



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

MADelia, MINNESOTA

OCTOBER 2022

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





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

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

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

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“If employees can’t find quality care for their children, they won’t work for you. They won’t move to your community, or they’ll be forced to move away, or they might have to consider quitting their job to stay home with their children because **they have no other option.**”

Kris Bevell

Editor
Prairie Business Magazine

EXECUTIVE SUMMARY

The Rural Child Care Innovation Program (RCCIP) is a community engagement process designed to develop right-sized solutions to address the needs of early care and education in Minnesota's rural communities. The goal of RCCIP is to help communities identify the scope and size of their child care challenges, and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Madelia 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 Madelia, 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 of child care in Madelia, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage of approximately 215 slots. The analysis revealed that it's very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted the way people of Madelia live.. Nearly 25% of survey respondents declined employment or withdrew from the workforce due to child care issues, and 36% of employers responded that child care impacted their ability to attract or 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 Madelia 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.

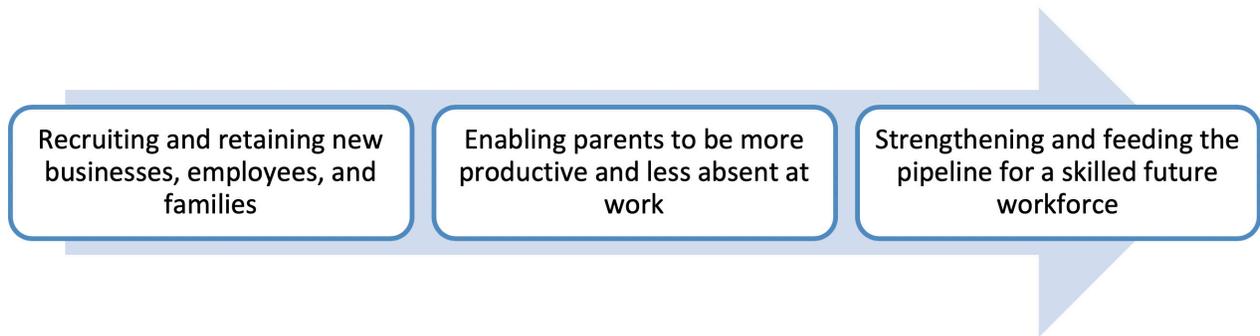
Through the RCCIP process, Madelia has identified three goals to address the child care challenges. These goals include:

1. The CDA child care project team will increase the Madelia child care workforce by 4-6 individuals by providing opportunities and support in getting the CDA credential. This will be done by creating an option for high school students within the school (Grow Your Own) and for the community by accessing the Watonwan County CDA revolving loan fund within the next 12 months.
2. The family child care team will do a marketing campaign, provide resources and support to increase the number of family child care providers within the Madelia Community by 2-4 providers within the next 18 months.
3. The facilities child care team will convene community resource people to locate one new or expanded child care location to create additional child care spots for center and/or group family child care options within Madelia over the next 18 months.

In implementing these goals, Madelia 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 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. 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 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
Application Opens	November 2, 2021	Send the application, post on website
Webinar	November 16, 2021	Learn about RCCIP, expectations, and ask questions
Application Deadline	January 7, 2022	Due by 5:00pm
Follow Up Questions For Applicants	January 17, 2022	FCF will connect by phone or email
Final Awards Made	January 24, 2022	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Orientation Retreat (6 hrs)	April 4 and 18, 2022	Two zoom meetings to discuss RCCIP details and expectations
Core Team Planning Meetings	May 7, 2022	Web based meeting to begin mapping out community engagement activities
Data Gathering & Community Engagement Activities	May/June 2022	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Event	June 6, 2022	In-person event 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)	June 2022	Core Team planning for the town hall meeting
Town Hall Event	August 15, 2022	Community wide event to learn about data collected and start to identify local solutions
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall ideas	August 2022	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat (4hrs)	September 27, 2022	Zoom meeting to prioritize goals; develop SMART goals and map out implementation activities, plan for the Community Launch
Core Team Lead meeting	September 2022	Webinar with core team leads from this year's RCCIP communities to network and share town hall outcomes
Community Solution Action Plan (CSAP)	December 2022	FCF creates report detailing community data, types of solutions, and community identified projects
Community Launch of CSAP	December 2022-January 2023	Press release and/or community luncheon to share the CSAP
Regular Core Team Meetings	December 2022-September 2023	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead
Quarterly updates	March 2023-September 2023	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	December 2022-September 2023	Project teams meet to implement community solutions; facilitated by project team lead
Technical Assistance Support	December 2022-September 2023	FCF provides Technical Assistance when needed
Final Report	September 2023	Core Team leader submits final written report to FCF
Celebration	September 2023	Core team celebrates its success



EXPECTED OUTCOMES AND IMPACT

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

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

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

ABOUT MADELIA

Madelia is a small rural community located in Southern Minnesota. The city, located along the Watonwan River, has a population of 2,374 according to the 2021 census. Madelia's economy is driven by a wide variety of jobs, ranging from entry-level to highly skilled, in food processing, health care, agriculture and other employment sectors. A large percentage of students in the school district identify as Latinx; many of them are multiple language learners.

Families in the area report that there is a large need for infant and toddler care, as well as multilingual providers. The lack of child care has negatively impacted the workforce as families often go to other communities to meet their child care needs.



LOCAL CORE TEAM REPRESENTATION

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

- Sue Harris, Community Education Director – Madelia Public Schools
- Michelle Van Hee, Madelia Times– Madelia, MN
- David Beck, Regional Finance Manager, FarmOp Capital–Madelia, MN
- Stephanie Sullivan, Family Child Care Provider – Madelia, MN
- Brett Beckius, Child Care Licensor –Watonwan County
- David Ross, Tony Downs Foods– Madelia, MN
- Traci Henry, Early Childhood Education Teacher –Madelia Public Schools
- Glen Christensen, Christensen Communications – Madelia, MN
- Shelly Bauer, Superintendent – Madelia Public Schools
- Cody Eager, City Council – Madelia, MN
- Karla Angus, Chamber of Commerce – Madelia, MN
- Brooke Willis, Elementary School Principal – Madelia Public Schools
- Megan Pfarr, Noah’s Ark – Madelia, MN
- Michelle Missling, Parent – Madelia, MN
- Joleen Krier, Parent – Madelia, MN

CHILD CARE DATA AND EARLY EDUCATION TRENDS

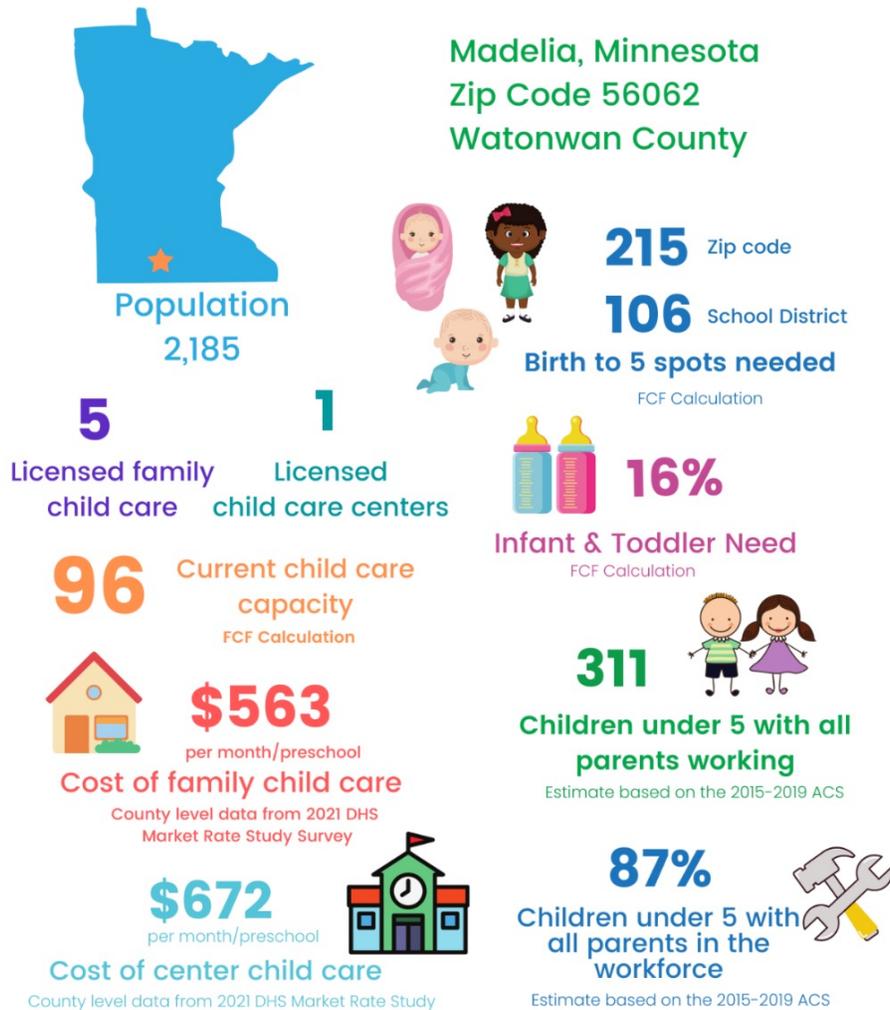
As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors for the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of child care in the local area. These data sources include US Census Information, MN Child Care Licensing Records, Minnesota Department of Education, MN DEED, School District Census information and other internal research tools including First Children’s Finance data.



POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a Supply and Demand Gap Analysis which provided a view of potential child care needs. When analyzing the data for Madelia we looked at the data for two geographic areas, the Madelia zip code of 56062 and the Madelia Area School District boundaries, which gives us a better picture of the need. The supply demand gap analysis dated March 4, 2022, shows a zip code shortage of 215 slots and a School District area shortage of approximately 106 slots for children birth to five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 16% of the slots needed are for infants and toddlers. Below is a summary of the information provided in the supply demand gap analysis for Madelia.

Madelia Child Care Need Analysis



First Children’s Finance

March 2022

In surveying family child care providers, we learned 20% plan on staying in business for 3–5 years. Furthermore, the survey indicated 40% of providers plan on being in business 6–9 more years, while the final 40% said they plan to stay in business for more than 10 years. It is important for Madelia to consider ways to retain the current 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 lower than the state average.
- At 20% the number of providers with more than 20 years of service is lower than the state average. Providers with more than 20 years of service typically indicates that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turn-over rates.

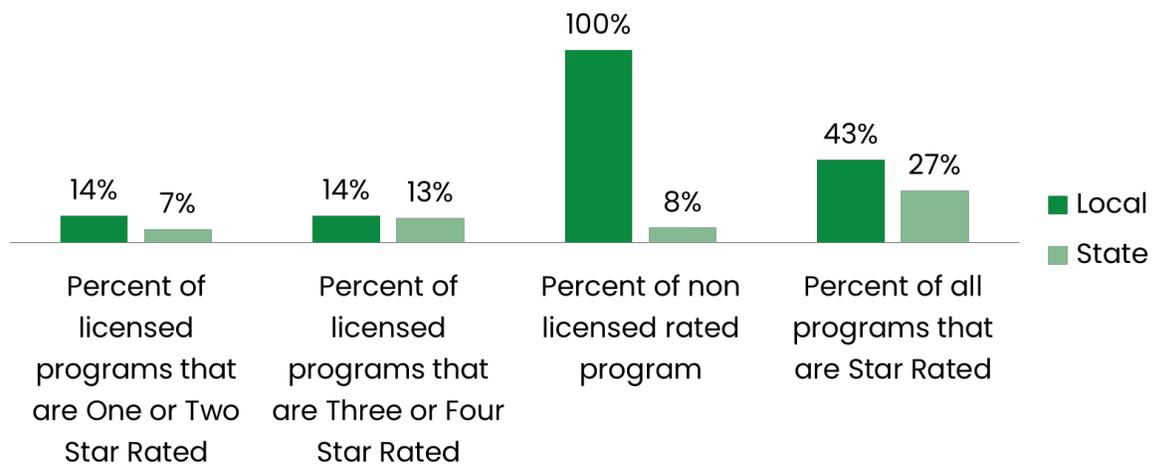
	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	5	7071
AVERAGE LENGTH OF SERVICE	11.18 years	13.8 years
LESS THAN 5 YEARS / SERVICE	1 / 20%	1904 / 26.9%
MORE THAN 20 YEARS / SERVICE	1 / 20%	2276 / 32.2%
NON-OWNER OCCUPIED	0 / 0%	236 / 3.3%
NON-RESIDENTIAL DWELLING	0 / 0.0%	43 / 0.6%



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 learning environments in their child care programs.

Quality Child Care in Watonwan County



The chart above demonstrates that child care providers in Watonwan County are slightly above 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. The non-licensed rated program indicated on this chart is the program through the school district.



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 – Watonwan County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$180.00	\$9,360
75TH PERCENTILE - TODDLER WEEKLY	\$ 165.00	\$ 8,580
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 155.00	\$ 8,060
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 130.00	\$ 6,760

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

2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps low-income families afford child care. Families must qualify financially to receive CCAP funding. The amount of CCAP awarded to families varies depending on 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 award 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 – Watonwan County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$170.00	\$8,840
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$155.00	\$8,060
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$135.00	\$7,020
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 125.00	\$6,500

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 125.00	\$ 6,500
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 125.00	\$ 6,500
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$115.00	\$ 5,980
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$102.53	\$5,331.56

Because high-quality child care programs cost more to operate, there is a CCAP differential for programs volunteering to participate in the Parent Aware Star Rating Program. If a child care program has a Three-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 throughout their entire program. If a child care program has a Four-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 20% differential maximum CCAP reimbursement rate for Watonwan County providers who are Four-Star Parent Aware rated.

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 204.00	\$10,608
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$186.00	\$9,672
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$162.00	\$8,424
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$150.00	\$7,800

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 150.00	\$ 7,800
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 150.00	\$ 7,800
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$138.00	\$ 7,176
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 123.04	\$6,388.08

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 birth to age five the higher the achievement later in life. Madelia has reading proficiency levels and graduation rates which are which are slightly higher than the state average.

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Madelia #837	52.3%
Statewide	48.5%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2020 GRADUATION RATE
Madelia #837	93%
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 charts provide an overview of local economic factors that can further impact child care:

Household Income –Watonwan County

TOTAL HOUSEHOLDS ACS 2018 5YR ESTIMATE	%
Less than \$10,000	4.4%
\$10,000 to \$14,999	4.1%
\$15,000 to \$24,999	13.2%
\$25,000 to \$34,999	6.9%
\$35,000 to \$49,999	15.8%
\$50,000 to \$74,999	17.2%
\$75,000 to \$99,999	9.1%
\$100,000 to \$149,999	21.0%
\$150,000 to \$199,999	5.1%
\$200,000 or more	3.3%
TOTAL HOUSEHOLDS	1,279
MEDIAN HOUSEHOLD INCOME	\$60,746

U.S. Census American Community Survey 2019

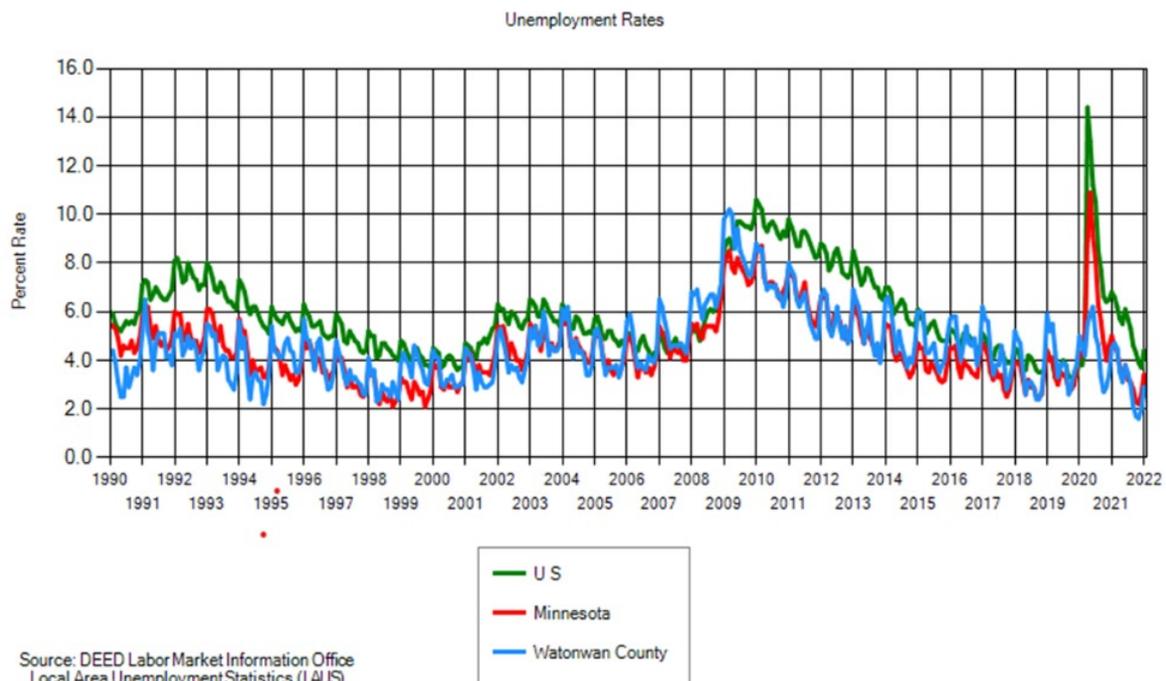


LOCAL EMPLOYMENT CONDITIONS

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

In February of 2022, when this initial analysis of data for Madelia was completed, the unemployment rate was 2.5% which is a relatively low unemployment rate. 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 – Watonwan County

Employers in the Madelia Area 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: Manufacturing	1,264	29.4%
Industry: Health Care & Social Assistance	453	10.5%
Industry: Educational Services	350	8.1%

www.ruraldataportal.org

COMMUNITY INSIGHTS

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

FOCUS GROUPS



ONE ON ONE MEETINGS



SURVEYS



PRESENTATIONS

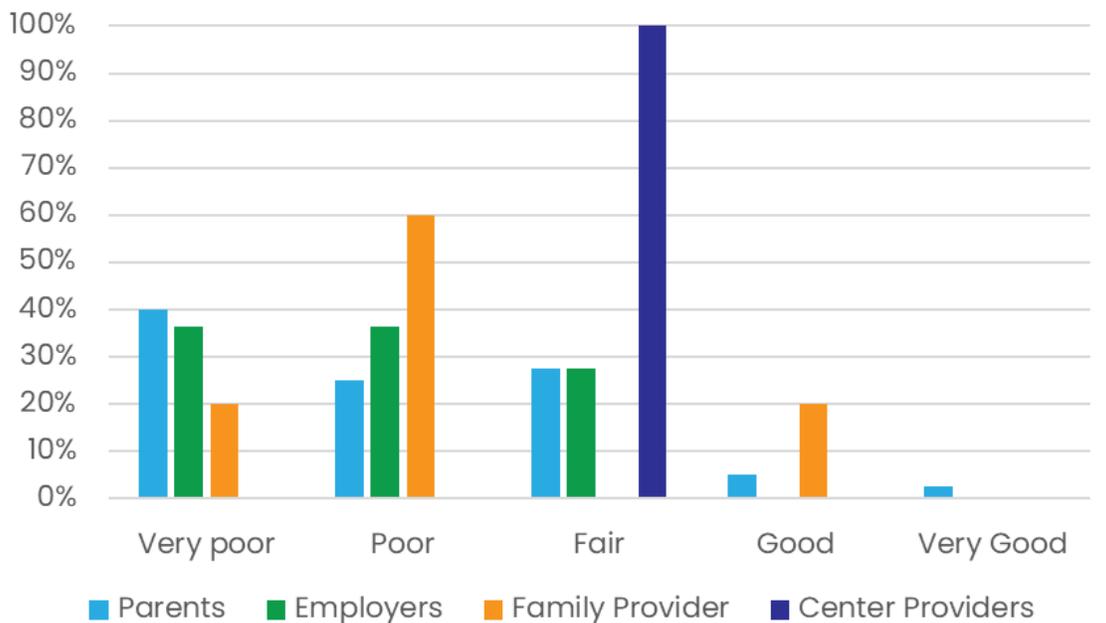


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

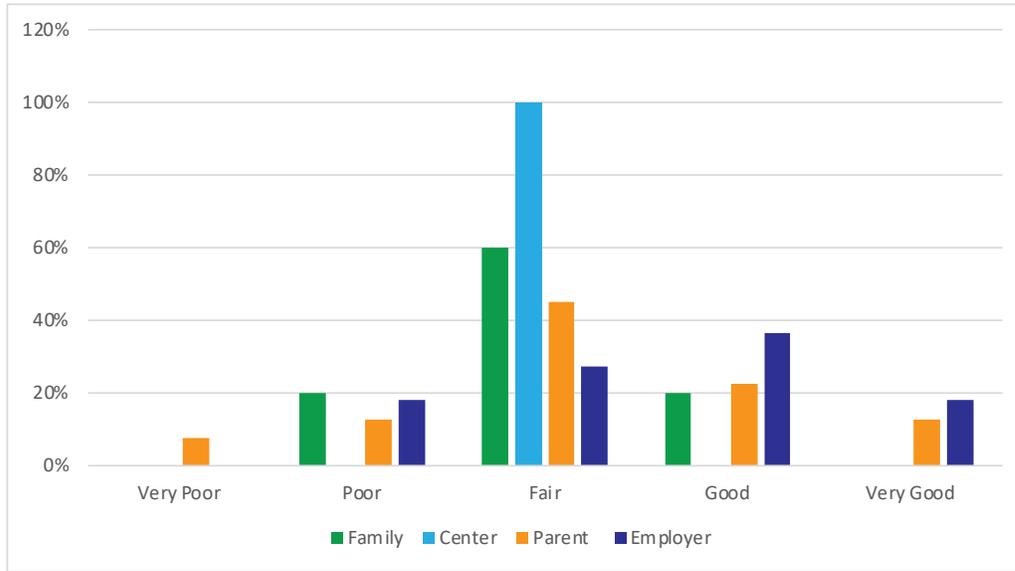
The general community was invited to participate in a comprehensive survey about child care in the local Madelia community. Respondents included 50 individuals for the parent survey and 11 employers for the employer survey. A separate survey gathered information specific to child care businesses from 5 family child care providers and 1 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

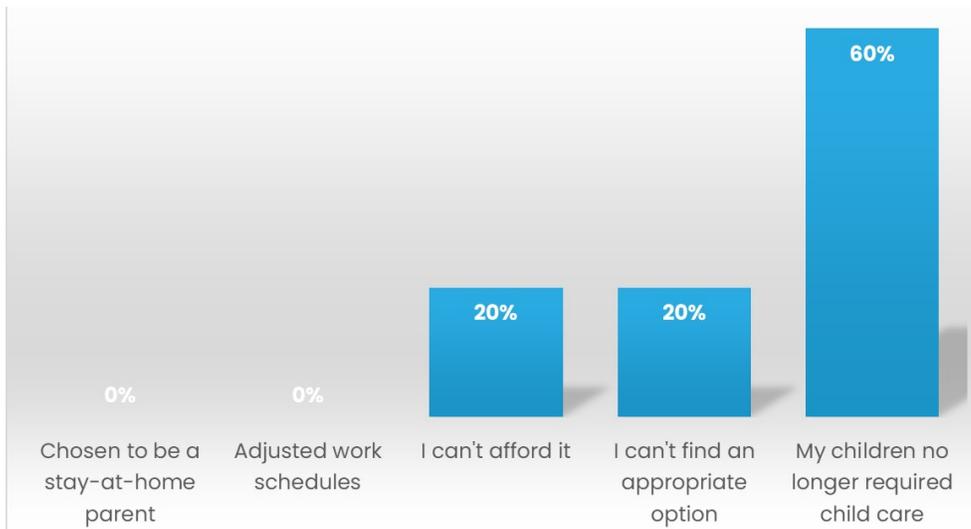


While specific questions about quality were not part of this survey, it was noted that there are similarities between child care providers and the local community on the availability of high quality child care in the area. When survey participants were asked about what is important for them in a child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

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

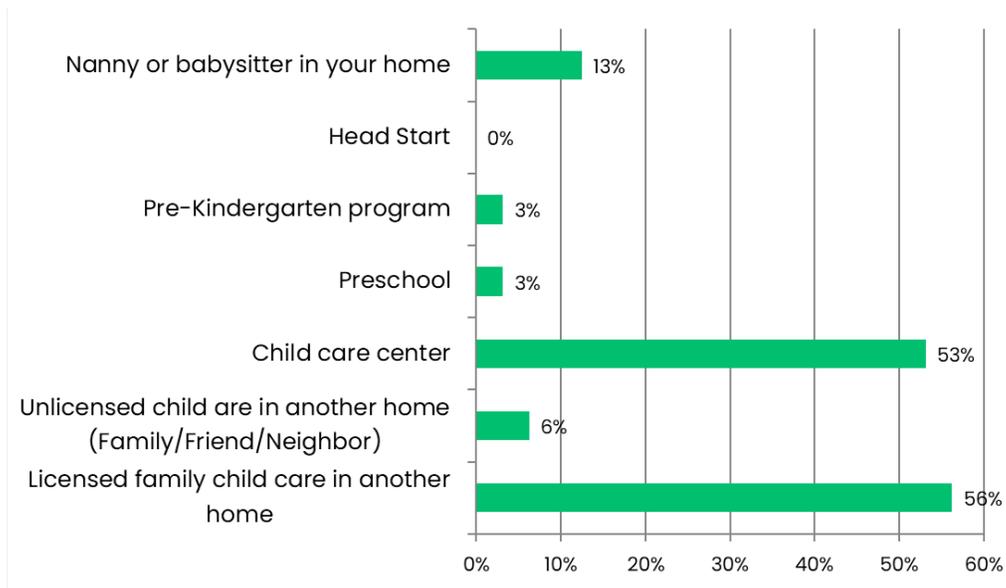
Reasons for Not Enrolling in Paid Child Care

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 79% of the parents who completed the survey did not answer this question. We also see notable responses stating that families cannot find an appropriate child care option or they cannot afford it.



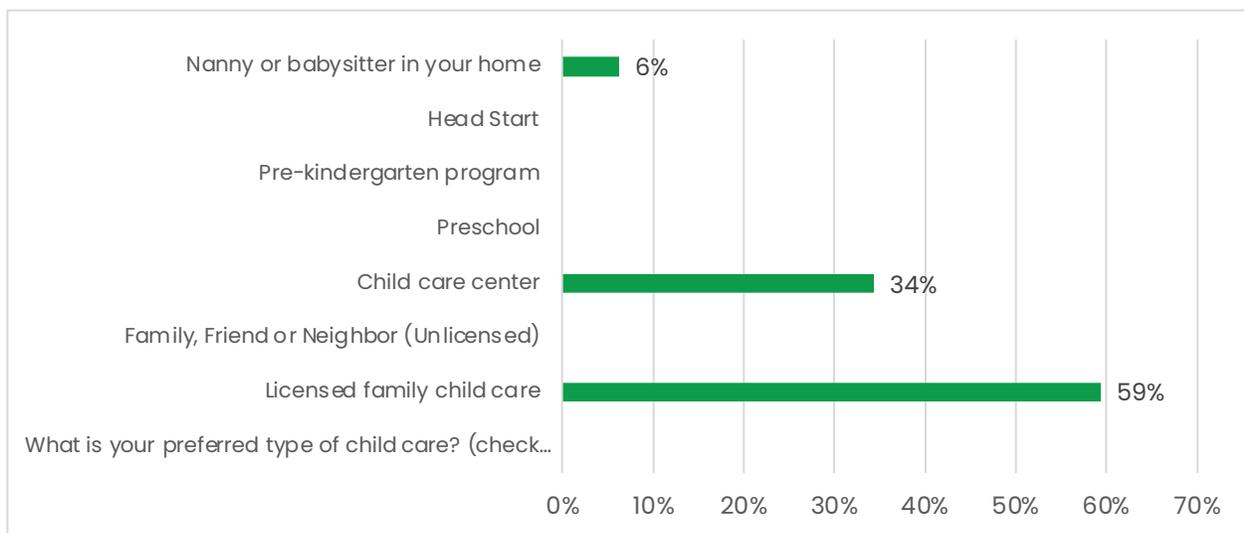
Types of Care Parents are Using

The chart below shows the types of child care currently being used by families in the Madelia Area:



Types of Care Parents Prefer to Use

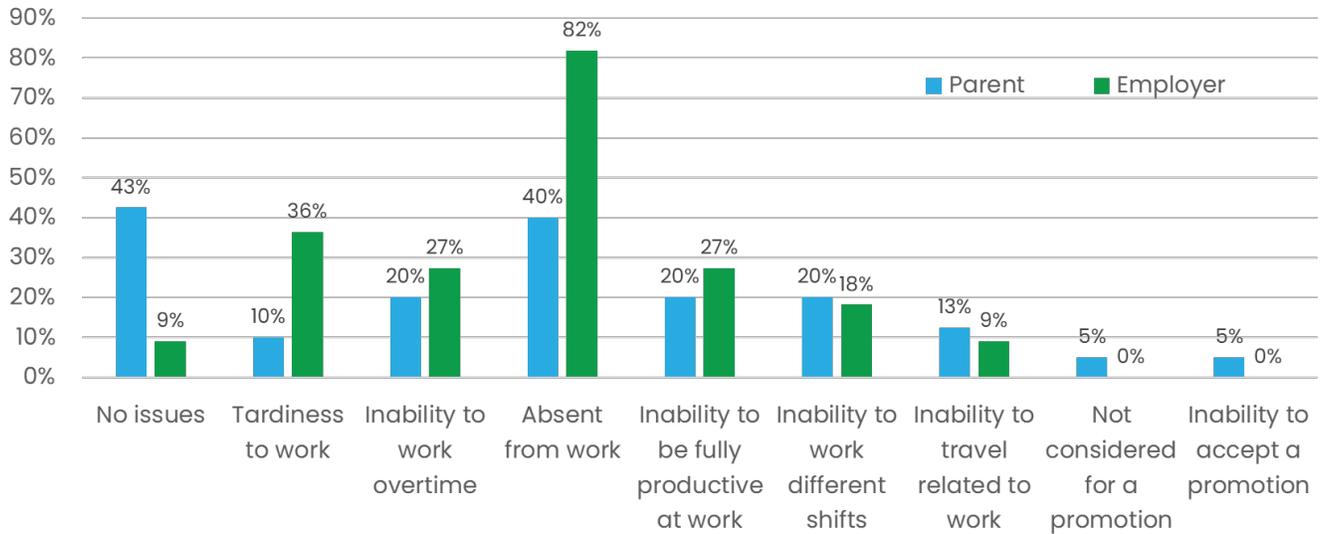
The types of care parents in the Madelia Area prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work.



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



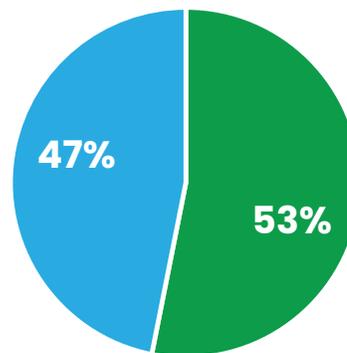
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. From the employer survey, 36% of employers said the child care shortage has affected their ability to **attract** employees while 55% of employers indicated the lack of child care has impacted their ability to **retain** employees.

Additional child care related challenges for parents included 20% with an inability to be fully productive at work, 20% have an inability to work overtime, and 13% are not able to travel for work. While employers responded that 9% of their employees were not able to travel for work, 0% mentioned that parents were not considered for a promotion or did not accept a promotion due to child care challenges.

Impact on Family Planning – Madelia

Parents participating in the survey were asked if the availability of child care has had an impact on their family planning. The following chart shows the results.

In addition to the impact on family planning child care shortages can also impact the local employment environment. In the survey, 25% of parents have declined employment or withdrawn from the workforce due to child care issues.

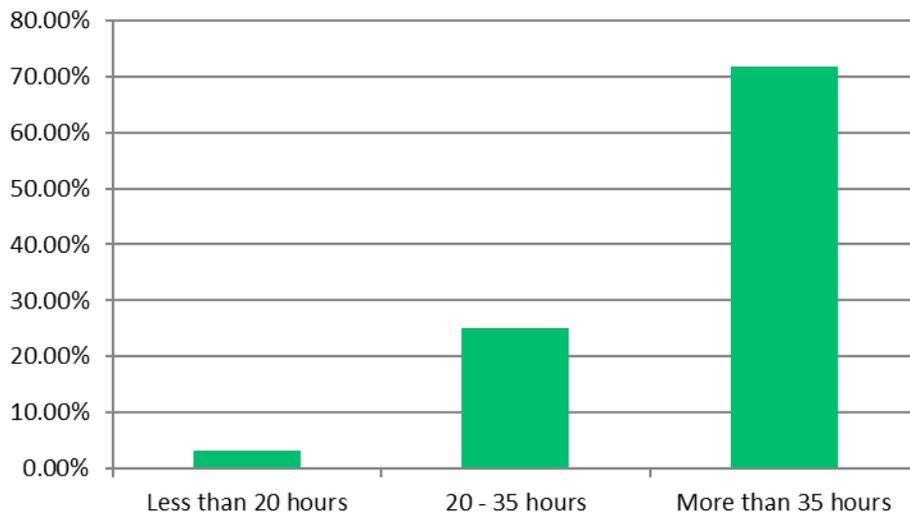


■ Yes ■ No

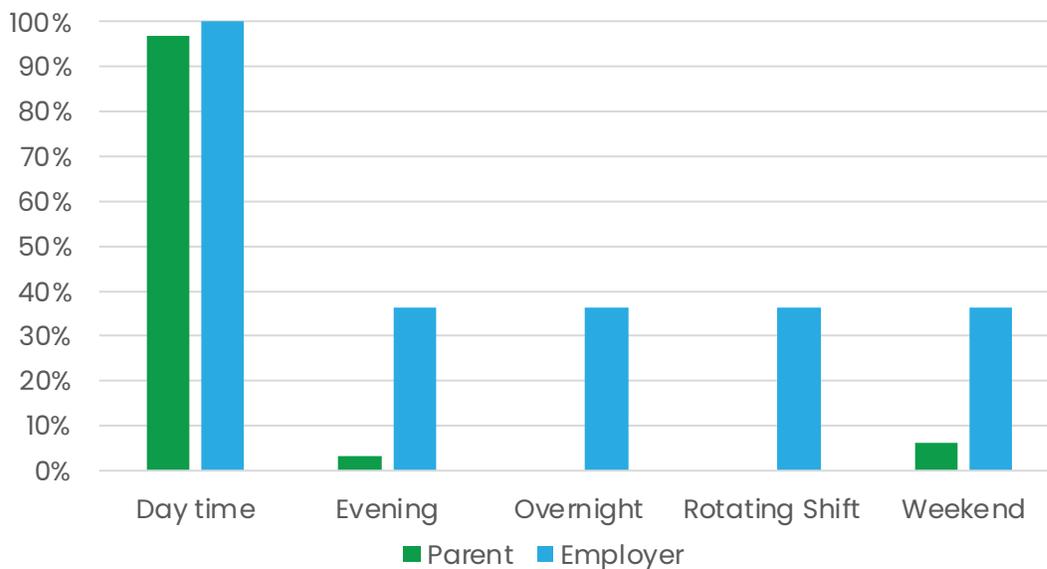
TYPES OF CHILD CARE NEEDED

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 72% of parents need more than 35 hours of care and are looking for full-time child care options.

How many hours of child care do you need per week?

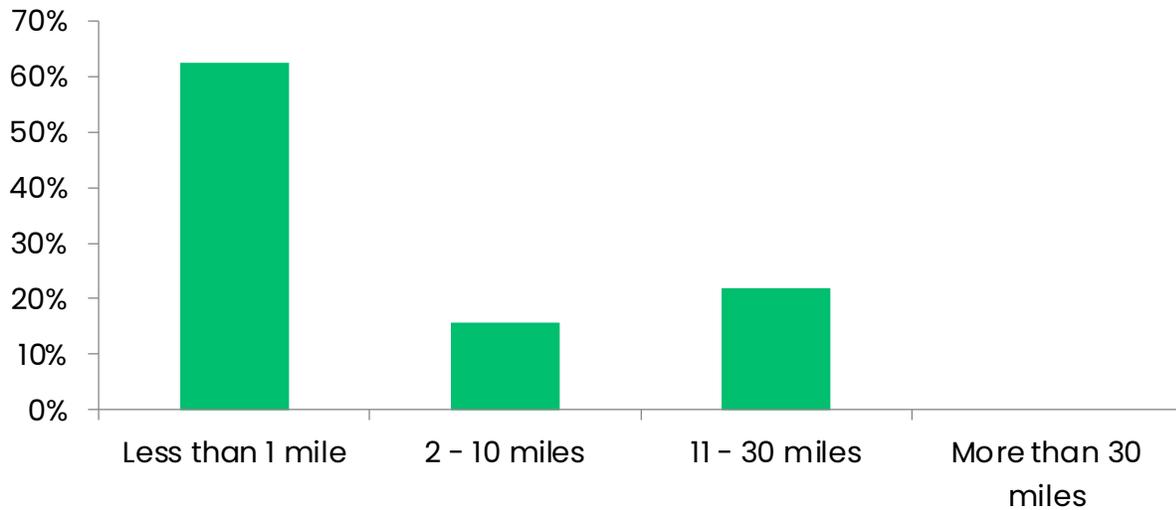


What Hours of Care do you need?



It is also important to determine when parents need care so the community can offer options that meet that 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 believe families need care options on evenings, overnights, rotating shifts, and weekends at a much higher rate than families want. It's important to be aware of these things as a community creates options for child care. We need to be careful not to build or create options that won't be utilized by families.

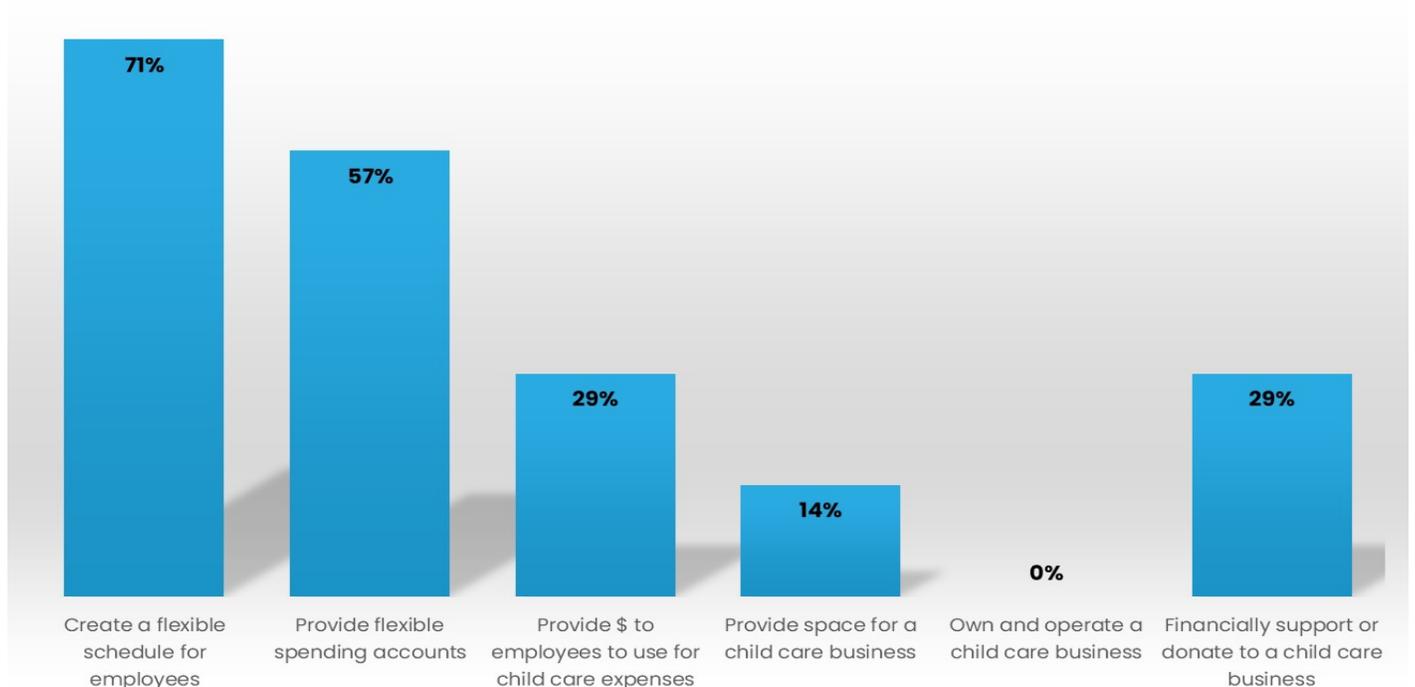
How far do you travel out of your way (one direction) for child care?



Some Madelia Area survey respondents indicated that they were traveling great distances to find appropriate child care. Nearly 22% indicated that they were traveling more than 11 miles for child care.

Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in the Madelia Area are willing to help is to create flexible schedules or provide flex spending accounts. 29% of employers surveyed are also willing to provide money to employees to pay for child care. 29% of employers surveyed are willing to provide financial support or donations to a child care business and 14% are willing to provide a space for a child care business. None of the employers surveyed are willing to own and operate a child care business themselves.

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





UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Madelia spent several months investigating the underlying reasons for the local child care challenges by conducting one-on-one interviews, 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 can speak from firsthand experience that we have employees whose children are on a waiting list for child care. While we can make it work with a flexible schedule, it creates unnecessary stress for the employee.”

-Local Employer

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers are not treated as business owners and educated professionals. Others do not understand the value of the services they offer.
- Centers cannot find and keep good quality workers. They cannot afford to pay them more.
- Low wages, long hours, and no benefits (such as health insurance, retirement, or PTO).
- School based preschool offerings have taken children away from other programs making it more difficult for these programs to maintain a positive cash flow.
- Lack of space to expand or operate outside of the home.
- Child care is a complicated business model that is constantly changing and is different from other small businesses.

“Many of us long term providers will retire and there are not any new ones opening to replace us.” - 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

- Need for better community-wide understanding of the importance of quality care, and the cost associated with it.
- Child care is a highly regulated industry; however, child safety is of utmost importance.
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for, making it extremely difficult to cash flow infant and toddler spots.
- There are a growing number of requirements and regulations for all providers.
- Potential new providers are frightened of the regulations and experienced providers are frustrated with all the paperwork and rules.
- In some communities, there is a lack of local affordable training opportunities.

“Our biggest challenges are shortage of infant spots, a lot of us stepping down after so many years of DHS’ strict requirements put upon us!!” – 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

- Many low-to-middle-income families make too much to receive child care assistance but not enough to pay for child care on top of their everyday expenses.
- Employers are beginning to see the need for flexibility in work schedules, when possible, to accommodate the lack of child care.
- Infant care is very hard to find. Parents are trying to line up infant care in early pregnancy or before they become pregnant.
- Child care has small profit margins and is expensive to start.
- Parents want high quality care, but most cannot pay enough to compensate providers for their true value.

“Everyone deserves high quality, dependable care and caregivers deserve good pay for their important work.” – 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 Madelia Area 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.

THEME: TRAINING

- PSEO partnerships for high school students
- County trainings
- Online options
- Funding
- EDA
- Need for bilingual training opportunities

THEME: WORKFORCE DEVELOPMENT

- Have more providers
- More age-specific providers
- More staff at the center with higher wages
- Businesses offering access to benefits
- In home provider mentors
- Mental Health Funding

THEME: COMMUNITY EDUCATION/PARTNERSHIPS

- CDA in High School
- Offer education needed to become a lead teacher

THEME: FINANCIAL SUPPORT/INCENTIVES

- State and federal grants and programs
- Madelia Foundation
- EDA
- Scholarships
- Local press release about child care issues and the opportunity for support
- Tax breaks at city & county level

THEME: RECOGNITION

- Recognition of all providers
- Use grant funding
- Employers offering incentives to child care providers
- Advisory council of mentors
- Networking
- Media coverage
- Involve the chamber for business donations
- Utilize Madelia Foundation for donors to child care

THEME: FACILITIES

- Nursing home
- Elementary School
- New building
- Conduct marketing to add more family child care programs located in homes

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

The CDA child care project team will increase the Madelia child care workforce by 4 – 6 individuals by providing opportunities and support in getting the CDA credential. This will be done by creating an option for High School students within the school (Grow Your Own) and for the community by accessing the Watonwan County CDA revolving loan fund within the next 12 months.

Expected Outcomes and Impact

4 – 6 individuals begin the CDA process over the course of the next 12 months

Core Team Lead –Sue Harris–CDA Revolving Loan, Shelly Bauer– School CDA

Additional Team Members –Megan Pfarr, Meghan Ward, Steve Schlager, Jerry Oeler, Brooke Willis, and Michelle Missling

SMART Goal Two

The family child care team will do a marketing campaign, provide resources and support to increase the number of family child care providers within the Madelia Community by 2 – 4 providers within the next 18 months.

Expected Outcomes and Impact

Increase the number of people 1 – 3 beginning the process of getting licensed to be a family child care provider in Madelia within the next 18 months.

Core Team Lead – Sue Harris and Brett Beckius

Additional Team Members – Traci Henry, Stephanie Sullivan (with support from Downs Foods – David Ross and from the School LatinX outreach staff Anna DeLeon, and Raquel Cantu)

SMART Goal Three

The facilities child care team will convene community resource people to locate one new or expanded child care location to create additional child care spots for center and/or group family child care options with in Madelia over the next 18 months.

Expected Outcomes and Impact

Locating one additional child care space option by either expanding current center options OR creating a new child care center OR creating a public space where family child care providers can rent space.

Core Team Lead – Shelly Bauer and Brooke Will

Additional Team Members – Sue Harris, Karla Angus, Chris Fischer, Cody Eager, Glen Christensen, Sara Pfeffer, Megan Pfarr, and Ben Odegaard.





First Children's Finance

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

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

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

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

For more information about Rural Child Care Innovation Program visit www.ruralchildcare.org