

Community Solution Action Plan



**Itasca
County**
May 2016



Changing the landscape of early care
and education in Greater Minnesota.

Because nothing is **Greater Than** Minnesota's future.

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INTRODUCTION

What's Greater Than Minnesota?

The Greater Than Minnesota (>MN) Project is an innovative initiative of First Children's Finance. Initially launched in partnerships with the six Minnesota Initiative Foundations in October 2013, First Children's Finance has expanded the >MN Project to address the challenges of rural child care across the entire state.

Why Greater Minnesota?

Too often, decisions about early care and education are made in the Twin Cities metro area while communities in Greater Minnesota are left out of the conversation. When the challenges are different, the solutions must be different. Populations may be smaller, but the stakes are just as high. Rural children are more likely to be poor than children in urban areas, and are more likely to be living in deep poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in rural areas. The >MN Project leverages small communities' independent, can-do attitudes to address early care and education in Greater Minnesota.



The >MN Philosophy

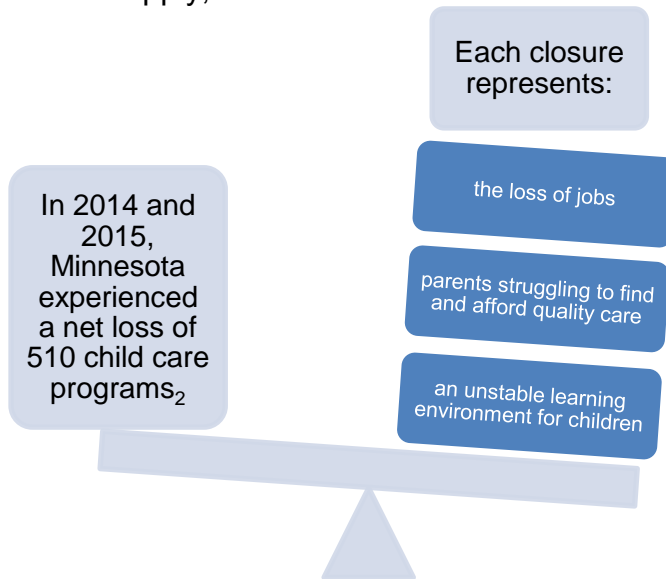
The >MN Project believes that rural communities are greater than their size in numbers. They have dreams for their children that are greater than the status quo. Together, we are greater than our challenges. Where some might see desolate swaths of land and dwindling populations, we see opportunity for innovation and renewal. We're determined to listen and learn, not lecture and diagnose. By mobilizing and empowering rural communities, we are changing the landscape of early care and education in Greater Minnesota. *Because nothing is greater than Minnesota's future.*

THE >MN FRAMEWORK

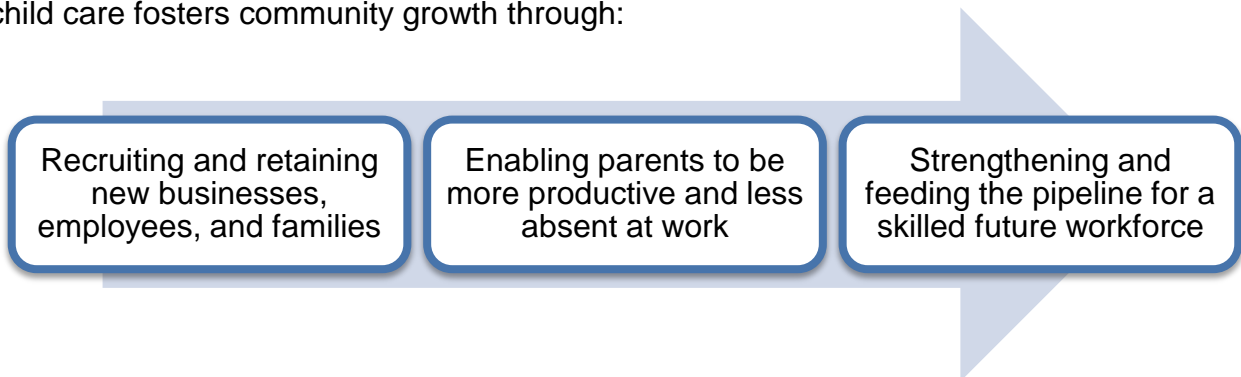
“If employees can’t find quality care for their children, they won’t work for you. They won’t move to your community, or they’ll be forced to move away, or they might have to consider quitting their job to stay home with their children because they have no other option.”

- Kris Bevell, Editor, *Prairie Business Magazine*¹

In rural communities, child care exists and often struggles within a regional market context. Ebbs and flows of the local economy greatly influence the sustainability of a community’s child care supply, and vice versa.



That’s why the >MN Project 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.

THE >MN APPROACH

The >MN Project has three distinct components that build on and intersect with one another to create a comprehensive approach to addressing rural early care and education needs.



Community Solution Action Plan

It takes a community to create a community plan. That's why each regional process begins with a Town Hall. Concerned community members, elected officials, lenders, school superintendents, family child care providers, child care centers, small business owners, large employers, teachers, Head Start, rural economic development representatives—really, *anyone* who is interested in discussing child care is invited to participate in a Town Hall meeting in their community. During that meeting, participants explore data about their community, identify successes, look for gaps and opportunities for improvement, and start to build the basis of a *Community Solution Action Plan*.



Engaging the Private Sector and Local Leaders

After the framework of the *Community Solution Action Plan* is developed, the >MN Project recruits the business community to review the plan and start engaging in the development of solutions. Engagement of the private sector is a critical component of implementation of the *Community Solution Action Plan*. Local leaders and business community members shape, inform and advocate for the plan, provide business expertise to child care business owners, and identify community resources that support successful implementation of the plan.



Child Care Business Leadership Cohorts

Based on the priorities established in the *Community Solution Action Plan*, learning cohorts are established. Learning cohorts are comprised of 6-12 child care programs within the region. For approximately one year, the cohort has access to training, business consultation and technical assistance from First Children's Finance to improve their business operations. Each child care business completes a thorough financial analysis of their program and develops a roadmap to improve their business performance.

>MN's multi-layered approach meets rural communities where they are.

By building on existing strengths and providing targeted resources, the >MN Project:

- *Strengthens existing early care and education businesses*, ensuring that children have continuity of care that prepares them for success in school and beyond.
- *Expands the availability of quality child care* by creating new and innovative community partnerships.
- *Increases regional and statewide public awareness* of early care and education's role in rural economic development.



BACKGROUND DATA

Prior to the region’s Town Hall meeting, >MN gathered background data₃ for the area to inform the process. The data collection was completed by the University of Minnesota-Morris Center for Small Towns.

What Does Community Data Have to do with Child Care?

Community data provides insight into the current demand and need for child care in Itasca County. Data sets from different a variety of sectors helps inform the process by showing larger trends in population, school performance, and overlying employment trends. This information is directly linked to health and vitality of a community, which, in turn, creates the demand for child care.

Population Trends

ITASCA COUNTY				
POPULATION	2014	2010	2000	% Change Since 2000
Itasca County	45303	45058	43992	3.0%
City	2014	2010	2000	% Change Since 2000
Bigfork	447	446	469	-4.7%
Bovey	817	804	662	23.4%
Calumet	363	367	383	-5.2%
Cohasset	2754	2698	2481	11.0%
Coleraine	2003	1970	1110	80.5%
Deer River	940	930	903	4.1%
Effie	124	123	91	36.3%
Grand Rapids	11097	10869	7764	42.9%
Hill City	608	633	479	26.9%
Keewatin	1059	1068	1164	-9.0%
La Prairie	664	665	605	9.8%
Marble	699	701	695	0.6%
Nashwauk	977	983	935	4.5%
Squaw Lake	108	107	99	9.1%
Taconite	647	360	315	105.4%
Warba	182	181	183	-0.5%
Zemple	94	93	75	25.3%

The population trends in the overall county show growth of 3.0% since 2000 with larger population spikes observed in areas such as Taconite and Coleraine. Less than a handful of cities have seen a loss of population over the last 15 years. It would be expected that the communities seeing relatively large population increases may experience higher rates of child care shortage compared to other communities with relative increases.

Population Focus: Under 6

ITASCA COUNTY	2014	2013	2010	2000
Number of children under 5	2382	2447	2459	2325
Median age	45.7	45.5	45.4	41.1
Children under age 6 with all parents in the workforce	1219	2015	N/A	N/A

Review of current demographic data for children under six indicates that Itasca County has experienced a high loss of two income earners in the past eighteen months. Anecdotal data would suggest job losses within the mining and construction industries have contributed to this.

A good indicator of the overall slots needed for care can be found by reviewing the data for children under age 6 with all parents in the workforce. In Itasca County in 2014, there were 1,219 children that met these criteria, down significantly from 2,015.

Current Preschool / Kindergarten Enrollment

PRE-SCHOOL ENROLLMENT	2014	2013
Preschool, nursery school	737	728
Kindergarten	594	492

Preschool and kindergarten enrollment gives us a baseline enrollment and trend information that can be helpful in determining future trends for early education and child care. Itasca County showed a sizable jump in Kindergarten enrollment but more recent data not included in the current set may show declining enrollment due to children under age 6 with all parents in the workforce.

Third Grade Reading Levels

THIRD GRADE READING – ITASCA COUNTY		
School District	2014	2013
Deer River Public School district	48.0%	46.5%
Grand Rapids Public School District	60.7%	56.7%
Greenway Public School district	57.0%	52.9%
Nashwauk-Keewatin School District	50.0%	78.9%
State Average	58.2%	57.4%

There are multiple studies that provide the intermediary link between early education and school readiness with third-grade reading levels. Lower achievement levels can be an early indicator of future challenges with high school graduation rates, engagement in higher education, and teen pregnancy rates. Overall, the third-grade reading levels show continued growth in the two years shown in the data.

Employment

ITASCA COUNTY

Largest Employers	Number of Employees	Industry
Grand Rapids Public Schools	600	Elementary & Secondary
UPM/Blandin Paper Company	500	Pulp, Paper, and Paperboard Mills
Grand Itasca Clinic and Hospital	480	General Medical and Surgical Hospitals
Keewatin Taconite	412	Metal Ore Mining
Itasca County	310	Executive, Legislative, & other general government support

Largest Industries

Industry	Number of Employees
Health Care and Social Assistance	3345
Public Administration	1339
Educational Services	1097
Manufacturing	1007
Mining	972

* 2014 MN DEED

Working Population Statistics	2014	2013
Unemployment Rate	6.40%	7.50%
Working age population (18-64) % of total (ACS)	58.57%	58.89%

Over half of the eligible working population is currently employed. Most recent data shows a relative drop in unemployment rates within the County.

Employment data is important to consider 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. Largest employers should be included in the child care conversation since they are impacted by absenteeism and less productivity when child care is a challenge.

CURRENT CHILD CARE LANDSCAPE

It is important to understand the current provider landscape before understanding what solutions may further support growth of available options. Child care centers are licensed and provided oversight through the Minnesota Department of Health and Human Services. Family or In-home child care providers are licensed and provided oversight through Itasca County Health and Human Services.

In Itasca County, there are fifteen child care centers and sixty-five family child care providers. Overall, these programs represent nearly 1300 child care slots ranging from infant to school age children.

Of all programs licensed in Itasca County, 36 are Parent Aware rated or have a signed participation agreement as of December 31, 2015. This includes 18 family child care programs. Families use Parent Aware Star Ratings to find programs using best practices that prepare children for kindergarten.

When a program volunteers to participate in the Parent Aware Star Rating process, they are going above and beyond health and safety requirements and are sharing that with families looking for quality care and education programs.

Participating programs receive a Rating of One, Two, Three or Four Stars. Parent Aware Ratings are based on demonstrated use of practices that best prepare children for kindergarten. Each Rating level builds on the next, helping families easily identify how far a program has progressed in adopting these practices. For more information on Parent Aware, visit www.parentaware.org

Itasca County Child Care Centers

City	Total Programs	Approx Capacity Total
Cohasset	1	40
Deer River	2	80
Grand Rapids	7	293
Keewatin	1	34
Marble	1	17
Nashwauk	1	18
Taconite	2	66
Grand Total	15	548

Itasca County Family Child Care Providers

City	Total Programs	Approx Capacity Total
Bigfork	2	26
Bovey	4	42
Cohasset	1	10
Coleraine	3	34
Deer River	1	12
Grand Rapids	48	565
Hill City	1	12
Marble	1	14
Nashwauk	4	48
Pengilly	1	12
Swan River	1	10
Taconite	1	12
Grand Total	68	797

*MN DHS License Look-up April 2016



COMMUNITY VOICES

Data is important, but it's only one piece of the puzzle when evaluating the current needs of a community. On April 5, 2016, the community Town Hall meeting was hosted in Grand Rapids, MN, and drew approximately 100 participants representing diverse community perspectives.

As part of the town hall meeting, Itasca County residents reviewed background data of their communities (included above) and identified trends in child care across the county.

Working in small groups, participants identified the strengths and challenges of the child care system in Itasca County.

The Availability of Child Care is Negatively Impacts Family Income.

In some cases, cost of care is greater than what some parents are making from their job.

Family income is impacted by lack of care: parents rely on care in order to work and generate family income. Lack of care is directly related to lower incomes, inability to own a home or increased reliance on government assistance programs.

- Some care options are viewed as too expensive.
- Limited supply may be inflating cost of child care in the county.
- Lack of care may be a factor in the cycle of poverty.

The Availability of Child Care Also Impacts Families in Other Ways.

- Longer commutes create greater stress on families
- Children from one family are in multiple locations
- Impacts families' decisions to have additional children
- Impacts career planning: female workers can't return from maternity leave, women may feel their jobs are at risk or upward mobility in employment is limited
- Families may not relocate to Itasca County because of lack of care options
- Children may be entering school unprepared because they don't have access to quality child care



Child care is Directly Connected to the Private Sector.

- Itasca County residents are opting out of the workforce due to lack of child care
- Difficulty attracting new employees to the region
- Local economy's growth is limited because of child care shortage
- Child care challenges impact businesses' ability to grow
- Business productivity is negatively impacted by lack of reliable child care
- Prospective employees may decline a job offer due to the lack of child care

Itasca County Desires More Child Care Options.

In Itasca County, there may be the impression that there isn't care available; care is available, but may not match families' preferred option of care.

A lack of options leads parents to sacrifice quality of child care for mere availability.

Specific types of care needed:

- Increase Number of Family Child Care Slots
- Focus on High Quality Care
- Infant and Toddler Slots
- Special Needs Care
- Nontraditional Hour Care



THE COMMUNITY SOLUTION ACTION PLAN

Itasca County Town Hall participants considered what initiatives and systems were already operating within their region and developed and prioritized their best ideas for supporting growth of child care in Itasca County:



The following strategies were generated by participants and prioritized during the Town Hall meeting.

Provider Support

Ongoing support to existing providers to ensure their businesses remain sustainable over the long-term by reducing isolation and connecting them within their community

- Affordable and accessible training and professional development for providers
- Develop mentoring and peer learning groups to support new and existing providers.
- Assessing the content areas needed most by providers in Itasca County and providing training that meets these needs.
- Providers require and are looking for more sophisticated development opportunities in the area.

Examine additional support and partnership opportunities for children with special needs and providers who care for them

Increase Available Options

There is a strong desire to increase available slots in the community while also increasing the balance of selection and types of offerings:

- Lab School Sites which includes best practices for children and training facility for future ECE educators
- Faith-based programs
- Philosophy driven care i.e. Montessori
- Multi-generational care
- More high quality infant care
- More high quality toddler care

Focus on efforts to transition unlicensed providers into licensed providers.

Private Sector Contributions

Inform the private sector on additional opportunities to help support the child care sector in Itasca County.

- Explore private-private partnership opportunities for child care operations to exist within local businesses through cooperative partnerships and space allocation.
- Employers identify whether they can expand compensation package to include child care benefits
- Employers consider purchasing slots within existing local child care operations designated for their own employees
- Consider additional ways to promote and highlight child care businesses in Itasca County. This may include partnership with the local chamber of commerce or other local member organizations.
- Consider additional opportunities for community members to volunteer within child care business operations areas such as administrative, boards of directors, and other key support roles outside of the classroom.

Financial Incentives

Provide start-up support to attract new family and center providers through the following means:

- Start-up Funding
- Tax Incentives
- Technical Assistance
- Ongoing Subsidy
- Space Allocation
- Low-interest loans

Provide additional incentives to providers that are specializing in infant and toddler care.

Regulatory Communications

Increased communication between licensed providers and local regulators

- Continue to support providers with changes in policies regarding variances and the driving force behind the change
- Increase the understanding of licensed providers about alternative licensing scenarios that may help them serve more families through their program
- Help providers grow the overall supply of child care rather than taking on the burden of additional families

RECOMMENDATIONS

First Children's Finance believes in the strength of the community and believes that many of the right-sized solutions are already present in Itasca County that will support continued sustainability and growth of child care options for families and children in the area.

The work ahead will be led by a work group of local individuals who have already committed to investment of time and energy to address the child care challenges in the Itasca County area. While there are many ideas and opportunities to support these challenges, we have focused on five key strategies that can provide early wins for the entire community:

Recommendation #1:

Raise grant money for new family child care start-ups with a target focus on current students in local early childhood education programs.

One of the biggest challenges to starting a new business is start-up funding to get up and going. Grant money to help support start-up costs for new providers who commit to operate for a certain period of time and support infant/toddler care focus can provide additional incentive to start a family child care business.

Other commitments that may be required from new providers include quality ratings participation through Parent Aware as well as business training to create sustainable operations.

Recommendation #2:

Develop strategies to further enhance the relationships between family child care providers and local resources.

Strong and supportive relationships with local family child care providers helps to break down the isolating silos so often found due to long work hours and minimal support structures. Some examples include:

- Find sponsoring organizations to provide free/low-cost trainings
- Listening sessions between providers and licensing

Recommendation #3:

Leverage right-size solutions to develop new child care slots through partnerships between providers and local businesses.

Itasca County has a strong provider community with a dedication to providing excellent care and options for families. Work on identifying potential partnerships in the community that could create new child care slots through new provider offerings aligned with local needs of the business community.

Recommendation #4:

Find additional ways to promote and highlight child care businesses in Itasca County. This may include partnership with the local chamber of commerce or other local member organizations.

It is important that individuals beyond the child care sector have awareness of the impact that quality child care and education can mean to a community. Develop and launch a public education effort for the community to further embrace and support child care options and providers in Itasca County.

Recommendation #5:

Providers and the Private Sector should work to develop a business association that will help support and communicate needs of family child care providers in Itasca County.

Associations and organizing groups have a long history of achieving greater outcomes than individual efforts. Since the private sector is a direct beneficiary of child care solutions, support to help develop and operate an organization of family providers will help with education/training opportunities, policy and business information, and provide further connection to the private sector in ways beyond direct child care.

ENDNOTES

1. “Don’t Forget Daycares,” Kris Bevell, Prairie Business Magazine, Oct. 25, 2013
<http://prairiebusiness.areavoices.com/2013/10/dont-forget-daycares/>
2. Minnesota Department of Human Services, Licensing Division
3. Background data sources:
 - American Community Survey, US Census Bureau
<https://www.census.gov/acs/www/>
 - American Fact Finder, US Census Bureau <http://factfinder.census.gov/>
 - Rural Data Portal <http://www.ruraldataportal.org/>
 - Data Center, Minnesota Department of Education
<http://education.state.mn.us/mde/Data/>
 - Data Tools, Minnesota Department of Employment and Economic Development
<http://mn.gov/deed/data/data-tools/>
 - Minnesota State Demographic Center <http://www.demography.state.mn.us/>
 - Licensing Information Lookup, Minnesota Department of Human Services
<http://licensinglookup.dhs.state.mn.us/>
 - Parent Aware Ratings <http://parentawareratings.org/>
 - Infographics created with Piktochart <http://piktochart.com/>

ABOUT FIRST CHILDREN’S FINANCE

Founded in 1991, First Children’s Finance is a multi-state nonprofit organization. We work with states, communities, and local for profit and nonprofit early care and education businesses to increase the supply and sustainability of high quality early care and education in urban and rural areas. We do this through business management training, technical assistance, and financing. We engage community leaders and form public and private partnerships. For more information about First Children’s Finance, please visit: www.firstchildrensfinance.org.



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>MN PROJECT INFORMATION

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