



# **RURAL CHILD CARE INNOVATION PROGRAM**

## **COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE**

**ROSEAU COUNTY, MINNESOTA**  
MARCH, 2018

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



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**This Community Solution Action plan is designed to be a deep dive into the Rural Child Care Innovation Program. You will step through every stage of the community engagement process from solution development to implementation. Please visit [www.ruralchildcare.org](http://www.ruralchildcare.org) for continued updates on community progress.**

**Minnesota State Director:**  
Gertrude Matemba-Mutasa

**Roseau County Program Lead:**  
Jessica Beyer

**Contributing Members:**  
Jeff Andrews; Landon McKay;  
Kaltrina Rezniciq; Jim Dickinson

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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

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# 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 child care and early 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 Roseau County intends to outline the child care challenges identified in the community, and provide an overview of the recommendations to improve the state of child care in the area. To uncover the child care challenges, a core team from Roseau County with the support of First Children's Finance, conducted research in the community through focus groups, individual interviews, and employee surveys.

**The research revealed that Roseau County has a shortage of 211 child care slots.** It was estimated that 24% of survey respondents withdrew from workforce or declined employment due to child care arrangements. In addition, 56% of respondents said that the lack of available child care was impacting their family planning decisions. Both providers and community members identified potential causes for the child care shortage in Roseau County: rules and regulations of operating a child care business, low pay and no benefits for providers, high stress of being a provider, long work hours and no flexibility. These perceptions have led to fewer providers entering the field and causing many more to exit the field. This continual loss of child care providers is having a dramatic impact on communities across Minnesota.

Most parents in Roseau County have stated that the community lacks variety in child care choices and that there are no available options for nontraditional care. Through the Town Hall meeting, the community stakeholders came together to discuss potential solutions to address the child care needs in the community.

**Roseau County has identified seven goals to address the child care challenge. These goals include:**

- **Identify legislation changes for the 2019 legislation session**
- **Develop a new child care partnership**
- **Develop a new non-traditional child care partnership**
- **Identify non-owner occupied space for family child care**
- **Provide education and support to prospective providers**
- **Identify monetary resources for child care programs**
- **Launch new online database of child care providers**

By implementing these goals, Roseau County will improve the state of child care in their area and providers will have better resources ensuring their businesses are more sustainable. In the next 12 months, First Children's Finance will support the core team in implementing their goals and measure outcomes.

# INTRODUCING THE RURAL CHILD CARE INNOVATION PROGRAM

## PROGRAM FOCUS

The Rural Child Care Innovation Program is designed to provide comprehensive solutions for communities facing child care challenges impacting their local area. Children living in rural areas are more likely to be from low income households than children in urban areas, and are more likely to be living in deep 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. The Rural Child Care Innovation Program leverages a community's independent, can-do attitude to address early care and education in Greater Minnesota.

## PROGRAM ACTIVITIES AND GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Webinar	April 24, 2017	Information session about the RCCIP
Application Deadline	May 5, 2017	Application due date
Selection of Communities	May 15, 2017	Communities notified via email
Program Setup	May 2017	FCF sets up first Core Team meeting
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Onboarding Retreat	June 21, 2017	Face-to-face meeting with FCF and the Core Team to discuss project details and expectations
Core Team Planning Meeting	July 25, 2017	Face-to-face meeting to map out community engagement activities and fully develop the timeline
Community Engagement Activities	July 2017- September 2017	Implementation of engagement activities within the community
Child Care Provider Trainings	Session 1 October 9, 2017 Session 2 November 14, 2017 Individual consults: December 2017 – February 2018 Session 3 February 27, 2018 Session 4 April 3, 2018	Series of business trainings and one-on-one consultation conducted by FCF
Town Hall Event	November 28, 2017	Community wide event to identify and develop community project activities

IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Implementation Planning Retreat	January 4, 2018	Face-to-face meeting to map out smart goals and implementation activities with project teams.
Implementation Meeting	January 24, 2018	Phone check in to finalize smart goals and Initial action steps
Community Solution Action Plan	February 2018	Report detailing community data, types of solutions, and community identified projects
Regular Project Team Meetings	February 2018 -September 2018	Implement community solutions
Regular Core Team Meetings	February 2018-September 2018	Connect with FCF to discuss project team outcomes
Technical Assistance Support	December 2017-September 2018	Business support provided as needed
Final Report	September 28, 2018	Core Team submits final report to FCF

## ABOUT ROSEAU COUNTY, MN

Roseau County is a county located in the state of Minnesota along the Canada-US border, just south of Manitoba. As of the 2010 census, the population was 15,629. The county seat is the city of Roseau and it's the regional employment, shopping, medical, government and service center for the Lake of the Woods area of Minnesota. Roseau, a relatively small community with a population around 2,800. Roseau County is home to manufacturing, research and development, high quality medical facilities, and has a strong small business community. One of the most notable facts about Roseau is that it is the birthplace of the snowmobile, and is still home to Polaris Industries.

### LOCAL CORE TEAM REPRESENTATION

The Core Team members below have committed to investigating the child care challenges and supporting development of community solutions:

- **Missy Okeson**- Program Specialist Early Childhood and Youth Northwest MN Found
- **Todd Peterson**- Community Development Coordinator for the City of Roseau
- **Katie Gunderson**- Program Coordinator Child Care Aware
- **Diane Murphy**- HR Assistant Polaris
- **Lynn Balstad**- Assistant Education Manager Northwest Comm. Action Head Start
- **Kelsey Berger**- SACC Program Coordinator Roseau School
- **Paula Wokasch**- HR LifeCare Medical Center
- **Lisa Byfuglien**- Child Care Provider
- **Kathy Scheving**- ECSE Warroad School
- **Katie Marvin**- HR Marvin Windows and Doors
- **Karen White**- V.P. for Programs Northwest MN Foundation

# THE LOCAL CHILD CARE CHALLENGE IN ROSEAU COUNTY, MN

## POTENTIAL NEED OVERVIEW

First Children's Finance conducted a child care gap analysis, which incorporated US Census Information, MN Child Care Licensing Records, MN Department of Education, MN DEED, and other internal research tools including First Children's Finance data.

At the time of the analysis, it showed that the shortage of child care in Roseau County was 211 slots. These are children with all parents in the workforce that are not able to access child care in the area. The zip code of 56763 in Warroad has the largest identified gap with a shortage of 171 slots. In the Roseau County there are 56 family child care programs, and no centers with a total maximum capacity of 632 slots.

According to an analysis of data from the Minnesota Department of Human Services and U.S. Census Bureau, the 12-county Northwest Minnesota region has a current licensed capacity of 7,116 slots with a shortfall of 2,623 slots. The county needs 37% growth in capacity to meet their current need for child care.

The child care issue in Roseau County is further compounded by the fact that many of the major employers in the area operate on a 24 hour, 7 day a week cycle. Currently only one provider is known to provide care outside of traditional business hours, forcing employer/parents to rely on family and friends for child care.

According to Life Care, a major employer in the area, approximately 26 babies were born in the hospital in March and another 30 are due in the month of May. These birth rates are, on average, 3 times the normal rate. With only 24 licensed child care providers, it is likely these parents will not be able to return to work when they are ready or need to because they will not be able to find care for their child.

In Roseau County, 43% of providers have less than 5 years of experience and 19.6% have more than 20 years of service. This is important as providers with less than 5 years of experience have a very high turnover rate, and providers with over 20 years in the field tend to age out of the profession. It is therefore very important for the community to not only think of ways to gain new programs, but to retain current programs as well.

ZIP CODE	CITY	# OF CHILD CARE CENTERS (CCC)	# OF FAMILY CARE CENTERS (FCC)	PLUS/ MINUS/ TOTAL
56726	Greenbrush	0	6	-18
56759	Strathcona	0	0	-11
56761	Torfin	0	1	-6
56714	Badger	0	2	-39
56751	Roseau	0	25	-5
56756	Salol	0	4	18
56763	Warroad	0	17	-171
56673	Roosevelt	0	1	-5

	LOCAL	STATE
Total Family Child Care Providers	56	8,693
Average Length of Service	10.5 years	12.3 years
Less than 5 years / Service	24 / 42.8%	2577 / 29.6%
More than 20 years / Service	11 / 19.6%	2150 / 24.7%
Non-Owner Occupied	2 / 3.6%	214 / 2.5%
Non-Residential Dwelling	0 / 0%	87 / 1.0%

*Length of Service and Location of Family Child Care Businesses, 2017*

## COMMUNITY SURVEYS

The Core Team in Roseau County spent several months investigating the possible reasons for the local child care challenges. This work involved engaging with many members of the local area to determine the underlying causes for the identified shortage of care.



**FOCUS GROUPS**

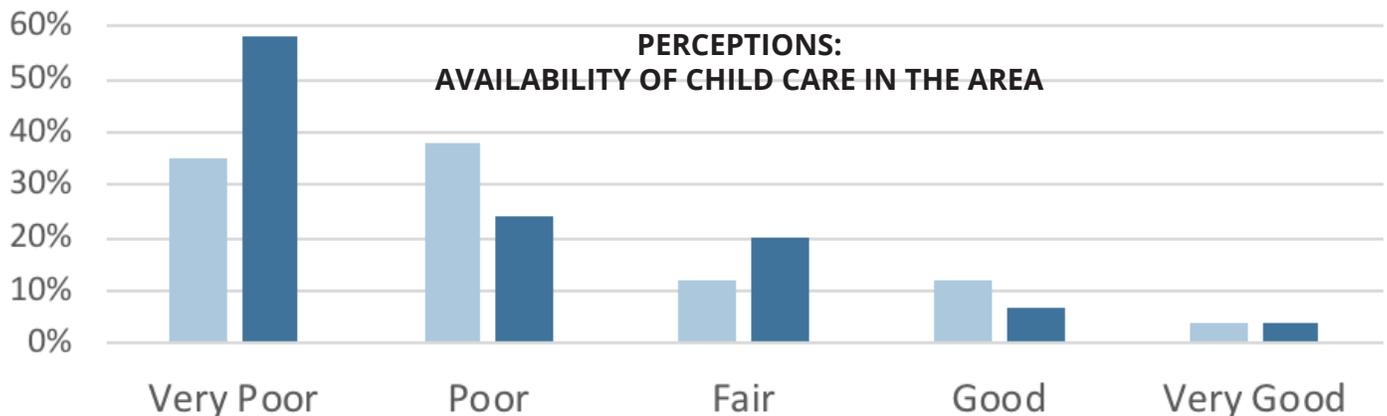


**INDIVIDUAL INTERVIEWS**



**EMPLOYEE SURVEYS**

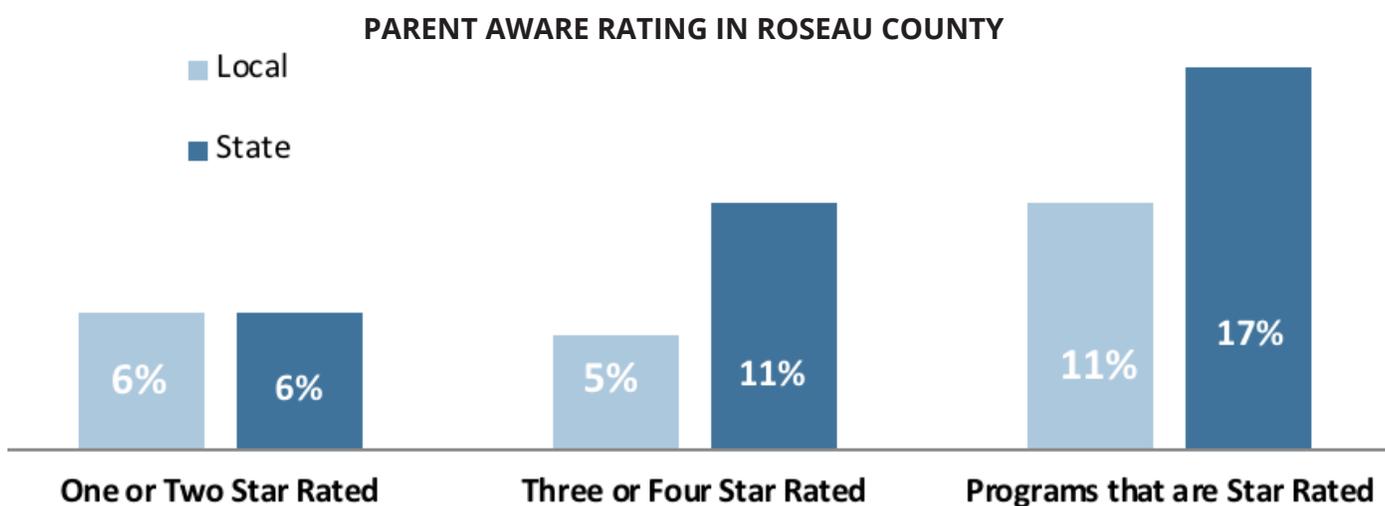
Parents, providers and community members were surveyed to get their perspectives on child care in Roseau County. An important finding from the surveys were the perceptions regarding availability of child care in the area. In Roseau County, there is general agreement between providers and parents around the availability of child care in the area with the majority of the respondents rating the availability of care as being either very poor or poor.



Access to high-quality early care and education is essential for all children, families and communities, because human capital development is the foundation of individual success and the engine of regional economic growth.

- **Working parents** cannot access and maintain productive employment today without access to affordable, high-quality care and education for their children
- **Tomorrow's workforce** will not be prepared to compete and succeed in the global economy unless all children receive high-quality care and education today

First Children's Finance pulled county 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 (QRIS) that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs. This is a voluntary program and, as a whole, Roseau is below the state average with only 11% of providers participating.

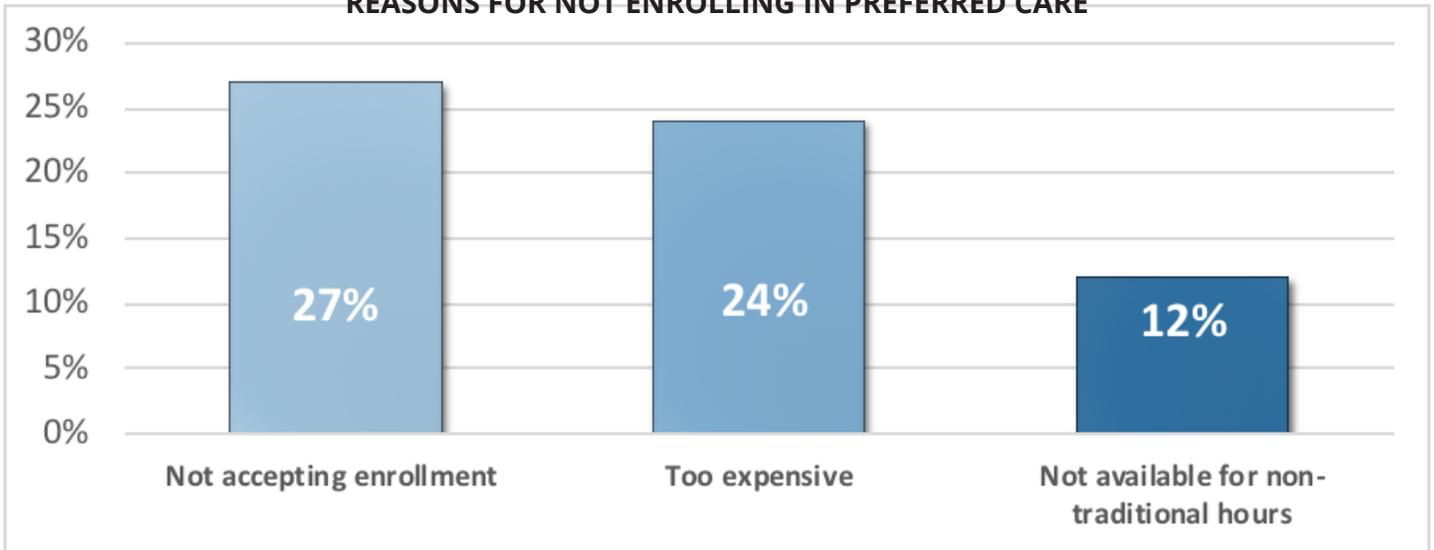


**When parents were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):**

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



**PERCEPTIONS:  
REASONS FOR NOT ENROLLING IN PREFERRED CARE**



In Roseau County, the market rates are in the lowest tier in the state. The 75th percentile is generally the level that quality programs are charging for child care tuition. It means that 25% of child care programs charge more than the market average and 75% of child care programs charge less. While rates of investment for child care are high for families, many child care operations run on very slim margins due to the high cost of quality staffing and care. Family Child Care providers invest significant portions of tuition revenue back into their operations leaving them with less than minimum wage for compensation, according to research by First Children’s Finance in 2016.

AGE GROUP	WEEKLY RATE
75TH PERCENTILE - INFANT WEEKLY - CENTER	NOT APPLICABLE
75TH PERCENTILE - TODDLER WEEKLY - CENTER	NOT APPLICABLE
75TH PERCENTILE - PRESCHOOL WEEKLY - CENTER	NOT APPLICABLE
75TH PERCENTILE - SCHOOL AGE WEEKLY - CENTER	NOT APPLICABLE
75TH PERCENTILE - INFANT WEEKLY - FAMILY	\$125.00
75TH PERCENTILE - TODDLER WEEKLY - FAMILY	\$120.00
75TH PERCENTILE - PRESCHOOL WEEKLY - FAMILY	\$115.00
75TH PERCENTILE - SCHOOL AGE WEEKLY - FAMILY	\$110.00

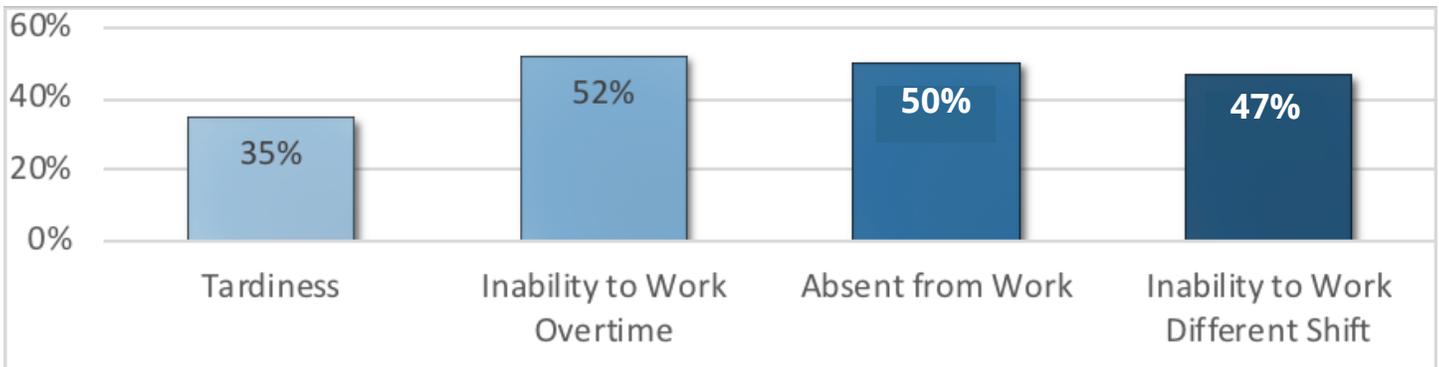
*Results of the 2016 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update*

# COMMUNITY INSIGHTS

There is a direct connection between child care and the local economy. Without adequate supply of high quality child care, local employees and employers suffer. The community level data showed the local economy is impacted by the lack of child care in the community. The survey revealed that 24% of respondents withdrew from workforce or declined employment due to child care arrangements.



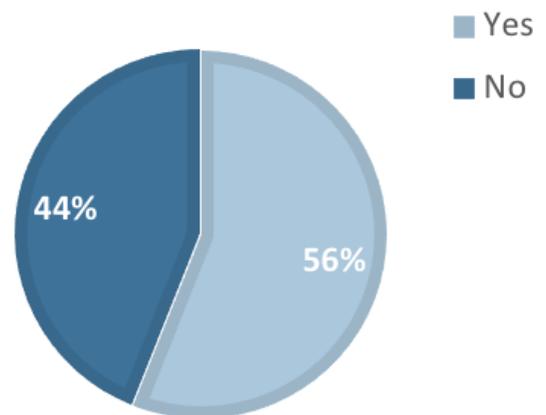
## WORK ISSUES OCCURRED DUE TO CHILD CARE ARRANGEMENTS IN THE LAST 12 MONTHS



***“Not having good child care is a major consideration for myself or my wife to withdraw from the work force” - Local Parent***

***“We waited to have our second child until we knew there would be room at our daycare provider for another baby” - Local Parent***

## DOES THE LACK OF CHILD CARE IMPACT YOUR FAMILY PLANNING?



## UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Roseau County spent several months investigating the possible reasons for the local child care challenges. This work involved engaging with many members of the local area to determine the underlying causes for the identified shortage of care.

Some key takeaways from the community engagement process are highlighted below:

### • IT IS DIFFICULT TO BE A FAMILY CHILD CARE PROVIDER

*"Some of the biggest challenges are getting your home set up for child care. It is a huge expense – even with grants, you have to purchase items before getting reimbursed." - Local Provider*

- ◇ Rules and regulations - ratios
- ◇ Low pay/no benefits
- ◇ Long hours/no flexibility
- ◇ High operating cost
- ◇ Damage to home/space
- ◇ Stressful career
- ◇ High turnover - other better paying job options in the community with benefits

### • LACK OF COMMUNITY RECOGNITION AND SUPPORT

*"Let the community know that we deserve more respect and less taking us for granted and expecting us to do the hardest job ever with low pay and long hours." - Local Provide*

- ◇ Lack of respect and understanding of the business
- ◇ Not an easy career
- ◇ Work life balance is difficult – hard for parents to adjust when providers are closed
- ◇ Recognition that child care is one of the hardest jobs and most important job in the community

### • PARENTS AND FAMILIES WANT MORE CHOICES

*"Just having more options for child care in the community would alleviate much of the stress on local families and would be an attracting feature to draw new people to the community and help retain existing families..." - Local Parent*

- ◇ Lack of child care choices
- ◇ Need for non-traditional care
- ◇ Child care location close to employment
- ◇ Scheduling challenges to match shift work

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# TOWN HALL MEETING & GATHERING

The town hall meeting was the community event designed to provide an opportunity for the Core Team and the community to interact and understand the findings of the extensive focus groups and surveys. Participants shared their ideas and helped to develop some solutions to address the child care challenges in the local community.

## PROPOSED COMMUNITY SOLUTIONS

### NEW CARE OPTIONS

- Utilize existing space to create a place for new providers to run their businesses outside of their homes
  - » Polaris has homes available as a potential location
  - » Identify other locations near employers
- Develop an on-site family child care with employers in the local area
- Create a location that can provide child care for parents who work non-traditional hours
- Develop partnerships with local employers
  - » Find ways to help families afford high quality child care
  - » Purchase slots with new and existing providers for their employees

### COMMUNITY EDUCATION

- Develop a campaign that supports both providers and parents by providing basic information about child care so there is better understanding
- Develop and implement a recognition program for providers

### BUSINESS SUPPORTS

- Develop an active database of family child care providers and child care centers which includes listings of available openings
- Employer subsidies
- Identify grants and subsidies to support new and existing child care providers
- Create a mentoring program for new child care providers to assist with the startup process
- Provide trainings to providers - free of charge

### LICENSING & REGULATION

- Identify ways to reduce regulations for family child care providers
- Increase the number of children in the C3 license

## IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple view points 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 have been developed through the efforts of those involved in the community engagement process.

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## SMART GOAL ONE – IDENTIFY LEGISLATION CHANGES FOR THE 2019 LEGISLATION SESSION

### CORE TEAM LEAD – Todd Peterson

In the next 12 months, identify changes to child care legislation for the legislative session in 2019. Further research will be undertaken to identify legislative changes with the highest priority, and how would those changes impact child care landscape in Roseau County.

### Expected Outcomes and Impact

The expected outcomes of this goal will be determined after the core team identifies legislative priorities to address to improve the state of child care in Roseau County.

## SMART GOAL TWO – DEVELOP A NEW CHILD CARE PARTNERSHIP

### CORE TEAM LEAD – Katie Gunderson

In the next 12 months, identify a location and partner with an employer in Roseau County to develop new family child care or Infant/Toddler program.

### Expected Outcomes and Impact

On-site child care option identified and opened to serve the community. The increased availability of quality child care slots, will contribute to more parents having the opportunity to work (different shifts, and times), and employers having qualified workers who are able to be more effective and productive at work due to available childcare.

## SMART GOAL THREE – DEVELOP A NEW CHILD CARE PARTNERSHIP THAT OFFERS NONTRADITIONAL CHILD CARE

### CORE TEAM LEAD – Katie Marvin

In the next six months identify one child care opportunity/program with local employer partnership(s) that could provide drop-in/nontraditional care for shift employees.

### Expected Outcomes and Impact

Identify/develop a child care program to provide non-traditional care and/or drop in care that will allow families to access drop in and second shift child care.

## SMART GOAL FOUR – IDENTIFY NON-OWNER OCCUPIED SPACE FOR FAMILY CHILD CARE

### CORE TEAM LEAD – Katie Gunderson

In the next six months, identify 3 vacant spaces available in the county to be used by start-up family child care providers to run their business.

### Expected Outcomes and Impact

Identify three spaces that are available and/or interested in partnership to provide space for family child care providers. The spaces identified would be utilized for family child care providers to run their business outside of their home.

## **SMART GOAL FIVE – PROVIDE EDUCATION & SUPPORT TO PROSPECTIVE PROVIDERS**

### **CORE TEAM LEAD – Katie Gunderson**

Within the next 12 months, provide education and support to family child care providers and prospective providers in Roseau County.

### **Expected Outcomes and Impact**

Create a pathway for new providers to follow to licensure. Creation of new child care programs in Roseau County and support existing providers to maintain or increase their operational levels.

## **SMART GOAL SIX – IDENTIFY MONETARY RESOURCES FOR CHILD CARE PROGRAMS**

### **CORE TEAM LEAD – Missy Okeson**

In the next 6 months identify monetary support for new child care programs and the existing providers to maintain or increase their operational levels.

### **Expected Outcomes and Impact**

Raise dollars to support new child care programs and existing providers to increase quality programming. The money will assist with the creation of new child care programs within Roseau County and increase quality of existing providers.

## **SMART GOAL SEVEN – LAUNCH NEW ONLINE DATABASE OF CHILD CARE PROVIDERS**

### **CORE TEAM LEAD – Todd Peterson**

Create an online database located on the county website of child care providers in Roseau County. The database will provide basic information and available child care openings in the next 6 months.

### **Expected Outcomes and Impact**

Increased awareness of child care provider openings and availability in Roseau County. Better utilization of existing child care slots available in the community. Utilization of the database within the community will assist families looking for care to identify openings quicker, and will reduce length of time of openings for providers.



## ABOUT FIRST CHILDREN'S FINANCE

Founded in 1991, First Children's Finance is a multi-state nonprofit organization. We work with communities, and early care and education businesses to increase the supply and sustainability of high quality early care and education in urban and rural areas. We do this through business management training, one-on-one consulting, and financing. For more information about First Children's Finance, please visit: [www.firstchildrensfinance.org](http://www.firstchildrensfinance.org)

**If you are having difficulties viewing this document please contact First Children's Finance, Jessica Beyer at [jessica@firstchildrensfinance.org](mailto:jessica@firstchildrensfinance.org)**