



# RURAL CHILD CARE INNOVATION PROGRAM

**Grant County, Minnesota**

**Community Solution  
Action Plan for  
Child Care**



**June 2025**



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

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](https://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 Grant County 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 Grant County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors creating the child care shortage in the area through focus groups, individual conversations, interviews, and surveys with a multitude of stakeholders.

To understand the potential need of child care in Grant County, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 168 slots in the 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.

The analysis also revealed that the child care shortage has impacted parents living in Grant County. Thirty-six percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Eighteen percent of employer respondents stated child care has impacted their ability to attract employees, while 64% stated they do not track data showing the impact for attracting employees. Additionally, 9% of employers said the child care shortage has impacted their ability to retain employees, while 36% 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 Grant County include an increase in dual-working families, attraction of new employees to the area, affordability of child care, difficulties of being a child care provider, and a lack of community recognition for child care providers.

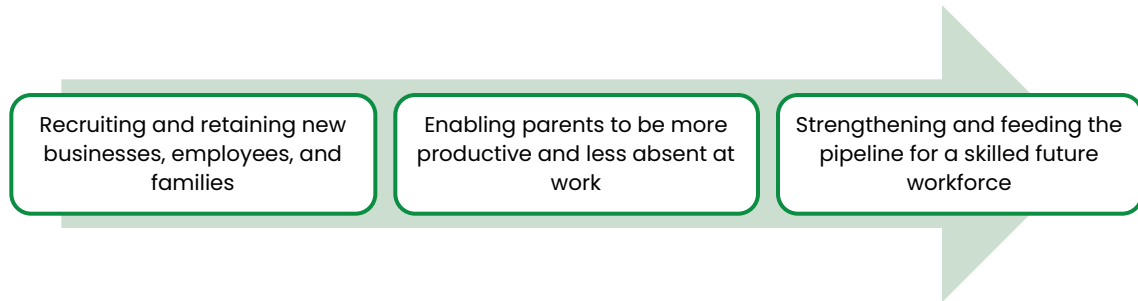
### **Through the RCCIP process, Grant County has identified four goals to address the child care challenges. These goals include:**

1. Within 12 months research, develop and implement up to three supports for child care.
2. Within 12 months, develop a local provider network.
3. In the next six months, research options for a local EC Fund.
4. In 12-18 months, plan and schedule another event with updated information for further planning.
5. Within 18 months, establish and expand child care slots within the county by optimizing available space, ensuring regulatory compliance, and supporting the needs of working families through accessible, safe, and high-quality child care environments.

In implementing these goals, Grant County will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and give providers stronger resources to run and operate their child care business. In the next 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:



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 PM	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	March 19, 2024	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	June 5, 2024	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	July 17, 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	July/November 2024	The Core Team engages the community in data collection and informs them about their work
FCF Facilitated Ongoing Core Team Check-ins	August 2024–February 2025	Virtual monthly Core Team meetings
Child Care Provider Appreciation Event	December 18, 2025	A face-to-face dinner is organized to recognize and appreciate the community's providers
Synthesize Data	January 2025	FCF synthesizes data into useful info for Town Hall event
Planning Meeting for Town Hall	February 24, 2025	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	March 25, 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	April/May 2025	FCF staff organizes Town Hall ideas into a workable format
Goal Setting and Implementation Meeting (4 Hours)	April 15, 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	May 27, 2025	One or two virtual meetings action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	June/July 2025	FCF creates a report detailing community data, types of solutions, and community-identified projects
Regular Core Team Meetings	October 2025-October 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 Grant County

Grant County is located in west-central Minnesota and encompasses a terrain of low rolling hills dotted with lakes and agricultural land. The county was created in 1868 and named after the Civil War General and 18th President of the United States, Ulysses S. Grant. The 2021 census reported 6,050 residents in the county.

Grant County is experiencing a lack of child care access, which negatively impacts employment, income, and the vitality of the community. Families may need to stay at home, increase their travel time to access child care, or utilize nontraditional means to access child care in order to ensure a sustainable workforce. To support workforce development, retention, and economic growth, Grant County is participating in the Rural Child Care Innovation Program to explore and implement local and right-sized solutions to address child care shortages.



## Local Core Team Representation

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

Kari Kreft	Grant County Early Childhood Initiative Coordinator
Marsha Erickson	Early Childhood Specialist for West Central Initiative
Megan Dotts	Community Education Director ISD 2342
Ashley Kellen	Social Services Supervisor, FCC Licensor
Lucy Anderson	Library Director in Elbow Lake
Mike Thormodson	City Clerk of Ashby
Danielle Lesmeister	Chief Executive Officer of Lake Region Healthcare
Jill Amundson	Impact Evaluator for West Central Initiative
Katie Hauglie	City of Barrett Council Member
Deb Hengel	Mayor of Elbow Lake
Dawn Block	Child Care Support Coordinator Region 4
Molly Pauly	Early Learning Scholarship Outreach Navigator Region 4

## Child Care Data and Early Education Trends

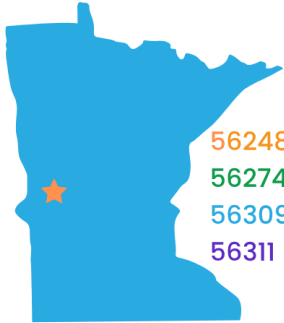
As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors for the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of child 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 county. The Supply Demand Gap Analysis for the Grant County dated July 2024, shows a shortage of 168 slots for children birth to age five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 31% 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.

# Grant County

## Child Care Needs Analysis



Population: 6,136

- 56248 - Herman
- 56274 - Norcross
- 56309 - Ashby
- 56311 - Barrett
- 56339 - Hoffman
- 56531 - Elbow Lake
- 56590 - Wendell



**17**  
Licensed family child care

**0**  
Licensed child care center

**0**  
Certified child care center

**133** Current child care capacity  
\*FCF Calculation

**Birth to 5 spots needed**  
\*FCF Calculation

- 168** Grant County
- 195** Zip Codes
- 96** ISD #261  
Ashby Public Schools
- 6** ISD #264  
Herman-Norcross Community School
- 166** ISD #2342  
West Central Area Schools



**302**

Children under 5 with all parents working

Estimate based on the ACS 2021

**83%**

Children under 5 with all parents in the workforce

Estimate based on the ACS 2021



**31%**

Infant & Toddler Need

FCF Calculation

**\$542**  
per month/preschool



**Cost of Family Child Care**

County level data from 2021 DHS Market Rate Study 50th percentile price cluster 1

**\$780**  
per month/preschool



**Cost of Center Child Care**

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



**First Children's Finance**

July 2024

In surveying family child care providers, we learned that 67% of the respondents have been in business for 3-5 years and 0% have been in business for over 20 years. When asked how long they plan on staying in business, 33% plan on staying in business for 3-5 years, while 67% state they plan on being in business over 10 years. It is important for Grant County 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.

- The average length of service is slightly lower than the state average.
- Forty-one percent of providers have less than 5 years of service, which is higher than the state average of twenty-seven percent. Seventeen 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 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 at risk most for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
Total Family Child Care Providers	17	5,983
Average Length of Service	9.76 years	14.15 years
Less than 5 years / Service	7 / 41.2%	1,640 / 27.4%
More than 20 years / Service	3 / 30%	1,964 / 32.8%
Non-Owner Occupied	1 / 5.9%	276 / 4.61%
Non-Residential Dwelling	0 / 0.0%	66 / 1.10%



## 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 – Grant 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, 100% of family providers respondents accept CCAP reimbursement for families.

### CCAP – Grant County (No Quality Differential)

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
No Quality Differential – Infant Weekly–Center	\$274	\$14,248
No Quality Differential – Toddler Weekly–Center	\$250	\$13,000
No Quality Differential – Preschool Weekly–Center	\$240	\$12,480
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

CCAP Standard Maximum Rates Effective January 6, 2025

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 Grant County.

### CCAP – Grant 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	\$318.00	\$16,536
20% Quality Differential - Preschool Weekly-Center	\$300.00	\$15,600
20% Quality Differential - School Age Weekly-Center	\$240.00	\$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

CCAP 20 Percent Quality Differential Maximum Rates Effective January 6, 2025

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, Grant County has reading proficiency levels that are higher than that of the state average and graduation rates that are higher than the state average.

### Third-grade Reading Levels

DISTRICT	2023 PROFICIENCY RATE
Ashby Public Schools #261	41.7%
Herman-Norcross Community School #264	CTSTR
West Central Area Schools #2342	54.4%
<b>Statewide</b>	<b>48.0%</b>

### Local Graduation Rates

DISTRICT	2024 GRADUATION RATE
Ashby Public Schools #261	90.57%
Herman-Norcross Community School #264	CTSTR
West Central Area Schools #2342	96.5%
<b>Statewide</b>	<b>83.3%</b>

## 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 – Grant County, MN

TOTAL HOUSEHOLDS ACS 2022 5YR ESTIMATE	%
Less than \$10,000	3.7%
\$10,000 to \$14,999	4.9%
\$15,000 to \$24,999	10.0%
\$25,000 to \$34,999	8.0%
\$35,000 to \$49,999	10.5%
\$50,000 to \$74,999	18.1%
\$75,000 to \$99,999	16.9%
\$100,000 to \$149,999	18.1%
\$150,000 to \$199,999	5.3%
\$200,000 or More	4.5%
<b>TOTAL HOUSEHOLDS:</b>	<b>2,540</b>
<b>MEDIAN HOUSEHOLD INCOME:</b>	<b>\$67,600</b>

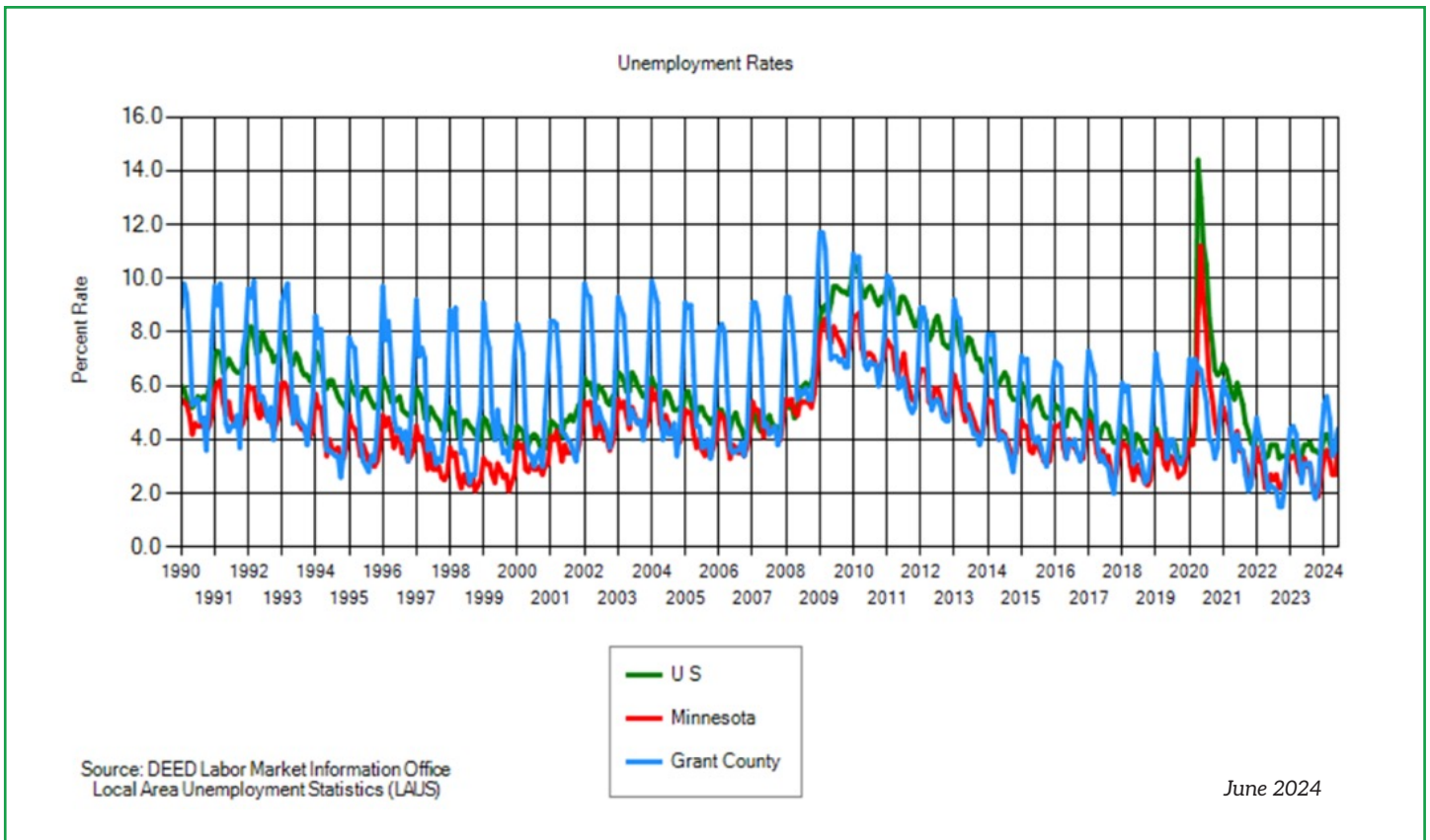
U.S. Census American Community Survey 2022

## Local Employment Conditions

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

In June 2024, when this initial analysis of data for Grant County was completed, the unemployment rate in Grant 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 – Grant County

Employers in Grant County were invited to participate in the child care conversation and complete surveys because they are impacted by absenteeism and decreased employee productivity when child care is a challenge. Furthermore, employers have been able to provide valuable insight and resources into child care discussions.

TOP 3 INDUSTRIES	# OF EMPLOYEES	% OF WORKFORCE
Industry: Construction	183	9.8%
Industry: Wholesale Trade	177	9.5%
Industry: Manufacturing	163	8.7%

# Community Insights

Extensive outreach was conducted by the Core Team to engage the community in child care. This work included discussions with various community leaders, parents, providers, 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.

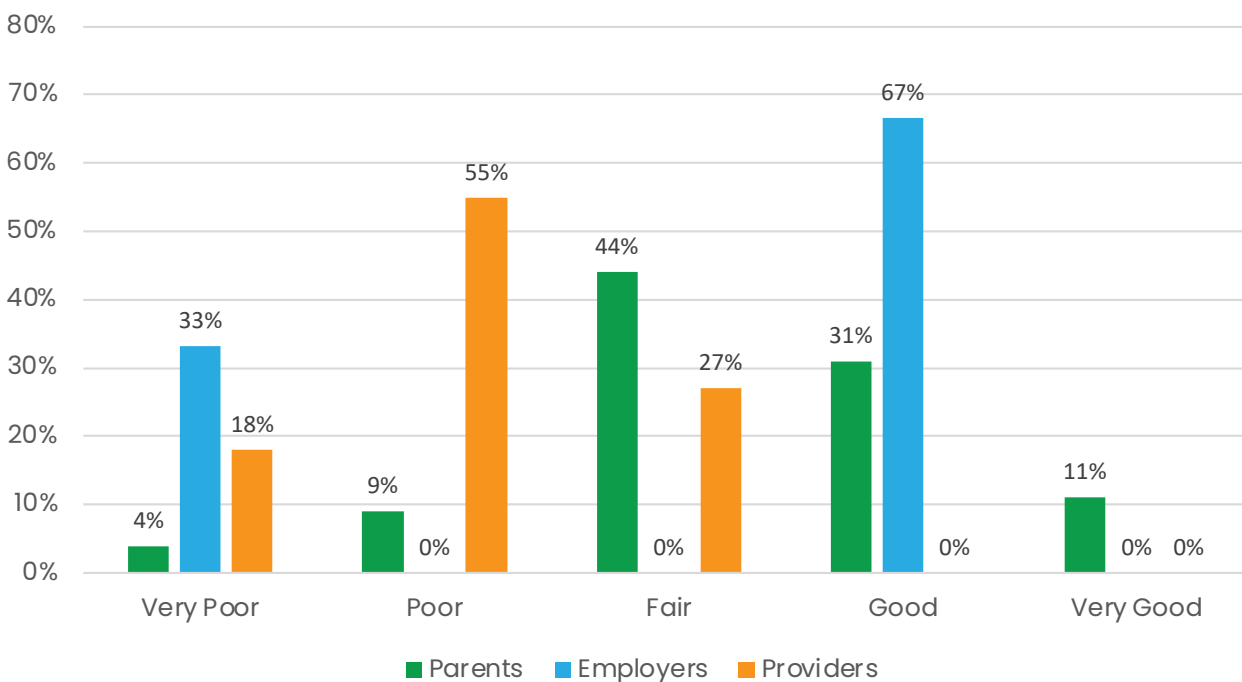


## Community Surveys – Selected Perspectives

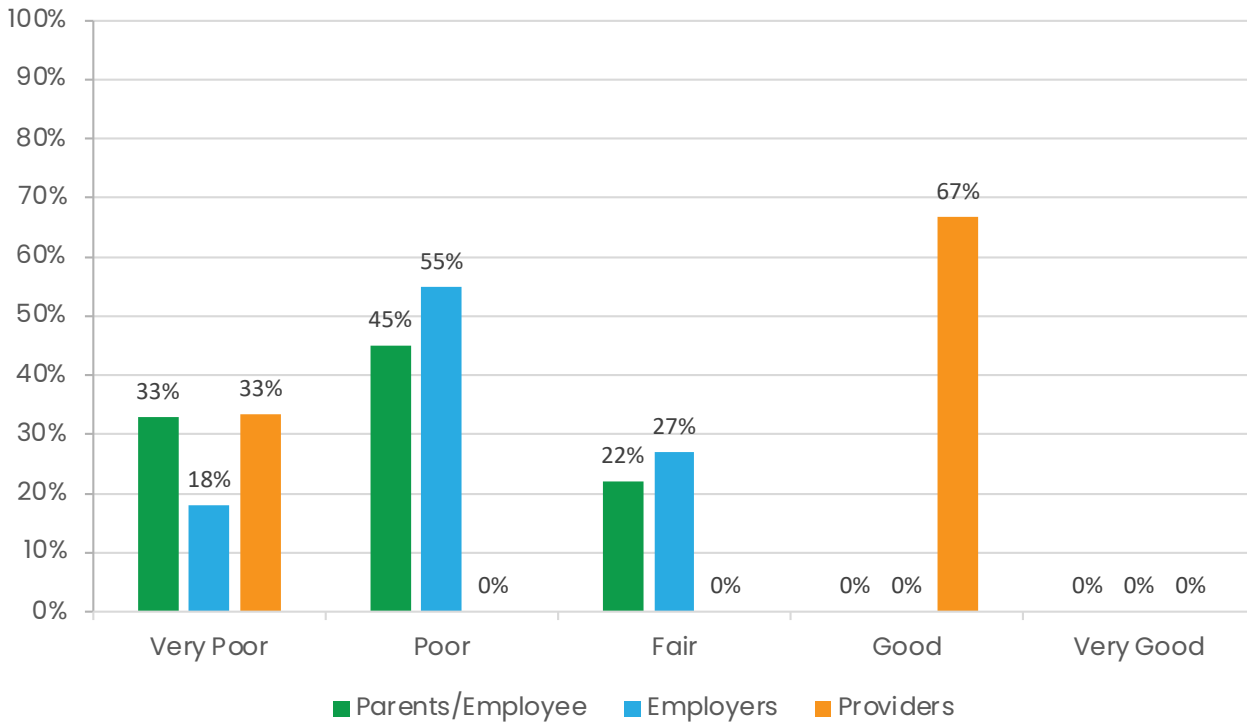
The general community was invited to participate in a comprehensive survey about child care in the local Grant County community. Respondents included 66 individuals for the parent survey and 11 employers for the employer survey. A separate survey gathered information specific to child care businesses from 3 family child care providers.

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



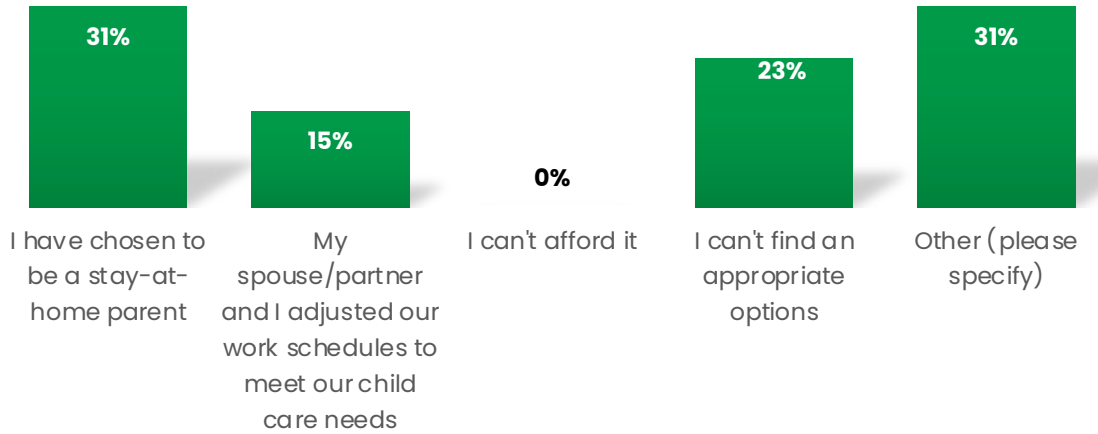
While specific questions about quality were not part of this survey, responses show there is some difference between what parents are perceiving the quality of available child care is in the area as compared to what both employers and local child care providers are perceiving. When parents were asked 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. Conveniently located
3. Licensed by DCYF
4. Provider is a friend, family member, neighbor, or someone I know personally
5. Uses an educational curriculum
6. Provider has a high level of education
7. Parent Aware rated and/or nationally accredited



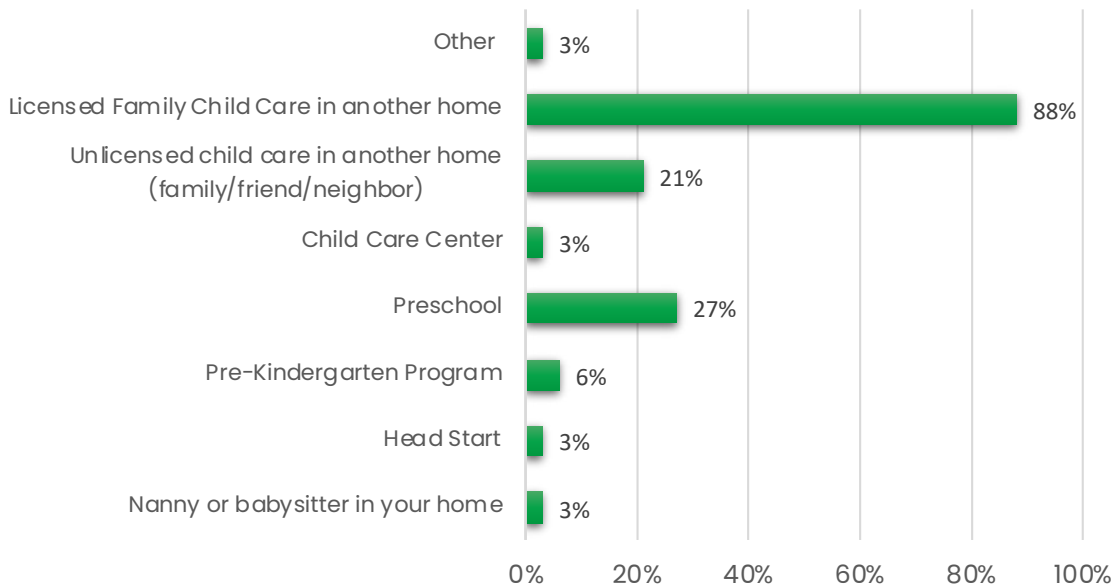
## Reasons for Not Enrolling in Preferred Care

Below is a chart depicting the percentage of parents who responded to the survey stating they no longer require child care. It is worth noting that 58% of the parents who completed the survey did not answer this question. Fifteen percent of the respondents say they have adjusted work schedules with their spouse/partner to meet child care needs, and 0% state they cannot afford care and 31% 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 or have family who care for their children.



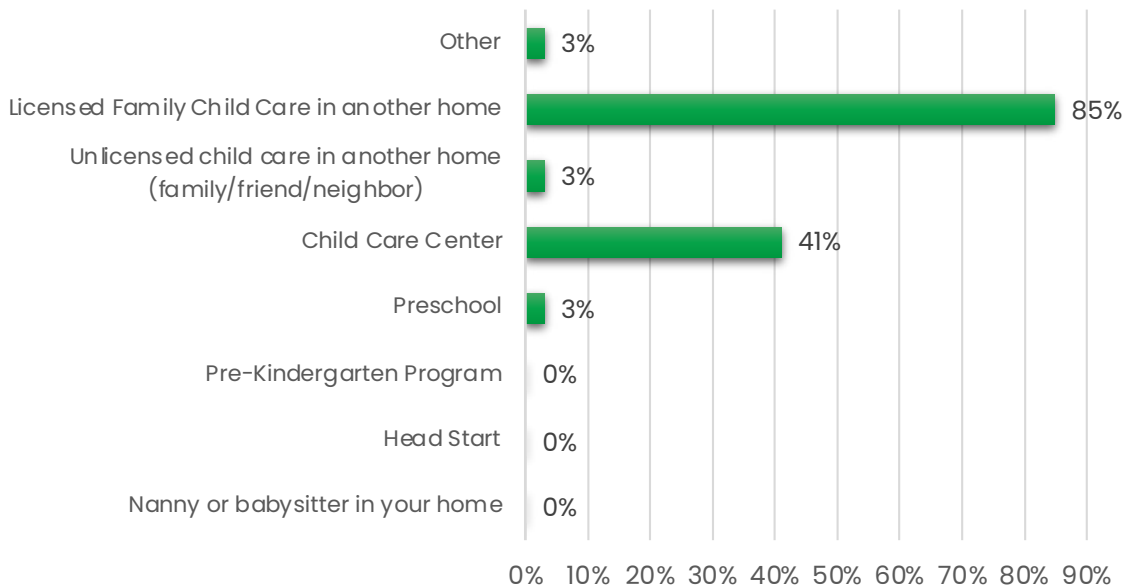
## Types of Care Parents Are Currently Using

The chart below shows the types of child care currently being used by families in Grant County. The other category in this graph includes families who either don't currently use child care or have children using a school age after school program.



## Types of Care Parents Prefer to Use

The types of care parents in Grant County prefer are shown on the chart below. When a community can better meet the preferred child care options of families the community will be more successful in attracting new families and individuals to the community to live and work. The other category in this graph includes families who either don't currently use child care or have children using a school age after school program.

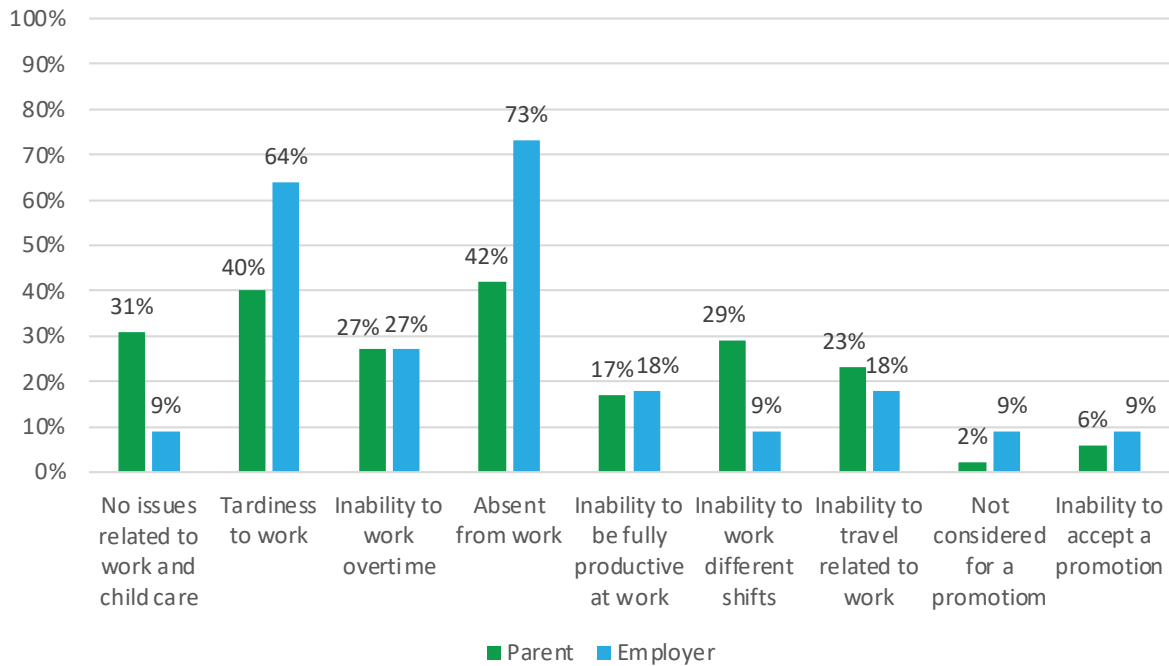


## Community and Business Impacts of the Child Care Issue

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



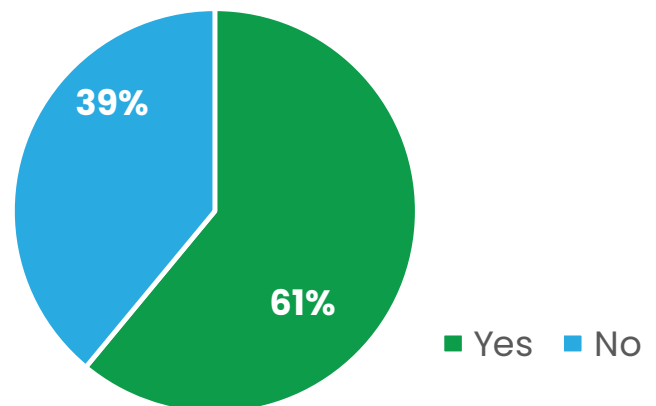
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), tardiness to work, and inability to work overtime. Eighteen percent of employer respondents stated child care has impacted their ability to attract employees, while 64% stated they do not track data showing the impact for attracting employees. Additionally, 9% of employers said the child care shortage has impacted their ability to retain employees, while 36% 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, 29% with an inability to work different shifts, and 23% with the inability to travel related to work. While 6% of parents also reported being able to accept a promotion, and 2% reported not being considered for a promotion, 0% of employers stated either of these were happening.

### Impact on Family Planning – Grant County

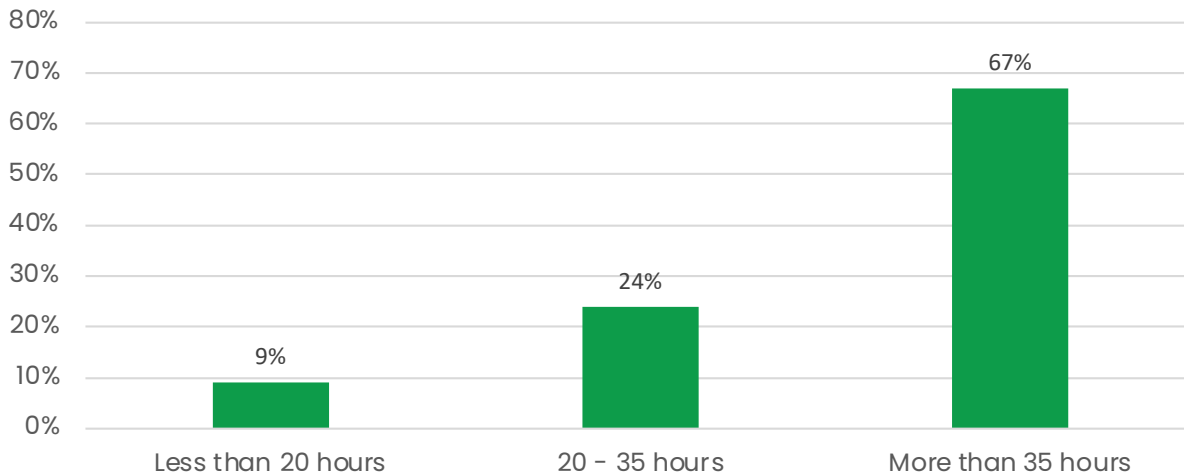
When parents were asked if the availability of their preferred child care option had impacted their decision to have another child and/or if it limited the size of their family, 61% responded it had.

In addition to the impact on family planning, child care shortages can also impact the local employment environment. In the survey, 36% of parents responding had declined employment or withdrawn from the workforce due to child care issues.

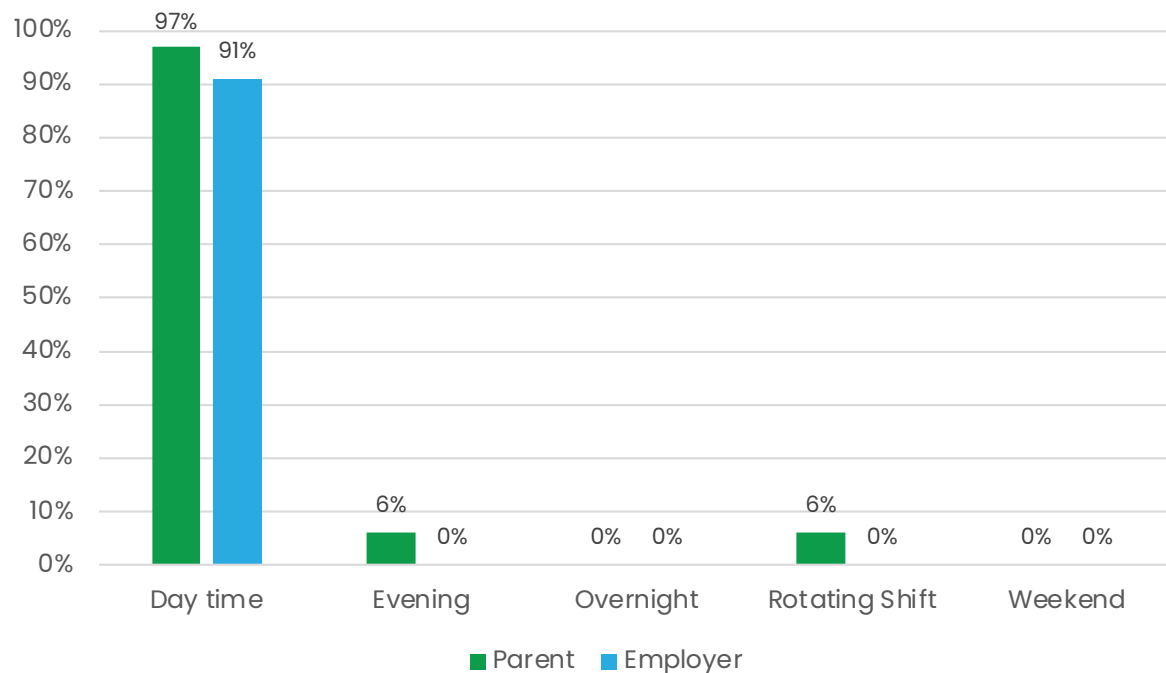


## Types of Child Care Needed

It is important for a community to understand the types of child care parents need to be able to identify the right sized solutions for the community. The survey indicated that 67% of parents need more than 35 hours of care and are looking for full-time child care options. Not shown on this chart are the 44% of parents who currently do not use paid child care.

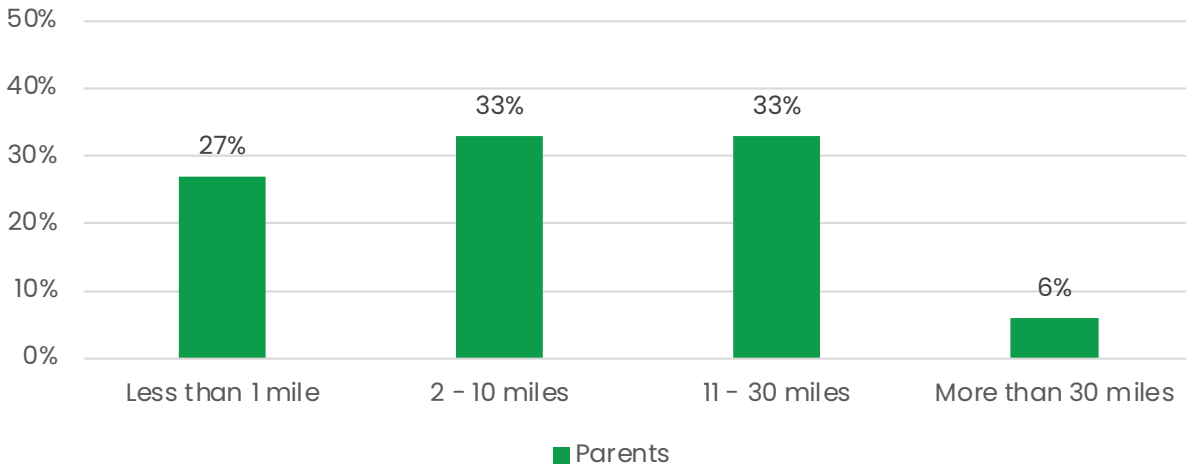


## What Hours of Care Do You Need?



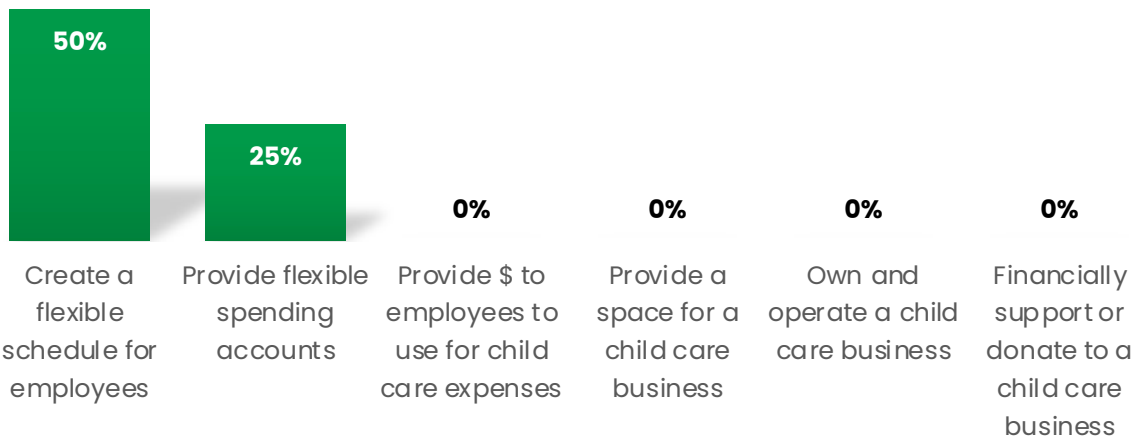
It is also important to determine when parents need care so the community can offer options that meet the need. The chart above shows the hours of care needed from both a parent perspective and an employer perspective.

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



Some Grant County parent respondents indicated that they were traveling notable distances to find appropriate child care. Thirty-three 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 Grant County are willing to help is to provide flex spending accounts and create flexible schedules. Twenty percent of employers surveyed are also willing to financially support or donate to a child care business. None of the employers surveyed are willing to provide money to employees to use for child care expenses, provide space for or own and operate a child care business themselves.

## Understanding the Underlying Challenges

The Core Team in Grant County 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.

***“We are a small community, but a growing one. There aren’t enough options for child care and it pushes people out of the area. In today’s child care situation, you aren’t allowed to be picky on where you trust your child to be every day, you go wherever you can get in.”***

– Local Parent

### **FACTOR:** It is Challenging to be a Child Care Provider

***“I think there is two things that are contributing. The first being that we are a growing community, and the resources just haven’t caught up with it. There has been an influx of new children. The second is that it has become unmanageable with regulations and licensing to actually run a home daycare. Many wonderful providers have gone out of business because the licensing is so stringent and doesn’t fully make sense for in home providers.”***

– Local Parent

- Not enough child care availability and we are having to turn away children who need care due to being at capacity.
- Low wages, long hours, and no benefits (such as health insurance, retirement, or PTO).
- School-based programs opening makes it harder for home-based programs to compete. They receive more state funding than in-home programs do.
- It is hard to complete all the required training while trying to balance a personal life.
- High start-up costs, rising costs for food, supplies, and equipment.
- It is a stressful job.
- Lack of appreciation and time off.
- Small profit margins and expensive to operate.

▶ 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 and Regulations: Two Sides of One Coin

***“I think there is two things that are contributing. The first being that we are a growing community, and the resources just haven’t caught up with it. There has been an influx of new children. The second is that it has become unmanageable with regulations and licensing to actually run a home daycare. Many wonderful providers have gone out of business because the licensing is so stringent and doesn’t fully make sense for in home providers.”***

– Local Parent

- Ratios for numbers of children in younger age groups reduce the number of infants a provider can care for, making it extremely difficult to cash flow those slots.
- There are a growing number of requirements and regulations for all providers making it overwhelming to stay in the business.
- Potential new providers are intimidated by the regulations and experienced providers are frustrated by the regulations.
- Challenges with getting training and background requirements completed in a timely manner.
- Providers feel too regulated and not able to make own decisions.

▶ 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**

*“Rules and regulations are turning people away from doing it out of their homes. Lack of buildings to use for daycare.”*

– Local Parent

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

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

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

## **THEME: Training and Workforce Development**

- Can schools provide CDA degrees and use them as para professional
- Local trainings
- Request Develop trainings
- County child care coordinator paid position
- Could high schools provide training as part of the class schedule
- Incentives technical training to come back to county
- When EMS are trained, could child care be invited
- Could school training work for continued ed needs in child care
- Opportunity for child care subs so child care businesses can stay open
- On job training experiences in child care to help providers

## **THEME: Community Awareness and Education**

- Community Education
- Licensing Info Nights
- Licensed Calendar year~ providers all due at the same time for Licensing and training
- Facebook provider group
- Complete trainings together
- Advocacy/support from area businesses
- Drop in/back-up daycare options-more availability needed
- A network to inform about processes already in place
- Keep the conversations going for awareness
- Know roadblocks and how to overcome them

## **THEME: Financial Support/Incentives**

- EDA supplement grant \$\$\$
- Training money
- Curriculum reimbursement
- "Daycare Closet" for providers to use
- Child Care mini grants for equipment and/or training
- Allowing Farmers Market food/produce and local packaged meat
- Needed: Incentives for new providers (recruitment)
- Funding to pay for provider training

## **THEME: Recognition & Appreciation**

- Towns to highlight available child care
  1. Regularly scheduled meetings (coffee or drinks)
  2. How do we get businesses to assist?
  3. County and town networking and how to feel special in each community
- Downtown stores show appreciation every year.
  4. Adopt a child care business
  5. Signs "I'm at work today because of my child care provider"

## **THEME: Facilities**

- Ashley Nursing Home (needs rehab)
- Schools (rooms inside now?)
- Churches (empty and or during the week)
- Does Barrett Home have space?
- Closed business buildings
- Church as a space
- Child care center
- Could small businesses work together to house a child care
- Child care in large businesses (within)
- Daycare Pods (like Morris)
- Cost to providers needs to be subsidized (rental rates)
- Combo facility with larger employer/business
- Church/school-based center
- Empty auto parts store near Arco



## **THEME: Partnerships**

- School partnerships
- Community partnerships=economical facilities
- Business planning for free as part of licensing (Thanks FCF!)
- WCA North would welcome a licensed provider to use their space. School would provide janitorial services

## **THEME: Other**

- Policy advocacy: health benefits and retirement subsidized by Gov't.
- Separate rural/metro requirements.
- Expectations and boundaries with families. Training and initial contract.
- Flexibility with child ratios and variances.
- Some providers are not getting paid. Parents are behind on paying.
- Less state involvement.
- Age out providers kids by application before 11 years old. If your child is independent, have older kids, is capable, etc. apply to licenser.
- Streamline reporting requirements.

## **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:**

- Allowing Farmers Market Food/Produce and local packed meat (donated?)
- Rent-a-granny
- Volunteers to do programming
- Closed business buildings
- Could school training work for continuing ed needs in child care
- Incentivize technical training to come back to the county
- How do we connect/find legal unlicensed care?
- Could school training work for continuing ed needed in child care
- Subs that are also able to run errands (Jill knows someone who can make a scheduling app)
- Grant funding for existing programs and for start-ups
- Schools share provider map with amount of openings
- Child care mini grants for equipment and/or training

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

1

**SMART GOAL ONE:**

Within 12 months research, develop and implement up to three supports for child care.

**Project Team Leader:** Lucy Anderson

**Additional Team Members:** Jill Amundson, Katie Hauglie, Kari Kraft, Dawn Block, Ashley Kellen

**Expected Outcomes and Impact:**

Support and retain existing child care providers while also attracting new providers to the field. Implement up to three supports: daycare closet, substitutes, networking events, chore/task rabbit.

2

**SMART GOAL TWO:**

Within 12 months, develop a local provider network.

**Project Team Leader:** Kari Kreft

**Additional Team Members:** Jen Gehrke, Destiny Nutter, Karen Strobel, Steph Riehm, Julie Lindgren

**Expected Outcomes and Impact:** Have a local provider network in place.

3

**SMART GOAL THREE:**

Within six months, research options for a local EC Fund.

**Project Team Leader:** Marsha Erickson

**Additional Team Members:** Mike Thormodson

**Expected Outcomes and Impact:**

To provide local funding for start ups and to sustain current providers, and create a local fund for individuals to donate to.

4

**SMART GOAL FOUR:**

In 12-18 months, plan and schedule an annual child care check-in event with updated information for further planning.

**Project Team Leader:** Molly Polly

**Additional Team Members:** Kari Kreft, Lucy Anderson, Julie Lindgren

**Expected Outcomes and Impact:**

Increased awareness of the child care need across communities, hopefully resulting in increased spots.

5

**SMART GOAL FIVE:**

Within 18 months, establish and expand child care slots within the county by optimizing available space, ensuring regulatory compliance, and supporting the needs of working families through accessible, safe, and high-quality child care environments.

**Project Team Leader:** Kari Kreft

**Additional Team Members:** Molly Pauly, Dawn Block, Tami Weigel

**Expected Outcomes and Impact:**

This goal would focus on child care slot creation and expansion for the county's on-going child care needs.

# 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

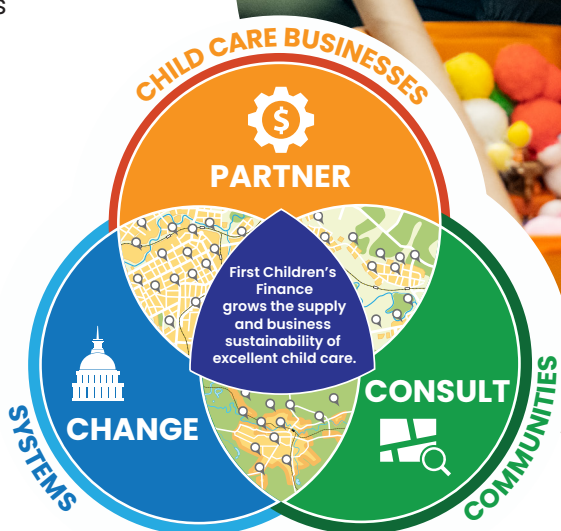
First Children's Finance is the only national organization focused exclusively on growing the supply and business sustainability of high-quality child care.

## 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](https://firstchildrensfinance.org).

 **First Children's Finance**