



# RURAL CHILD CARE INNOVATION PROGRAM

***Redwood County, Minnesota***

**Community Solution  
Action Plan for  
Child Care**



**June 2026**

**mi** DEPARTMENT OF CHILDREN,  
YOUTH, AND FAMILIES

  
SOUTHWEST INITIATIVE  
FOUNDATION

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



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This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program. You will step through every stage of the community engagement process through solution development and implementation.

Please visit [ruralchildcare.org](https://ruralchildcare.org) for continued updates on community progress.

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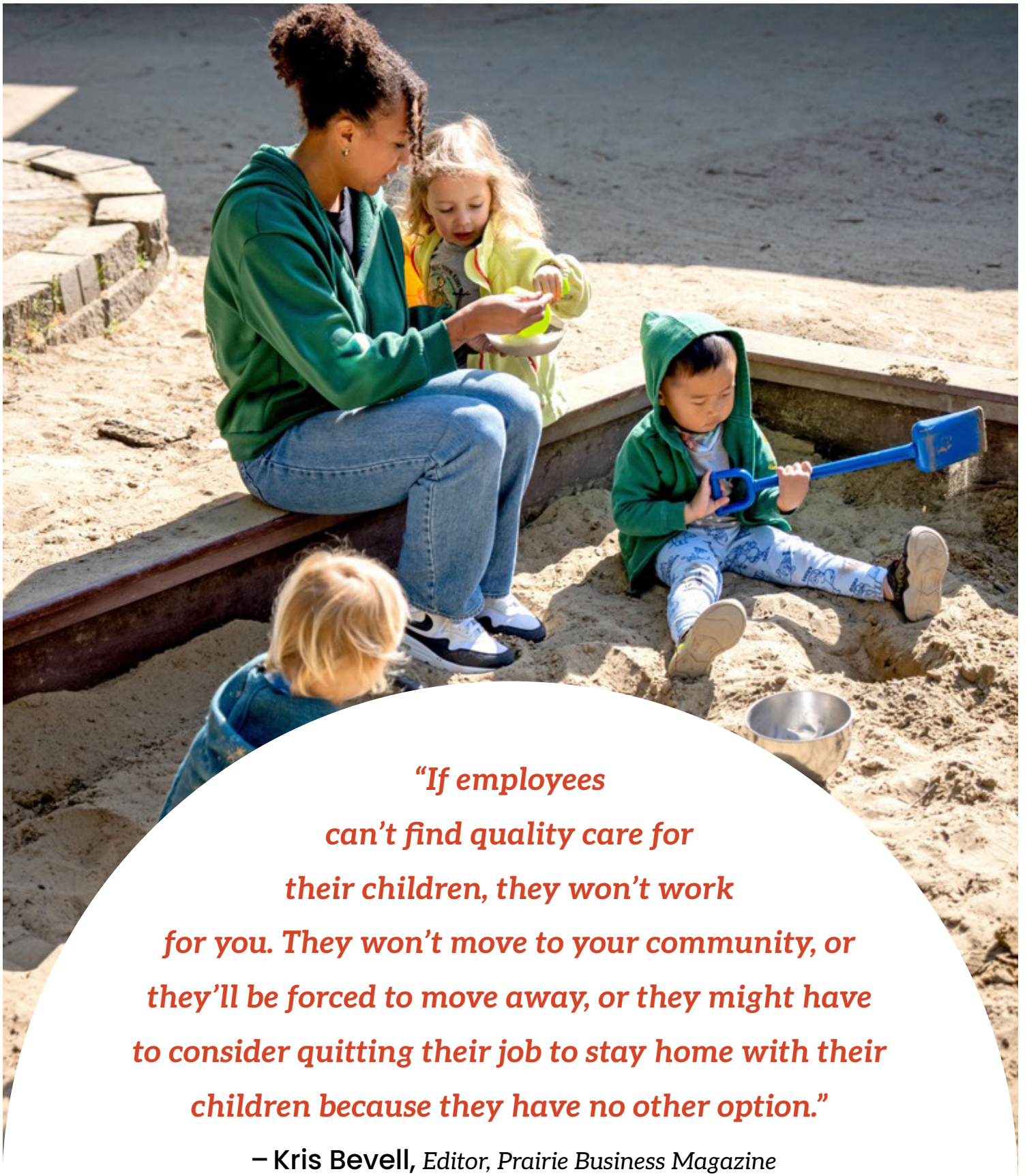
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***“If employees  
can’t find quality care for  
their children, they won’t work  
for you. They won’t move to your community, or  
they’ll be forced to move away, or they might have  
to consider quitting their job to stay home with their  
children 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 Redwood 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 Redwood County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors creating the child care shortage in the area through focus groups, individual conversations, interviews, and surveys with a multitude of stakeholders.

To understand the potential need of child care in Redwood County, First Children's Finance conducted a Supply and Demand Gap Analysis and community surveys, which showed a child care shortage of approximately 201 slots. The analysis revealed that it's very difficult to be a child care provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. 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 also revealed that the child care shortage has impacted parents living in Redwood County. Thirty-One percent of survey respondents declined employment or withdrew from the workforce due to child care issues. Thirty-nine percent of employer respondents stated child care has impacted their ability to attract employees, while fifty percent stated they do not track data showing the impact for attracting employees. Additionally, thirty-nine percent of employers said the child care shortage has impacted their ability to retain employees, while twenty eight percent state they do not track data showing the impact child care has on the retention of staff. Absence from work (when a provider is closed for the day), inability to work overtime, inability to work different shifts, and tardiness to work hinder the ability of parents to advance in their careers and the ability of employers to meet their business needs.

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

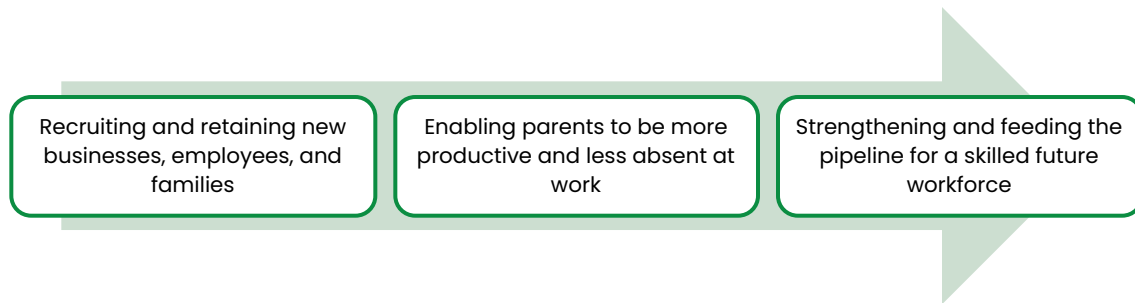
**Through the RCCIP process, Redwood County has identified five goals to address the child care challenges. These goals include:**

1. Facilities and Locations
2. Local Child Care Fund
3. Sustainability of Existing Programs
4. Workforce Development
5. Marketing Outreach and Engagement

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

# The Importance of High-Quality Child Care in Communities

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



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

## Introducing the Rural Child Care Innovation Program

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

### Program Focus

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



## Program Activities and General Timeline

### APPLICATION PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Application Opens	September 30, 2024	Send the application, post on website
Webinar	October 10, 2024	Learn about the RCCIP process, expectations, and ask questions
Application Deadline	October 25, 2024	Due by 5 p.m.
Application review and follow-up questions for applicants	October 28–November 8, 2024	FCF will connect by phone or email
Final Awards made	November 11, 2024	FCF will notify via email

### PLANNING PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Core Team Lead Orientation	January 2, 2025	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	April 10, 2025	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	May 6, 2025	During the face-to-face meeting, the community engagement activities will be mapped out and a timeline for the process will be developed
Data Gathering & Community Engagement Activities	June–October 2025	The Core Team engages the community in data collection and informs them about their work
FCF Facilitated Ongoing Core Team Check-ins	June 2025–January 2025	Virtual monthly Core Team meetings
Child Care Provider Appreciation Event	September 18, 2025	A face-to-face dinner is organized to recognize and appreciate the community's providers
Synthesize Data	October 2025	FCF synthesizes data into useful info for Town Hall event
Planning Meeting for Town Hall	October 7, 2025	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	October 28, 2025	A face-to-face community wide event held to learn about data collected and identify and develop projects
Child Care Provider Recruitment	On-going	Recruit providers to participate in business trainings, business leadership cohorts, and one-on-one consultations conducted by FCF

## IMPLEMENTATION PHASE

DESCRIPTION	TIMING OR DATE	DETAILS
Organization of Town Hall ideas	November/ December 2025	FCF staff organizes Town Hall ideas into a workable format
Goal Setting and Implementation Meeting (4 Hours)	December 10, 2025	Virtual meeting to prioritize goals, develop SMART goals, map out implementation activities, and plan for the Community Launch
SMART Goal Finalization Meeting	December 23, 2025	One or two virtual meetings action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	June 2026	FCF creates a report detailing community data, types of solutions, and community-identified projects
Planning meeting for Community Launch and Action Step updates	April 2026	Virtual meeting to share the CSAP, plan the CSAP Community Launch, and share updates on action steps
Community Launch of CSAP	August/ September 2026	Press release and/or community activities to share the CSAP
Regular Core Team Meetings	April 2026- April 2027	Updates discussed from project teams to the core team; frequency determined by the core team; facilitated by the Core Team Lead
Biannual Reporting	July/August 2026	Core team lead provides written biannual update to FCF
Regular Project Team Meetings	April 2026- April 2027	Project teams meet to implement community solutions; facilitated by project team lead
Technical Assistance & on-going Support	April 2026- April 2027	FCF provides technical assistance when needed
Final Report	February 2027	Core Team leader submits final written report to FCF
Celebration with the Core Team	May/June 2027	Core team celebrates its success
Learning Communities	Various Times as determined by FCF	Opportunities to learn from and network with other RCCIP communities who are either in the implementation phase or who have completed the RCCIP process

## Expected Outcomes and Impact

The Rural Child Care Innovation Program is designed to support fundamental changes in the overall conditions for child care in the areas 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 Redwood County

Redwood County is an entirely rural community located in Southwest Minnesota with our largest city being Redwood Falls at a population of approximately 5,000 residents



## Local Core Team Representation

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

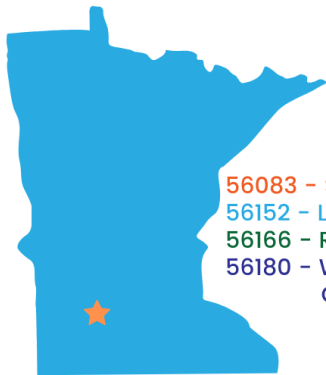
Grady Holtberg	Economic Development Coordinator, Redwood County
Brianna Mumme	Economic Development Manager, Southwest Initiative Foundation
Rebecca Gieske	City Administrator, City of Lamberton
Sandie Polfliet	Child Care Start Up and Retention Navigator, Southwestern Minnesota Opportunity Council – Region 8
Maria Harms	Owner, Snug as a Bug Childcare
Rick Wakefield	EDA Board Member and County Commissioner, Redwood County
Carnie Allex	Administrator, CentraCare – Redwood Falls
Megin Rohlik	Family Child Care Provider, Megin Rohlik Family Child Care
Shannon Sweetman	Recruiter, Jonti-Craft, Inc.
April Soupir	Family Child Care Provider, The Bluejay Buddies
Christie Larson	VP/Business Banker, Minnwest Bank – Redwood Falls
Andrew Lueck	Next Gen Ag Owner/School Board Member, Next Gen Ag
Chantel Neperman	Wanda Bank Employee, Wanda State Bank
Bonnie Albrecht	Human Resources Director, Farmers Union Industries
Anne Johnson	Redwood Area Chamber and Tourism

## Child Care Data and Early Education Trends

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

### Potential Need Overview

First Children’s Finance conducted a Supply Demand Gap analysis which provided a view of potential child care needs. When analyzing the data, we look at a range of slots. This gives us the best picture of the need in the county. The Supply Demand Gap Analysis for Redwood County dated February 17, 2025, shows a shortage of 201 slots for children birth to age five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly forty-seven percent of the slots needed are for infants and toddlers. Closures happening after the data was pulled would indicate an additional increase in local need according to the number of birth-five slots that are no longer available.



# Redwood County

## Child Care Need Analysis

- 56083 - Sanborn
- 56152 - Lamberton
- 56166 - Revere
- 56180 - Walnut Grove
- 56214 - Belview
- 56224 - Clements
- 56255 - Lucan
- 56263 - Milroy
- 56266 - Morgan
- 56283 - Redwood Falls
- 56287 - Seaforth
- 56292 - Vesta
- 56293 - Wabasso
- 56294 - Wanda

**44** Licensed family child care  
**2** Licensed child care center  
**1** Certified child care center

Redwood County  
Population: 15,425

**468** Current child care capacity  
FCF Calculation

**\$650**  
per month/preschool



**669**

Children under 5  
with all  
parents working

Estimate based on the ACS  
5 Year Estimates

**66%**



Children under 5  
with all parents  
in the workforce

Estimate based on the ACS  
5 Year Estimates

### Birth to 5 spots needed

FCF Calculation

**201** Redwood County

**231** Zip Codes

**282** School Districts in  
Redwood County



**Cost of  
Family  
Child Care**

County level data from  
2024 DHS Market Rate Study  
50th percentile price cluster 2

**\$823**

per month/preschool

**Cost of  
Center  
Child Care**



County level data from  
2024 DHS Market Rate Study  
50th percentile price cluster 1



**47%** Infant & Toddler Need

FCF Calculation



First Children's Finance

February 2025

In surveying family child care providers, we learned that twenty three percent of the respondents have been in business for 1-5 years and twenty eight percent have been in business for over 20 years. When asked how long they plan on staying in business, forty seven percent plan on staying in business for 3-5 years, while fourteen percent state they plan on being in business over 10 years. It is important for Redwood County to think both about ways to retain family child care providers as well as building more slots within the community.

## Family Child Care – By the Numbers

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

- The average length of service is slightly lower than the state average.
- 26.6% of providers have less than 5 years of service, which is lower than the state average of 27.4%. 28.8% of providers have more than 20 years of service, which is lower than the state average of 32.82%.
- Providers with more than 20 years of service typically indicates that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are at risk most for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
Total Family Child Care Providers	44	5,983
Average Length of Service	12.65 years	14.15 years
Less than 5 years / Service	11 / 26.6%	1,640 / 27.41%
More than 20 years / Service	13 / 28.8%	1,964 / 32.82%
Non-Owner Occupied	8 / 17.7%	276 / 4.61%
Non-Residential Dwelling	0 / 0%	66 / 1.10%



## Average Cost of Child Care

Child care is a large investment for families with children. A market rate survey of child care providers was conducted as part of the RCCIP to inform child care investments in the area.

The following chart shows the average cost of child care investment on a weekly basis at the 50th percentile for each age group in both a center and family child care setting. This number means 50% of child care programs charge more than this number and 50% of child care programs charge less.

### Area Market Rates – Redwood County

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
50th Percentile – Infant Weekly–Center	\$213	\$11,076.00
50th Percentile – Toddler Weekly–Center	\$195	\$10,140.00
50th Percentile – Preschool Weekly–Center	\$190	\$9,880.00
50th Percentile – School Age Weekly–Center	\$170	\$8,840.00

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
50th Percentile – Infant Weekly–Family	\$155	\$8,060
50th Percentile – Toddler Weekly–Family	\$150	\$7,800
50th Percentile – Preschool Weekly–Family	\$150	\$7,800
50th Percentile – School Age Weekly–Family	\$140	\$7,280

*Results of the 2024 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update*

The Child Care Assistance Program (CCAP) is a statewide program that helps families of low-income to afford high quality child care. Families need to financially qualify to access CCAP and the amount of CCAP received by families will vary depending on their income levels. CCAP reimbursement rates are based around the 75th percentile market rates, and there is a maximum reimbursement rate a county can distribute to qualifying families. The maximum reimbursement rates can vary from county to county. When surveyed, twenty eight percent of family providers and 100% of center respondents accept CCAP reimbursement for families.

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

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
No Quality Differential – Infant Weekly–Center	\$245	\$12,740
No Quality Differential – Toddler Weekly–Center	\$225	\$11,700
No Quality Differential – Preschool Weekly–Center	\$210	\$10,920
No Quality Differential – School Age Weekly–Center	\$190	\$9,880

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
No Quality Differential – Infant Weekly–Family	\$175	\$9,100
No Quality Differential – Toddler Weekly–Family	\$170	\$8,840
No Quality Differential – Preschool Weekly–Family	\$160	\$8,320
No Quality Differential – School Age Weekly–Family	\$150	\$7,800

*CCAP Standard Maximum Rates Effective January 6, 2025*

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

### CCAP – Redwood County (20% Quality Differential)

AGE GROUP – CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% Quality Differential - Infant Weekly-Center	\$294	\$15,288
20% Quality Differential - Toddler Weekly-Center	\$270	\$14,040
20% Quality Differential - Preschool Weekly-Center	\$252	\$13,104
20% Quality Differential - School Age Weekly-Center	\$228	\$11,856

AGE GROUP – FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% Quality Differential - Infant Weekly-Family	\$210	\$10,920
20% Quality Differential - Toddler Weekly-Family	\$204	\$10,608
20% Quality Differential - Preschool Weekly-Family	\$192	\$9,984
20% Quality Differential - School Age Weekly-Family	\$180	\$9,360

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

While rates of investment for child care are high for families, many child care operations run on very slim profit margins due to the high cost of quality staffing and care. Staffing is a significant expense for many child care center programs, averaging 60-80% of overall expenses.

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



## Other Local Supporting Data

As part of the overall collection and review of data, First Children’s Finance shared additional data outcomes such as third grade reading proficiency rates and local graduation rates. There are multiple studies indicating a link between the quality of early education opportunities and school readiness. Third grade reading proficiency rates and high school graduation rates are one way to link the two. Lower Achievement levels from birth to age five can be an early indicator of future challenges in school, engagement in higher education, and teen pregnancy rates. The higher the quality of early care and education programs for children ages birth to five the higher the achievement later in life. As depicted in the tables below, Redwood County has 4 out of 6 districts in the county have reading proficiency levels that are lower than that of the state average and graduation rates that are slightly higher than the state average.

### Third-grade Reading Levels

DISTRICT	2024 PROFICIENCY RATE
Cedar Mountain School District ISD #2754	43.5%
Milroy Public Schools ISD #635	NA
Red Rock Central ISD #2884	43.4%
Redwood Area School District ISD #2897	45.1%
Springfield School District ISD #85	61.6%
Wabasso Public Schools ISD #0640	52.7%
West Brook Walnut Grove School District ISD #2898	40.9%
<b>Statewide</b>	<b>47.8%</b>

### Local Graduation Rates

DISTRICT	2023 GRADUATION RATE
Cedar Mountain School District ISD #2754	85.4%
Milroy Public Schools ISD #635	NA
Red Rock Central ISD #2884	96.7%
Redwood Area School District ISD #2897	90.7%
Springfield School District ISD #85	92.2%
Wabasso Public Schools ISD #0640	91.4%
West Brook Walnut Grove School District ISD #2898	100%
<b>Statewide</b>	<b>83.3%</b>

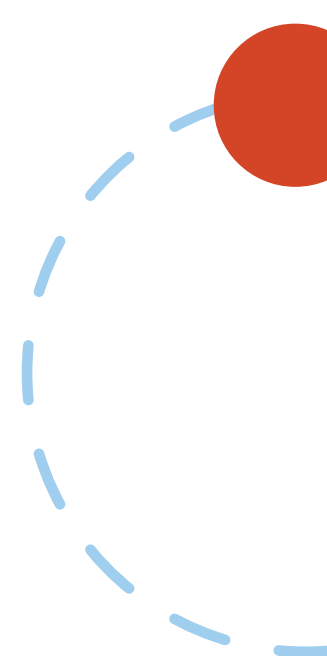
## Ability to Pay for Child Care

Many families working at the lower end of the wage spectrum have difficulty paying for child care. The following charts provide an overview of local economic factors that can further impact child care:

### Household Income – Redwood County

TOTAL HOUSEHOLDS ACS 2023 5YR ESTIMATE	%
Less than \$10,000	5.4%
\$10,000 to \$14,999	3.5%
\$15,000 to \$24,999	8.4%
\$25,000 to \$34,999	8.8%
\$35,000 to \$49,999	11.0%
\$50,000 to \$74,999	19.3%
\$75,000 to \$99,999	14.1%
\$100,000 to \$149,999	17.9%
\$150,000 to \$199,999	7.3%
\$200,000 or More	4.3%
<b>TOTAL HOUSEHOLDS:</b>	<b>6,156</b>
<b>MEDIAN HOUSEHOLD INCOME:</b>	<b>\$67,024</b>

U.S. Census American Community Survey 2023

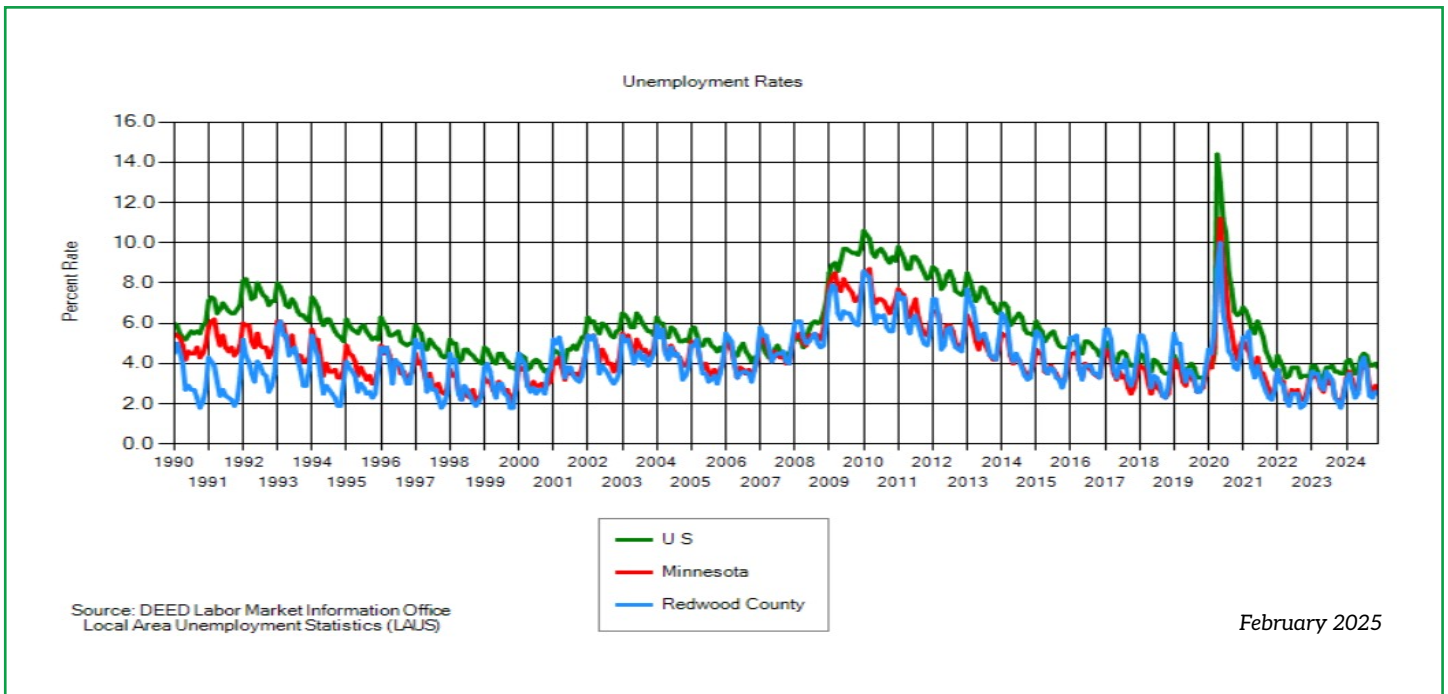


## Local Employment Conditions

Employment data was also considered by First Children’s Finance in the analysis of the child care situation in Redwood County. Employment data can serve as an indicator that additional child care is needed to support the employment needs of the community since there are more two-parent families employed.

### Unemployment Rates – Redwood County

In February 2025, when this initial analysis of data for Redwood County was completed, the unemployment rate in Redwood County was 4% which is slightly higher than that of the state unemployment rate of 2.7%. This can also indicate a need for more child care in the community. Adding additional child care strengthens the local economy by allowing more families to return to the workforce.



### Top Local Industries – Redwood County

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

TOP 3 INDUSTRIES	# OF EMPLOYEES	% OF WORKFORCE
Industry: Manufacturing	1,240	20.4%
Industry: Retail Trade	696	11.5%
Industry: Public Administration	591	9.7%

# Community Insights

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included discussions with various community leaders, parent, provider, and employer electronic surveys, and presentations about child care. Through these various inputs, the Core Team was able to better understand the causes of local child care shortages.

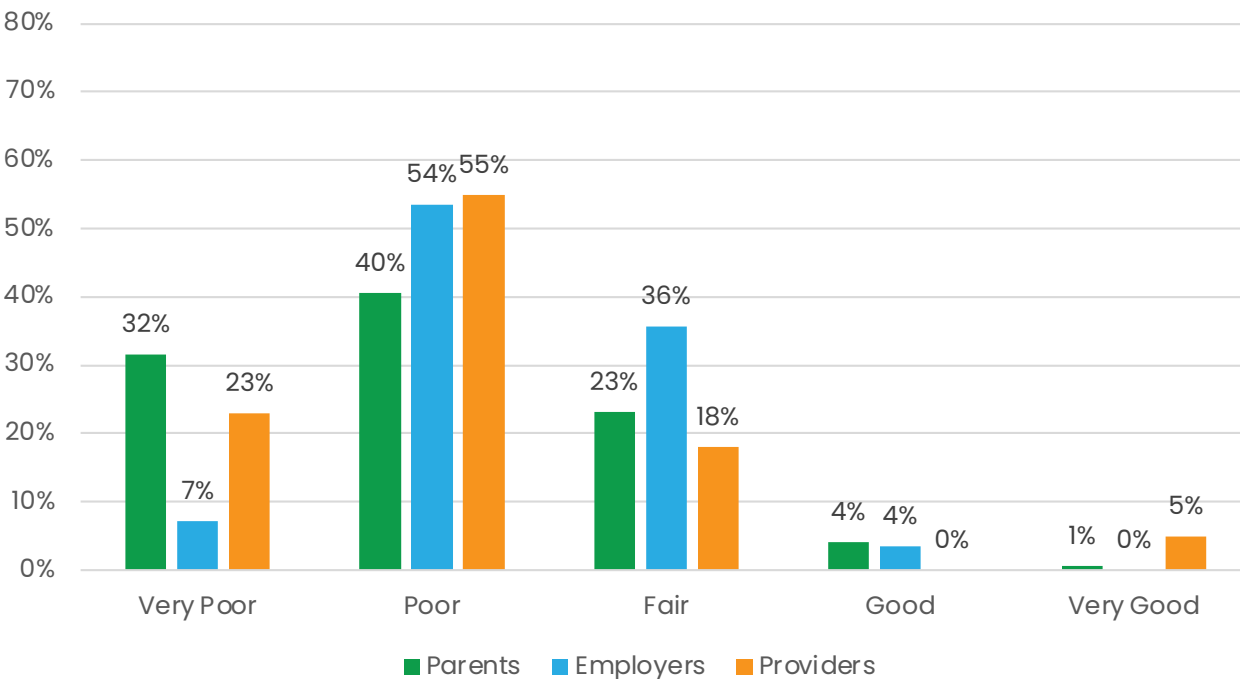


## Community Surveys – Selected Perspectives

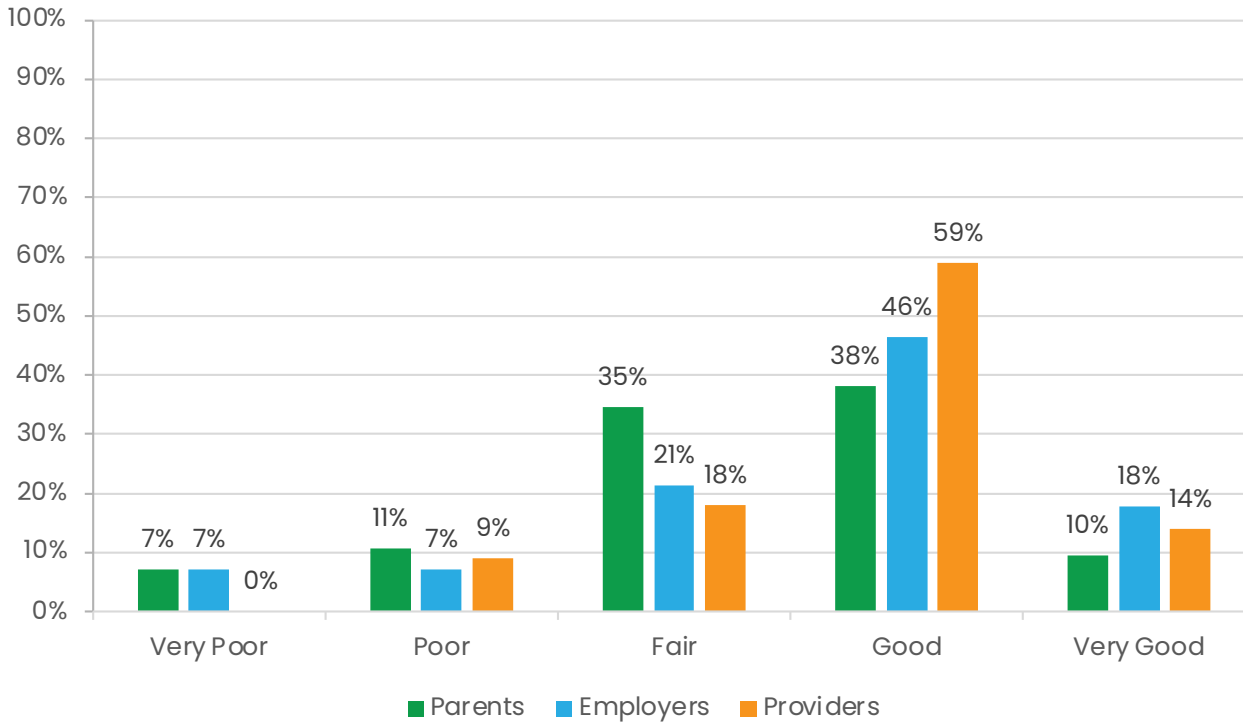
The general community was invited to participate in a comprehensive survey about child care in Redwood County. Respondents included 232 individuals for the parent survey and 28 employees for the employer survey. A separate survey gathered information specific to child care businesses from 22 early care and education providers. A separate survey gathered information specific to child care businesses from # family child care providers and # child care center.

The following charts represent some highlighted perspectives within the community:

### Perceptions: Availability of Child Care in the Local Area



## Perceptions: Quality of Available Child Care in the Local Area



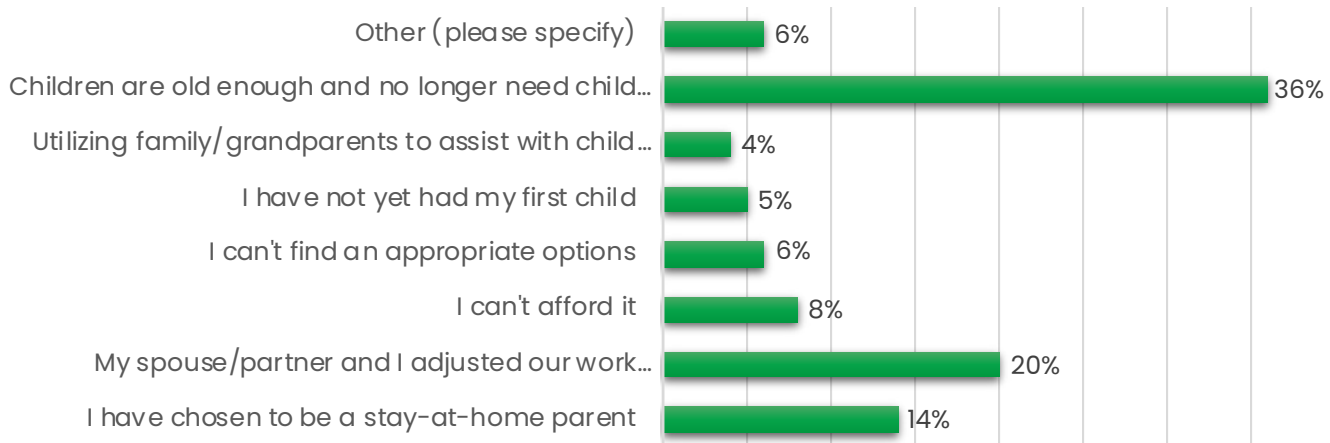
While specific questions about quality were not part of this survey, responses show there is some difference between what parents are perceiving the quality of available child care is in the area as compared to what both employers and local child care providers are perceiving. When parents were asked to rank what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

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



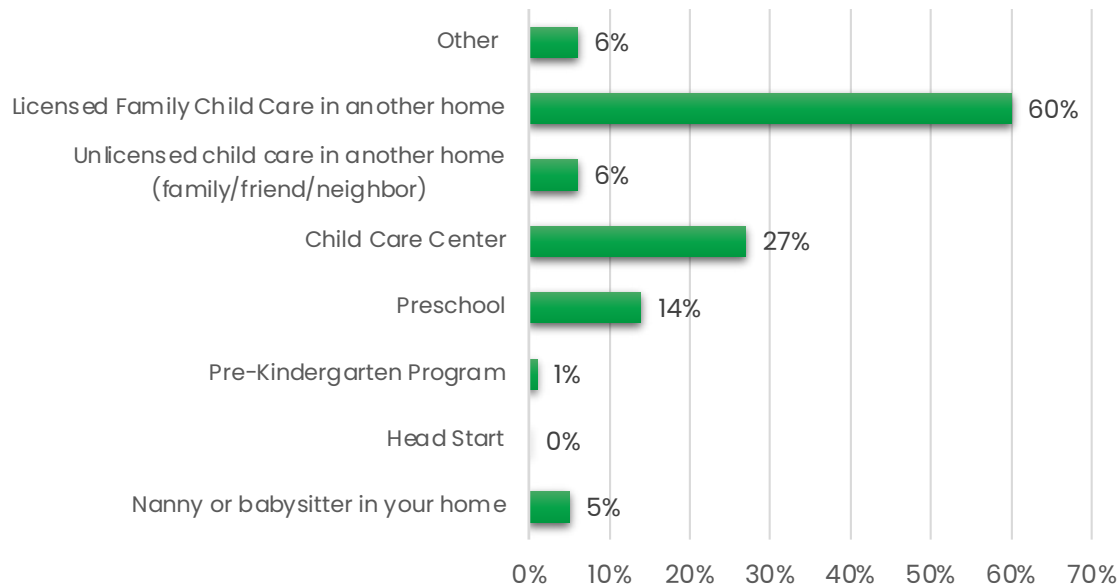
## Reasons for Not Enrolling in Preferred Care

Below is a chart depicting the percentage of parents who responded to the survey stating they no longer require child care. It is worth noting that forty-eight percent of the parents who completed the survey did not answer this question. Eighteen percent of the respondents say they have adjusted work schedules with their spouse/partner in order to meet child care needs, and eight percent state they cannot afford care and thirteen percent share they have chosen to be a stay-at-home parent. The other category is made up of those respondents who either have no need for child care, have family who care for their children, or who care for their children within their business.



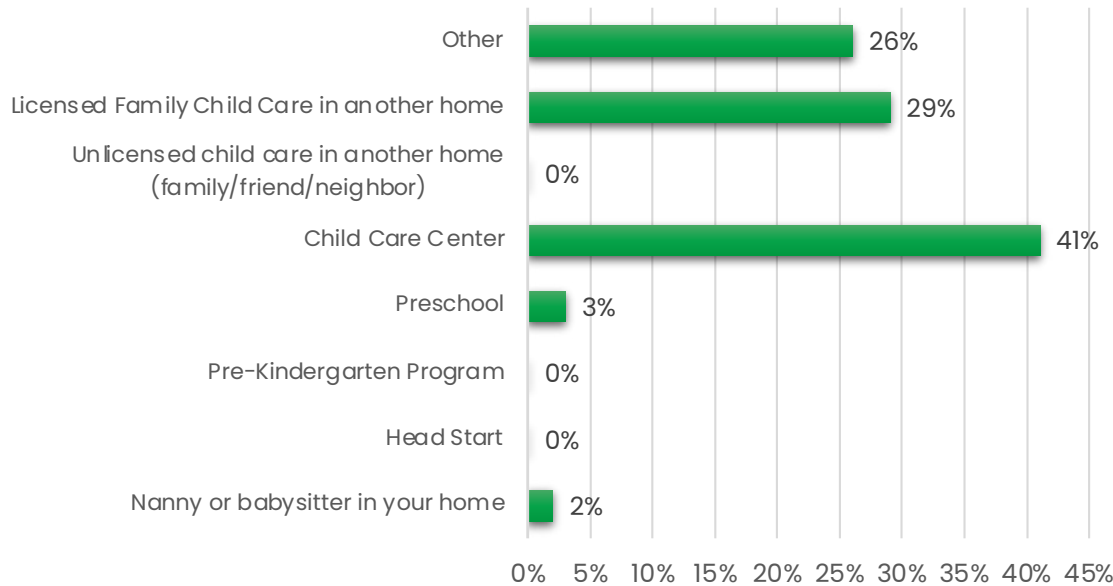
## Types of Care Parents Are Currently Using

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



## Types of Care Parents Prefer to Use

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

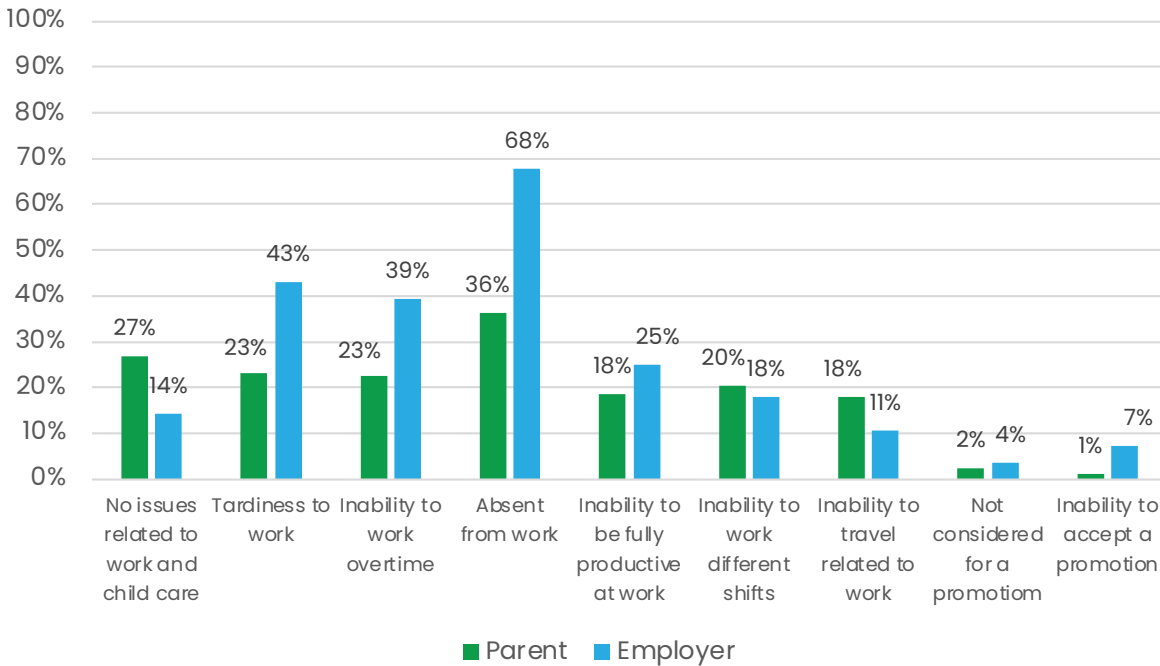


## Community and Business Impacts of the Child Care Issue

Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the workforce. These issues can compound and further extend into the business community by causing loss of workers due to unavailable child care or by businesses relocating to environments with better availability of care. The chart below illustrates the occurrence of various work-related issues from both a parent employee and an employer perspective.



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



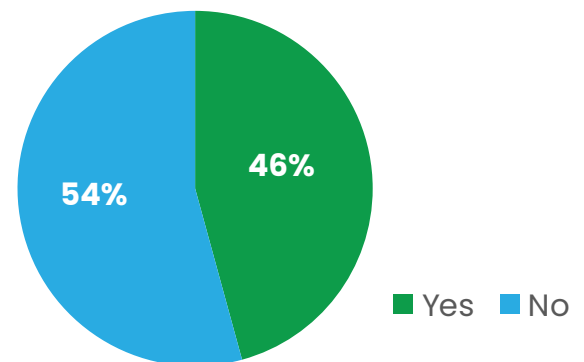
Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), inability to work overtime, and inability to work overtime. Thirty Nine percent of employer respondents stated child care has impacted their ability to attract employees, while fifty percent stated they do not track data showing the impact for attracting employees. Additionally, thirty-nine percent of employers said the child care shortage has impacted their ability to retain employees, while twenty-eight percent state they do not track data showing the impact child care has on the retention of staff. Tracking employee feedback on challenges related to child care can help employers to determine to the actual level child care is inhibiting their growth and retention opportunities.

Additional child care related challenges for parents included thirty-six percent reporting being absent from work, twenty-six percent reporting no issues related to work and child care, and twenty-three percent reporting tardiness to work. While one percent of parents also reported being able to accept a promotion, and two percent reported not being considered for a promotion, seven percent of employers stated both of these were happening.

## Impact on Family Planning – Redwood County

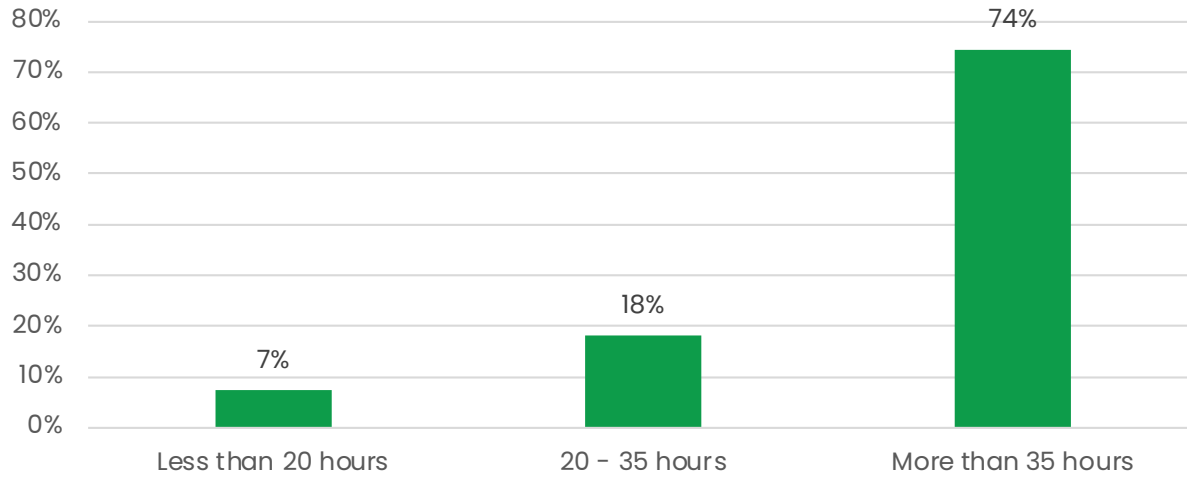
When parents were asked if the availability of their preferred child care option had impacted their decision to have another child and/or if it limited the size of their family, forty-five percent responded it had.

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

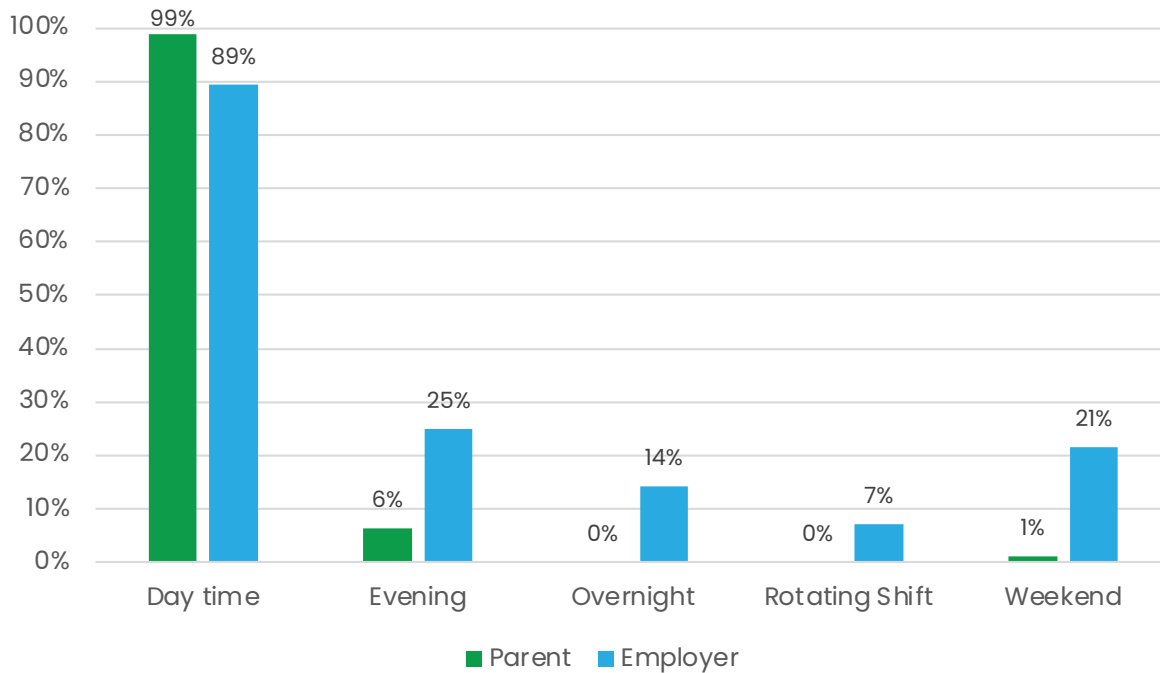


## Types of Child Care Needed

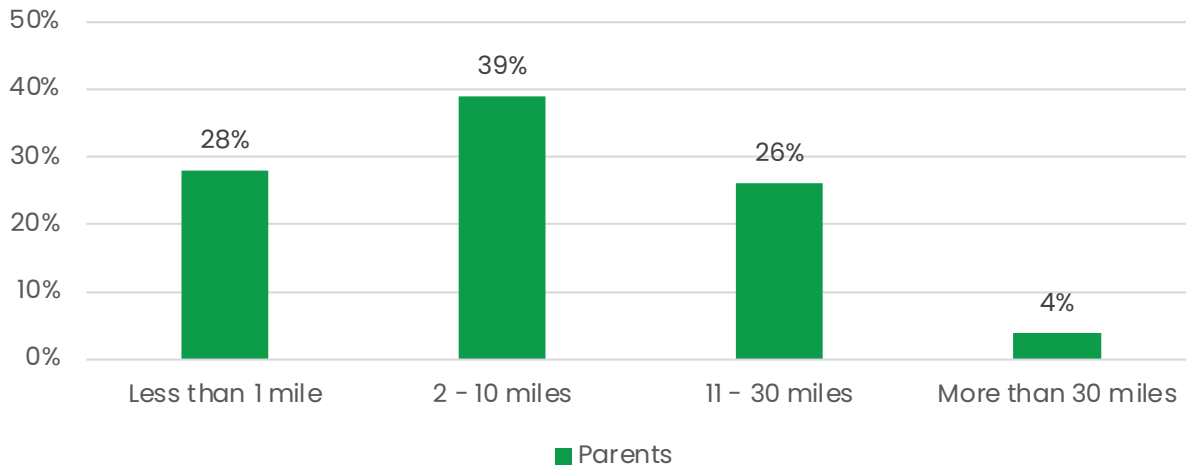
It is important for a community to understand the types of child care parents need to be able to identify the right sized solutions for the community. The survey indicated that seventy-four percent of parents need more than 35 hours of care and are looking for full-time child care options.



## What Hours of Care Do You Need?

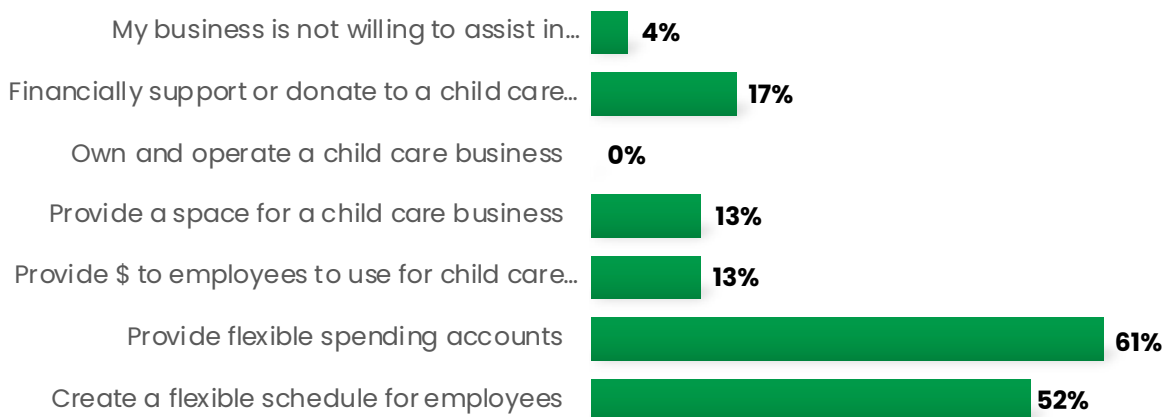


## How Far Do You Travel Out of Your Way (One Direction) for Child Care?



Some Redwood County parent respondents indicated that they were traveling notable distances to find appropriate child care. Thirty percent indicated that they were traveling more than 11 miles for child care.

## How Would You as an Employer Be Willing to Assist in Addressing the Child Care Shortage?



Employers can help address the child care shortage in multiple ways. From the employer survey, the top two ways employers in Redwood County employers are willing to help by providing flex spending accounts and create flexible schedules. Seventeen percent of employers surveyed are also willing to financially support or donate to a child care business. Thirteen percent of employers surveyed are willing to provide money to employees to use for child care expenses, no employers are willing to own and operate a child care business.

## Understanding the Underlying Challenges

The Core Team in Redwood County spent several months investigating the underlying reasons for the local child care challenges by having discussions, engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing around child care and the factors contributing to those challenges.

***“It’s getting too expensive for people to keep their kids in childcare, so that will affect the continued deficit in the workforce.”***

– Local Employer

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

***“Preschool children going to preschool as parents can’t afford to pay for both preschool and childcare and daycares closing because of the limited amount of infants and toddlers we are allowed on our license capacity.”***

– Local Provider

- Challenges with longevity in the industry. There are other jobs out there with better pay and support.
- Not enough financial rewards for people working in early childhood and providers are earning low incomes.
- Higher cost of living and increases in fees paid for licensing needs.
- Child care is mentally, physically, emotionally draining.
- Acknowledge providers are professionals, we are more than babysitters.
- There are not enough staff so current staff have difficulty taking time off from work.
- Difficulty finding, retaining, and paying qualified staff.
- Lack of funding available to child care programs and start-ups.

▶ The challenges of being a family child care provider or running a child care center are well-documented. Licensing and regulations have changed over the years along with increasing expectations around outcomes for children entering the primary school system. Many family child care providers operate their businesses with minimal community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or recognition. Local providers and other community organizations have an opportunity to recognize the ongoing contributions and continuous innovation of family child care providers in the child care industry. This could be achieved through recognition programs and other material support such as training.

## **FACTOR: Quality and Regulations: Two Sides of One Coin**

***“There has been more and more regulations required for in home and daycare centers, and most of these regulations are beyond ridiculous. It’s because of these requirements that most daycare providers are closing their doors.”***

– Local Parent

- Ratios for numbers of children in younger age groups reduce the number of infants a provider can care for, making it extremely difficult to cash flow those slots.
- Dealing with all the new policies from licensing and finding the initial costs to purchase items needed can be a challenge for start-up programs.
- Figuring out all the training and things that need to be done, like Fire Marshall requirements, etc. can be a challenge.
- Requirements, like Rule 3, are a lot to follow and lead teacher requirements are strict for low pay.
- Requirements, paperwork, rules and regulations are necessary, but difficult to cover.
- Highly regulated; reduces the numbers of in-home daycares and increases costs for centers.
- It’s hard for places to employ quality staff that want to stay long term, which affects the children.

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



## **FACTOR: High Cost and Low Availability of Child Care**

*“Having a lower capacity for enrollment of children in a childcare setting in a school would help family in-home child care settings keep their numbers higher with a wider age range of children to make it a successful business. Since the schools opened all day everyday preschool for 3 and older my numbers have slowly been decreasing every year for preschool age. I have been full for the last 15 years and I’m seeing a decline in ages 3 and up staying in my childcare until they are school aged. I miss those days. Now with mainly infants and toddlers and the rest under 3 it’s a lot more physically draining than when I had 8 kids 5 and under.”*

– Local Parent

- Lack of funding and low profits lead to shortages in child care.
- It seems that while we may have an opening or two, even at our lower rates, many families can’t afford care.
- Childcare workers are not paid enough, there is not enough support given to them.
- Proposed modernization regulations and legislation requirements, if passed, will impact on both costs monetarily and in time spent outside of childcare program hours to fulfill.
- Many families can’t afford care.
- Infant care is hard to find - parents are trying to line up infant care in early pregnancy or before they become pregnant.
- It is hard for families to live off one income but finding child care so that both parents can work is challenging.
- We must turn families away due to being full.

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



# Community-Developed Solutions

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

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

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

- Orientation program for new providers
- Fast track certificate program through local high schools or colleges to get staff teacher certified (offered year-round)
- Work with schools to add CDA credentials
- County Grant program to assist with ongoing costs
- FCC Mentor program for new providers to partner with seasoned providers
- Child care 101 informational meetings
- More training available in different languages
- Local child care provider association
- Training on business plan/operations
- Empower to educate mentorship program

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

- Pair a free meal with a one hour 'parenting'/'provider' class
- Newspaper article
- Newspaper reconnection for providers
- Increase awareness/info session child care resources
- Series in the newspaper
- Social media campaign
- General awareness campaign on the importance of brain development from birth-age 5
- Child care 101

## **THEME: Recognition and Appreciation**

- Annual appreciation event for providers
- Newspaper articles to acknowledge providers
- Annual 'provider of the year' award
- Provider spotlights – online presence, newspapers, radio, etc.
- Make and take meal classes for providers
- Super Saturday event for providers
- Quarterly flowers delivered or a little something just to make them smile and know we are thinking of them
- Maybe try a county or multi county "girls" weekend that gets them all together in a fun space away from home

## **THEME: Facilities and Locations**

- Partner with churches
- Empty store fronts
- Cities and counties buy buildings and lease rooms for providers to run their daycare out of. A way to run a daycare and not having to own a home
- Partner with nursing homes
- Pod model
- Partner with realtor to review empty buildings/home for providers
- DEED Grant opportunities for POD model

## **THEME: Financial Support and Incentives**

- Local child care fund
- More funding
- Forgivable loan program/grant program
- Make a one time investment that receives interest in some fashion – pay providers using the interest from the investment
- County apply for grants to create or fund a pod child care system
- Property tax reduction for providers
- Forgivable loans for new providers and existing providers
- For providers that want to start a daycare they would get an upfront payment/grant to get the business off the ground
- Small sales tax increase at city/county levels
- Local EDA's providing forgivable loans or yearly grants just to keep them
- Discount from stores, like groceries art supplies
- Property tax refunds
- People that could support them in bookkeeping advice or help



## **THEME: Partnerships**

- Partnerships with a larger employer for healthcare benefits (paying for the coverage of course)
- SWIF
- SBDC
- Local hospitals provider low/no cost CPR and First Aid on a regular basis/as providers need
- County/City – tax breaks, rent out buildings, etc.
- Busing for child care providers to take children to different activities in the area
- Partner with schools
- Partner with library
- Counties partnering with community colleges to provide small business accounting services and finance management
- CPR supplied to providers free of charge from hospital
- Group health insurance that state wide providers can get on
- Is there anything with the service coops that offer services to the schools? They offer health benefits to the schools, is there a pool option through them?
- Revitalize the former Redwood County Child Care Association to provide training and support to providers monthly.
- Kickin' Cancer has equipment for radon testing, which could help get ahead of the coming regulation changes



## **THEME: Other**

- Counties set up and manage an online database of available daycares and weekly available slots at the daycares. Including all financial aid available to providers and families
- Create a pool of substitutes that can cover when they need to be gone or leave early. These subs would need the CPR, background checks and training, but maybe local EDA's or business would pay this portion. Then the subs would be registered under each cc as possible workers
- Share resource/deliver service for food for providers
- Letting potential providers know there are examples of the policy and things they need to be licensed. Educating the resources out there to make it easier or less stressful to go towards licensing
- Possible current or "retired" providers to mentor newbies or potential providers
- Create campaigns to our state legislature regarding regulation changes that our local people can easily follow to let legislature know their view points. Flood legislation so maybe they think twice before implementing anything too drastic

# Implementation Projects

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The Town Hall meeting is an opportunity to leverage multiple viewpoints and ideas related to addressing the local child care challenge. After the Town Hall meeting, the Core Team met to discuss all ideas and formulated an action plan to move forward.

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

## **SMART GOAL ONE:**

**1** Within 6 months, research and develop a list of 4 locations in Redwood County that meet determined criteria and could be purchased or leased for the use of child care.

**Project Team Leader:** Grady Holtberg

**Additional Team Members:** Anne Johnson, Shannon Sweetman, Rebecca Gieske

## **SMART GOAL TWO:**

**2** By September 2026, establish a local fund to support the start-up and retention of child care businesses throughout the county.

**Project Team Leader:** Grady Holtberg

**Additional Team Members:** April Soupir, Rick Wakefield, Christie Larson, Chantel Nerperman

## **SMART GOAL THREE:**

**3** Within one year research and develop a local child care task force that will support child care sustainability throughout the county.

**Project Team Leader:** Grady Holtberg

**Additional Team Members:** Carnie Alex, Megin Rohlik, Maria Harms

## **SMART GOAL FOUR:**

**4** Within one year develop 2 new initiatives to support the early education workforce.

**Project Team Leader:** Anne Johnson

**Additional Team Members:** Sandie Polfliet, Andrew Lueck

## **SMART GOAL FIVE:**

**5** Within 12 months, develop and implement a social media-focused awareness campaign that increases community knowledge of the child care industry, available child care resources, and the importance of brain development from birth to age five.

**Project Team Leader:** Briana Mumme

**Additional Team Members:** McKenzie Taylor, Maria Harms, Shawna Touignant

# First Children's Finance: Partnering to Support Child Care Businesses

## ABOUT US

Since 1991, First Children's Finance (FCF) has been a national leader in building sustainable child care businesses. We have helped thousands of child care providers, communities and government systems across the country solve issues that impede access to accessible child care.

First Children's Finance has state offices in Iowa, Michigan, Minnesota, Oregon and Vermont, and its National teams provide consulting, training and analysis services across the United States.

## OUR MISSION

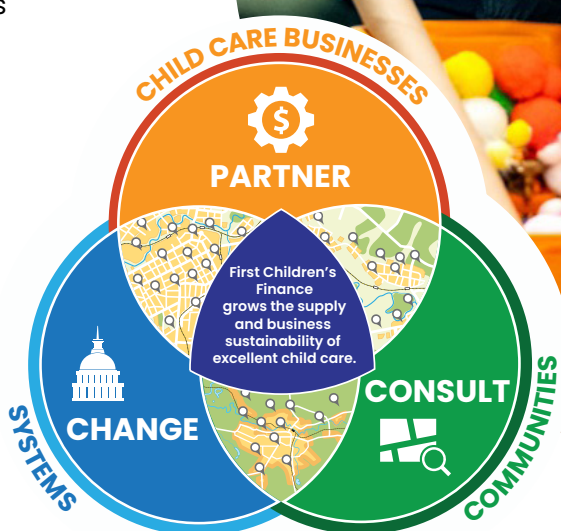
First Children's Finance is the only national organization focused exclusively on growing the supply and business sustainability of high-quality child care.

## WHAT WE DO

We help children, families and communities thrive by increasing the availability, affordability and quality of early care and education.

We provide financial and business development assistance to child care businesses serving low- and moderate-income families, and by building partnerships that connect these vital businesses with public and private resources.

We're unique in working at all three levels: Entrepreneurs, Communities and Systems - and finding where they intersect.



## FCF ADDRESSES THE NATIONAL ISSUE OF CHILD CARE SUPPLY IN THREE MAIN AREAS:

We **PARTNER** with child care businesses to strengthen their operations and achieve their dreams every step of the way.

We **CONSULT** with communities to achieve a sustainable child care supply that meets local economic and cultural needs.

We work to **CHANGE** public systems through advocacy and expertise, elevating child care in policies, practices, funding, and plans.

▶ **Want to know more about FCF?**  
Visit us at [firstchildrensfinance.org](https://firstchildrensfinance.org).

 **First Children's Finance**