



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

RENVILLE COUNTY, MINNESOTA

APRIL 19, 2021

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





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

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

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

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

Kris Bevell

Editor
Prairie Business Magazine

EXECUTIVE SUMMARY

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

To understand the potential need for child care in Renville County, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a child care shortage between 145 to 154 slots. The analysis revealed that it is very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many child care programs, resulting in 60-80% of overall expenses. This heavily influences the ability of child care providers to sustain their child care operations.

The analysis revealed that the child care shortage has severely impacted parents living in Renville County. Nearly 30% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 32% of employers responded that child care impacted their ability to attract or retain employees. Absence from work (when a provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers.

Some of the major factors contributing to the child care shortage in Renville 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 lack of community recognition for child care providers.

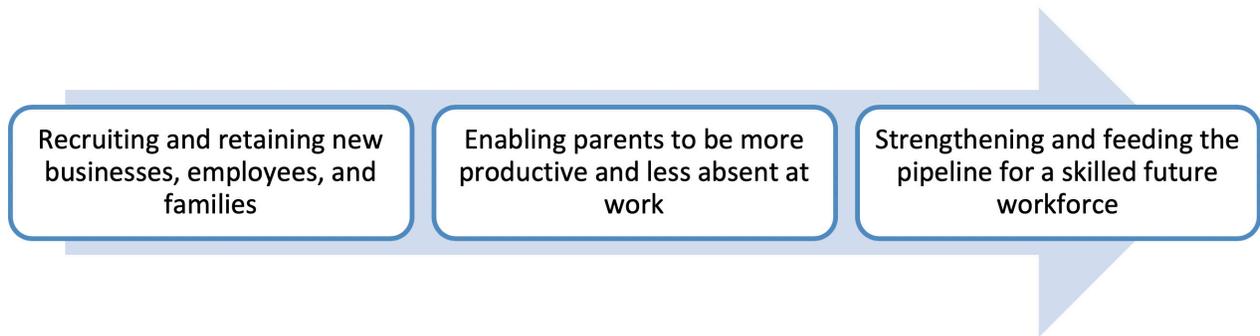
Through the RCCIP, Renville County has identified seven goals to address child care challenges. These goals include:

1. Increase access to local training for all Renville County child care programs by December 2022
2. Increase teacher qualified personnel in Renville County by December 2022
3. Recruit potential early childhood staff through engagement and programs in local school districts
4. Within one year, create a provider association that promotes and shares ideas among members and provides opportunities for benefits such as health insurance and shared training, mentorship, and supply opportunities
5. Within three months, develop an inclusive marketing plan that provides opportunities for providers to engage with each other and their communities as well as encourage development of new providers
6. Within the next six months, the core team will partner with Renville County to create and promote a forgivable loan fund that will be used to help start up new child care businesses and partner with Chambers, Service Clubs, EDA's, and businesses within the ten Renville County cites to raise donations for teacher training stipends and employee scholarships
7. Within the next six months, the core team will partner with area banks, the Renville County EDA, and city EDAs in the county to create a data base of available locations for potential child care sites and include square footage, estimated sale/lease price, and amenities and target cities with the greatest need such as Fairfax, Olivia, and Renville

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

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

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



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

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

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



PROGRAM FOCUS

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

PROGRAM ACTIVITIES & GENERAL TIMELINE

APPLICATION PHASE		
ACTIVITIES	TIMING	DETAILS
Application Opens	September 1, 2020	Send the application, post on website
Webinar	September 15, 2020	Learn about RCCIP, expectations, and ask questions
Application Deadline	October 6, 2020	Due by 5:00pm
Follow Up Questions For Applicants	October 13, 2020	FCF will connect by phone or email
Final Awards Made	October 20, 2020	FCF will notify via email
PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	November 5, 2020	Webinar with Core team leaders to set expectations
Core Team Orientation Retreat	December 1 & 3, 2020	Two 3 hour web based meetings to discuss RCCIP details and expectations
Core Team Planning Meeting (2 hrs)	December 17, 2020	Web based meeting to map out community engagement activities and fully develop the timeline
Data Gathering & Community Engagement Activities	January 5, 2021	Core Team engages community in gathering data and makes community aware of their work
Child Care Appreciation Dinner	February 8, 2021	Web based event organized to recognize and appreciate providers in the community
Synthesize Data	April 5, 2021	FCF synthesizes data into useful info for town hall meeting
Planning Meeting for Town Hall (1hr)	April 6, 2021	Core Team planning for the town hall meeting
Child Care Provider Recruitment	December 2020	Recruit providers to participate in business trainings and one-on-one consultation conducted by FCF
Business Cohort	February 2021 – March 2021	Web based series of business trainings and one-on-one consultation conducted by FCF
Town Hall Event	April 12, 2021	Web based community wide event to identify and develop projects
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Organization of Town Hall Ideas	April 19, 2021	FCF staff organizes Town Hall ideas into a workable format
Implementation Planning Retreat	April 20, 2021	Two 2 hour web-based meetings to prioritize goals; develop SMART goals and map out implementation activities, plan for the community launch
Core Team Lead Meeting	May 2021	Webinar with core team leads from this year's RCCIP communities to network and share Town Hall outcomes
Community Solution Action Plan (CSAP)	May 2021	FCF creates report detailing community data, types of solutions, and community identified projects
Community Launch of CSAP	May 2021	Press release and community luncheon to share the CSAP
Regular Core Team Meetings	May 2021 – June 2022	Updates from project teams to the core team; frequency determined by core team; facilitated by Core team lead
Quarterly Updates	June 2021-June 2022	Core team lead provides written quarterly updates to FCF
Regular Project Team Meetings	May 2021 – June 2022	Project teams meet to implement community solutions; facilitated by project team lead
Technical Assistance Support	May 2021 – June 2022	FCF provides technical assistance when needed
Final Report	June 2022	Core Team leader submits final written report to FCF
Celebration	June 2022	Core Team celebrates its success



EXPECTED OUTCOMES AND IMPACT

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

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

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

ABOUT RENVILLE COUNTY

Renville County is a rural community located in South Central Minnesota, along the Minnesota River roughly 90 minutes west of Minneapolis. The county’s population is approximately 15,730 (2010 U.S. Census). Olivia is the Renville County seat and its largest municipality. Other cities located within Renville County are Bird Island, Buffalo Lake, Danube, Fairfax, Franklin, Hector, Morton, Renville, and Sacred Heart. Renville County’s economy is primarily driven by agriculture/farming, which supports a wide variety of jobs, ranging from entry-level to high-skilled, in production, finance, transportation, and other employment sectors.



Renville County child care needs assessment, conducted in June 2020, by First Children’s Finance (FCF), shows that the county’s current capacity for child care meets only 76% of the child care need (154 child care openings short of full capacity). Nicholas Johnson, Administrator for the City of Fairfax has confirmed that child care is a critical issue in the community. Johnson’s concern is echoed by City of Renville Administrator Shane Wohlman, who has similarly identified child care as a top priority for his community. The neighboring city of Sacred Heart currently has no child care providers at all. This provider 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 care, 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 Renville County, in favor of communities better equipped to support their workers’ child care needs.

A recent survey of child care providers in and around Olivia noted several in-home providers are approaching retirement age. They may downsize or cease their child care operations altogether in the relatively near future.

LOCAL CORE TEAM REPRESENTATION

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

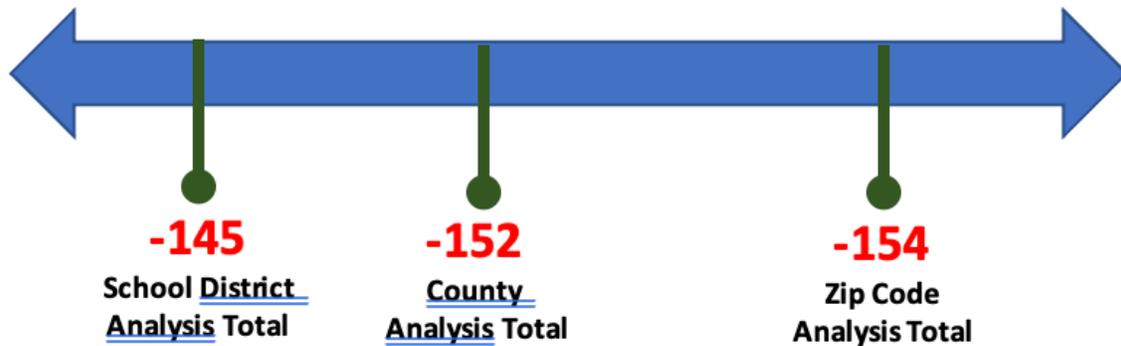
- Amy Hubbard, Sacred Heart – City Clerk
- Becky Vos, Family Child Care Provider
- Bridget Paulson, Central Minnesota Jobs and Training Services
- Carol Rothmeier, Family Child Care Provider
- Craig Gartner, Beck's Seeds – Employer
- Darala Loch, CAP Child Care Aware Coach
- Desiree Baker, Little Stangs Child Care Center – Executive Director
- Fawn McNamara, Bird Island Hawk Creek Mutual – Business & Learning Funhouse Child care Center – Director
- Greg Snow, Renville County Commissioner & Business Owner
- Holly Johnson, Rural Computer Consultants – Employer & BIO Legacy Foundation – Board
- Ida Gatfield, Children's Advocacy Center – Safe and Strong Child Trainer
- Jackie Edwards, Olivia Hospital & Clinic – Health Partners
- Jean Duane, Renville County CAP Outreach and Self Sufficiency Case Manager
- Jody Rose, Cedar Mountain Cougar Cub Child Care Center
- Joel Harmoning, Renville County EDA & Business Owner & Child Care Provider
- Jordan Zeller, Renville County EDA – Staff
- Kayla Ochs , Early Childhood Education Teacher
- Kelly Lutgen, Northland Lumber & Supply – Employer
- Laurie Lubitz, Family Child Care Provider
- Lindsey Long , BOLD Early Childhood Family Education – Director
- Mariah Whitcomb Little, Stangs Child Care Center – Assistant Director
- Mark Glesener, Learning Fun House Child Care Center – Board of Directors & Cultural Center of Bird Island – Director
- Mary Lockhart-Findling UCAP Head Start – Director
- Michelle Marotzke Mid-Minnesota Development Commission – Economic Developer
- Mikayla Holm , Renville County Statewide Health Improvement Partnership – Coordinator
- Nicholas Johnson, City of Fairfax – Administrator
- Polly Ahrens, Renville County Public Health
- Rick Bonlender, Mid-Minnesota Development Commission – Economic Developer
- Sandy Whited, Tri-Valley Danube Head Start Center
- Scott Marquardt. Southwest Initiative Foundation
- Sue Thomes, UCAP – Child Care Aware Coordinator
- Susie Lang, City of Olivia – EDA & Main Street Coordinator
- Wanda Knapper, Family Child Care Provider

CHILD CARE DATA AND EARLY EDUCATION TRENDS

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

POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a Supply and Demand Gap analysis which provided a view of potential child care needs. When analyzing the data, we look at a range of slots, this gives us best picture of need in the community. The Supply Demand Gap Analysis for Renville County dated November 24, 2020 show a shortage range of 152-154 slots for children birth to five with all available parents in the workforce. The highest potential need are in the communities of Renville (70 slots needed) Sacred Heart (58 slots needed) and Fairfax (48 slots needed). Narrowing that down even further, the data shows that roughly 58% of the slots needed are for infants and toddlers.



November 2020

When asked about how long providers plan to stay in the business 9% of providers said they are planning on staying in business less than 3 years, while 26% said they are planning on staying in business for 3-5 years. The survey indicated that 9% of providers are planning on being in business 6-9 more years while 57% said they are planning on staying in business for 10 plus years. It is important for Renville County to consider ways to retain family child care providers as well as building more slots within the community.



FAMILY CHILD CARE – BY THE NUMBERS

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

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

	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	27	7410
AVERAGE LENGTH OF SERVICE	13.7 years	13.4 years
LESS THAN 5 YEARS / SERVICE	10 / 37.0%	2087 / 28.1%
MORE THAN 20 YEARS / SERVICE	9 / 33.3%	2274 / 30.6%
NON-OWNER OCCUPIED	1 / 3.7%	231 / 3.1%
NON-RESIDENTIAL DWELLING	0 / 0%	43 / 0.6%

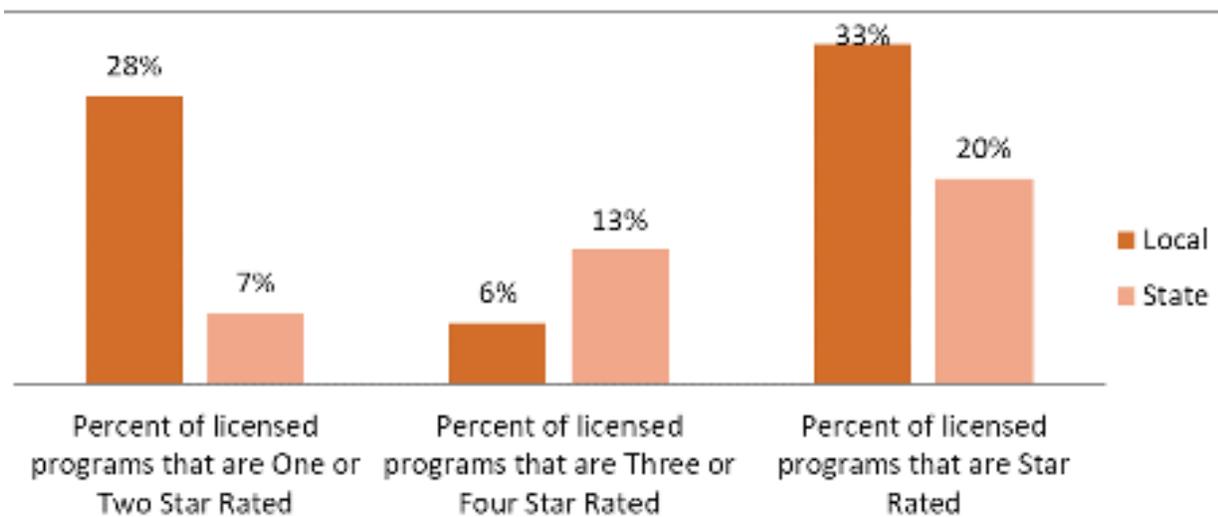
November 2020



QUALITY CHILD CARE OVERVIEW

First Children’s Finance examined statewide information about the number of child care programs that are participating in the Parent Aware program.

Parent Aware is Minnesota’s Quality Rating and Improvement System that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs.



The chart above demonstrates that child care providers in Renville County are significantly above the state average when it comes to Parent Aware enrollment. 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 Child Care Aware market rate survey of child care providers was conducted as part of the Renville County RCCIP to inform child care costs in the area.

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

Area Market Rates –Renville County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$ 195.00	\$ 10,140
75TH PERCENTILE - TODDLER WEEKLY	\$ 170.00	\$ 8,840
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 160.00	\$ 8,320
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 162.50	\$ 8,450

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
75TH PERCENTILE - INFANT WEEKLY	\$ 125.00	\$ 6,500
75TH PERCENTILE - TODDLER WEEKLY	\$ 120.00	\$ 6,240
75TH PERCENTILE - PRESCHOOL WEEKLY	\$ 120.00	\$ 6,240
75TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 112.50	\$ 5,850

Results of the DHS 2018 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps families of low income to afford high quality child care. Families need to financially qualify to access CCAP and the amount of CCAP received by families will vary depending on their income levels. CCAP reimbursement rates are based on the 25th percentile of the market rate and there is a maximum reimbursement rate a county can distribute to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, 61% of family providers and 67% of Centers accept CCAP reimbursement for families.

CCAP –Renville County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 185.00	\$ 10,140
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 165.00	\$ 8,840
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 157.00	\$ 8,320
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 130.00	\$ 8,450

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 105.16	\$ 5,468
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 105.16	\$ 5,468
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 105.16	\$ 5,468
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 105.16	\$ 5,468

Because high quality child care programs cost more to operate there is a CCAP differential for programs that are volunteering to participate in the Parent Aware Star Rating Program. If a child care program has a 3-Star Parent Aware rating, the CCAP maximum reimbursement increases by a 15% differential. Three-Star Parent Aware Programs are required to implement curriculum and assessment tools throughout their entire program. The chart below shows the increased maximum reimbursement rate. If a child care program has a 4-Star Parent Aware rating the CCAP maximum reimbursement increases by a 20% differential. Four Star Parent Aware programs are also required to implement curriculum and assessment tools throughout their entire program. Below is the 4-Star 20% differential maximum CCAP reimbursement rate for Renville county.

CCAP –Renville County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 222.00	\$ 11,544
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 198.00	\$ 10,296
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 188.40	\$ 9,796
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 156.00	\$ 8,112

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 126.19	\$ 6,562
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 126.19	\$ 6,562
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 126.19	\$ 6,562
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 126.19	\$ 6,562

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. Staffing is a significant expense for many child care center programs at 60–80% of overall expenses.

Family Child Care providers invest significant portions of tuition revenue back into their operations leaving providers with less than minimum wage for compensation, according to research by First Children’s Finance.

OTHER LOCAL SUPPORTING DATA

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

Third Grade Reading Levels

DISTRICT	2020 PROFICIENCY RATE
BOLD #2534	54.5%
Buffalo Lake #2159	80.6%
Renville County West #2890	62.2%
Cedar Mountain #2754	42.1%
Statewide	55.0%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2020 GRADUATION RATE
BOLD #2534	91.1%
Buffalo Lake #2159	87.9%
Renville County West #2890	94.6%
Cedar Mountain #2754	89.7%
Statewide	83.7%

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 –Renville County

TOTAL HOUSEHOLDS ACS 2018 5YR ESTIMATE	# OF HOUSEHOLDS	%
Less than \$10,000	314	5.1%
\$10,000 to \$14,999	314	5.1%
\$15,000 to \$24,999	569	9.2%
\$25,000 to \$34,999	585	9.5%
\$35,000 to \$49,999	854	13.8%
\$50,000 to \$74,999	1355	21.9%
\$75,000 to \$99,999	919	14.9%
\$100,000 to \$149,999	811	13.1%
\$150,000 to \$199,999	238	3.9%
\$200,000 or more	221	3.6%
MEDIAN HOUSEHOLD INCOME	\$58,874	

U.S. Census American Community Survey 2018

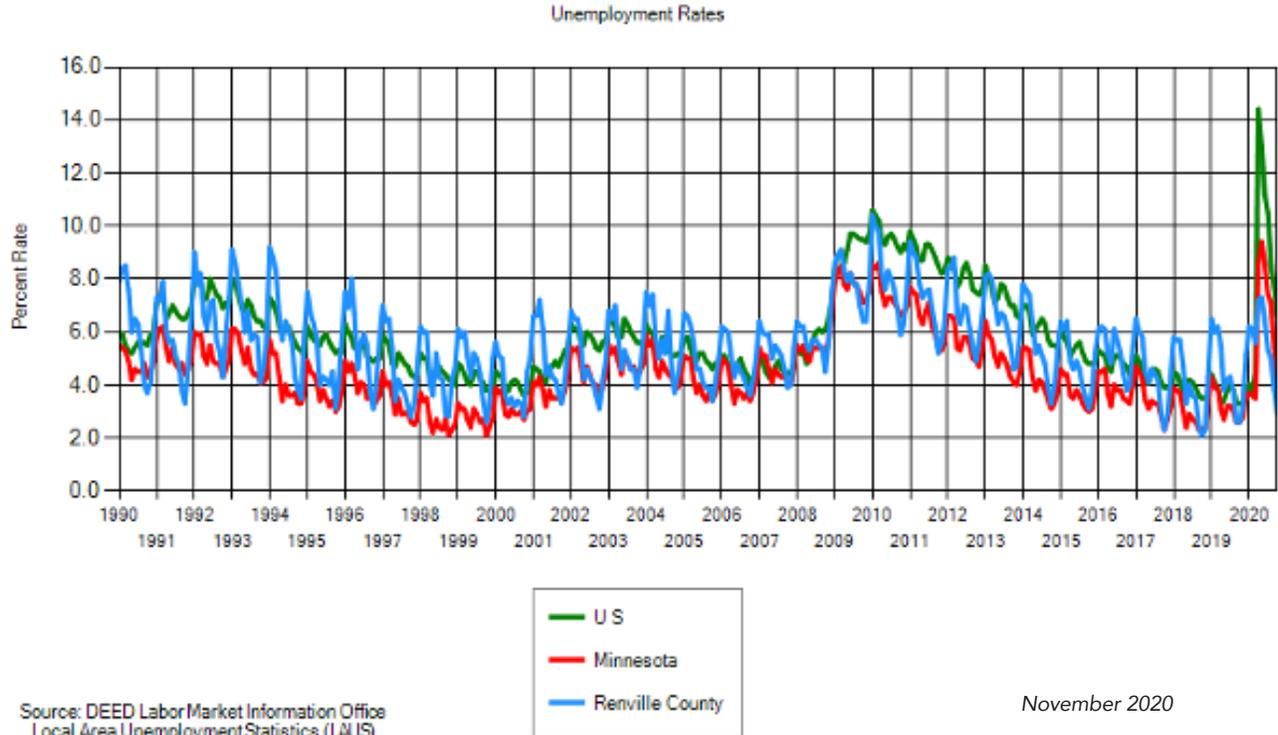


LOCAL EMPLOYMENT CONDITIONS

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

Unemployment Rates –Renville County

2.9% Unemployment Rate



Top Local Industries –Renville County

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

Industry: Health Care and Social Assistance	876	15.2%
Industry: Manufacturing	855	14.9%
Industry: Accommodations and Food Services	754	13.1%

www.ruraldataportal.org

COMMUNITY INSIGHTS

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

FOCUS GROUPS



ONE ON ONE MEETINGS



SURVEYS



PRESENTATIONS

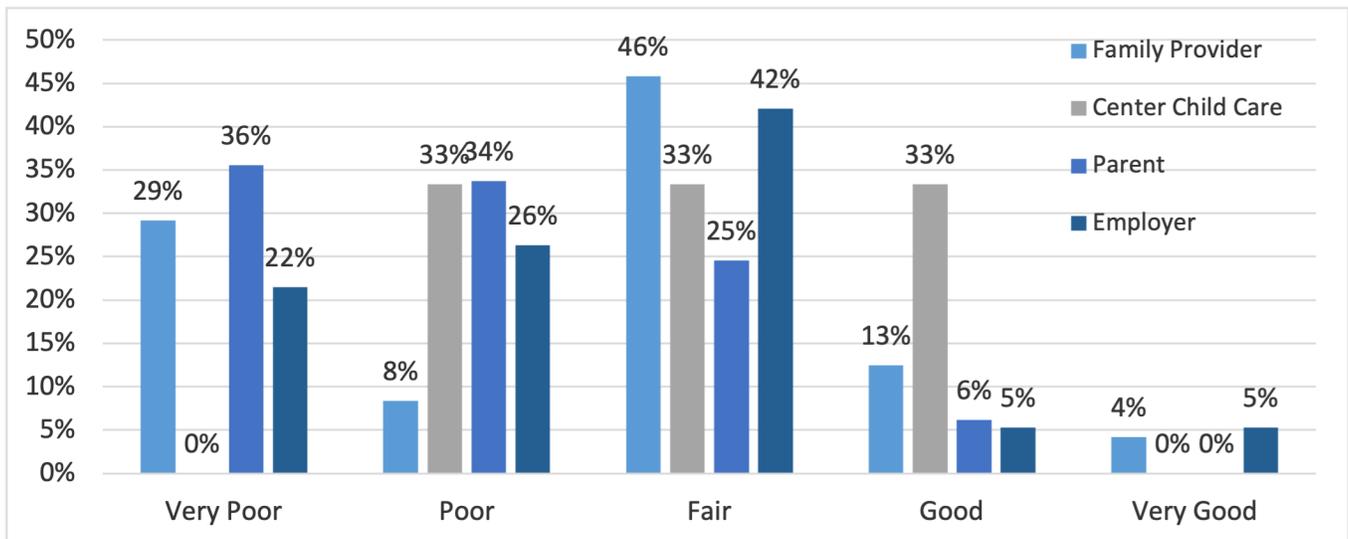


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

The general community was invited to participate in a comprehensive survey about child care in the local Renville County community. Respondents included 254 individuals for the community survey and 19 employers for the employer survey. A separate survey gathered information specific to child care businesses from 24 family child care providers and 3 child care centers.

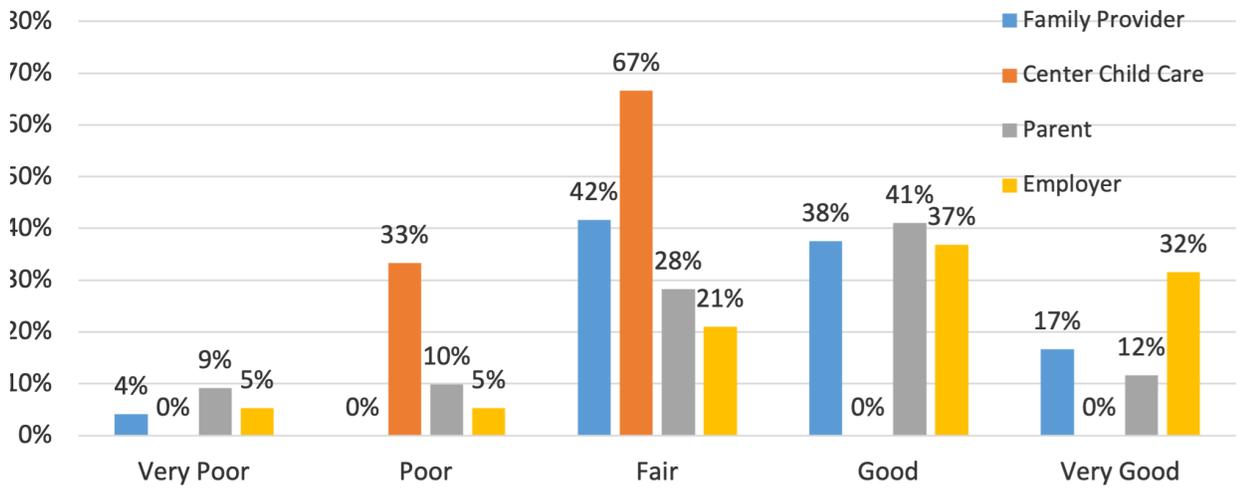
The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child Care in the Local Area



Survey respondents indicated that they were traveling great distances to find appropriate child care. Nearly 23% indicated that they were traveling more than 11 miles for child care.

Perceptions: Quality of Available Child Care in the Local Area



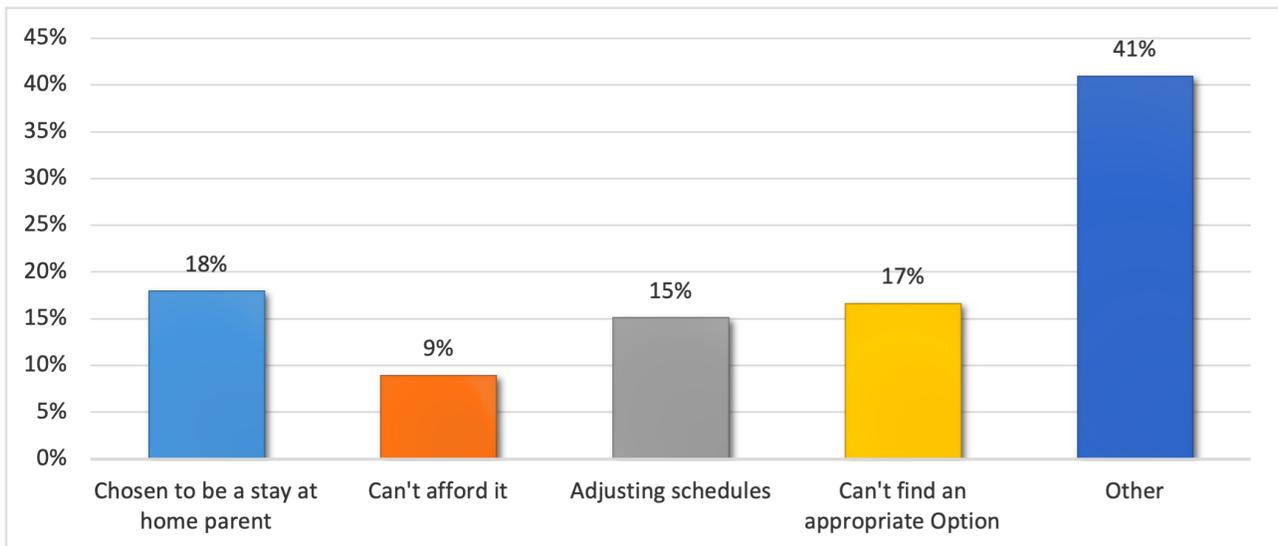
While specific questions about quality were not part of this survey, it was noted that there is a positive perception between child care providers and the local community on the quality of child care programs in the area. When survey participants were asked about what is important for them in a child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

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



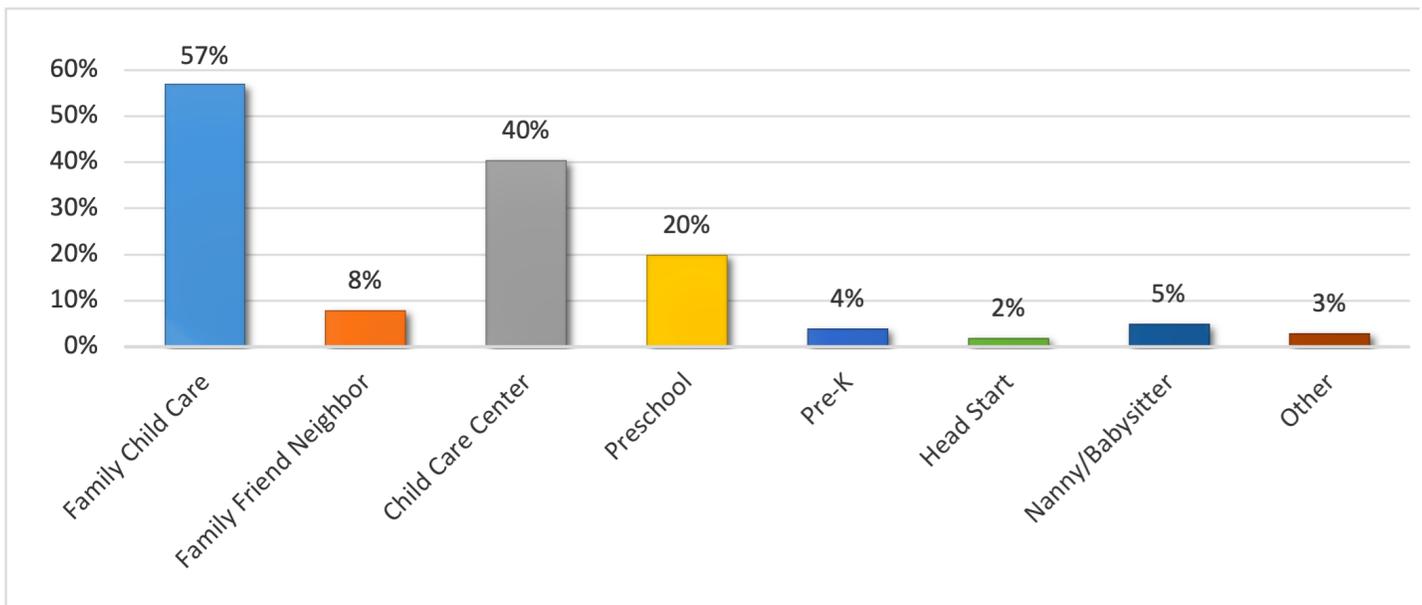
A breakdown of the parent survey showed that 22% of the parents did not have children under the age of 5. While 32% of the parent survey respondents said they do not pay for child care. The breakdown on why they are not using child care is in the chart below.

Reasons for Not Enrolling in Paid Child Care



The breakdown of the other category in the parent survey varied. The majority of parents mentioned that their children stayed at home with a nanny, or by themselves because their children are old enough or have older siblings watch them, or they have relatives that watch their children.

Types of Care Parents are Using

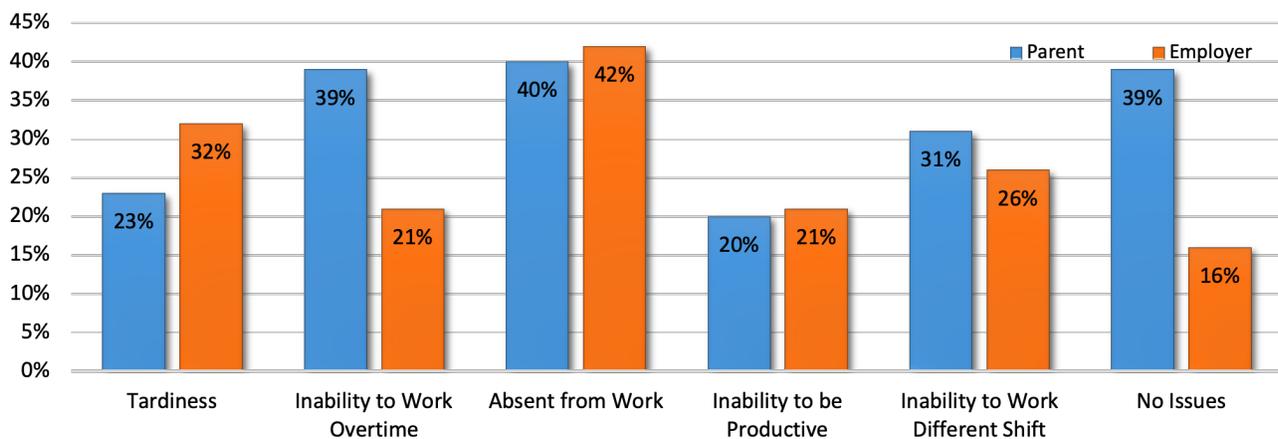


Parents preferred type of care was 51% family care, 41% center care and 2% for preschool programming. This is an indication of the importance of parents having the ability to choose from a variety of child care options within the county

Community and Business Impacts of the Child Care Issue

Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the work force. These issues can compound and further extend into the business community by causing loss of workers due to the lack of child care or by businesses relocating to environments with better availability of care.

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

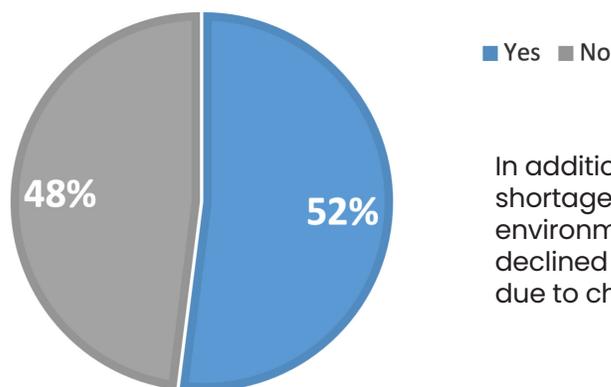


Additional challenges for parents were that 15% were not able to travel for work, 4% were not considered for a promotion, and 5% were not able to accept a promotion. While employers responded that 11% of their employees were not able to travel for work, 0% mentioned that parents were not considered for a promotion or did not accept a promotion due to child care challenges. However, 37% of the employers do not track this data.

Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work a flexible schedule or work different shifts, and tardiness to work. From the employer survey, 32% of employers indicated that the lack of child care impacted their ability attract and retain employees. A study in 2004 showed the national impact of child care issues on the economy, it was valued at over \$3 billion dollars annually.

Impact on Family Planning –Renville County Area

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

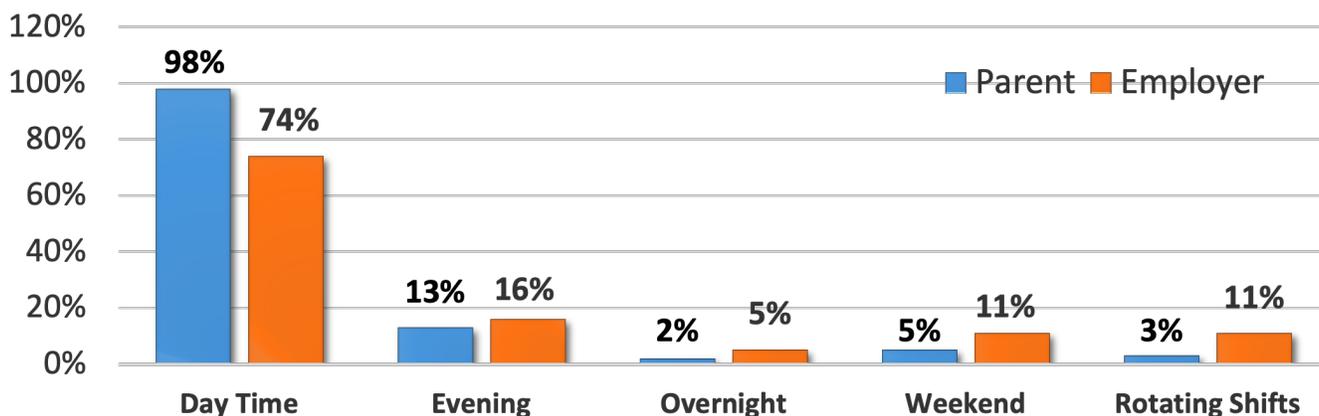


In addition to impacting family planning, child care shortages can also impact the local employment environment. In the survey, nearly 30% percent had declined employment or withdrawn from the workforce due to child care issues.

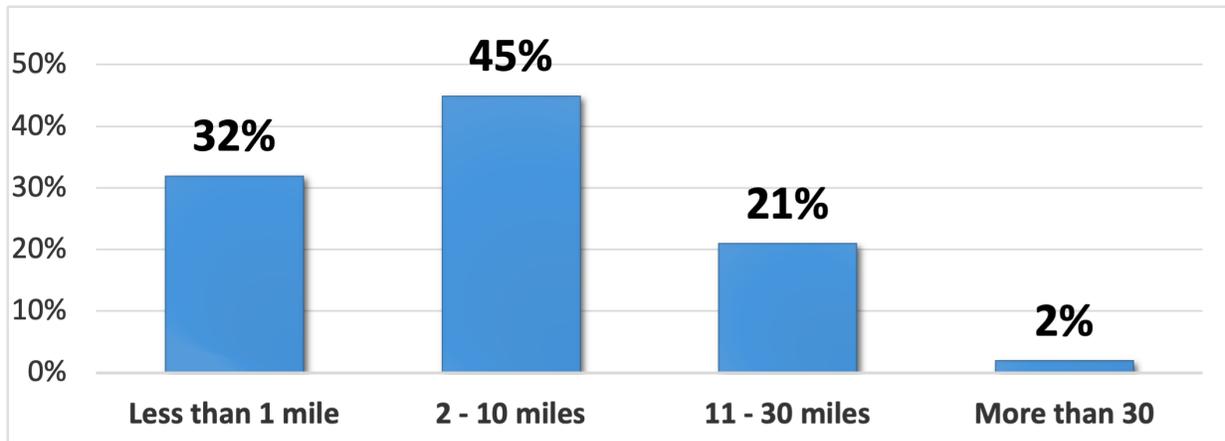
TYPES OF CHILD CARE NEEDED

It is important for a community to understand the type of child care parent need, to be able to identify the right sized solutions for the community. The survey indicated that 69% of parents need more than 35 hours of care and are looking for full-time child care options.

What is the type of child care arrangements needed?



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



Survey respondents indicated that they were traveling great distances to find appropriate child care. Nearly 23% indicated that they were traveling more than 11 miles for child care. There was a 54% preference by parents to have their child care where they lived while 36% said they did not have a preference between having their child care located where they lived or where they worked.

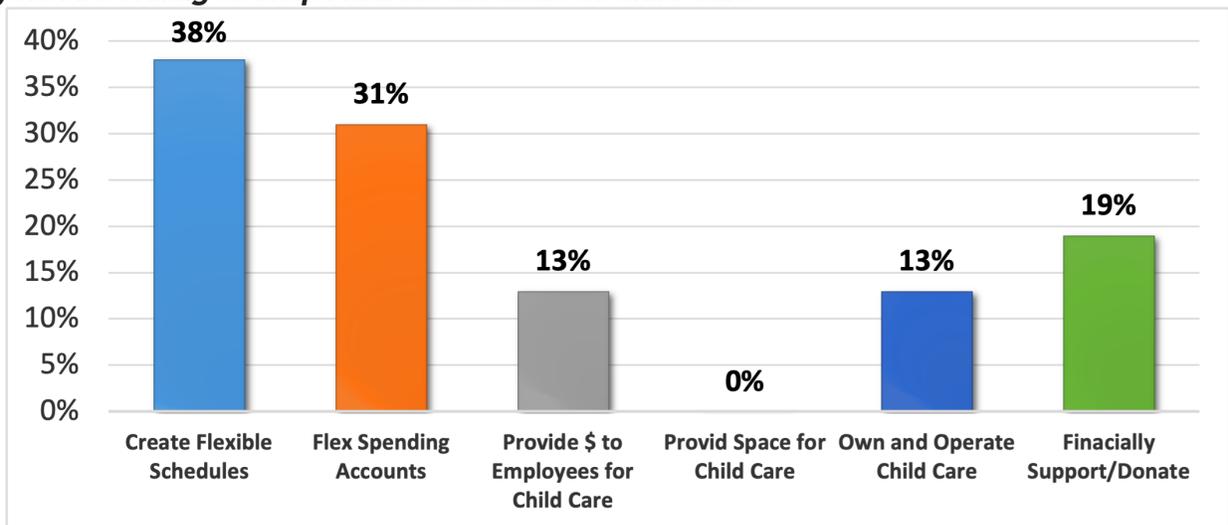
Top 5 responses where parents lived:

- Olivia 29%
- Bird Island 17%
- Fairfax 9%
- Hector 9%
- Renville 9%

Top 5 responses where parents work:

- Olivia 36%
- Other (communities that were outside the county) 23%
- Renville 12%
- Bird Island 8%
- Buffalo Lake 4%

Employers Are Willing to Help Address the Issue of Child Care



Employers can help address the issue in multiple ways. From the employer survey, there are many ways employers want to help address the child care issue. The survey results show the top two ways employers are willing to help is to create flexible schedules or flex spending accounts, and 19% are also willing to support programs financially. About 1/3 or 31% of employees from the survey did not know how to assist in supporting child care.



UNDERSTANDING THE UNDERLYING CHALLENGES

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

“When I was pregnant, I called providers and the waitlist was 2+ years. I utilized friends and families for the first 9 months until a center opened up.” –Local Parent

IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers do not feel treated as business owners and parents do not understand the value of the service they offer
- Centers cannot find and keep good quality workers – cannot afford to pay them more
- Low wages, long hours, and have NO benefits (such as health insurance, retirement, or PTO)
- Lack of space to expand or operate outside of the home
- Complicated business model – constantly changing
- A child care business is expensive to start and the first year may not/may never have a positive cash flow
- Parents know providers need vacation, but it is expensive to pay for child care when not using it and they have a hard time finding replacement care during that vacation time

“Finding families who respect my business. So many child care programs charge such low rates that it is hard to make a livable wage and be paid what we deserve”

– 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.

“We have had to hire other people or be short staffed because some staff have child care issues”

– Local Employer

QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

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

“I’m assuming the pay is low for providers. However, raising rates to help offset this makes it’s difficult for families to afford child care.”

-Local Parent

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

“The lack of child care options and availability has a trickle-down effect on multiple other areas and business in our community.”

- Local Parent

HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Families have a hard time finding and affording child care
- Employers see the need to provide flexibility to schedules when possible, to accommodate lack of child care
- Infant care is very hard to find (2 yr. waitlist) – Parents are trying to line up infant care in early pregnancy or before they become pregnant
- Child care has small profit margins, expensive to start, and may not/hard to cash flow – lack of resources
- Parents want high quality care, but they cannot pay enough to compensate providers
- Employers struggle to cover when employee have challenges with child care
- Hard to find care that meets family’s needs
- Programs have a hard time charging enough to maintain staff or be financially stable

“Funding for home and center child care needs to be increased, and the wages for child care providers.”

-Local Employer

There is no clear answer to the ongoing challenge of costs of care versus family investment to get quality child care. Additional support in helping families with low-to-moderate incomes become acquainted with existing support systems such as CCAP and Early Learning Scholarships can help bridge the gap.

TOWN HALL MEETING & GATHERING

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

UNDERSTANDING THE UNDERLYING CHALLENGES

THEME: TRAINING

- Free start up training
- Community members offer training (EMT's Child Protection)
- Career exploration courses
- EC specific courses on site at child care
- Scholarship funding for classes
- Workforce scholarships for training
- Apprentice training
- Incumbent worker program
- Free training spaces
- Training closer to home (travel after long day – exhausting)
- Training stipends or x amount of pd training per year
- Training fees or training event sponsored by employer(s)
- Training spaces available for evening/weekends (no cost/low cost)
- Face to face local training
- Online training supports (cost/training/places for internet accessibility)

THEME: WORKFORCE DEVELOPMENT

- More startup grants available and easily accessible
- Create some sort of cooperative (not a union) that will help with training, health insurance, other benefits
- Get legislation to change so that subs with background and necessary training can be used throughout all daycares in the county
- Work with area schools to create a job shadowing opportunity for people interested in the profession
- Cooperative as listed above
- Sub list as listed above

THEME: COMMUNITY EDUCATION/PARTNERSHIPS

- Community investment in early childhood
- Doing more community education for the community, education the community members about how to be a daycare provider. Focus and educate on the rules and regulations
- Partner with companies/business that really need child care for their employees
- Finding qualifying staff and resources
- Education programs (Early Childhood Pathway Program)
- Courses within the community and center to see if students like that field of work

THEME: FINANCIAL SUPPORT/INCENTIVES

- Health care benefits is a big thing
- Mentoring and assistance from existing providers is already there – willingness to help others get started
- Overwhelming to get started – forms, compliance, etc.

- Toys, paper supplies, insurance, parent aware, food program
- Modifications to CCAP program
- County is exploring possible new funding options
- How do you charge enough to make it worthwhile for provider but still affordable for family – all the expenses nobody realizes. (Only one person in room has any CCAP families)
- People do not really understand what we do, not looking for people to feel sorry
- Supports directly to provider and not dependent on parents' income – daily stipends, etc.
- Providers do not get a break
- Providers have kids too
- No sick time or paid time off
- Coronavirus concerns with billing/closures, etc.
- Negotiate a discount on City utility bills
- Reach out to Lions Clubs and other service clubs for financial support for scholarships, teacher trainings and for activity fees

THEME: RECOGNITION

- Awareness of who educators are in the communities, visibility
- Article in newspaper featuring an educator on a regular basis. One suggestion was to have an insert with featured educator on one side and a family activity or child activity on the opposite side
- Years of service recognition
- Recognition days in the county such as child care recognition day at the fair
- Recognized and treated as a business, like other businesses are. Ex. When an FCC business opens there is a ribbon cutting
- Thank you notes warm the heart (from families or employers whose employees use child care)
- Events where child care providers can gather and socialize, possibly a county child care group

THEME: FACILITIES

- Research feasibility of repurposing vacant buildings
- Hector has two maybe three vacant churches
- Fairfax has a couple vacant schools
 - ◊ Benefits
 - Often residential areas
 - Shareholders may consider a low market rate sale or lease
 - May already include a commercial kitchen
- Downtown commercial buildings
 - ◊ Benefits
 - May consider a donation or a reduced sale price for tax planning purposes
- Encourage and advocate for more school-based centers like Little Stangs. Little Stangs was opened in 2018 for \$1,700,000
 - ◊ Benefits
 - Employees get better pay and full benefits
 - Potentially more sustainable
- Help establish a Head Start location in the east end of the county
- Be wise in where new facilities are started to not compete with existing ones
- Think beyond physical facilities and improve marketing of available openings
- Consider a central referral service like they have in the Metro but for our 4 counties at MMDC
 - ◊ Link it to our web page or each of the county web page
 - ◊ Benefits
 - Better allocation of existing facilities
 - Less expensive than investing in facilities
 - In-direct benefits of engaging with the community
- Start a co-location or pod site as a demonstration project and share results
- Locate or relocate FCC into vacant buildings
 - ◊ Benefits
 - May incentives new providers who do not have a home that works for child care or do not want to open in their home or may relocate and extend their term in business longer

OTHER IDEAS

- Savings account perks for existing providers
- Fresh food delivery system
 - ◊ No fresh food in some towns
 - ◊ Garden surplus for providers
- Police, community members, or bank to come and talk with children – read a book, etc. somebody different
- Research feasibility of low-cost construction loans for FCC seeking to build an addition on their home
- Track retiring schoolteachers and recruit for child care substitutes
- Research small bus or van pool transit options as a bridge or short-term solution for families who live further away from the locations with openings
- Duplicate the recent health care model where farmers can get coverage via a coop, they are a member of. Each region of the state has an educational coop
- Teacher license should include prior work experience in lieu of on the job hours
- Start more school age and after school programs so these kids do not take up slots at FCC and CCC
- The biggest challenges are infant and toddlers- variances can only do so much
- Change the ratio of in-home daycare slots. 8 and 9 years old can take care of themselves with minimal guidance

IMPLEMENTATION PROJECTS

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

SMART Goal One

Increase Access to Local Training for All Renville County Child Care Programs by December 2022.

Expected Outcomes and Impact

Child care programs will have local access (in-person and/or virtual), trainings will be affordable; reduced cost or free for local providers, collaboration with other local entities to obtain trainings (hospital, public health, Ridgewater College)

Core Team Lead –Darla Loch and Sue Thomes

Additional Team Members –Sandy Whited, Cindy Salfer, Becky Vos, Polly Ahrens, Katie Slagter

SMART Goal Two

Increase Teacher Qualified Personnel in Renville County by December 2022.

Expected Outcomes and Impact

Centers can continue operating because they have qualified and consistent staff

Children will be able to stay in current programs

Families will have access to options for child care

Core Team Lead –Darla Loch and Sue Thomes

Additional Team Members –Sandy Whited, Cindy Salfer, Becky Vos, Polly Ahrens, Katie Slagter

SMART Goal Three

Recruit Potential early Childhood Staff Through Engagement and Programs in Local School Districts.

Expected Outcomes and Impact

Centers can continue operating because they have qualified and consistent staff

Children will be able to stay in current programs

Families will have access and options to child care

Core Team Lead –Darla Loch and Sue Thomes

Additional Team Members –Sandy Whited, Cindy Salfer, Becky Vos, Polly Ahrens, Katie Slagter

SMART Goal Four

Within One Year, Create a Provider Association That Promotes and Shares Ideas Among Members and Provides Opportunities for Benefits Such as Health Insurance and Shared Training, Mentorship, and Supply Opportunities.

Expected Outcomes and Impact

Provide health insurance to child care providers at a reasonable cost using a group or cooperative method

Create shared opportunities that result in cost benefits for providers

Core Team Lead –Michelle Marotzke

Additional Team Members –Joel Harmoning, Greg Snow, Jackie Edwards, Becky Vos, Laurie Lubitz

SMART Goal Five

tWithin Three Months, Develop an Inclusive Marketing Plan That Provides Opportunities for Providers to Engage With Each Other and Their Communities as Well as encourage Development of New Providers

Expected Outcomes and Impact

Increase awareness of the child care profession

Increase interest in students to become providers

Create social opportunities between providers

Highlight the good about being a provider

Core Team Lead –Mark Glesener

Additional Team Members –Fawn McNamara, Michelle Marotzke, Kelly Lutgen

SMART Goal Six

Within the Next Six Months, the Core Team Will Partner With Renville County to Create and Promote a Forgivable Loan Fund That Will be Used to Help Start Up New Child Care Businesses and Partner with Chambers, Service Clubs, EDA's, and Businesses Within the Ten Renville County Cites to Raise donations for Teacher Training Stipends and Employee Scholarships.

Expected Outcomes and Impact

Help overcome financial barriers for startups, aides, and teachers

Core Team Lead –Bridget Paulson

Additional Team Members –Rick Bonlender, Jackie Edwards, Scott Marquardt, Jordan Zeller

SMART Goal Seven

Within the Next Six Months, the Core Team Will Partner with Area Banks, the Renville County EDA, and City EDAs in the County to Create a Data Base of Available Locations for Potential Child Care Sites and Include Square Footage, Estimated Sale/Lease Price, and Amenities and Target Cities with the Greatest Need such as Fairfax, Olivia, and Renville.

Expected Outcomes and Impact

Do as much research and prep as possible to make it easier for potential startups

Core Team Lead –Rick Bonlender

Additional Team Members –Jackie Edwards, Kelly Lutgen, Jordan Zeller





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