



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

ALEXANDRIA AREA, MINNESOTA

MARCH 2023

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 size and scope of their child care challenges and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for the Alexandria Area intends to outline the child care challenges identified in the community and the proposed solutions to improve the state of child care in the area. A Core Team from the Alexandria Area, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors contributing to the child care shortage in the area through focus groups, individual interviews, and surveys with a multitude of stakeholders in the community.

To understand the potential need for child care in the Alexandria Area, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 362 child care slots in the Alexandria Area. The analysis revealed it is very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in the Alexandria Area. Nearly 30% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 50% 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 all hinder the ability of parents to advance in their careers and the ability of employers to meet their business needs.

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

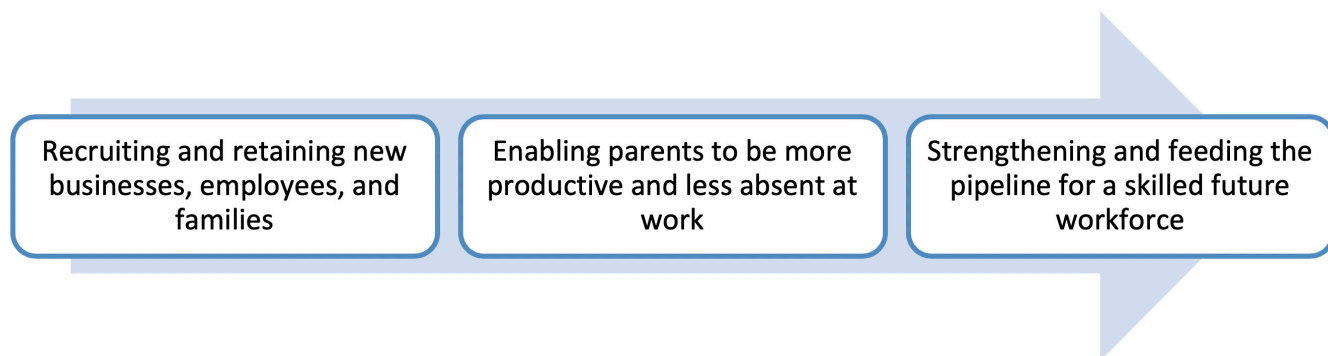
Through the RCCIP, the Alexandria Area has identified four goals to address child care challenges. These goals include:

1. Create awareness about early childhood education careers, and promote enrollment in the CDA program, at local high schools.
2. Utilizing churches, existing residential space, government, school district, commercial space and new construction, we will develop a phased approach to begin four new family child care programs with a model to duplicate by September 2024.
3. Expand community child care center capacity by 184 slots by December 2025.
4. Create an "Early Care & Development Foundation" to strengthen child care workforce in our community through supporting child care now and into the future.

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

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities, the ebbs and flows of the local economy greatly influence the sustainability and supply of child care 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 INNOVATIVE PROGRAM

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

PROGRAM FOCUS

Children living in rural areas are more likely to come from low-income households than children in urban areas and are more likely to be living in poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in 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 & GENERAL TIMELINE

PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Orientation Retreat (6hrs)	August 22, 2022	Face-to-face meeting to discuss RCCIP details and expectations
Core Team Planning Meetings	September 6 & 12, 2022	Face-to-Face meeting to begin mapping out community engagement activities
Data Gathering & Community Engagement Activities	October – December 2022	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Event	November 21, 2022	In-person event organized to recognize and appreciate providers in the community
Synthesize Data	December 2023	FCF synthesizes data into useful info
Core Team Meeting	November 7, 2022, December 5, 2022, & January 3, 2023	Discuss survey progress & plan for brainstorming session
Town Hall Event	January 10, 2023	In-person community wide event sharing data and brainstorming possible solutions
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Implementation Planning Meeting #1	January 17, 2023	Review potential solutions from surveys & Core Team brainstorms solutions
Implementation Planning Meeting #2	February 6, 2023	Determine projects to move forward with, begin to set SMART Goals & develop action steps
Quarterly updates	March 2023 – April 2024	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	March 2023 – April 2024	Project teams meet to Implement community solutions; facilitated by project team lead
Technical Assistance Support	March 2023 – April 2024	FCF provides technical assistance when needed
Final Report	April 2024	Core Team leader submits final written report to FCF



EXPECTED OUTCOMES AND IMPACT

The Rural Child Care Innovation Program is designed to support fundamental change in the overall condition of 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 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 ALEXANDRIA

Alexandria is a thriving community conveniently located in the heart of West Central Minnesota along Interstate 94 between the Twin Cities of Minneapolis/St. Paul and Fargo, North Dakota. It has become a regional center for manufacturing, health care, education, and retail and service businesses, and its abundant natural resources are a calling card for visitors and new residents.

The current population of the city is 14,382 and the estimated population of Douglas County is 39,238. It is projected by the year 2030 the county population will have grown to 41,983.

The Alexandria Area child care needs assessment, conducted in August 2022, by First Children's Finance (FCF), shows that the Alexandria Area's current capacity for child care meets only 72% of the entire child care need (362 child care openings short of full capacity). A childcare shortage limits the ability of employers to retain existing and attract new workers to the area. Logic dictates that the hardship associated with finding child care, particularly infant and toddler care, which is 34% of the birth to five spots needed, may also discourage families from having the number of children they may truly desire. If families decide to have fewer children, this means schools will have fewer students. Districts may eventually need to further consolidate, and, to a significant extent, communities will lose their sense of identity. Local employers will have difficulty growing or even maintaining operations as the future talent pool decreases in size. New employers will overlook Alexandria, in favor of communities better equipped to support their workers' child care needs.



LOCAL CORE TEAM REPRESENTATION

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

- Jackie Peters, Core Team Lead- Alexandria Area YMCA
- Jason Norlien- Aagard
- Tara Bitzan- Alexandria Area Chamber of Commerce
- AJ Koewler- Alexandria Area Community Foundation
- Nicole Fernholz- Alexandria Area Economic Development Commission
- Alan Zeithamer- Alexandria Area Public Schools
- Whitney Walters- Alexandria Area YMCA Child Care
- Celeste Gardner- Alomere Health
- Katie Retschler- Calvary Preschool
- Connie Fields- Douglas County Early Childhood Initiative
- Tammy Bunting- Horizon Health
- Brooke Zabel- Knute Nelson
- Dawn Block- Lakes & Prairies Community Action Partnership (CAP-LP)
- Sara Peterson- Sourcewell
- Marsha Erickson- West Central Initiative Foundation



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 to the child care challenges. First Children's Finance leveraged different data sources to pull together an illustrative picture of the impact of child care in the local area. These data sources include US Census Information, MN Child Care Licensing Records, Minnesota Department of Education, MN DEED, School District Census information and other internal research tools including First Children's Finance data.



POTENTIAL NEED OVERVIEW

First Children's Finance conducted a child care supply demand gap analysis which provided a view of potential child care needs. When analyzing the data for the Alexandria Area, we looked at the data for three geographic areas; Douglas County, the Alexandria Area zip codes of 56308, 56319, 56332, 56354, and 56355 and the Alexandria Area School District boundaries, which gives us a better picture of the need. The supply demand gap analysis dated August 2022 shows a county shortage of 645 slots, a school district area shortage of 223 slots, and a zip code shortage of 362 slots for children birth to five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 34% of the slots needed are for infants and toddlers. The core team chose to focus their effort on the Alexandria Area as they move forward with creating solutions to the child care shortage. Below is a summary of the information provided in the supply demand gap Analysis for Alexandria Area.

Alexandria Area

Child Care Need Analysis



Population
13,705

CITIES INCLUDED

56308 - Alexandria

56332 - Garfield

56319 - Carlos

56354 - Miltons

56355 - Nelson



76

Licensed
family
child care

5

Licensed
child care
centers

1

Certified
child care
center

Birth to 5
spots
needed
FCF Calculation

362 Zip Codes

645 Douglas County

223 School District #206

34%



Infant & Toddler
Need
FCF Calculation

938 Current child care capacity
FCF Calculation

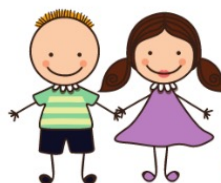


\$563

per month/preschool

Cost of family child care

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



1,301

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

\$780

per month/preschool

Cost of center child care

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



75%

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



First Children's Finance

August, 2022



FAMILY CHILD CARE – BY THE NUMBERS

In surveying family child care providers, we learned 16% of providers plan on staying in business less than 3 years, while 24% plan on staying in business for 3–5 years. Furthermore, the survey indicated 27% of providers plan on being in business 6–9 more years, while the final 32% said they plan to stay in business for more than 10 years. It is important for the Alexandria Area to consider ways to retain the current family child care providers as well as building more slots within the community.

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

- The average length of service is near equal to the state average length of service.
- At 30% the number of providers with more than 20 years of service is slightly below the state average. This number typically indicates whether a community should prepare for retirements of family child care providers in the near future.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turnover rates. In the Alexandria area, 63% of family child care providers fall within these two categories.

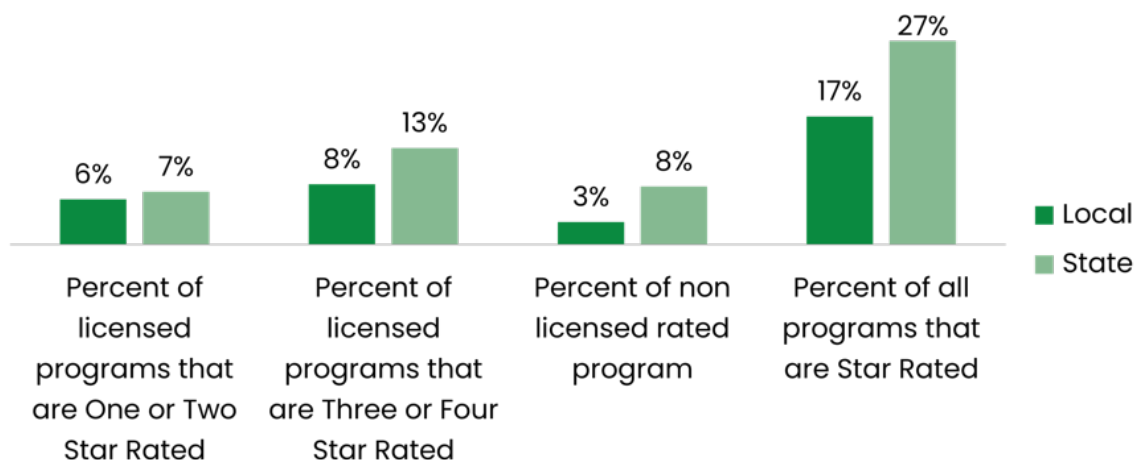
	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	76	6501
AVERAGE LENGTH OF SERVICE	12.8 years	14 years
LESS THAN 5 YEARS / SERVICE	25 / 32.8%	1717 / 26.4%
MORE THAN 20 YEARS / SERVICE	23 / 30.2%	2,276 / 32.2%
NON-OWNER OCCUPIED	1 / 1.3%	236 / 3.3%
NON-RESIDENTIAL DWELLING	0 / 0.0%	43 / 0.6%

June 2022



QUALITY CHILD CARE OVERVIEW

First Children's Finance examined statewide and county level information about the number of child care programs that are participating in the Parent Aware program. Parent Aware is Minnesota's Quality Rating and Improvement System that identifies programs that go above and beyond the general licensing requirements to provide higher quality learning environments in their child care programs.



The chart above shows the participation of Douglas County child care programs in Parent Aware is generally below the state average. This is a critical component when we evaluate the quality of child care program offerings in the area.



AVERAGE COST OF CHILD CARE

Child care is a large investment for families with children. A review of the 2021 DHS Child Care Market Rate Survey was conducted as part of the Alexandria Area RCCIP process. This study is one tool First Children's Finance uses to analyze care costs in the area.

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

Area Market Rates –Douglas County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$225.00	\$11,700
75TH PERCENTILE - TODDLER WEEKLY	\$205.00	\$10,660
75TH PERCENTILE - PRESCHOOL WEEKLY	\$193.00	\$10,036
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$175.00	\$9,100

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$150.00	\$7,800
75TH PERCENTILE - TODDLER WEEKLY	\$150.00	\$7,800
75TH PERCENTILE - PRESCHOOL WEEKLY	\$145.00	\$7,540
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$140.00	\$7,280

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

The Child Care Assistance Program (CCAP) is a statewide program that helps 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, 63% of family providers and 100% of centers who responded accept CCAP reimbursement for families.

CCAP –Douglas County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$200.00	\$10,400
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$185.00	\$9,620
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$174.00	\$9,048
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$150.00	\$7,800

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$135.00	\$7,020
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$130.00	\$6,760
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$125.00	\$6,500
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$120.00	\$6,240

Minnesota CCAP Standard Maximum Rates Effective November 15, 2021

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 Douglas County providers who are Four-Star Parent Aware rated.

CCAP –Douglas County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$240.00	\$12,480
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$222.00	\$11,544
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$208.08	\$10,858
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$180.00	\$9,360

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$162.00	\$8,424
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$156.00	\$8,112
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$150.00	\$7,800
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$144.00	\$7,488

Minnesota CCAP 20% Quality Differential Maximum Rates Effective November 15, 2021

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. The Alexandria Area has reading proficiency levels nearly on par with the state average and graduation rates significantly higher than the state average.

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Alexandria Area Public Schools #0206	51.6%
Statewide	48.5%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2021 GRADUATION RATE
Alexandria Area Public Schools #0206	93.0%
Statewide	83.8%

Minnesota Department of Education Report Card



ABILITY TO PAY FOR CHILD CARE

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

Household Income – Douglas County

TOTAL HOUSEHOLDS ACS 2020 5YR ESTIMATE	# OF HOUSEHOLDS	%
Less than \$10,000	305	4.5%
\$10,000 to \$14,999	318	4.7%
\$15,000 to \$24,999	752	11.1%
\$25,000 to \$34,999	780	11.5%
\$35,000 to \$49,999	1031	15.2%
\$50,000 to \$74,999	1255	18.5%
\$75,000 to \$99,999	902	13.3%
\$100,000 to \$149,999	888	13.1%
\$150,000 to \$199,999	285	4.2%
\$200,000 or more	270	4%
TOTAL HOUSEHOLDS	6,786	
MEDIAN HOUSEHOLD INCOME	\$54,193	

U.S. Census American Community Survey 2019

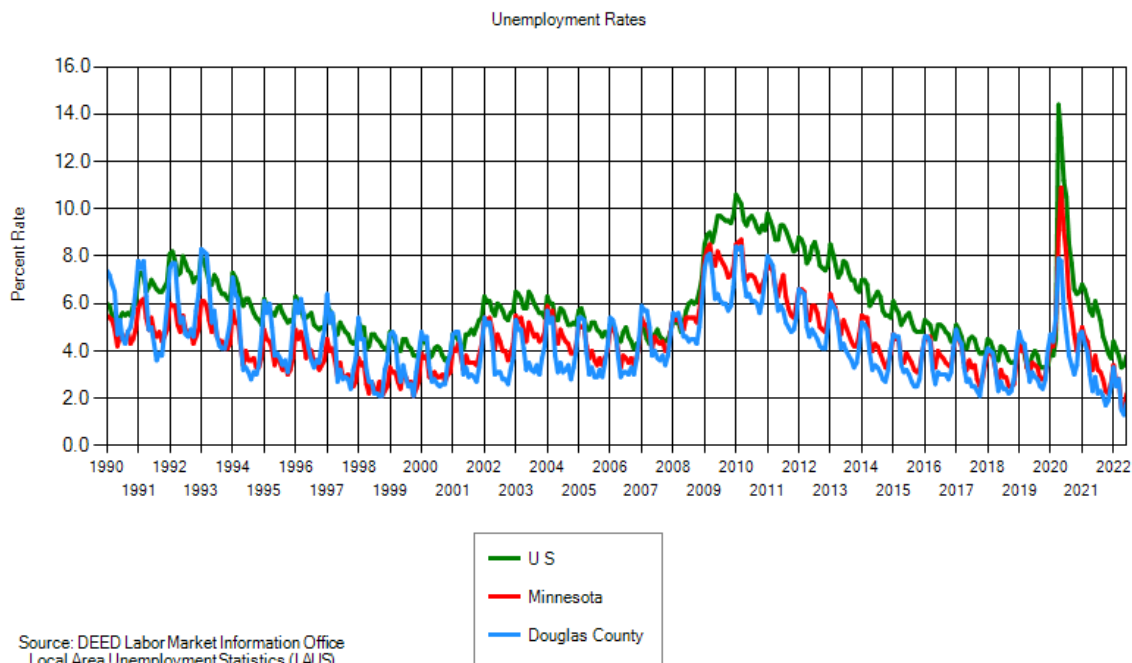


LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children's Finance in the analysis of the child care situation in the Alexandria Area as it can be an indicator that additional child care is needed to support the employment needs of the community since there are more two-parent families employed. The Alexandria Area is just below the state average participation rate for households with all parents in the workforce at 75% while the state average is 76%.

Unemployment Rates – Douglas County

In August of 2022 when this initial analysis of data for the Alexandria Area was completed, the county unemployment rate was 1.7%, which is relatively low. This can also indicate a larger need for child care in a community.



Top Local Industries – Douglas County

Employers in the Alexandria 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, many employers have been able to provide valuable insight and resources into child care discussions.

Top 4 Industries in Douglas County	# Employees	% of Workforce
Manufacturing	3,777	19.9%
Health Care & Social Assistance	3,242	17.1%
Retail Trade	2,641	13.9%
Accommodations & Food Service	1,793	9.4%

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 underlying causes of local child care challenges.

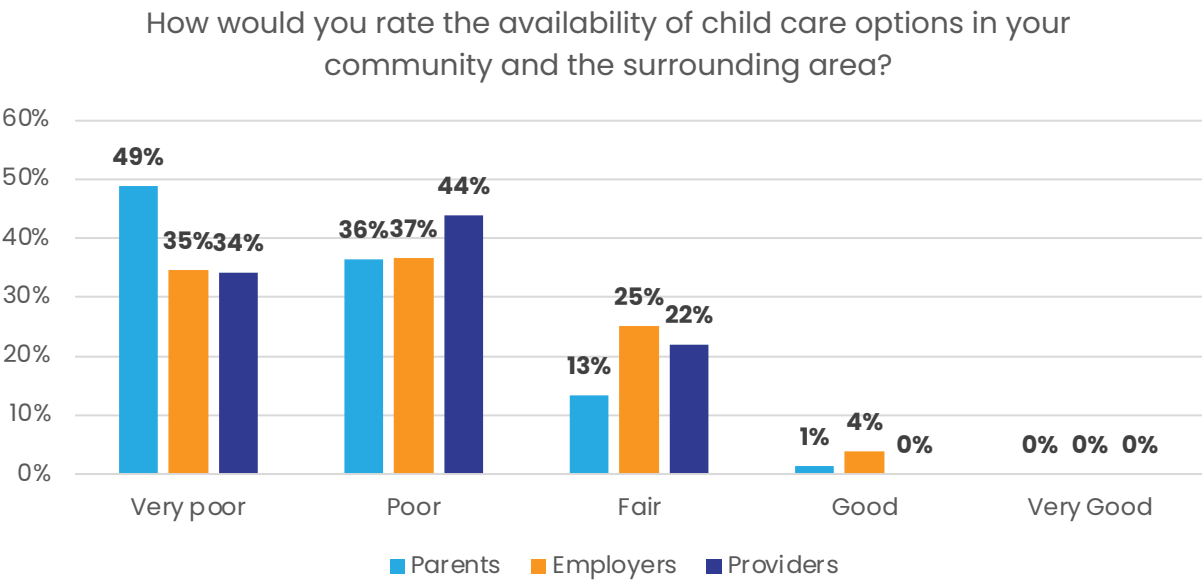


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in the local Alexandria Area community. Respondents included 512 individuals for the parent survey and 52 employers for the employer survey. A separate survey gathered information specific to child care businesses from 38 family child care providers and 3 child care centers.

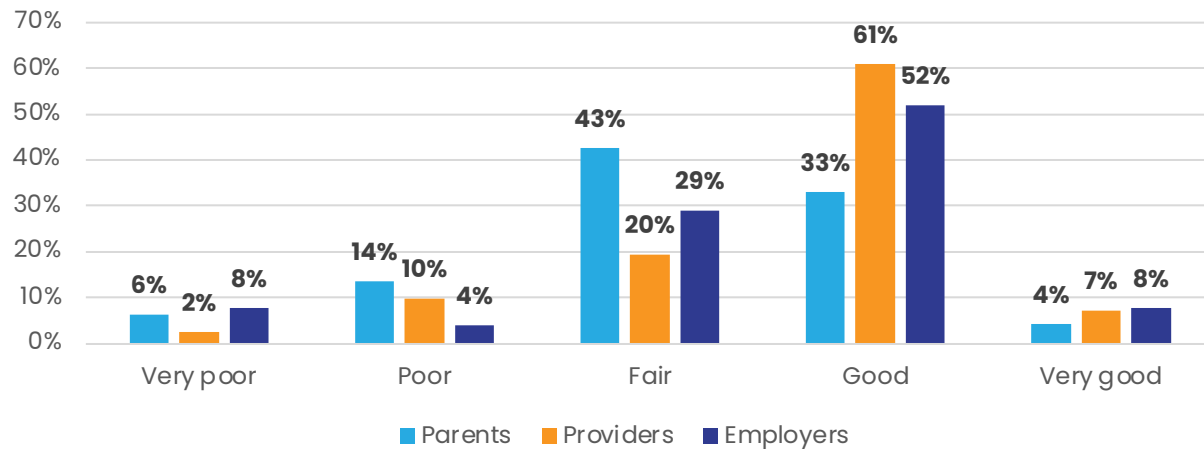
The following charts represent some highlighted perspectives within the community.

Perceptions: Availability of Child Care in the Local Area



Perceptions: Quality of Available Child Care in the Local Area

How would you rate the quality of child care options in your community and the surrounding area?



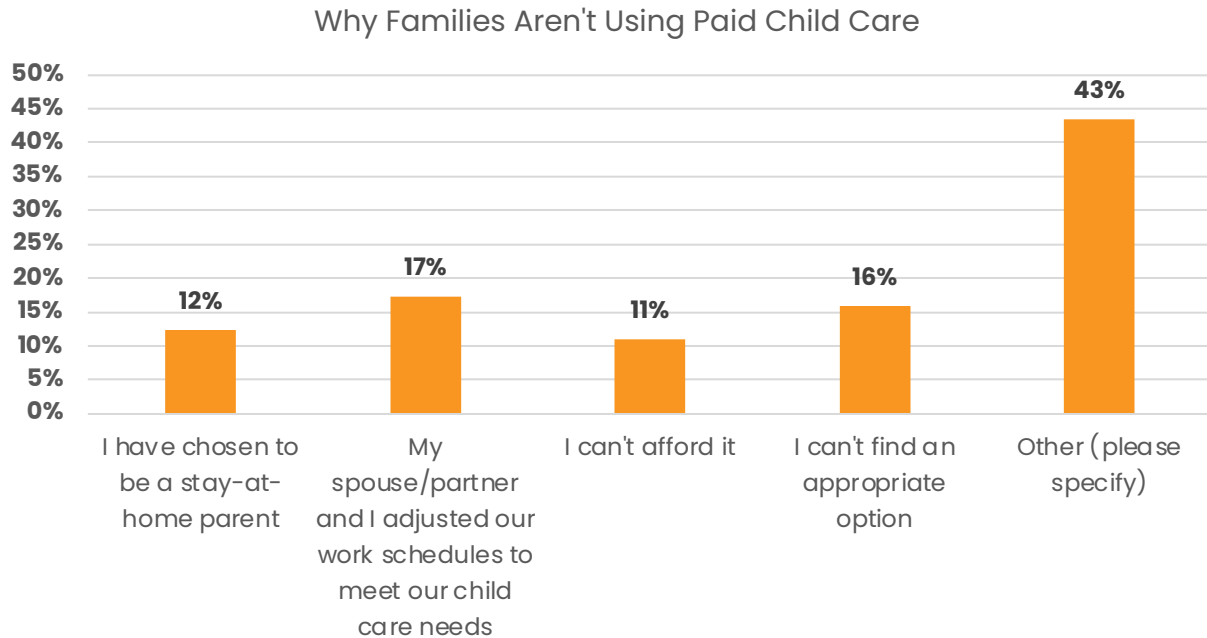
While specific questions about quality were not part of this survey, it was noted that the perception between child care providers and the local community on the quality of child care programs in the area was fair to good. When survey participants were asked about what is important for them in a child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

1. Provider demonstrates a safe and healthy environment
2. Provider is a friend, family member, neighbor, or someone I have a personal relationship with
3. Provider is licensed by the Department of Human Services
4. Provider uses an educational curriculum
5. Provider is Parent Aware rated and/or nationally accredited
6. Provider is conveniently located
7. Provider has achieved a high level of education or credential



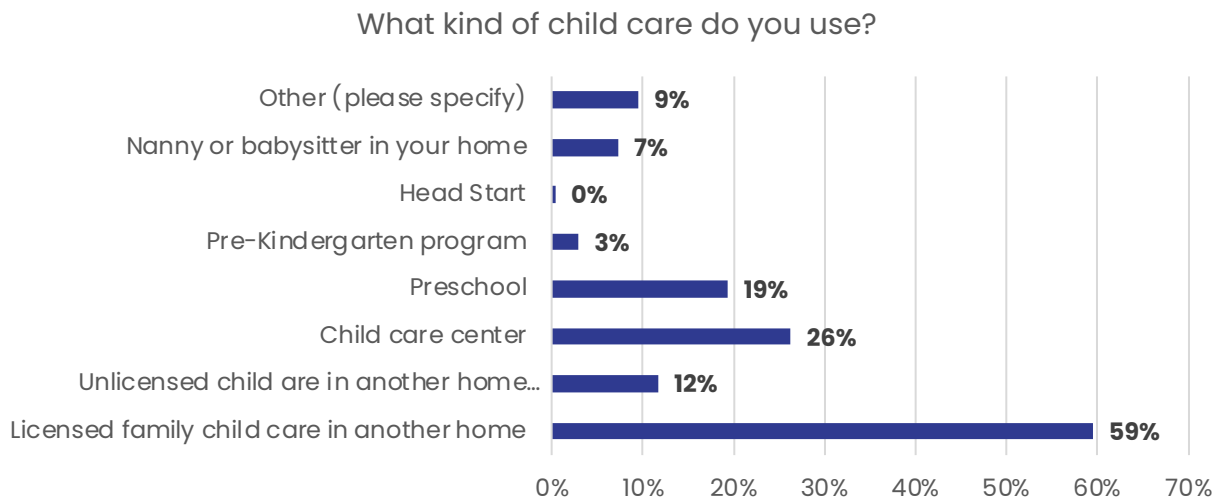
Reasons for Not Enrolling in Paid Child Care

A breakdown of the parent survey showed 25% of the parents did not have children under the age of 5 while 36% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using child care is in the chart below. The majority of parents who do not use paid child care say it is because they have adjusted their work schedules to meet their child care needs or because they cannot find an appropriate option. Comments from parents included things like we can't find an opening, there are no appropriate or affordable options, and grandparents are helping to care for the children.



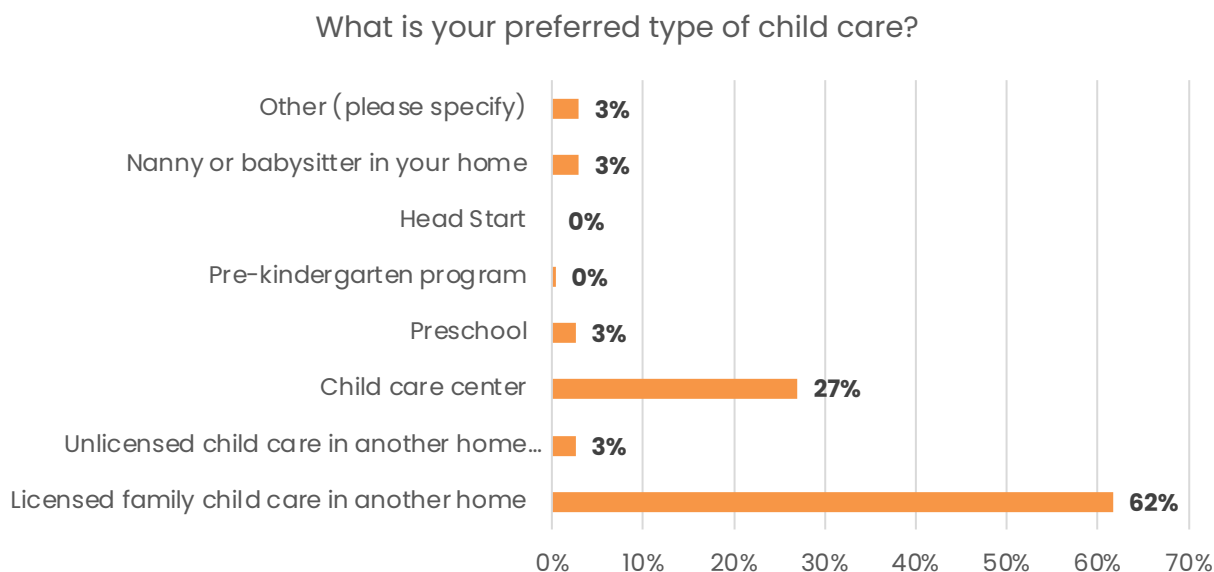
Types of Care Parents are Currently Using

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



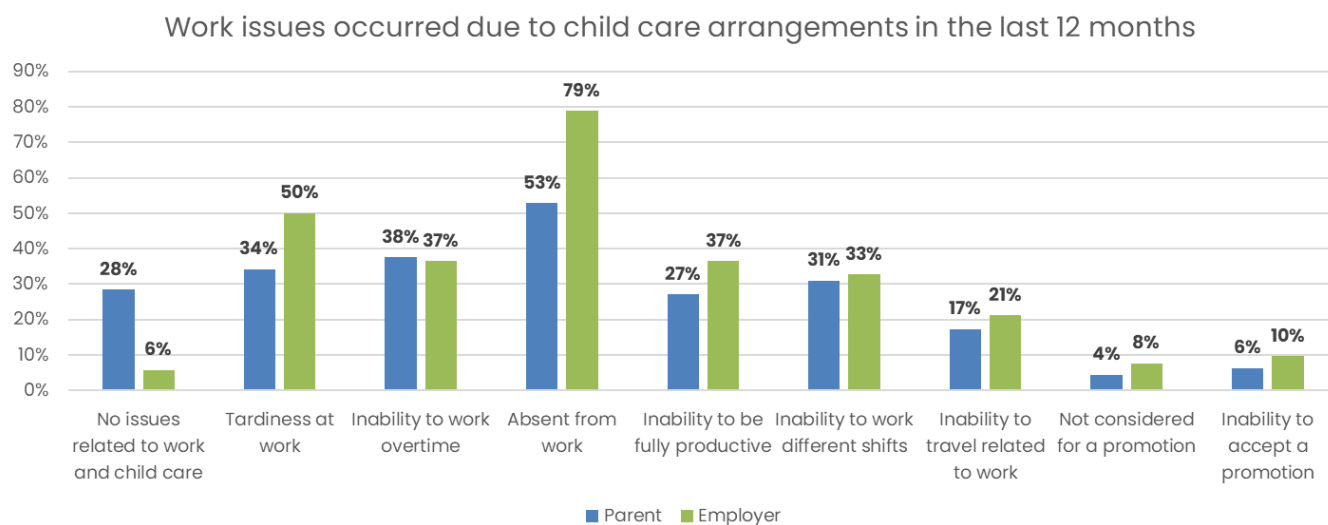
Types of Care Parents Prefer to Use

The types of care parents in the Alexandria 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 workforce. These issues can compound and further extend into the business community by causing loss of workers due to the lack of child care or by businesses relocating to communities 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.



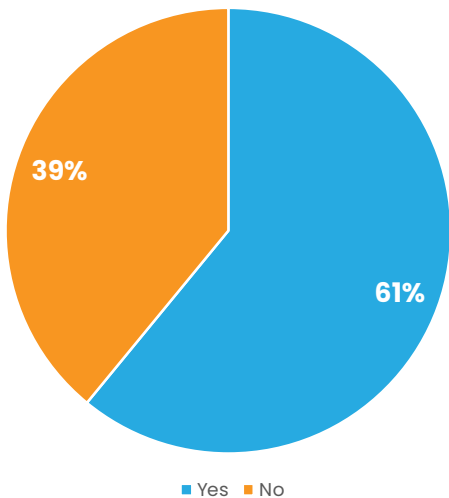
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work, inability to work a flexible schedule or work different shifts, and tardiness to work.

From the employer survey, 50% of employers said the child care shortage has affected their ability to **attract** employees while 48% of employers indicated the lack of child care has impacted their ability to **retain** employees.

Additional child care related challenges for parents included 17% not able to travel for work, 4% not considered for a promotion, and 6% were not able to accept a promotion. While employers responded that 21% of their employees were not able to travel for work, 8% mentioned that parents were not considered for a promotion and 10% were unable to accept a promotion due to child care challenges.

Impact on Family Planning – Alexandria Area

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



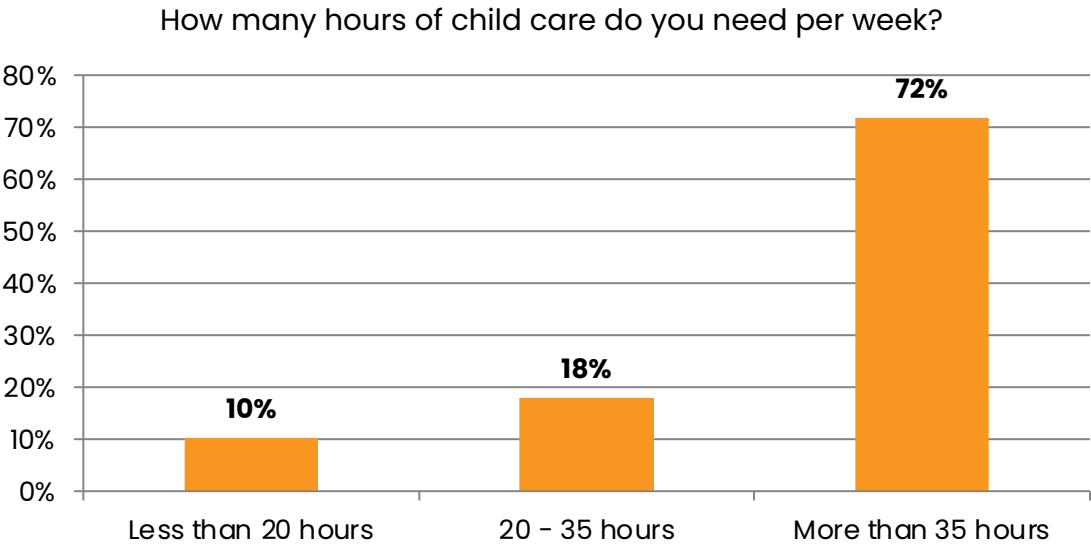
In addition to impacting family planning, child care shortages can also impact the local employment environment. In the survey, 30% of parents have declined employment or withdrawn from the workforce due to child care issues at some point in their career.



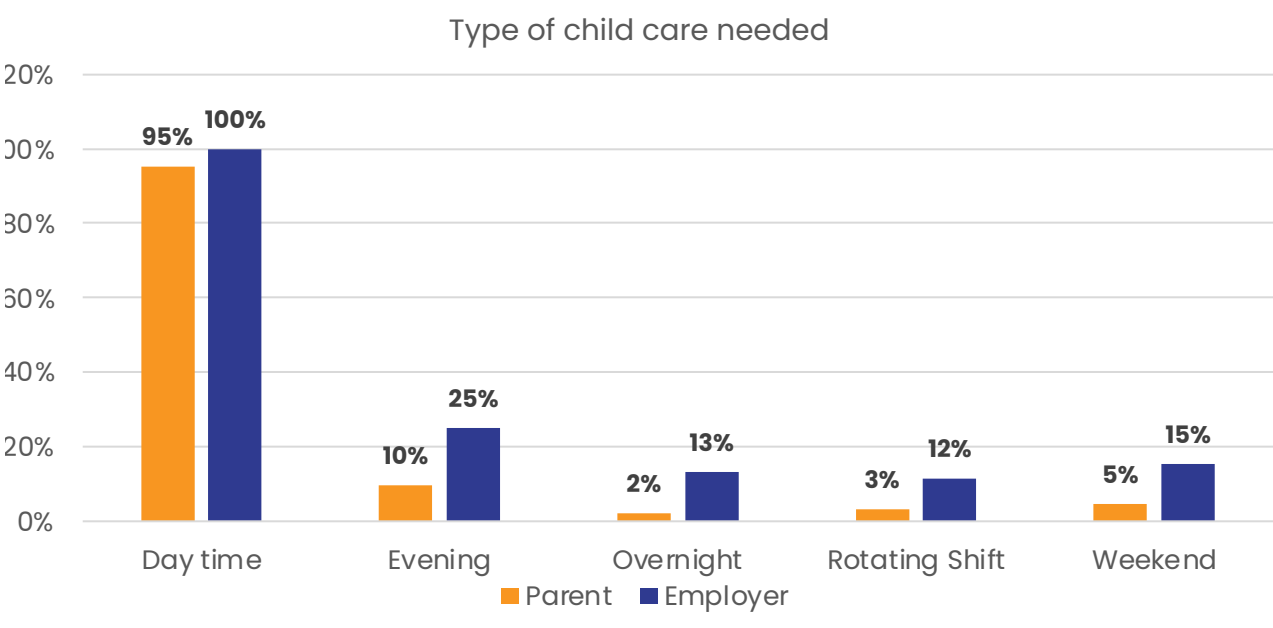


TYPES OF CHILD CARE NEEDED

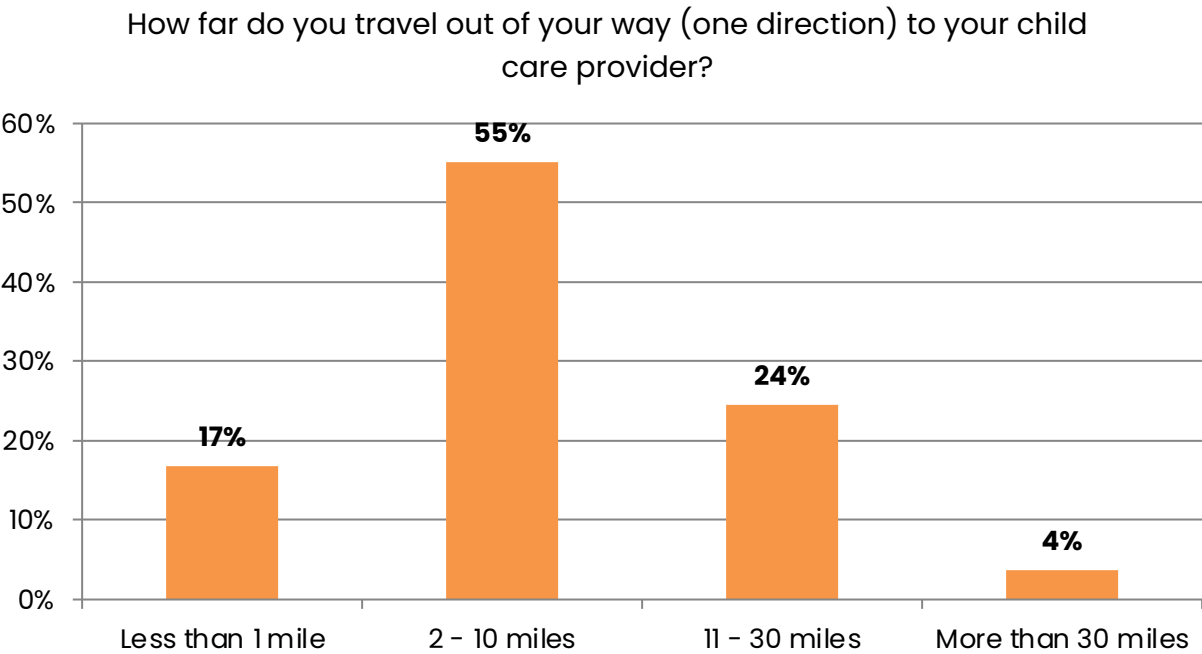
It is important for a community to understand the types of child care parents need to be able to identify the right sized solutions for the community. The survey indicated that 72% of parents need more than 35 hours of care and are looking for full-time child care options.



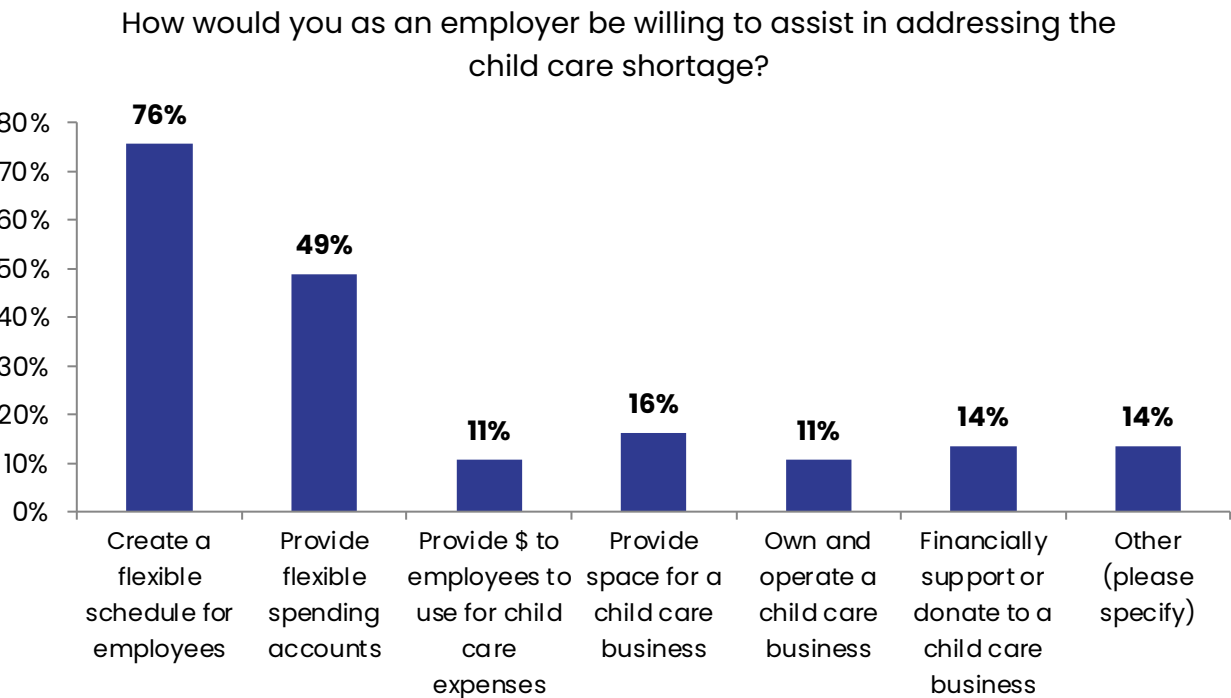
It is also important to determine when parents need care so the community can offer options that meet that need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective. As we see in many communities, the survey showed employers believe families need care options on evenings, overnights, rotating shifts, and weekends at a much higher rate than families actually 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.



Alexandria Area survey respondents indicated that they were traveling great distances to find appropriate child care. Nearly 28% indicated that they were traveling more than 10 miles (one way) for child care.



Employers can help address the child care shortage in multiple ways. From the employer survey, the top way employers in the Alexandria Area are willing to help is to create flexible schedules. 30% of employers surveyed are willing to provide space for a child care business or financially support or donate to a child care business; 11% are willing to own and operate a child care business themselves and 11% are willing to provide money to their employees to use for child care expenses.





UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Alexandria Area 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.

“You cannot find care. If you do, the hours open do not match what many need.” –Local Parent

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Stigma of ‘watching children’ and not respected or thought of as early childhood education professionals
- Lack of understanding of direct care and indirect hours spent, lack of appreciation and time off
- Parents not respecting providers, such as coming late for pick up and that takes away from provider’s family life
- Long hours and have NO benefits (such as health insurance, retirement, or PTO)
- Lack of investment by public and private partners
- Low profit margins, high burnout
- Cost for everything is soaring, low tuition rates in the area

“Many providers retired early or just plain quit due to all the paperwork and new rules. It has gotten to be a lot of changes and we are expected to do it or get a correction order or fine.” –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.

**“I had to leave work 90 minutes early every day to pick up my children.”
–Local Parent**

FACTOR: QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

- Too strict for number of children
- Too much paperwork required by government, large volume of regulations concerns/frightens people
- Providers feel too regulated and not able to make own decisions
- Financial hardship for start-up with licensing requirements, making sure your house is up to code, having enough space for licensing, getting proper supplies
- More second caregiver options, access to substitute caregivers
- Space and location options for quality training
- Complicated business model – constantly changing, learning curve in business operation, growing number of requirements and regulations
- Requirements for centers are strict and tough to maintain, very time consuming

“The dynamics of this past summer’s care provider did not work well for our child, but we had no other options.” –Local Parent

Alexandria Area 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.

It is very difficult to find a daycare due to the long waiting lists. We did not have any more children due to the lack of daycare available and the high costs associated with daycare. Also, you tend to be “forced” to stay with a daycare not fully meeting your needs due to having no other options. –Local Parent

FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Impossible to find quality child care with openings
- Affordability, if you find care, it is very expensive or does not match the hours parents need
- Difficult to find infant care for under age 2, too long of waiting lists
- Highly limited options, so providers have shorter operation hours, pick and choose more
- Providers taking less children due to regulation requirements
- Quality staffing, caregivers are hard to find, high turnover
- Little to no support systems for providers and caregiver staff
- Pay full-time hours for just a couple hours a day to keep my slot
- Providers have to work extended hours to meet the needs of families and they do not get paid for these hours

“I feel like people don’t care and aren’t invested in my children like they used to be.” –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 the County’s Child Care Assistance Program and Early Learning Scholarships can help bridge the gap.

COMMUNITY-DEVELOPED SOLUTIONS

The Alexandria 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: FACILITIES

- Utilize churches, County gym, and employer sites with more than 200 employees
- Repurpose the Viking Mall, senior center, and/or library for multiple family-licensed programs

THEME: RECOGNITION

- Increase community participation in recognition and appreciation events
- Create a sponsor-funded resource to adopt a child care program, exchange items or ideas, support child care workers
- Develop volunteer program to help providers with respite and relief

THEME: CHILD CARE TRAINING

- Create a mentorship program for new family child care providers
- Free training opportunities and free and low-cost training locations

THEME: FINANCIAL SUPPORT/INCENTIVES

- Establish a pool of funds to help make child care professional education affordable, offer loan forgiveness
- Develop tax breaks/incentives for child care businesses and employers

THEME: WORKFORCE DEVELOPMENT

- Create future workforce by introducing students earlier to the field and developing a career pathway between High School and Alexandria Technical Community College

THEME: COMMUNITY EDUCATION & PARTNERSHIPS

- Establish friends of child care to connect with community volunteers, interest groups
- Identify transportation solutions for movements back and forth between child care and preschool

IMPLEMENTATION PROJECTS

After the brainstorming session, the Core Team met to develop SMART Goals to address the child care needs of the community. Those SMART Goals, Project Team Leaders, Team Members and expected outcomes are listed below.

SMART Goal One

Create awareness about early childhood education careers, and promote enrollment in the CDA program, at local high schools.

Expected Outcomes and Impact

Increase awareness of, and grow the early childhood workforce.

Project Team Lead – Whitney Walters

Additional Team Members – Dawn Block, Rick Sansted, Merilee Retzlaff, Joni Jacobson, Rondi Wussow, Marsha Erickson

SMART Goal Two

Utilizing churches, existing residential space, government, school district, commercial space and new construction, we will develop a phased approach to begin four new family child care programs with a model to duplicate by September 2024.

Expected Outcomes and Impact

Grow high quality child care slots within the community while providing increased options for families.

Project Team Lead – Nicole Fernholz & Al Zeithamer

Additional Team Members – Rick Sansted, Lynn Jenc, Sara Peterson, Nicole Fernholz, Marty Schultz, Charlie Meyer, Laurie Bonds

SMART Goal Three

Expand community child care center capacity by 184 slots by December 2025.

Expected Outcomes and Impact

Increased availability of high quality child care slots

Project Team Lead – Jackie Peters

Additional Team Members – Sara Peterson, Nicole Fernholz, Larry Ortloff, George Crist

SMART Goal Four

Create an “Early Care & Development Foundation” to strengthen child care workforce in our community through supporting child care now and into the future.

Expected Outcomes and Impact

Provide resources and support to new and existing early childhood professionals and programs.

Project Team Lead – AJ Koewler

Additional Team Members – Celeste Gardener, Dawn Block, Rondi Wussow, Joni Jacobson, Marsha Erickson



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