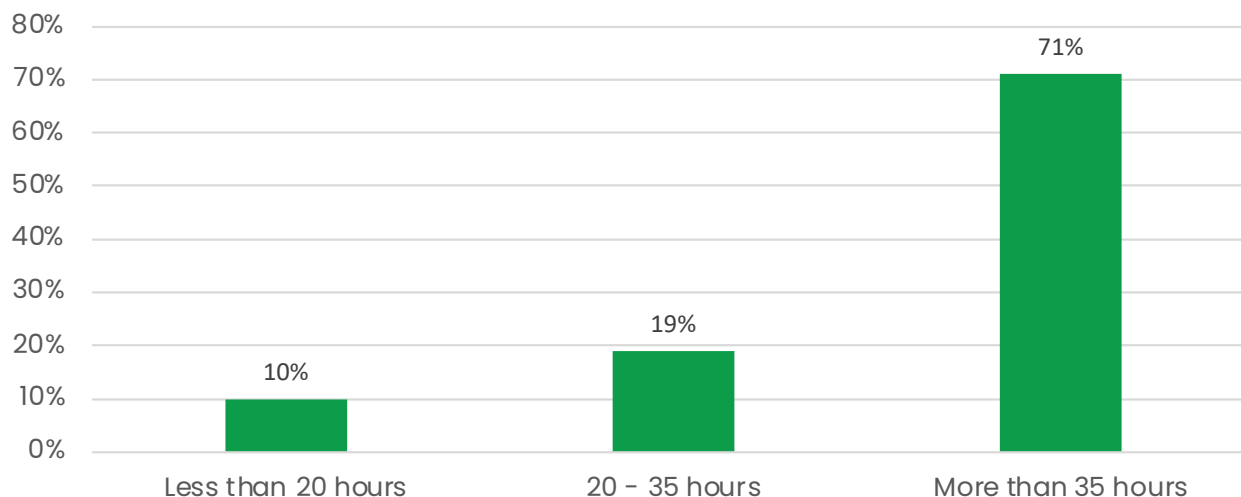
When parents were asked if the availability of their preferred child care option had impacted their decision to have another child and/or if it limited the size of their family, 54% responded it had.

In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 38% of parents responding had declined employment or withdrawn from the workforce due to child care issues.

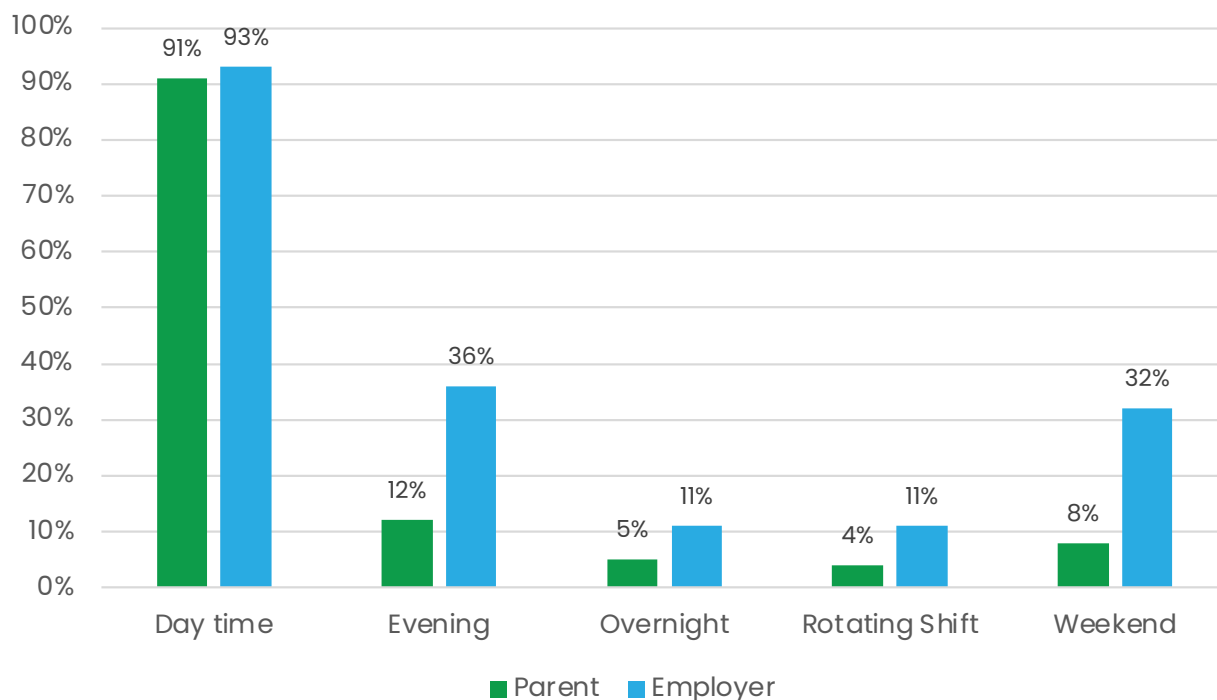


Types of Child Care Needed

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 71% of parents need more than 35 hours of care and are looking for full-time child care options.

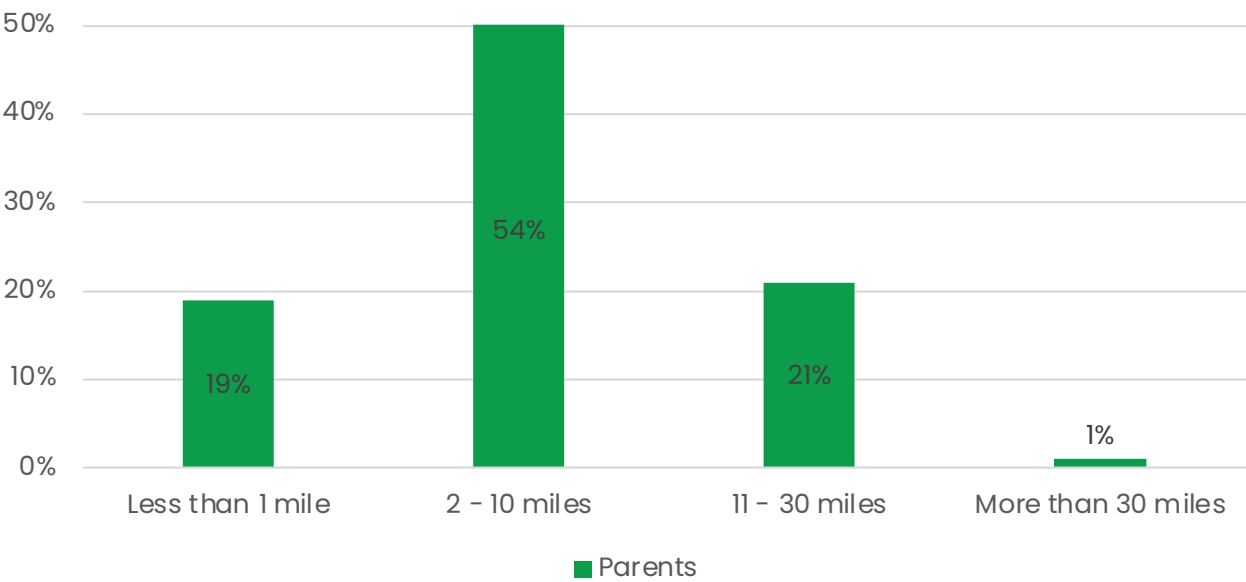


What Hours of Care Do You Need?



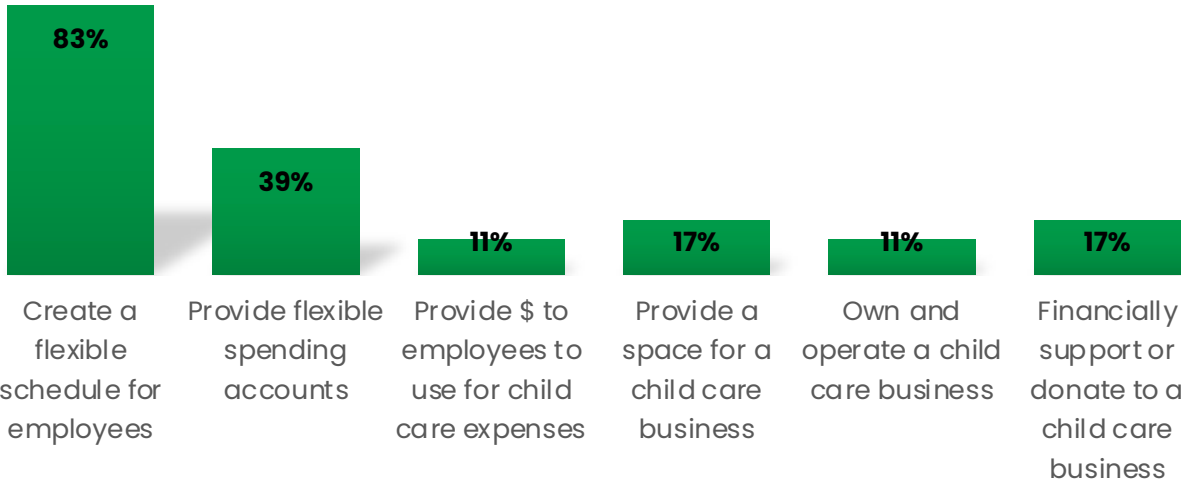
It is also important to determine when parents need care so the community can offer options that meet the need. The chart above shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers believe families need care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

How Far Do You Travel Out of Your Way (One Direction) for Child Care?



Some Park Rapids area parent respondents indicated that they were traveling notable distances to find appropriate child care. Twenty-two percent indicated that they were traveling more than 11 miles for child care.

How Would You as an Employer Be Willing to Assist in Addressing the Child Care Shortage?



Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in the Park Rapids area are willing to help is to create flexible schedules and provide flex spending accounts. Seventeen percent of employers surveyed are also willing to financially support or donate to a child care business. Eleven percent of the employers surveyed are willing to provide money to employees to use for child care expenses or provide space for or own and operate a child care business themselves.

Understanding the Underlying Challenges

The Park Rapids area Core Team spent several months investigating the underlying reasons for the local child care challenges by having discussions, engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing around child care and the factors contributing to those challenges.

"I think it needs to be more profitable for people to run a child care establishment. They have to charge a lot to get a profit for themselves. And, at that point those seeking care can't afford the payment at their already low paying jobs. It's a continuous cycle. Also, the pay is very low for people working in center type of care."

– Local Employer

FACTOR: It is Challenging to be a Child Care Provider

"The cost to continue running but still make a living. Parents can only pay so much and we can only charge so much."

– Local Provider

- Increasing state regulations are overwhelming
- Low wages, low income
- Startup costs are expensive
- Being a Child care provider is isolating.
- Perceived lack of appreciation and respect for the career
- Less people going into the early childhood field resulting in staffing and provider shortages

- ▶ 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 the 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 and Regulations: Two Sides of One Coin

“Providers need to be licensed and need to meet the expectations of the Law, but many providers are being given more stipulations then needed. All situations are different in a home child care or a facility, but the mandates are too specific creating a burden on some providers, meaning they quit providing and do something different.”

– Local Parent

- New Legislative rules may deter new providers or chase away current providers.
- Regulations are over-the top and getting worse.
- Implementation of all the new changes, figuring out how to pay for it without passing that cost on onto my families
- To many rules for them to follow and lack support for them
- The hours become long for the providers. Families are becoming difficult to work with and children are having more behaviors that are becoming hard to work with and handle.
- MN child care laws are too strict, minimum wage is too high, expensive to find help.

- ▶ 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

“As a teacher I do feel sometimes parents push their children into school (once they are 5) not because they are ready for school, but because of the savings in daycare costs. They aren’t eligible for the free VPK through the state if they are 5, but not ready for Kindergarten yet. This tells us that parents view us Kindergarten teachers as free daycare and not so much truly what we are doing in kindergarten (which is teaching what first grade used to look like years ago).”

– Local Parent

- We keep losing providers, so there are not many options, especially for infant care.
- Infant care is hard to find as providers are limited on the number they can have.
- I would use paid daycare if it was more affordable and more available. When I returned to work after having my baby, there was not one provider available.

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

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

THEME: Training

- Host CPR & First Aid
- Keep training on-line and low cost
- Low-cost training opportunities
- Ages and stages



THEME: Workforce Development

- Utilize retired providers as subs and/or child care consultants
- Provide helper opportunities with current providers for students interested in EC field
- Create a substitute pool
- Certification courses via community education
- Part-time grandmas
- Meet with colleges that have EC students
- Facility with supplies for new providers
- Local high school CDA program
- Having EC classes-CDA continue, these students also help in the school-age program.
- Fingerprinting at the hospital

THEME: Community Awareness and Education

- Publish stats on CC need multiple times on different medias
- Commentary on newspaper's opinion page
- Share the expectations and responsibilities that FCC have with the community to explain why the cost is such
- Show breakdown of costs providers carry with the community

THEME: Financial Support/Incentives

- Child care scholarship
- Crowd source funds for provider appreciation
- Grants not taxed
- Grant to support ads for new providers
- Financial support for start-ups
- Local \$pool from businesses for providers
- Employers sponsor a room or slots at child care.
- Private/public partners to subsidize infant rooms.
- Private sector \$ support (RDO/local banks/Itasca-Mantrap Team)
- Establish an endowment fund to subsidize child care providers in the community.
- Fund for grants via business donations
- Collaborate with local businesses to provide discounts for EC businesses

THEME: Recognition and Appreciation

- Provider networking/dinner
- Provider appreciation dinners

THEME: Facilities

- City Hall
- Gemcraft building
- Diamond Willow
- Pinecrest Apartments (sublet units for SFCC)
- Vacant storefront on main street
- Former Trinity Church
- Old Akeley School
- Empty store fronts
- Old Enterprise building (Co-op building)
- Abide Church
- Gov't center

THEME: Partnerships

- Community Education and CHI collaborating to offer affordable training (CPR/First Aide, Car Seat, SUIDS)
- Who can check/charge fire extinguishers?
- Water testing
- Local fingerprinting in Park Rapids
- Indoor gross motor space (armory)
- Funding to improve parks in the city
- Local ministerial group
- "Friends of the parks" organization

Implementation Projects

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

The following are new ideas that the Core Team brought forward for additional consideration before developing goals.

New Ideas by Core Team:

- Engage the ministerial group
- Faith Bridge gym space
- Additional and affordable spaces for family child care
- Affordable transportation to events/gym space

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

1

SMART GOAL ONE:

Within 12 months identify and evaluate four facilities for child care and two indoor large motor spaces.

Project Team Leader: Mary Thompson

Additional Team Members: Missy Okeson, Kari Smith, Leah Pigatt

2

SMART GOAL TWO:

Over the next six months establish a strategy to attract and support the local early childhood workforce.

Project Team Leader: Derek Ricke

Additional Team Members: Sara Weiss, Michelle Wilkowski, Kenny Johnson

3

SMART GOAL THREE:

In the next six months establish a strategy to facilitate and support the licensing and renewal process.

Project Team Leader: Kari Smith

Additional Team Members: Michelle Mahoney, Sara Weiss, Ben Koppelman, Roxanne Stinar

4

SMART GOAL FOUR:

In the next six months establish a local 7-member child care task force that will support providers via sources of funding.

Project Team Leader: Sarah Stenberg and Tom Conway

Additional Team Members: Annie Butler Ricks, Meghan Sharon, Leah Pigatti, Charlene Christenson

5

SMART GOAL FOUR:

On an annual basis, plan and implement three opportunities to show appreciation to child care providers.

Project Team Leader: Kathy Stenberg and Christa Livermont

Additional Team Members: Sarah Stenberg, Megan Shaner, Derek Ricke, Melissa Farden

First Children's Finance: Partnering to Support Child Care Businesses

ABOUT US

Since 1991, First Children's Finance (FCF) has been a national leader in building sustainable child care businesses. We have helped thousands of child care providers, communities and government systems across the country solve issues that impede access to accessible child care.

First Children's Finance has state offices in Iowa, Michigan, Minnesota, Oregon and Vermont, and its National teams provide consulting, training and analysis services across the United States.

OUR MISSION

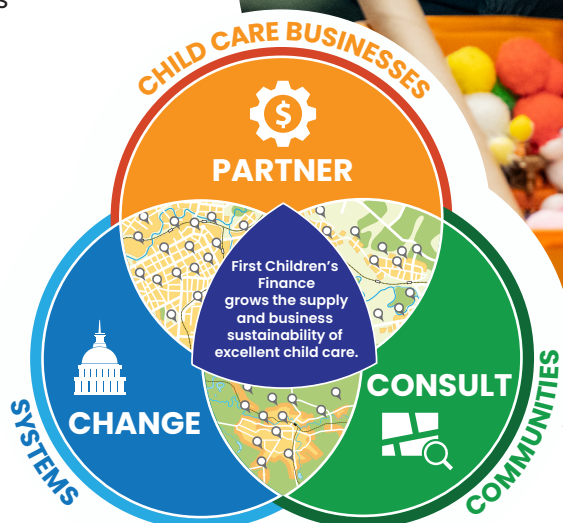
First Children's Finance is the only national organization focused exclusively on growing the supply and business sustainability of high-quality child care.

WHAT WE DO

We help children, families and communities thrive by increasing the availability, affordability and quality of early care and education.

We provide financial and business development assistance to child care businesses serving low-and moderate-income families, and by building partnerships that connect these vital businesses with public and private resources.

We're unique in working at all three levels: Entrepreneurs, Communities and Systems – and finding where they intersect.



FCF ADDRESSES THE NATIONAL ISSUE OF CHILD CARE SUPPLY IN THREE MAIN AREAS:

We **PARTNER** with child care businesses to strengthen their operations and achieve their dreams every step of the way.

We **CONSULT** with communities to achieve a sustainable child care supply that meets local economic and cultural needs.

We work to **CHANGE** public systems through advocacy and expertise, elevating child care in policies, practices, funding, and plans.

▶ **Want to know more about FCF?**
Visit us at firstchildrensfinance.org.

 **First Children's Finance**