



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

CITY OF ORTONVILLE, MINNESOTA

JULY 2022

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





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

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

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

Minnesota State Director
Suzanne Pearl

Program Leads
Jessica Beyer

Contributing Members:
Trisha Lien

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
IMPORTANCE OF HIGH QUALITY CHILD CARE	6
THE RURAL CHILD CARE INNOVATION PROGRAM	6
ABOUT THE CITY OF ORTONVILLE	8
CHILD CARE DATA & EARLY EDUCATION TRENDS	9
COMMUNITY INSIGHTS	16
TOWN HALL	24
IMPLEMENTATION PROJECT	25
ABOUT FIRST CHILDREN'S FINANCE	28



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

To understand the potential need for child care in the City of Ortonville, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of 44 slots in Big Stone County with 54% of the need being infant and toddler slots. The analysis revealed that it is very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in the City of Ortonville. Nearly 38% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 70% of employers responded that child care impacted their ability to attract employees and 60% said child care impacted their ability to retain employees. Absence from work (when a provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers.

Some of the major factors contributing to the child care shortage in the City of Ortonville 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.

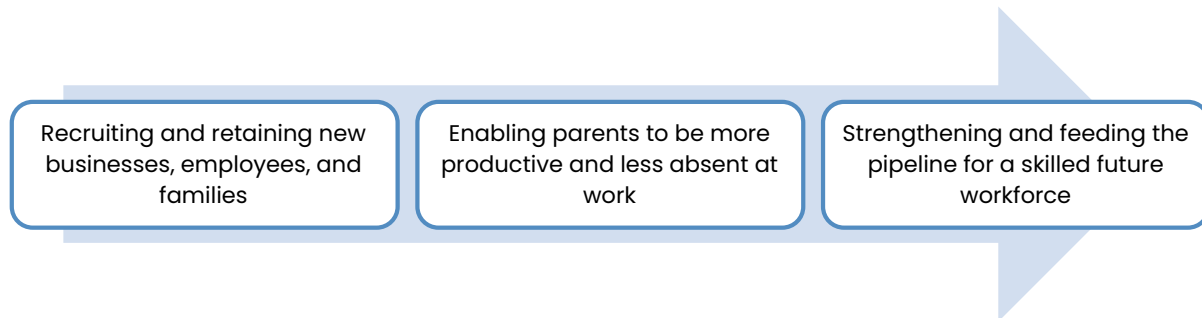
Through the RCCIP, the City of Ortonville has identified six goals to address child care challenges. These goals include:

1. Research and implement a school based early childhood career pathway program to be fully implemented by the 2023-2024 school year.
2. In the next six months identify 1-3 potential facilities that could be utilized for both center and family child care options to create more child care slots in the community.
3. In the next three months identify and connect with six potential partners to create a local pool of dollars to help the startup of child care programs.
4. In the next year offer two in-person trainings for providers in Big Stone County that count towards their relicensing.
5. Within the next year create a recognition event to show appreciation for the work providers do in the community.
6. Within the next 18 months create an ongoing communication campaign to highlight providers once a month in the community.

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

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

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



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

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

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

PROGRAM FOCUS

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

PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Webinar	July 6, 2021	Learn about RCCIP, expectations, and ask questions
Application Opens	July 20, 2021	Send the application, post on website
Application Deadline	August 6, 2021	Due by 5:00pm
Follow up questions for applicants	August 24, 2021	FCF will connect by phone or email
Final Awards made	August 31, 2021	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	September 9, 2021	Webinar with Core team leaders to set expectations
Core Team Orientation Retreat (6hrs)	January 14, 2022 February 4, 2022	2 zoom meeting to discuss RCCIP details and expectations
Core Team Planning Meeting (2hrs)	March 4, 2022	Face-to-face meeting to map out community engagement activities and fully develop the timeline
Data Gathering & Community Engagement Activities	March 2022	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Dinner	June 6, 2022	Dinner is organized to recognize and appreciate providers in the community
Synthesize Data	June 2022	FCF synthesizes data into useful info for town hall meeting
Planning Meeting for Town Hall (1hr)	May 27, 2022	Core Team planning for the town hall meeting
Town Hall Event	June 14, 2022	Community wide event to identify and develop projects
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	June 2022	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat (4hrs)	July, 2022	Face-to-face meeting to prioritize goals; develop SMART goals and map out implementation activities, Plan for the Community Launch
Core Team Lead meeting	June 2022	Webinar with core team leads from this year's RCCIP communities to network and share town hall outcomes
Community Solution Action Plan (CSAP)	July 2022	FCF creates report detailing community data, types of solutions, and community identified projects
Community Launch of CSAP	August/Sept 2022	Press release and community luncheon to share the CSAP
Regular Core Team Meetings	July 2022– September 2023	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead
Quarterly updates	December 2022– September 2023	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	July 2022– September 2023	Project teams meet to Implement community solutions; facilitated by project team lead
Technical Assistance Support	September 2023	FCF provides Technical Assistance when needed
Final Report	September 2023	Core Team leader submits final written report to FCF
Celebration	September 2023	Core team celebrates its success



EXPECTED OUTCOMES AND IMPACT

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

- A thorough analysis of the current child care supply and demand, and evaluation of community factors impacting the local child care supply.
- Events that educate community members about the link between quality child care, rural economic development, and viable communities.
- A Community Solution Action Plan that includes innovative solutions generated through a facilitated Town Hall process.
- Support and business improvement services to existing family child care providers and child care centers.
- Access to First Children's Finance's expertise, resources, and tools, including research and financial modeling.
- Links to other communities working on similar issues.

Measurements of success are determined through a tactical project management grid that provides guidance to the Core Team about the involved participants and their projected steps and progress towards project completion.

ABOUT THE CITY OF ORTONVILLE

The City of Ortonville is located in Big Stone County and at the southern tip of Big Stone Lake along the border of South Dakota. With a 2020 population of 2,021 it is the county seat of Big Stone County. Big Stone Lake State Park is nearby also. Ortonville has a PreK-12 school with about 575 students enrolled from not only Ortonville, but the neighboring towns of Clinton and Big Stone also enrolling. Ortonville's community has many strong features including an amazing 18-hole golf course, booming lake economy, hometown feel, many denominational churches to choose from, top scale health care system, and real estate opportunities that are growing every day.



LOCAL CORE TEAM REPRESENTATION

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

- Carrie Bendix- Southwest MN Private Industry Council
- Kari Dory- Ortonville Public Schools – Early Childhood
- Krista Hartman- Ortonville Public Schools – Board Member
- Nancie Haukos- First English Lutheran
- Matt Karels- Ortonville EDA
- Marge Knudson- Region 6W Child Care Aware
- Laura Laub- Big Stone County Services
- Scott Marquardt- Southwest Initiative Foundation
- Vicki Oakes- Ortonville EDA
- Emily Sigler- Big Stone Family Services
- Kelsie Thomas- Citizen of Ortonville
- Pete Vangsness- Ortonville Public School – Board Member
- Amy Weir- Big Stone Family Services
- Sara Wollschlager- Ortonville Public School – Community Ed
- Brenda Zahrbock- Family Child Care Provider
- Janel Tecrick- Tri Valley Head Start

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 child care supply and demand gap analysis which provided a view of potential child care needs. When analyzing the data for Ortonville we looked at a range of geographic areas to give us a better picture of the need in the community. The supply and demand gap analysis for the City of Ortonville from December, 2021 shows a zip code shortage of 55 slots, a county shortage of 44 slots, and a School District area shortage of approximately 42 slots for children birth to five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 54% of the slots needed are for infants and toddlers. The core team chose to focus their effort on the city of Ortonville (zip code 56278) as they move forward with creating solutions to the child care shortage. Below is a summary of the information provided in the supply and demand gap analysis for Ortonville.



Big Stone County
Population 4,996

CITIES

56211 - Beardsley

56225 - Clinton

56227 - Correll

56240 - Graceville

56276 - Odessa

56278 - Ortonville



44 Big Stone County

55 Zip Codes

42 School Districts
#2903 & #2888

Birth to 5 spots needed

FCF Calculation

18

Licensed family
child care

0

Licensed child
care centers

187 Current child
care capacity
FCF Calculation

54%
Infant & Toddler Need
FCF Calculation



\$542

per month/preschool

Cost of family child care
County level data from 2018 DHS Market Rate
Study 50th percentile price cluster 2



231

**Children under 5
with all parents working**
Estimate based on the 2015-2019 ACS

\$654

per month/preschool

Cost of center child care
Neighboring County level data from 2018 DHS
Market Rate Study 50th percentile price cluster 1



80%

**Children under
5 with all
parents in the workforce**
Estimate based on the 2015-2019 ACS



When asked about how long providers plan to stay in the business 9% of providers said they are planning on staying in business less than 3 years, while 45% said they are planning on staying in business for 3-5 years. The survey indicated that 0% of providers are planning on being in business 6-9 more years while 45% said they are planning on staying in business for 10 plus years. It is important for the City of Ortonville to consider ways to retain family child care providers as well as building more slots within the community.



FAMILY CHILD CARE – BY THE NUMBERS

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

- The average length of service is equal to the state average length of service.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turnover rates.

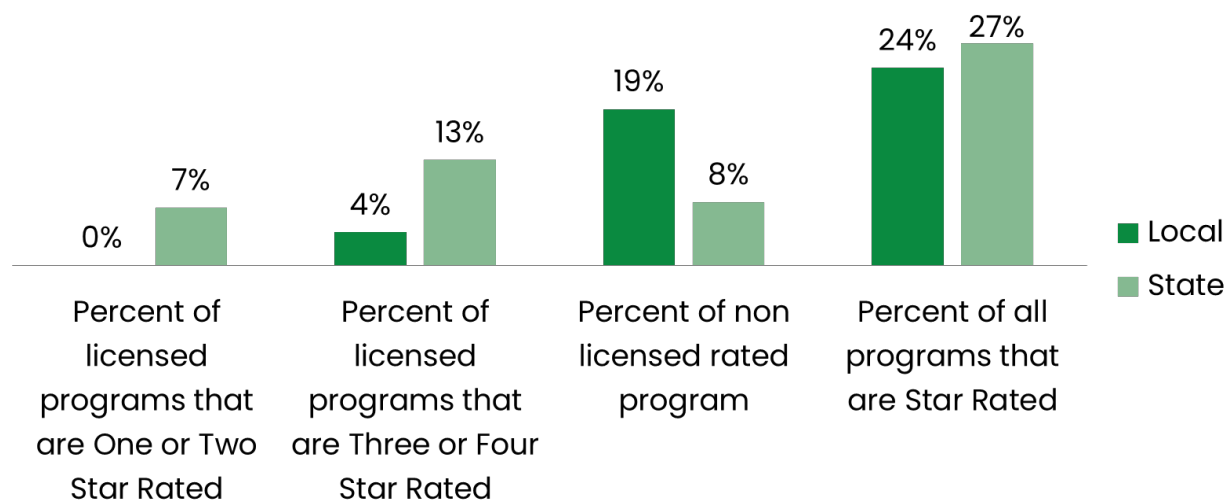
	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	18	7071
AVERAGE LENGTH OF SERVICE	13.3 years	13.8 years
LESS THAN 5 YEARS / SERVICE	4/22.2%	1904 / 26.9%
MORE THAN 20 YEARS / SERVICE	5/27.7%	2276 / 32.2%
NON-OWNER OCCUPIED	3/16.6%	236 / 3.3%
NON-RESIDENTIAL DWELLING	0/0	43 / 0.6%

November 2021



QUALITY CHILD CARE OVERVIEW

First Children's Finance examined statewide and county level 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 provide higher quality learning environments in their child care programs.



The chart above shows that participation of Big Stone County child care programs in Parent Aware is below the state average, but is higher than the state average for non licenced or school based programs. This is a critical component when we evaluate the quality of child care program offerings in the area.



AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. A review of the 2021 Minnesota DHS Child Care Market Rate Survey was conducted as part of the Ortonville RCCIP to inform child care costs in the area.

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

Area Market Rates –Big Stone County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$180	\$9,360
75TH PERCENTILE - TODDLER WEEKLY	\$165	\$8,580
75TH PERCENTILE - PRESCHOOL WEEKLY	\$155	\$8,060
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$130	\$6,760

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$150	\$7,800
75TH PERCENTILE - TODDLER WEEKLY	\$150	\$7,800
75TH PERCENTILE - PRESCHOOL WEEKLY	\$145	\$7,540
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$140	\$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 the 25th percentile of the market rate and there is a maximum reimbursement rate a county can distribute to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, 60% of family providers and 100% of Centers accept CCAP reimbursement for families.

CCAP – Big Stone County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$170	\$8,840
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$155	\$8,060
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$135	\$7,020
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$125	\$6,500

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$135	\$7,020
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$130	\$6,760
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$125	\$6,500
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$120	\$6,240

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 Big Stone county.

CCAP – Big Stone County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$204	\$10,608
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$186	\$9,672
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$162	\$8,424
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$159	\$7,800

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$162	\$8,424
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$156	\$8,112
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$150	\$7,800
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$144	\$7,488

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

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Ortonville Public Schools #595	45.7%
Statewide	48.5%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2020 GRADUATION RATE
Ortonville Public Schools #595	89.8%
Statewide	83.8%

Minnesota Department of Education Report Card



ABILITY TO PAY FOR CHILD CARE

Many families working on the lower end of the wage spectrum have difficulty paying for child care. The following chart provide an overview of the local household income that can further impact child care.

Household Income – City of Ortonville

TOTAL HOUSEHOLDS ACS 2018 5YR ESTIMATE	%
Less than \$10,000	4.2%
\$10,000 to \$14,999	4.7%
\$15,000 to \$24,999	15.0%
\$25,000 to \$34,999	9.1%
\$35,000 to \$49,999	11.2%
\$50,000 to \$74,999	21.0%
\$75,000 to \$99,999	15.6%
\$100,000 to \$149,999	15.8%
\$150,000 to \$199,999	2.0%
\$200,000 or more	1.3%
TOTAL HOUSEHOLDS	1,264
MEDIAN HOUSEHOLD INCOME	\$ 56,354

U.S. Census American Community Survey 2019

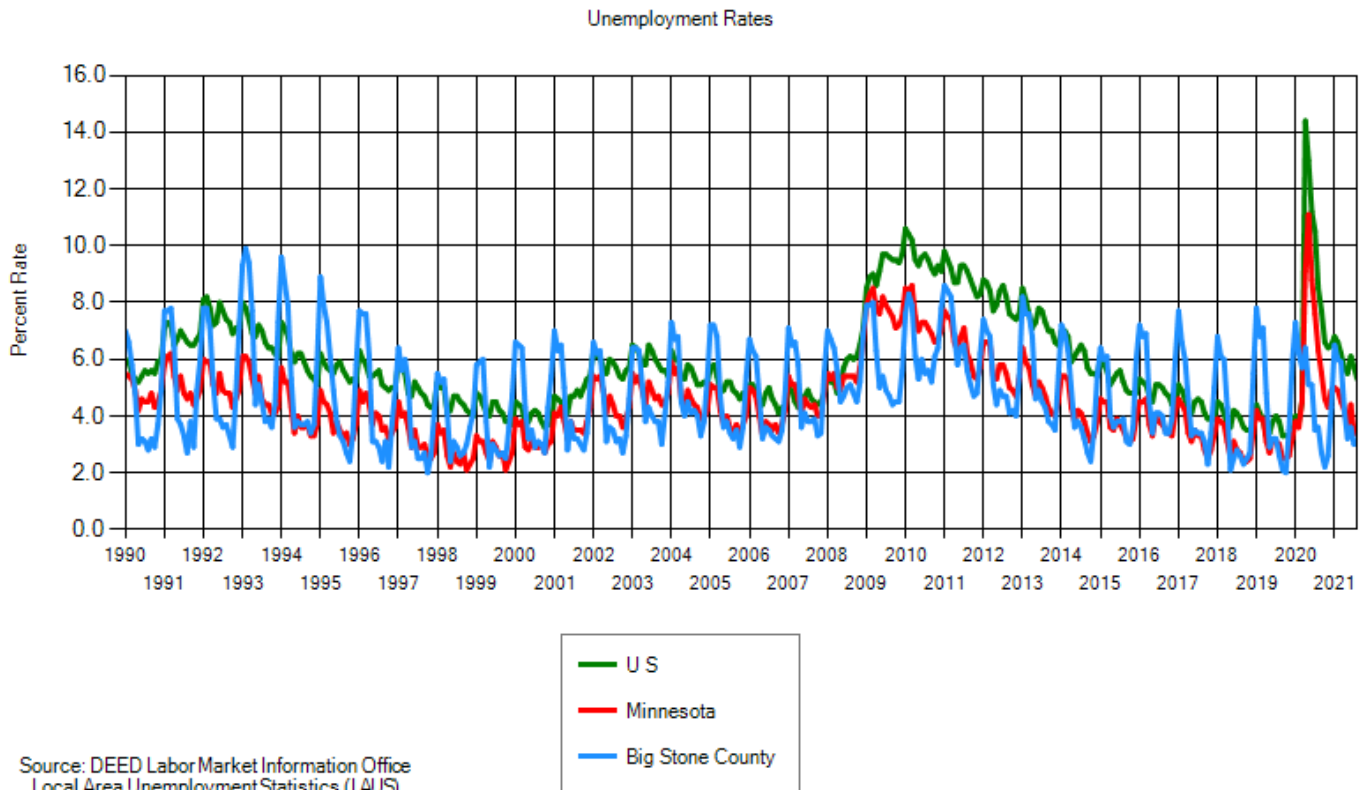


LOCAL EMPLOYMENT CONDITIONS

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

Unemployment Rates – Big Stone County

3% Unemployment Rate



November 2021

Top Local Industries – Big Stone County

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

Top Local Industries – Big Stone County	# Employees	% Of Workforce
Industry: Construction	179	10.9%
Industry: Retail Trade	476	10.8%
Retail Trade	145	8.9%

2021 DEED County Profile

COMMUNITY INSIGHTS

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

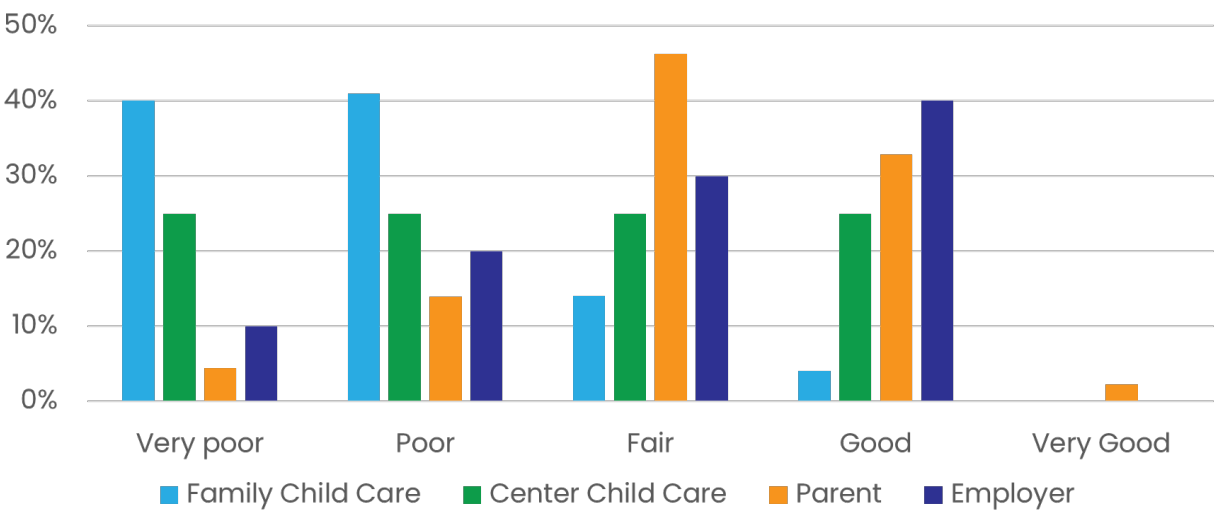


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in the City of Ortonville. Over 156 individuals participated in the community parent survey 13 large and small employers participated in the community employer survey, and 1 child care center and 12 family child care providers participated in a separate survey specific for child care programs.

The following charts represent some highlighted perspectives within the community:

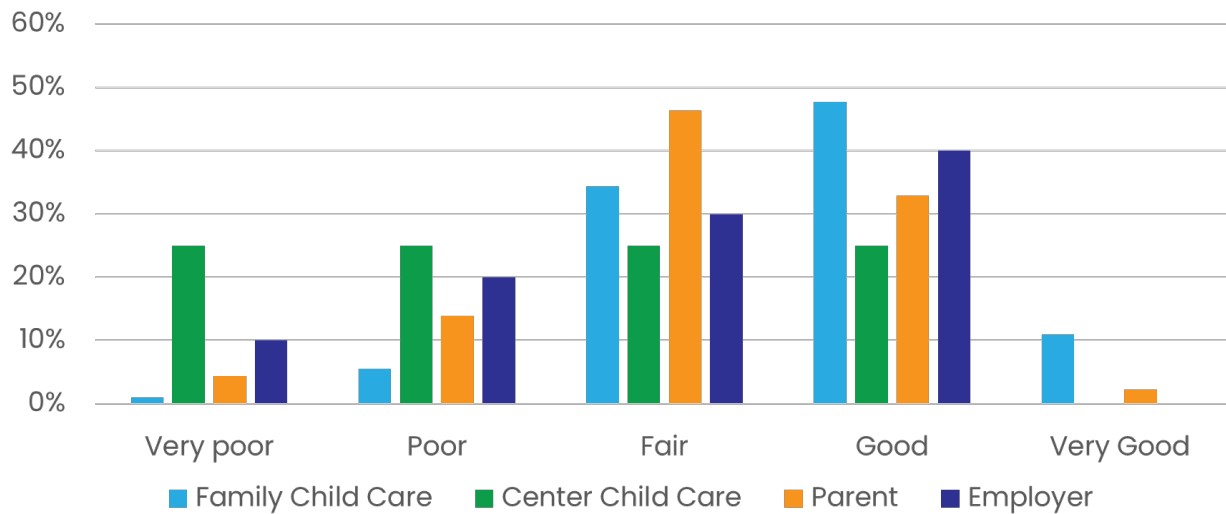
Perceptions: Availability of Child Care in the Local Area



Survey respondents indicated that they were traveling great distances to find appropriate child care. 48% of parents are traveling 2-10 miles out of their way (one direction) for child care. Nearly 20 % indicated that they were traveling more than 11 miles for child care.

Perceptions: Quality of Available Child Care in the Local Area

Next, survey participants were asked to rate the quality in their community. The chart below shows their responses.

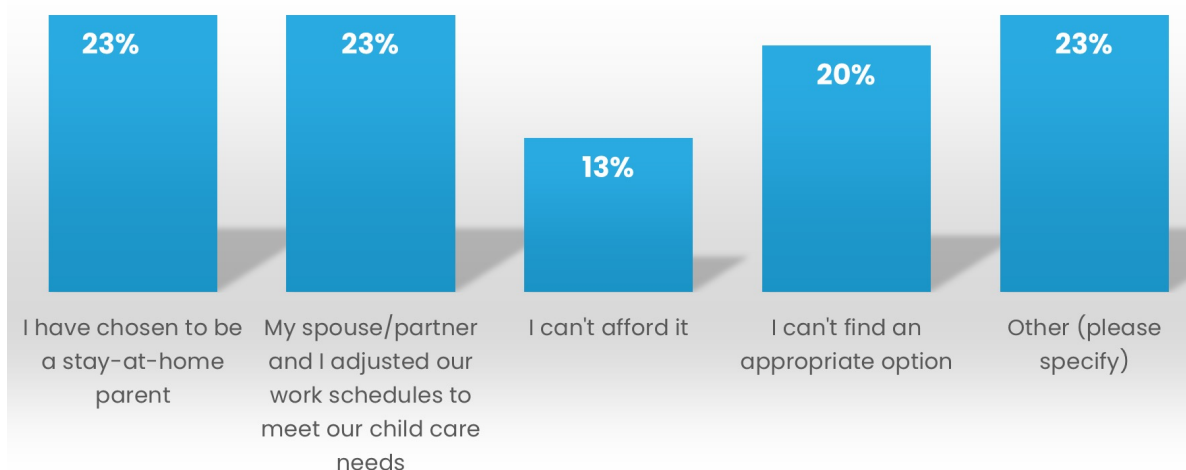


While specific questions about quality were not part of this survey, this shows that there is a positive perception between child care providers and the local community on the quality of child care programs in the area. When survey participants were asked about what is important for them in a child care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

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

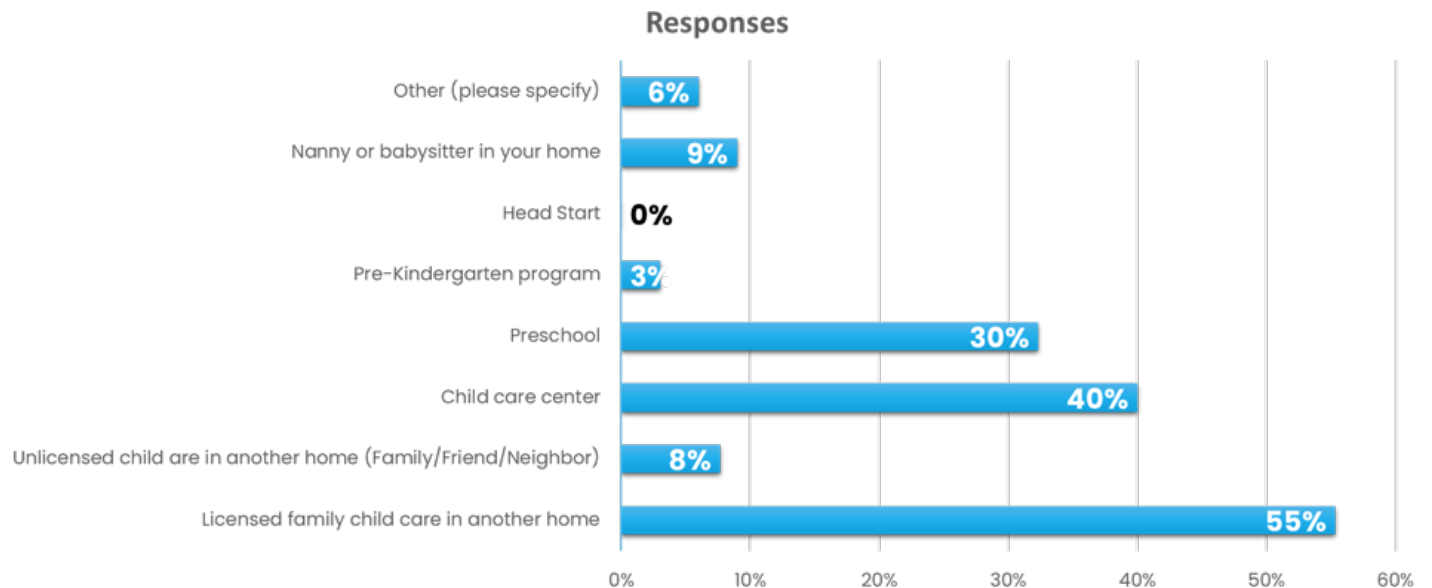
A breakdown of the parent survey showed that 66% of the parents had children under the age of 5 and 5% were expecting. While 67% of parents pay for child care 33% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using child care is in the chart below.

Reasons for Not Enrolling in Paid Child Care



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

Types of Care Parents are Using

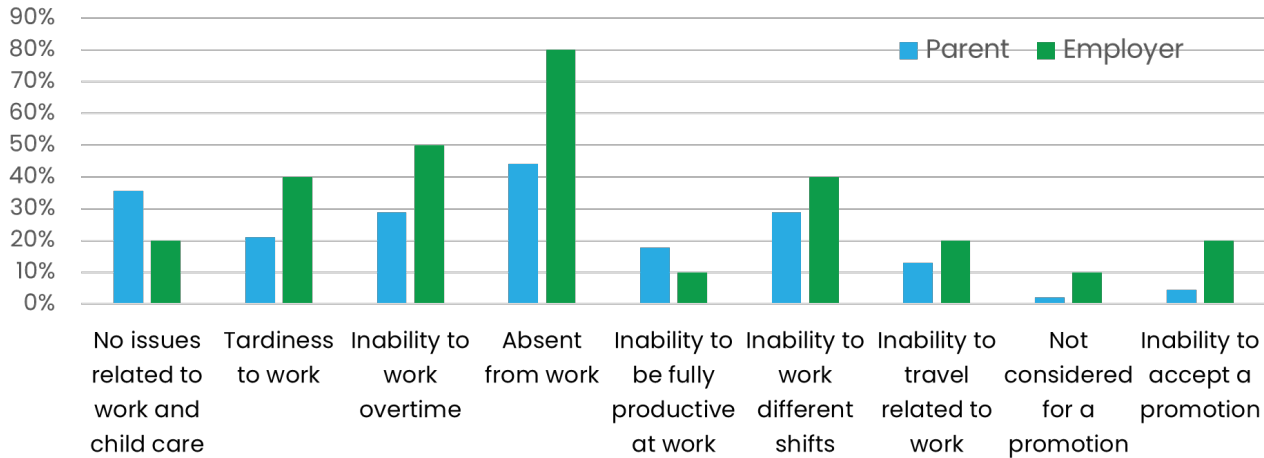


Parents preferred type of care was 50% family care, 40% center care. When asked why they are not in their preferred type of care 12% said they were not accepting enrollment, 8% said it was too expensive, and 6% said it does not exist. This is an indication of the importance of parents having the ability to choose from a variety of child care options within the community.

Community and Business Impacts of the Child Care 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 work force. These issues can compound and further extend into the business community by causing loss of workers due to the lack of child care or by businesses relocating to environments with better availability of care.

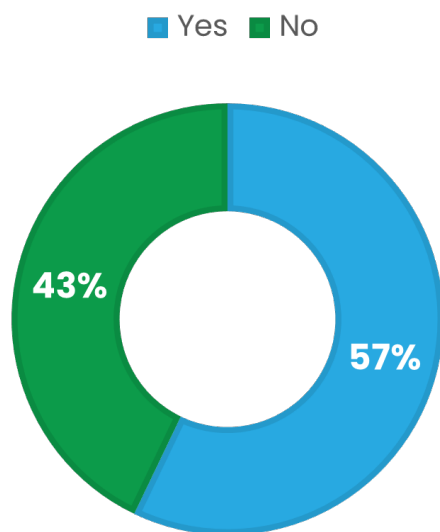
Work Issues Occurred Due to Child Care Arrangements in the Last 12 Months



Challenges for parents 36% had no issues related to work because of reliable child care. The top challenges parents expressed include: 44% absent from work, 29% for both inability to work overtime and not able to work different shifts, and 21% were tardy to work. While employers responded that 20% of parents had no issues related to work and child care. However, they expressed that 80% of parents were absent from work, 50% affected their ability to work overtime, and 40% for both tardy to work, and not able to work different shifts. 20% of the employers do not track this data.

Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. From the employer survey, 70% of employers indicated that the lack of child care impacted their ability attract employees. While 60% of employers indicated that the lack of child care impacted their retain employees. A study in 2004 showed the national impact of child care issues on the economy, it was valued at over \$3 billion dollars annually.

Impact on the local Businesses

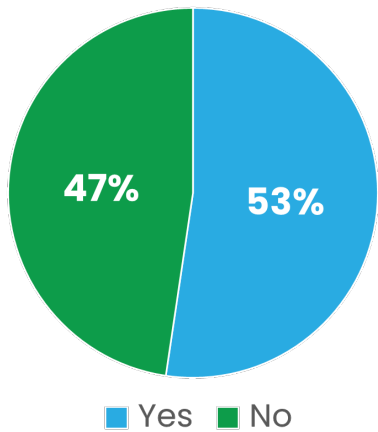


"There are people having babies that can't return to work because there are no daycare openings."

—Local Parent

Impact on Family Planning –City of Ortonville

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



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

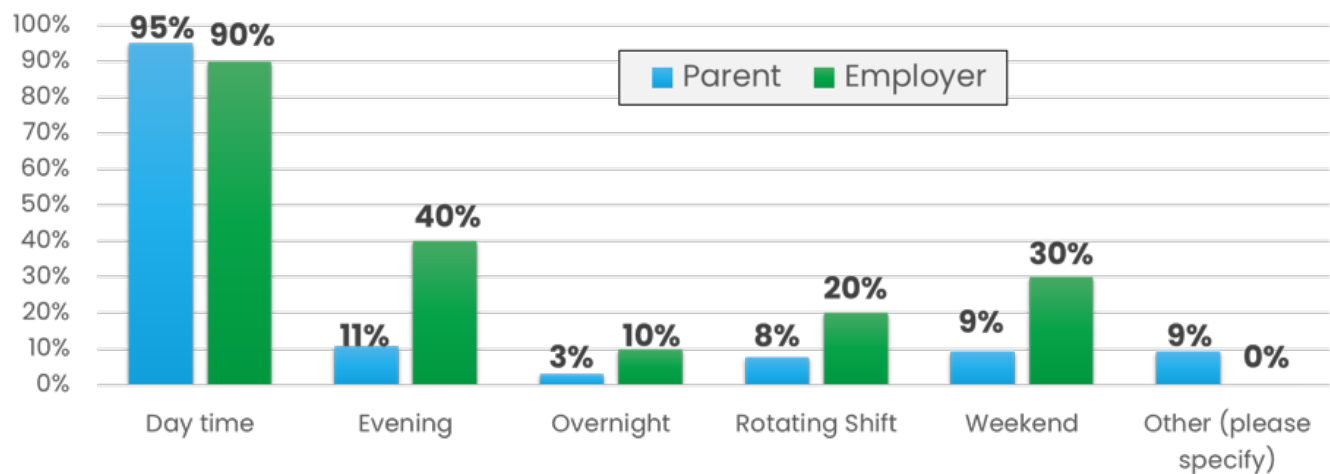
“In our family planning and talking about having more children, we find ourselves having to plan around daycare options.”
–Local Parent

TYPES OF CHILD CARE NEEDED

It is important for a community to understand the type of child care parents need, and to be able to identify the right sized solutions for the community. The survey indicated that 49% of parents need more than 35 hours of care and are looking for full-time child care options, and 43% of parents need 20–35 hours of care. Below is the break down of the type of care parents are needing. There is a bit of a discrepancy on what parents need and what employers think they need. For a child care program to be financially viable for evening care there will need to be ongoing financial supports to maintain that program.

“I had one employee go to another position because of the lack of child care during non-standard hours.”
–Local Employer

What is the type of child care arrangements needed?



Employers Are Willing to Help Address the Issue of Child Care



Employers can help address the issue in multiple ways. From the employer survey, there are many ways employers want to help address the child care issue. 29% of employers changed policies based on the child care challenges. The survey results show the top two ways employers are willing to help is to create flexible schedules or flex spending accounts, and 14% are also willing to support programs financially, provide back up child care slots, or even provide space for a child care program.





UNDERSTANDING THE UNDERLYING CHALLENGES

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

“There is a huge shortage of infant care, but we are also lacking an enhanced program for those kids almost too old to be in a daycare setting but too young to be home alone.”

- Local Parent

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers do not feel treated as business owners and parents do not understand the value of the service they offer
- Centers can't find and keep good quality workers – can't afford to pay them more
- Low wages, long hours and have NO benefits (such as health insurance, retirement, or PTO)
- Lack of space to expand or operate outside of the home
- Isolating and a complicated business model – constantly changing
- Small profit margins and expensive to operate
- Parents have a hard time finding replacement care when programs are closed

“Providers should be given recognition and encouraged so that they'll shed light on how awesome it can be! ”

-Local Child Care Program

The challenges of being a family child care provider or running a child care center are well-documented. Licensing and regulations have changed over the years along with increasing expectations around outcomes for children entering the primary school system. Many family child care providers operate their businesses with minimal community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or recognition. Local providers and other community organizations have an opportunity to recognize the ongoing contributions and continuous innovation of family child care providers in the child care industry. This could be achieved through recognition programs and other material support such as training.

FACTOR: QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

- Need for low cost, local training to increase quality care, or other supports to enhance programs
- Overall parents agree there is high quality child care, but sometimes parents take what they can get – even if they do not like or trust program
- Community wide frustration with regulation, paperwork and rules
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for – hard to cash flow infants and toddlers
- Growing number of requirements & regulations for centers and home providers.
- Potential new providers are frightened of the regulations and experienced providers are frustrated by the regulations

“Not profitable enough for providers. Daily rates too high for parents to pay. ”

–Local Parent

Residents indicated the desire to have more licensed child care choices and quality offerings available to select from. While some of this desire is for new child care offerings, many also wanted enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the county. As child care quality increases, the community should expect increased family and community investments in child care.

FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Families have a hard time finding and affording child care
- Infant care is very hard to find (2 yr waitlist) – Parents are trying to line up infant care in early pregnancy or before they become pregnant.
- Child care has small profit margins, expensive to start, and may not/hard to cash flow – lack of resources
- Parents want high quality care, but they can't pay enough to compensate providers
- Employers struggle to cover when employees have challenges with child care
- Hard to find care that meets families needs (mix and match, shift work)
- Costs are going up and programs have a hard time charging enough to maintain staff or be financially stable

“Community can help by start up incentive but also current provider incentives to remain open.”

–Local Provider

There is no clear answer to the ongoing challenge of the 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.

TOWN HALL MEETING

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

THEME: TRAINING

- Joint trainings with other local providers
- Offer free training leading to higher wages
- Coordinate trainings with divine house/school
- Enhanced mental health supports for providers
- Mental health and first aid training
- Coaching/counseling for someone thinking about opening a daycare to discuss what they are getting into (informed choice)
- Training/financial awareness of running a business
- Offer CPR or other training to everyone through OAHS or Ambulance
- Bring in training LOCALLY!!
- Offer more local training

THEME: WORKFORCE DEVELOPMENT

- Business employs the staff for higher wages and benefits
- Offer flexible scheduling, discounts, and other benefits
- Expand peer tutors to help out in child care during the day
- Child/youth education – babysitter certified for youth
- Career development in High School – classes to prepare for child care career
- Provide education/awareness about “legal unlicensed” opportunities

THEME: COMMUNITY EDUCATION/PARTNERSHIPS

- “Tiny Tot” summer program for school aged kids (8am–6pm, structured activities, lunch, field trips)
- Joel Stattelmann – connections
- Jim Kaye – connections
- 4H/Boy scouts/ Girl scouts/ lunch buddies to keep older school age kids entertained
- Retired people that could fill in for providers/already background checked
- BST/ OAHS/ Saputo/ School
- Utilize Midwest Fire & Safety for fire extinguishers/inspections

THEME: FINANCIAL SUPPORT/INCENTIVES

- Monetary incentives/bonuses for providers (example: 1 year = \$1,000, 5 years = \$2,500)
- Operating grants on a monthly basis as opposed to lump sum
- EDA investments
- Employer investment in Child Care Centers
- Promote child care as an employee benefit – employer sponsored child care
- Provide/offer benefits
- Offer some type of insurance package/benefits for providers
- Fundraisers
- Certified “substitutes” to fill in for family child care providers
- Amazon Smile/“Clear the List” on Facebook, Teacher resale groups

THEME: RECOGNITION

- Newspaper/Radio Appreciation
- More employer education on need
- Pull in local groups to adopt a provider

THEME: FACILITIES

- City-owned location with paid utilities/taxes
- Start a daycare in a county building
- Space in the hospital?
- Fairway View – add on?
- Basement of Methodist church
- Northridge Nursing Home
- Old nursing home
- Trinity Lutheran Church (Clinton)
- Fire Hall
- Churches
- St. Johns or New Life Baptist Church
- Smaller homes in the community to use as family daycare
- Pod system

THEME: INFANT AND TODDLER CARE

- School Provide 6 week – 3 year old care
- Co-op parental volunteer to offset high enrollment cost
- Birth-2 at school



IMPLEMENTATION PROJECTS

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

SMART Goal One

Research and implement a school based early childhood career pathway program to be fully implemented by the 2023-2024 school year.

Expected Outcomes and Impact

- To grow the capacity of highly qualified early childhood educators locally.

Core Team Lead – Carrie Bendix, Kari Dorry

Team Members –Kathryn Melton

Other potential team members: Superintendent, School counselor, Family and Consumer Science teacher

SMART Goal Two

In the next six months identify 1 –3 potential facilities that could be utilized for both center and family child care options to create more child care slots in the community

Expected Outcomes and Impact

- Identifying facilities that are available will help create locations to open a family child care PODS, traditional Family Child care, or Infant Toddler expansion of the center.

Core Team Lead –Brenda Zahrbock , Laura Laub, Dr. Allan, Edie Barrett

Team Members –Kathryn Melton

SMART Goal Three

In the next three months identify and connect with six potential partners to create a local pool of dollars to help the startup of child care programs.

Expected Outcomes and Impact

- Reducing the cost barrier for child care startup costs can help increase the number of new programs in the community. Reduce child care shortage, reduce family stress, child care logistical challenges, increase employment options, contribute to economic growth capacity for region.

Core Team Lead –Brenda Zahrbock , Laura Laub, Dr. Allan, Edie Barrett

Team Members –Kathryn Melton Expected Outcomes and Impact

SMART Goal Four

In the next year offer two in person trainings for providers in Big Stone County that count towards their relicensing.

Expected Outcomes and Impact

- Providers would not need to travel out of town to attend trainings that are required to maintain their child care license..

Core Team Lead –Lisa Graphenteen, Amy Weir, Jeff Klagas, Vicki Oakes

Team Members –Samantha Thompson

SMART Goal Five

Within the next year create a recognition event to show appreciation for the work providers do in the community.

Expected Outcomes and Impact

- Celebrate and appreciate the hard and important work providers do in the community, connect new and long-term providers to help sustain existing child care and promote new programs.

Core Team Lead –Lisa Graphenteen, Amy Weir, Jeff Klagas, Vicki Oakes, Nancie Haukos

SMART Goal Six

Within the next 18 months create an ongoing communication campaign to highlight providers once a month in the community.

Expected Outcomes and Impact

- All providers in Big Stone County will be highlighted in various forms of communication to showcase their child care programs and the importance of what they do.

Core Team Lead –Lisa Graphenteen, Amy Weir, Jeff Klagas, Vicki Oakes, Nancie Haukos



First Children's Finance

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa and Michigan. First Children's Finance works to stabilize, improve, and expand high-quality child care businesses serving low and moderate-income families. First Children's Finance provides financing, child care business training and consulting, and builds partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children's Finance understands the issues and challenges child care businesses face in today's world. We have industry specific expertise and a shared commitment to the success of child care.

In addition, First Children's Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. FCF brings a unique perspective, approach, and experience to providing business planning and financial assistance to our child care and economic development partners.

For more information about First Children's Finance visit www.firstchildrensfinance.org