CALL TO ACTION

CHILD CARE

Kalispell Chamber of Commerce

2022

ACKNOWLEDEGEMENTS

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I. Overview

Parents everywhere are struggling to find affordable, quality child care. Child care centers report reduced capacity due to worker shortages and employers report difficulties in filling jobs due to lack of child care options. These issues are not unique to Flathead County. State and federal agencies have several initiatives to address the child care shortage. In response to these issues and funding opportunities, the Kalispell Chamber of Commerce is leading a county-wide effort to develop a child care strategy for Flathead County. In the fall of 2021, a Steering Committee was convened comprised of representatives from the child care industry, business, education, and health care. Based on the following process, the Steering Committee has identified four priority action items to increase child care capacity in the county.

Figure 1: Process
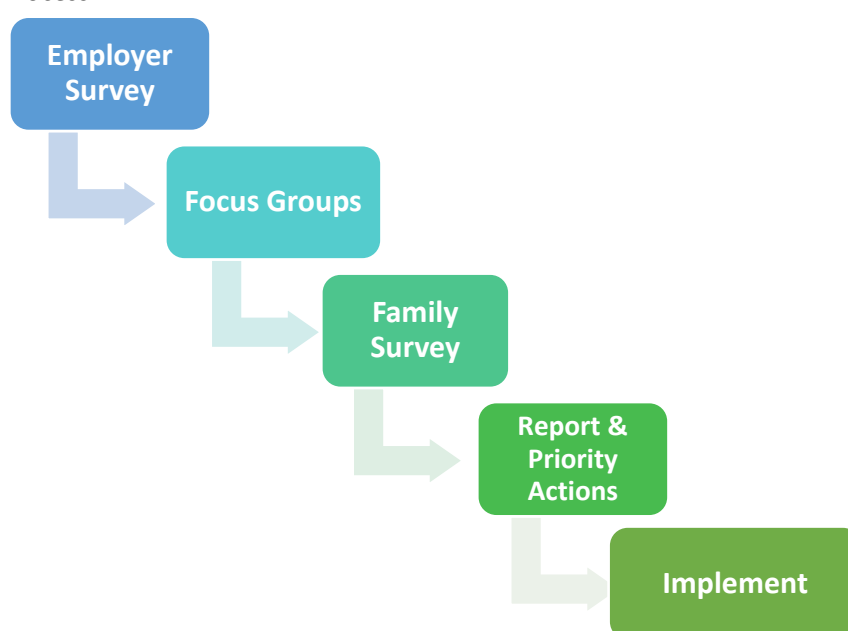
CALL TO ACTION:

- **Early childhood education scholarships** – Partner with FVCC by establishing a scholarship program to attract workers to the field.

- **Promote home-based child care options** – Technical assistance, business planning and financial assistance are ways to encourage home-based child care operations.

- **Identify a facility for child-care centers** – Create a community partnership to identify potential locations for a new facility, fund the costs for upgrades and lease the space to a child care operation.

- **Outreach & Advocacy** – Raise awareness about child care issues and build support for solutions that will improve the child care system.

II. Background

A. STUDY AREA PROFILE

The study area comprises all of Flathead County. This includes the county seat of Kalispell and the two other incorporated municipalities of Whitefish and Columbia Falls. Unincorporated towns include Evergreen, Bigfork, Lakeside, Somers, Olney, Hungry Horse, Coram, Kila, Marion, West Glacier, and Creston. Most of the land area in the county is public land including the Flathead National Forest and Glacier National Park. Along with state parks, Flathead Lake and two ski resorts, the county is a major outdoor recreation destination with corresponding jobs in federal and state government and tourism sectors. Kalispell is also a regional center for health care and education. Logan Health and Flathead Valley Community College are major employers along with a growing manufacturing sector.

With a growing population, it is anticipated that demand for child care services will be increasing over the next five years. According to the U.S. Census, the 2020 population of Flathead County was 105,851 and represented an increase from 90,928 residents in 2010 for an annual growth rate of 1.5%. The estimated population of children from age 0-5 was 6,030 for the year 2021 and is expected to grow to 6,375 by the year 2026. (*Source: ESRI Business Analysis).*

Figure 2:   Map of Flathead County
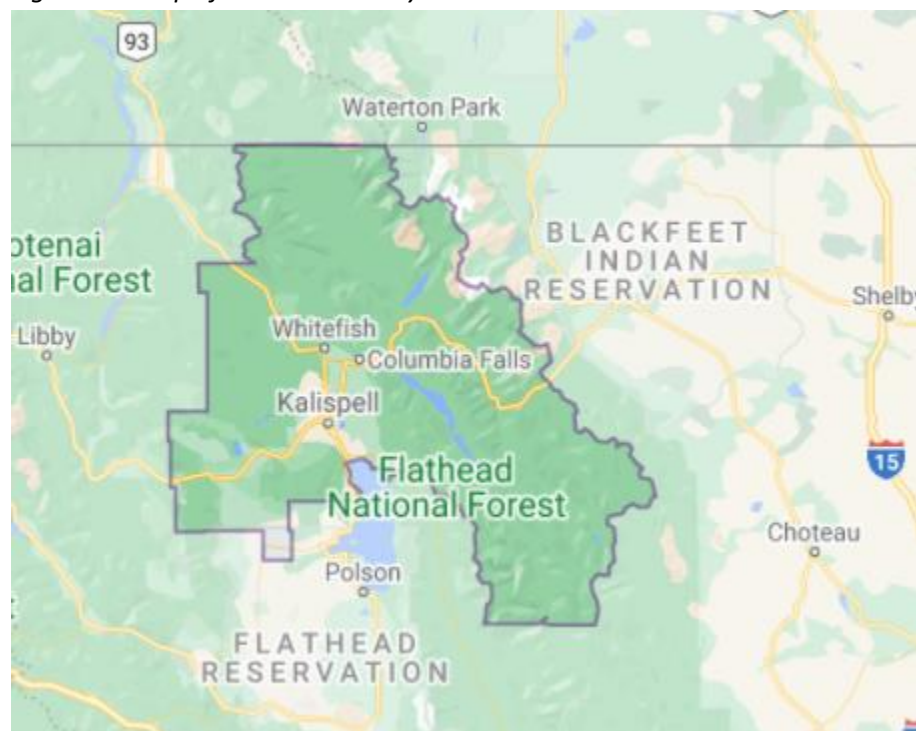
Source: Google Maps

B. CHILD CARE SYSTEM

Montana Department of Health and Human Services (DPPHS) licenses three types of child care providers. According to DPPHS, 41% of licensed providers are group home providers that can have a maximum capacity of 9 to 15 children, depending on the ratio of infants to toddlers.

Figure 3: Child care Statistics – State of Montana Department of Health & Human Services (DPHHS)
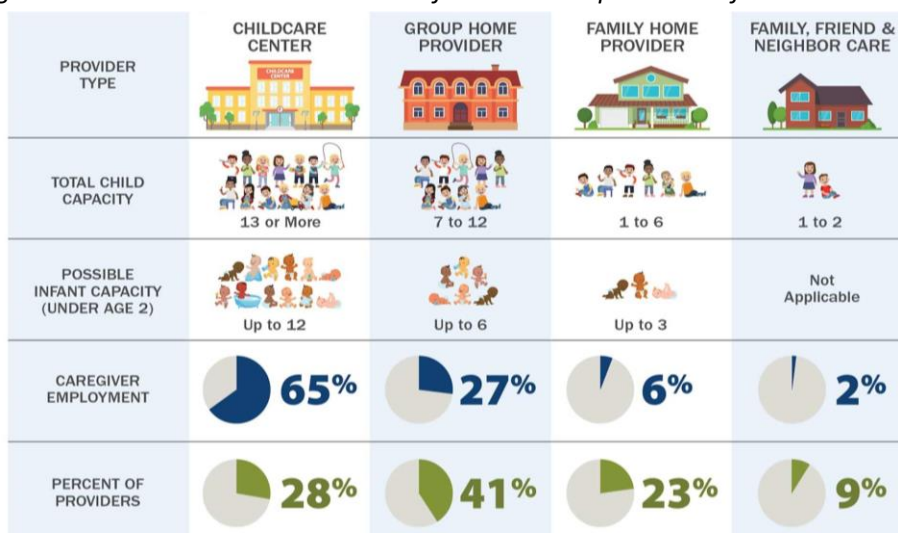
Source: "Enhance – Essential Child Care Needs and Beyond ", 11-19-20
Note: Senate Bill 142 changed the potential capacity for group homes to 15 and for family homes to 8.

Child care centers that can accommodate more than 13 children account for 28% of licensed providers. Statewide, licensed child care space accommodates 39% of children ages 0-5. According DPPHS data, there are 1,665, licensed child care slots in Flathead County accounting for just 28% of children ages 0-5. Child care provided by family, friends, and neighbors, however, is not licensed and is typically underrepresented in the DPHHS data. Additionally, drop-in child care centers are not licensed. Although drop-in centers represent a small percentage of child care providers, they are important for back-up and emergency care. Lack of licensing, however, does raise concerns regarding quality of care.

The DPHHS also offers a "Best Beginnings STARS to Quality Program." This is a voluntary quality rating and improvement system that offers incentives for participation by early childhood programs and early childhood professionals. The program components include workforce development, quality rating and improvement system and support to administer the programs, provide training , coaching, and technical assistance. According to Kids Count data, only 21% of licensed facilities participate in the program.

> *"Quality child care in Flathead Valley is very hard to find. There are not enough facilities to accommodate the needs."*
> *(Survey respondents)*

C. WORKFORCE

According to the Montana Department of Labor and Industry (DOLI), an estimated 6% of the state's labor force relies on a child care arrangement to remain in the labor force. With licensed child care meeting less than half of the demand, it is difficult for some workers to stay at their jobs. Caring for children (or elderly relatives) is the third most common reason for leaving the workforce. According to a DOLI survey, businesses are impacted as follows:

- 57% of businesses in Montana indicated a shortage of affordable child care in their community.
- A majority of businesses indicated that increasing child care access should be a priority (60%).
- 40% of businesses said the shortage was impacting their ability to recruit or retain qualified workers.
- 30% of Montana businesses say inadequate child care has prevented their company from growing.

The Covid pandemic has exacerbated this issue. As indicated in Figure 4, the child care workforce lags other industry sectors in returning to pre-pandemic job levels. Meanwhile, unemployment levels in the Flathead County are currently hovering between 2% to 3%. Low unemployment levels in the county result in fierce competition for workers making it difficult to hire staff for child care centers – especially when child care staff are barely paid above minimum wage.

Figure 4 : Workforce Trends During Pandemic
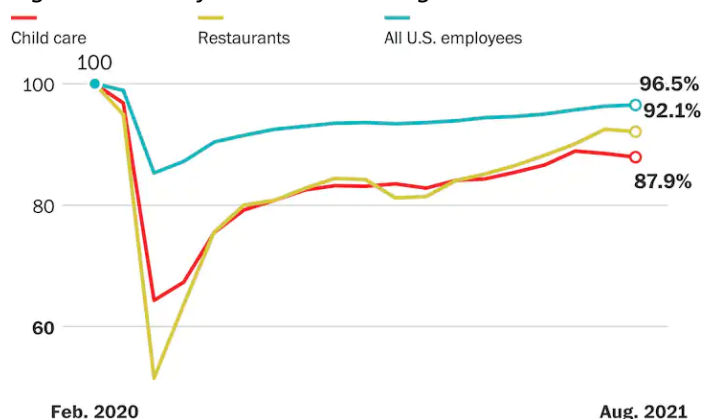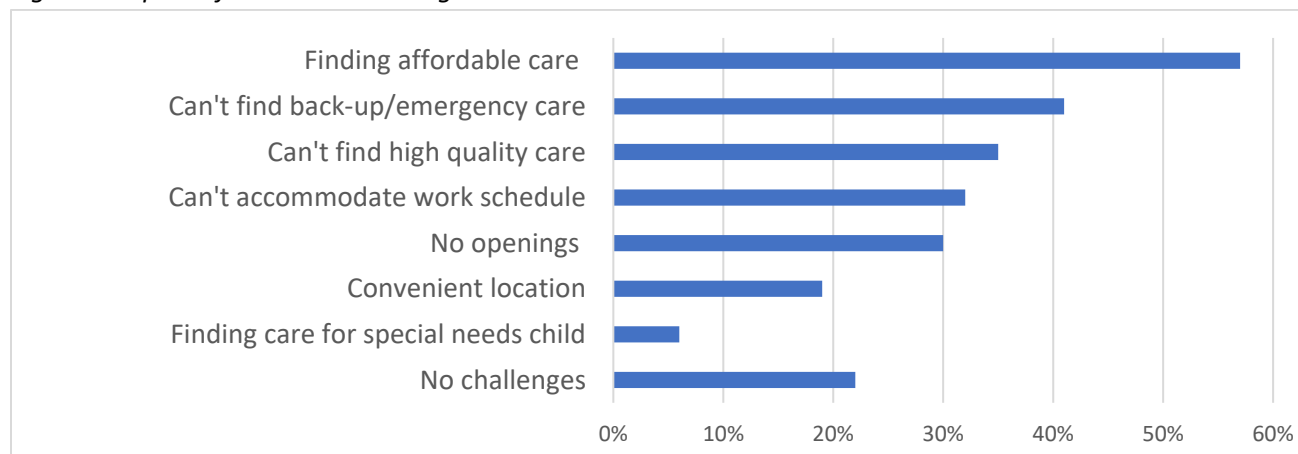
Source: U.S. Bureau of Economic Analysis

From a parents' perspective, almost 80% of families reported challenges in finding child care. Affordable and quality care were among the top concerns along with locating back-up/emergency care.

Figure: Impact of Child Care Shortage on Families

Source: University of Montana, Bureau of Business and Economic Research

D. AFFORDABILITY

The U.S. Department of Health and Human Services defines affordable child care as equivalent to 7% of household income. In Montana, a family would need to make $112,857 to meet the affordability criteria for the average annual cost of child care. Parents pay higher annual costs for infant care (averaging $9,518) than college tuition at Montana State University ($7,770). (*Source: Kids Count*)
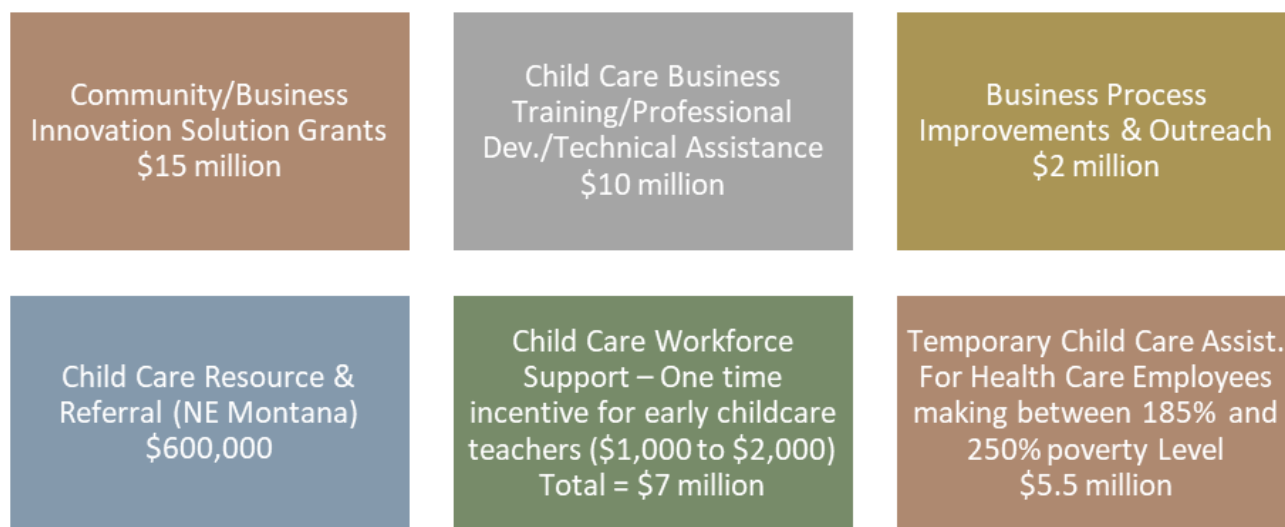
According to the Enhance Montana report, "For families relying on a single parent, or are not as well-paid, the ability to afford child care even under non-pandemic circumstances is even more of a challenge." Families with fewer economic resources are likely to face greater challenges in the child care market which can present a substantial barrier to economic opportunities. The Enhance Montana report indicates that due to lack of child care, parents in low-income households were more likely than high-income households to:

- Decline to pursue further education or training (38% versus 21%)
- Turn down job offers (36% versus 12%)
- Change from full-time to part-time work (24% versus 10%)
- Quit their jobs (26% versus 5%)

E. AMERICAN RESCUE PLAN ACT – CHILD CARE PROGRAMS

The American Rescue Plan Act (ARPA) allocated funding for child care stabilization efforts. As part of its child care stabilization and recovery plan, the state of Montana has prioritized one-time-only funding opportunities with sustainable, long-lasting impacts on Montana's child care system as permitted by federal guidance. Funds have been allocated among six programs.

Figure   :   Montana ARPA Programs for Child Care

Community/Business Innovation Solution Grants $15 million	Child Care Business Training/Professional Dev./Technical Assistance $10 million	Business Process Improvements & Outreach $2 million
Child Care Resource & Referral (NE Montana) $600,000	Child Care Workforce Support – One time incentive for early childcare teachers ($1,000 to $2,000) Total = $7 million	Temporary Child Care Assist. For Health Care Employees making between 185% and 250% poverty Level $5.5 million

Source: https://arpa.mt.gov/Health

III.   Community Surveys

A.   HOUSEHOLD SURVEYS

The household survey was administered on-line in December 2021. The Kalispell Chamber of Commerce and school districts sent invitations to participate in the survey to their email lists. Additionally, Steering Committee members sent notices of the links to their contact lists. There were 429 respondents to the survey with 88% residing in the Kalispell ZIP code and 83% working in the Kalispell area. Households with children ages 5–8 years represented the largest percentage of respondents. Two-thirds of respondents were employed full-time.

Figure 7: % of Households with Children by Age
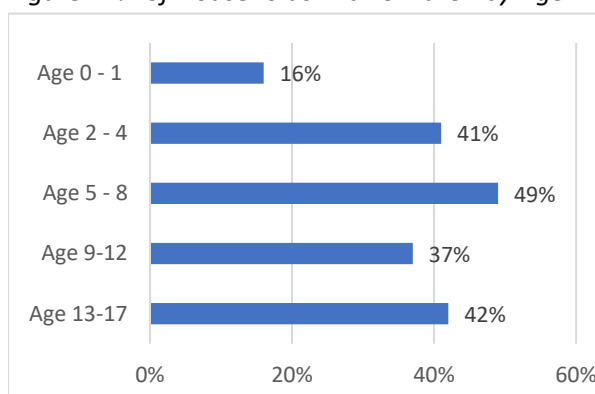
Figure 8: Employment Status
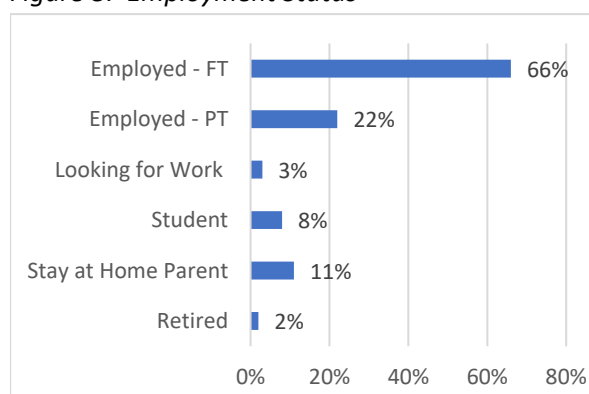
Of those respondents with children of child care age, 58% with children ages 0-4 use child care services and 43% of households with children ages 5-8 are use child care services. Between 25% to 29% of households are looking for child care so they can work or attend classes. This represents potential workers that could enter the labor market if child care were available. Only a small portion of respondents are utilizing the Best Beginnings scholarship program.

Figure 9: Child Care Status for Families with Children Ages 0 – 8
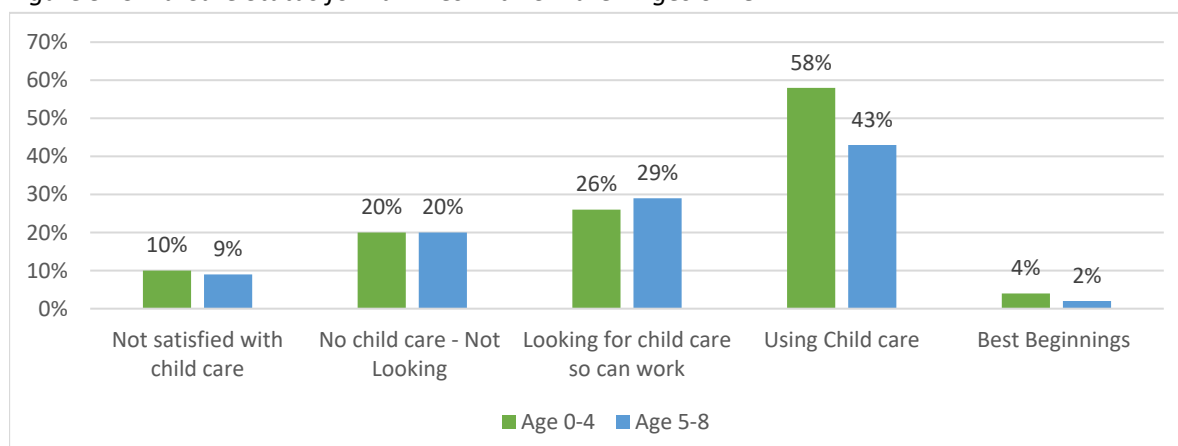
Child care centers were the most common type of arrangement for children ages 0-4 while staying home with a grandparent, family member or friend was the most common arrangement for the 5-8 age group. Family child care homes were another common arrangement for both age groups. About one in five families relied on after school care and pre-schools. Drop-off care was used by about 7% of families.

Figure 10: Current Child Care Arrangements
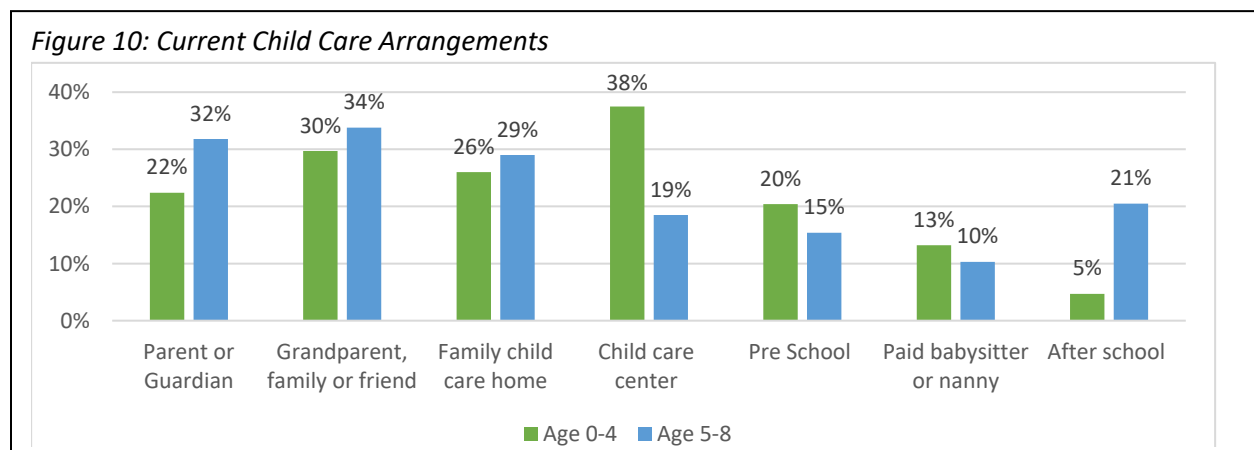
Full-time daytime hours are the most in-demand services for child care for ages 0-4 followed by after school and summer/holiday care for ages 5-8. Toddler through pre-k ages were more in-demand than infant care. Quality of child care and affordability were the top factors in selecting a child care provider.

Table 1: Demand for Child Care Services - % of Respondents Indicating Future Need for Services

	Age 0-4	Age 5-8
Full-time – Daytime hours	55%	32%
Before/after school care	45%	53%
Summer or Holidays	34%	41%
Toddler – Pre-K	50%	25%
Part – time	31%	23%
Child care worker comes to my home	20%	14%
Drop-in Services	14%	16%
Evenings	13%	12%
Weekends	13%	12%
Infant Care	12%	3%
Special Needs	6%	4%

Table 2: Factors for Choosing Child Care Services - % of Respondents Indicating Importance of Factor

Quality of child care facilities and play space	55%
Quality of activities and play space	50%
Affordability	49%
Reliable hours/days of operations (limited closures)	47%
Experience of child care workers	43%
Compliance with health and safety standards	37%
Training/degrees of child care staff	32%
Child care is close to work	13%
Clear rules and procedure	12%

By a large margin, the most common source for locating child services was word of mouth. (79%). Internet searches were the second most popular method (53%) followed by use of social media. (40%)   About a third of respondents also used referrals from The Nurturing Center and schools to locate services. Rates for child care varied depending on age of child and number of days per week that child care is needed. Some general trends include:

- Hourly rate was reported from $12 to $15 dollars. Private nannies get a higher hourly rate around $18. Drop-in care is a lower rate of about $5 per hour.
- Daily rates average around $40 to $50. Some respondents reported rate of $30 per day with a rare low of $20 per day also being reported.
- Monthly rates for full-time, 5-days a week ranged between $850 upwards to $1500. If parents were able to reduce the number of days to four days per week, the rate was reduced to around $750 to $800 per month.
- Infant care was slightly higher than toddler care.

In regard to issues related to child care, households indicated that affordability and finding back-up care were of most concern. The quality and safety of unlicensed drop-in care was also of concern. The survey indicated that difficulty in finding child care restricted respondents' ability to seek work or advance their education. Public funding for child care, tax credits, early childhood education scholarships and increasing access to child care were popular policies to address these issues.

Table 3: Issues with Child Care for Families with Children - % of Respondents Indicating Issues

	Age 0-4	Age 5-8
I cannot afford child care at my current wages (or wage I earned at last job	36%	27%
I have difficulty finding alternative child care when my provider is closed	36%	27%
I am concerned about the safety of drop-in care	34%	27%
I use multiple care options to accommodate my child care needs	30%	29%
Lack of child care restricts ability to work outside home or attend classes	26%	22%
I have a need for daytime child care M-F but have difficulty finding openings	29%	19%
I need child care after 6:00 pm but have difficulty finding care	16%	11%
I need child care before 7:00 am but have difficulty finding care	15%	9%
I have difficulty finding infant care	20%	7%
I have a need for weekend care but have difficulty finding care	13%	10%
Transportation, special needs, and employer on-site care	Below 10% responded	

Table 4: Households Support for Policy Options

Most Popular	Least Popular
• Public funding of early childhood education • Tax credits to offset child care costs • Summer programs for school age children • Increase the number of child care slots • Increase access to early childhood education scholarships • Employer financial subsidies that support child care expenses	• Increase evening and weekend options for child care • On-site child care at my place of work • Improve referral service for child care services • After school care for grades K-5 • Flex time hours at work to accommodate child care needs

B. BUSINESS/EMPLOYER SURVEY

The business survey was administered on-line in October 2021. The chambers of commerce in Kalispell, Whitefish, Columbia Falls, Bigfork and Evergreen sent invitations to participate in the survey to their membership lists. Additionally, Steering Committee members sent notices of the links to their contact lists and there were articles in the local newspapers. There were 197 respondents to the survey with the majority of respondents from the Kalispell ZIP code. About two-thirds had less than 25 employees. The finance/insurance/real estate sector represented 20% of respondents while healthcare/professional represented 18% of respondents. Retail/food service and lodging accounted for 13% of respondents and 12% were from the child care sector.

Figure 11: Respondent ZIP Code

Whitefish
12%
Rest of County
12%
Kalispell
76%

Figure 12: # of Employees

100+
17%
25 to 100
18%
1 to 25
65%
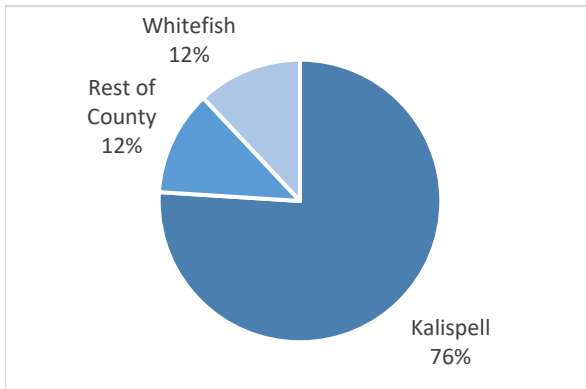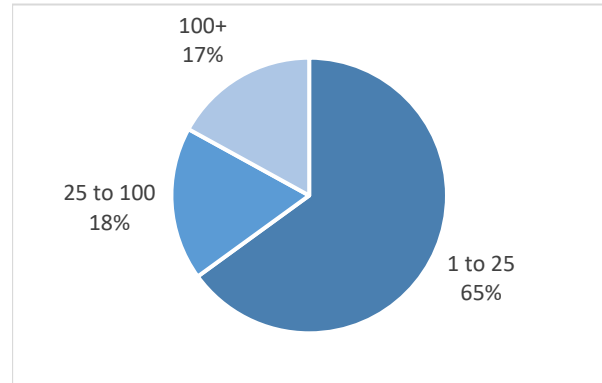
In response to a question describing the business' experience with hiring employees, two-thirds of respondents indicated that over the last two-years it was more difficult to recruit staff. Even with this difficulty, two-thirds of respondents indicated that they anticipate growth in employment at their place of work over the next two years. This indicates that, in the near term, there will be continued high demand for labor along with staffing shortages in the county. This highlights the importance of child care to allow more parents to enter the workforce.

Figure 13: Experience Hiring Employees

More Difficult	66%
Easier	1%
No change	23%
N/A	10%
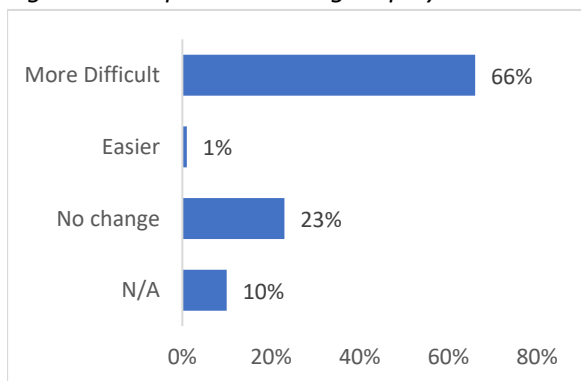
Figure 14: Anticipated Employment Growth

Increase	68%
Decrease	1%
No growth	25%
N/A	6%
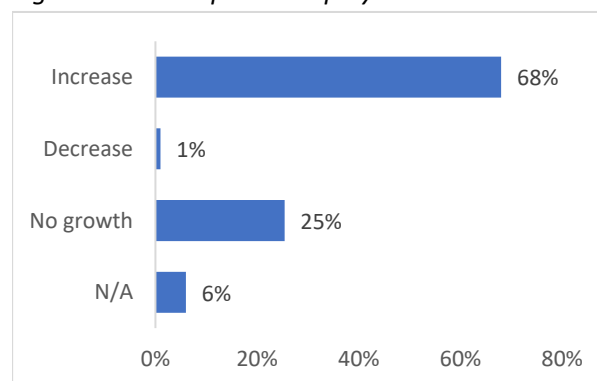
Almost all respondents reported child care related problems. The top issues were employees that left work early, shortage of affordable child care and absenteeism. About of third of businesses report that employees have turned down a job offer or have quit their jobs due to lack of child care. Offering flextime and telework were the two most common strategies for businesses to respond to these issues.

Table 5: % of Businesses Reporting Following Child Care Related Issues

Employees left early due to lack of child care options	70%
Employees report a shortage of "affordable" child care options	66%
Increased absenteeism due to issues with child care. (i.e., lack of back-up car.)	59%
Lack of openings or a waiting list for child care	57%
Lack of child care that can accommodate work schedule	47%
Employees switched from full-time to part-time work due to child care problems	43%
Employees are late due to long commutes between child care services and work	40%
Job applicants have turned down a job offer due to inability to secure child care	36%
Employees have quit their job due to lack of child care options	30%
Employees are less productive at work due to child care related problems	30%
Lack of child care is preventing business from growing	21%
Employees decline training or education due to child care related problems	19%
Applicants accepted another job because of more conveniently located child care	18%

Table 6: % of Businesses Reporting Use of Following Strategies to Addressing Child Care Issues

Offer flextime	54%
Telework or shared work options	43%
Outreach to legislature, state and local officials supporting child care initiatives	12%
Contribute to community initiatives to address child care	12%
Allow child care expenses to be covered by "cafeteria plan"	11%
Provide on-site child care	9%
Subsidize child care costs for employees	9%
Partner with other employers to support new/expanded child care options	4%
Other (bring child to work, higher salaries or benefits, independent contractors, ….)	22%

Table 7: Support for Policy Options

Most Popular	Least Popular
• Referral service for families to get info on providers, tuition scholarships • Insurance pool for child care businesses to provide health care benefits for employees • Employer cooperatives/partnerships to expand child care capacity • Scholarships for early childhood education • Apprenticeships in early childhood education • Grants to remodel space or offset other start-up costs for expanding child care businesses • Outreach to employers on flextime, cafeteria plans and other policies to address child care	• Build space for child care providers to share services, kitchen, and playground • Streamline regulations and licensing requirements for child care • Expand technical assistance to child care centers • Bonuses to child care workers to offset low pay • Expand publicly funded early childhood education programs • Increase income eligibility levels for programs offering reduced child care tuition

IV. FOCUS GROUPS

In addition to community surveys, focus groups were conducted to add an in-depth perspective from businesses, public officials, and civic organizations. Following is a list of focus groups conducted for this study.

- Columbia Falls Chamber of Commerce
- Flathead Valley Community College
- Kalispell Chamber of Commerce
- Best Beginnings
- Whitefish Chamber of Commerce
- Virtual Daytime Focus Group – Open to Community
- Virtual Evening Focus Group – Open to Community

The following graphic depicts the key topics and representative comments from the focus group meetings. The appendix includes a detailed summary.

Expand Child Care

Staffing

Affordability

After School - Backup Care

Business Impacts

Outreach Advocacy

"There are waiting lists over a year to get into child care. You must get on the list as soon as you find out you are pregnant."

"There is a shortage of child care workers. The pay is low, and it is hard for child care centers to compete with other businesses for workers."

"Students must go in debt to pay off student loans for early childhood education degree and then they don't make enough money in the field to pay off the loan."

"The economics of child care do not work. For example, if you raise wages to attract child care workers, then fees must be increased, and this makes it unaffordable for parents."

"Summer care and after-school care is needed for elementary school students."

"Even grandparents are requesting time off or quitting so they can help adult children by taking care of grandchildren."

"Number one issue is finding qualified workers for businesses because potential employees cannot find child care."

"Change perception of child care work to attract more workers to the field."

"There must be a shift in thinking about child care to build support for public funding."
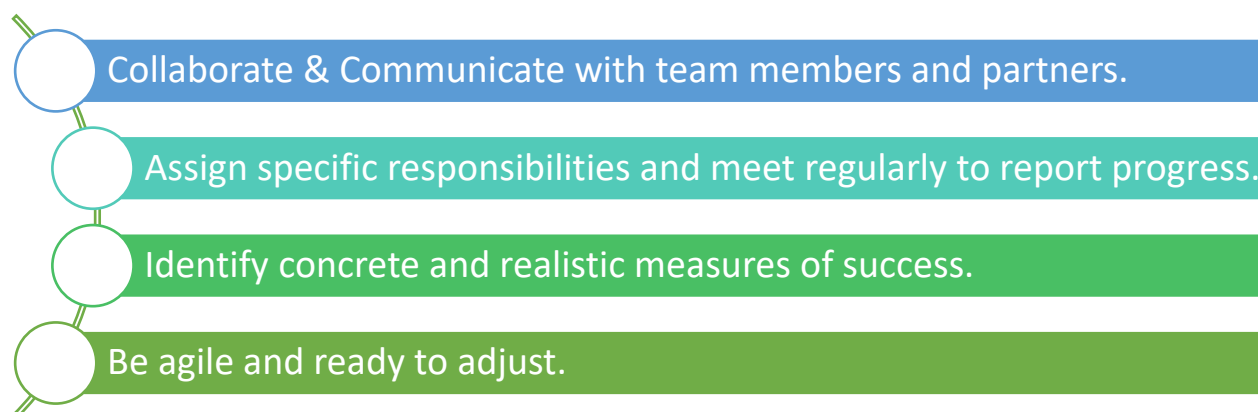
V.   Call to Action

Based on suggestions from the surveys and focus groups, the Steering Committee identified four key priority action items. These priority actions are described in the following pages. They include a general description, financial considerations, next steps, and resources for implementation. The primary responsibility for implementation is the formation of Chamber sub-committees for each priority action. These committees will continue meeting to identify partnerships, secure funding sources, establish timelines, develop program guidelines, and monitor progress.

A key to each action item will be developing community partnerships. Partnerships can create cost efficiencies by pooling resources, sharing costs, and joint programming. Multiple partners can generate a broader base of community support for projects and grant makers are more likely to fund projects that are leveraging community resources from several partners. The Chamber staff and Steering Committee members are experienced in cultivating these partnerships.

Outreach and advocacy are a component of each action item. Due to the importance of raising awareness about the issues and building support for implementation, developing an outreach program is a priority action item. Each sub-committee will be coordinating with the Outreach and Advocacy sub-committee. Likewise, each priority action also calls for monitoring and evaluation. This will help the Chamber measure outcomes and adjust efforts to reflect situational factors and opportunities that develop over time. Researching best practices and involving outside experts can help identify these opportunities and build a foundation for moving forward.

In addition to the priority action items, the focus groups identified other efforts to address the multitude of issues related to child care. While the Chamber may not take the lead on these items, it supports and encourages other organizations in the county that may be pursuing these actions. It is important to continue on-going communication with these organizations to coordinate efforts and identify new opportunities that may arise as new funding and programs are introduced by state and federal agencies. Ultimately, successful outcomes rely on the following principles:

Collaborate & Communicate with team members and partners.

Assign specific responsibilities and meet regularly to report progress.

Identify concrete and realistic measures of success.

Be agile and ready to adjust.

PRIORITY ACTION 1: OUTREACH & ADVOCACY

STATEMENT OF NEED

This report demonstrates that the shortage of affordable child care options in Flathead County results in staffing issues for businesses, lost productivity, lack of school readiness and financial burdens for families. Addressing these issues requires a coordinated approach among many community partners. The purpose of an outreach and advocacy program is to raise awareness about child care issues and build support for solutions that will improve the child care system.

PROJECT DESCRIPTION

Lead/Staffing: Chamber of Commerce to lead effort with assistance from the Child Care Steering Committee. The group will help craft the message and be advocates for solutions. The Chamber may contract with a communications specialist to help develop an outreach strategy and prepare materials.

Target Audience:
- Business Leaders – Provide information about friendly business practices. Solicit funding for community projects. Provide action alerts to contact elected officials.
- Elected Officials – Advocate for supporting funding for child care and other legislative solutions.
- Community – Raise awareness about issues to build support for community projects, conduct fundraising and build a constituency that will contact elected officials.

Outreach Methods:
- Briefing papers – white papers to summarize issues and highlight specific solutions.
- On-line – Social media. E-bulletins. List-serves.
- Presentation – Request time on agenda for community groups and public meetings.
- In-person Meetings – Schedule one-on-one meetings with elected officials.
- Media Campaigns – Press releases to news media. Interviews.
- Action Alerts – Send out alerts to encourage constituents to contact elected officials.
- Child Care Expo –Invite stakeholders to an expo for networking, career fair and technical assistance.
- Best Practices – Compile best practices (e.g., health insurance options for child care workers.)

FINANCIAL CONSIDERATIONS

Most work to be completed in-house or by Chamber volunteers. Work with other local chambers of commerce and community partners to provide in-kind assistance or funding. Some potential costs:

- Communications Professional - $5,000 to $15,000 (depending on scope of work)
- Print/Mailing – $1,000 to $5,000 (depending on communications strategy)

NEXT STEPS

- Appoint Sub-Committee, identify partners & contractual help
- Identify key issues & target groups to be focus of outreach campaign
- Develop messaging & outreach materials
- Develop outreach strategy & timetable
- Build constituency & coalition database
- Organize child care expo
- Launch campaign to increase awareness
- Launch campaigns for advocacy & fundraising
- Monitor efforts & report progress

RESOURCES

Zero to Five Child Care Data & Research Briefs
https://www.zerotofive.org/resources

Montana Non-Profit Association – Advocacy Toolkit
https://www.mtnonprofit.org/wp-content/themes/association-child/docs/Files/Org-Dev/Principles_and_Practices/MNA_Sample_Docs/MNA-Communications-Toolkit.pdf

Social Media Tips for Non-Profits
https://www.nten.org/article/21-social-media-tips-for-nonprofits/

T.E.A.C.H. Early Childhood - National Center: Advocacy Tools
https://www.teachecnationalcenter.org/resources/advocacy-tools/

Health Insurance Options for Small Business
https://www.healthcare.gov/small-businesses/

PRIORITY ACTION 2: EARLY EDUCATION DEGREE-SCHOLARSHIPS

STATEMENT OF NEED

A major obstacle to expanding child care options is difficulty in recruiting early childhood education staff. Child care providers report that they are operating below capacity due to the lack of employees required to meet teacher-to-child ratios. For those students who are interested in the early child care education field, the wages are not competitive with other jobs and often are too low to pay off student loan debt. Scholarships for early childhood education degrees is one way to attract people to field.

PROJECT DESCRIPTION

Partner with Flathead Valley Community College to establish a scholarship fund for workers in early childhood education that covers tuition and supplies costs. Recipients of the scholarship are expected to work for a Flathead County child care provider throughout the duration of the degree program. Typical eligibility requirements may include:

- Currently working in the early education field (family child care, center-based care settings, and pre-school). Applicants must provide documentation confirming their current employment.
- Be enrolled or accepted for enrollment in a full- or part-time in the early childhood program that will result in certification or degree.
- Maintain satisfactory academic progress as established by the college.
- Not be in default on any student loan.

The T.E.A.C.H. Early Childhood National Center is a model program. This non-profit partners with states to support early childhood education including a program for offering scholarships. The program involves a designated state non-profit partner that administers the program on a statewide basis. Scholarship funds are typically distributed as a payment to the college. There is flexibility in how each state can structure a program. Some states require the student to be responsible for a small portion of tuition (10%) or to meet income eligibility requirements. Other programs do not have any income requirements and some even offer a bonus for graduates who remain in the field for the first two years.

Locally, Flathead Valley Community College Foundation has indicated a willingness to administer the scholarship program.   In addition to students enrolled at FVCC, the scholarship could be made available to students that remain in the Flathead and continue working 4-year degree program in early childhood education through on-line courses from University of Montana or Montana State University.   Other strategies include accessing Rapid Retraining funds, recruiting high school students through the "Running Start Program", and coordinating with child care centers that are willing to hire students for practicum experience towards their degrees.

To retain workers once they have graduated, some states also participate in a complementary program to supplement child care worker wages. Another aspect of a successful scholarship program is to work with community partners to recruit students to the early childhood education field.   Such partners may be Montana Job Service, local high school apprenticeship programs, and staffing agencies. Participation in career fairs is another opportunity to recruit students to the program.

FINANICAL CONSIDERATIONS

Cost of tuition/fees at FVCC is approximately $2,500 per semester or $5,000 per academic year. A two-year degree program costs approximately $10,000. It will cost $25,000 annually to offer five scholarships per year. A pilot program for two-years would allow for evaluation of the program to determine if there should be an endowment or some other type of funding source. According to the T.E.A.C.H. website, potential program sponsors/funders include:

- State & Local government funding
- Foundations
- Business sponsors
- Professional organizations
- Grants
- Federal programs (ARPA and others that are currently under consideration)

NEXT STEPS

■ Assess interest from Flathead Valley Community College.

■ Outline critieria & budget for offering scholarships

■ Identify community/funding partners

■ Outreach to build community support

■ Fundraising – Grants

■ Establish administrative policies and procedures

■ Recruit students to apply

■ Evaluate the program after two years and adjust as necessary

RESOURCES & PARTNERS

Flathead Valley Community College Foundation
https://www.fvcc.edu/p/foundation/

Colorado Early Childhood Council Leadership Alliance
https://ecclacolorado.org/wp-content/uploads/2021/12/RQ_TEACH-Scholarship-Matrix_ECCLA_KCE_3.13.19.pdf

Illinois Scholarship Program:
https://www.isac.org/students/during-college/types-of-financial-aid/scholarships/ecace.html

T.E.A.C.H Early Childhood National Center
https://www.teachecnationalcenter.org/

Childcare Services Association
https://www.childcareservices.org/programs/wages/

Montana Job Service
https://montanaworks.gov/

Montana Department of Labor and Industry – Apprenticeship Programs
https://apprenticeship.mt.gov/

Montana American Rescue Plan Act (ARPA) – Rapid Retraining
https://arpa.mt.gov/Economic

PRIORITY ACTION 3: IDENTIFY SPACE FOR CHILD CARE CENTERS

STATEMENT OF NEED

Commercial space for a new child care center must meet licensing requirements for bathrooms, kitchens, outdoor play areas and fire safety codes. Focus group participants indicated that there are limited options to lease or purchase space that meet these requirements. Potential vacant space often requires costly repairs or remodeling before a new facility can be ready to open. A community partnership could identify potential locations for a new facility, fund the costs for upgrades to meet licensing requirements and lease the space to a child care operation. This model reduces the start-up costs for a child care operator while increasing the number of child care options in the community.

PROJECT DESCRIPTION

Based on input from the focus groups and discussions with the Steering Committee, the following initiatives were identified as potential models for increasing child care options in the county.

Option 1: Flathead Valley Community College (FVCC).
FVCC has space at its Early Childhood Education Center that was previously operated as a licensed child care center/learning lab. The space includes four classrooms and has capacity for around 50 children. There are outdoor play areas, bathrooms, and other space that meet licensing requirements. Currently the space is used by other college programs while the College Center is under construction. Once the center is completed, the space will be available. FVCC has expressed interest issuing an Request for Proposal (RFP) to lease the building to an entity to run a child care center. Operation of the center must be coordinated with program needs of the early childhood education degree program. Priority will be given to students and faculty. Examples of RFPs are in the resources section.

Option 2: Business Cooperative – Gateway Mall
The Gateway Community Center is managed by the United Way and houses a variety of non-profit agencies offering services to the community. There is vacant space in the building that has the potential of being remodeled for a child care center. Initial discussions with the United Way indicate a willingness to explore a partnership for remodeling the space and leasing it to a private operator. Major remodeling tasks include

creating an outdoor play area and adding bathrooms. A preliminary architectural report is necessary to develop a cost estimate for specific improvements.

There has been interest in forming a business cooperative to lead this project. Cooperative members would fund initial improvements in exchange for reserving child care slots for their employees. Montana Cooperative Development Center can provide technical assistance to help businesses form a cooperative.

Option 3: Expand and Support Existing Operations

Working with a child-care provider/non-profit to expand existing operations is a cost-effective alternative to increase the number of child care slots in the county. Employers that contribute to community fund may get preferred enrollment status for children of employees. Whitefish Community School expressed interest in expansion but due to the cost of parking lot upgrades it has been unable to proceed. They are looking at other alternatives. Immanuel Lutheran is in the process of developing a child care center with a capacity for 70 children. The center is considering arrangements with local businesses that will allow them to secure spaces for their employees.

Option 4: Request of Interest

Issue a "Request of Interest" (ROI) to identify opportunities for expansion, potential locations for new space and interested community partners. An ROI is a document that is used to assess interest in a project and to gather useful information from potential partners, identify potential child care providers and to refine the project parameters. An ROI typically contains the following elements:

- Describe the opportunity (i.e., seeking interest for partners to form a cooperative to remodel space for leasing of child care center to serve the employees of cooperative members.)

- Project Background – Information on lead organization, summary of issues being addressed, work completed to date, partners, timeline, budget ….

- Submission requirements to respond to requests.

- Incentives/Resources such as funds/grants already committed to project, and other resources

- Review process. List review criteria and next steps in the process to respond to ROI's.

- Other clauses – Confidentiality of submittals and other disclaimers

FINANCIAL CONSIDERATIONS

Cost will vary significantly depending on the amount of remodeling/construction that is necessary to make the space suitable for a child care center. A preliminary site assessment and architectural review (PAR) study or quotes from contactors is needed to determine remodeling costs. Once the improvements are identified, a funding plan can be developed. Potential funding sources include contributions from cooperative members, grants, in-kind contributions, and loans.

NEXT STEPS

- ⬜ Form a sub-committee to meet with representatives from potential locations
- 🟫 Conduct preliminary site assessment for each location
- 🟧 Obtain quotes - cost estimates for remodeling
- 🟧 Issue ROI to find project partners
- 🟧 Meet with MDC about forming a cooperative
- 🟥 Identify funding mechanisms
- 🟥 Recruit providers to lease space

RESOURCES – PARTNERS

Flathead Valley Community College

https://www.fvcc.edu/

Montana Cooperative Development Center

https://www.mcdc.coop/services-2/

Kansas City Community College – RFP for Child Care Provider

https://www.kckcc.edu/files/docs/marketing/childcare-2019-rfp.pdf

Walla Walla Community College RFP for Child Care Provider

https://www.wwcc.edu/CMS/fileadmin/PDF/purchasing/Walla_Walla_Community_College_Childcare_Center_RFP.pdf

United Way – Gateway Community Center

https://www.unitedwaycares.org/center-community-change

PRIORITY ACTION 4: PROMOTE HOME-BASED CHILD CARE

STATEMENT OF NEED

Expanding the number of licensed home-based child care providers can increase access to quality child care. Home-based providers offer a family-like environment and might attract operators seeking an opportunity to stay home with their children while earning income by providing child care. Home-based care has the flexibility of operating in a residential area and has lower start-up costs than commercial space.

Individuals providing home-based child care must be licensed by the state if they are caring for more than two children-not their own. Montana has two types of registrations/ licenses for home-based child care.
   • Registered Family Child Care Homes – one adult providing care for up to eight children
   • Registered Group Child Care Homes – two adults providing care for up to fifteen children

Often these licensing requirements can be difficult to navigate. Additionally, start-up costs to equip and furnish a home for a child care operation can be an obstacle to those interested in pursuing this type of business. Once the business is operational, profit margins are low and unexpected expenses can be difficult for home-based child care businesses to absorb. Technical assistance, business planning and financial assistance with start-up costs are ways to encourage home-based child care operations.

PROJECT DESCRIPTION

Montana Department of Health and Human (DPHHS) services is responsible for licensing child care. Currently, DPHHS is undertaking an effort to streamline licensing procedures. The State has also designated ARPA one-time funds for training and technical assistance. Locally, The Nurturing Center is a non-profit agency that works with the state to provide professional development and resources for child care providers. It also offers an on-line guide to help parents locate licensed child care services.

In addition to the state initiatives, a local grants program for home-based child care that supplements state programs may encourage more people to consider becoming providers. Since The Nurturing Center already offers services to home-based providers, they are a potential partner for administering the local grants. A community fund with contributions from local businesses is a potential funding source.

FINANICAL CONSIDERATIONS

The cost of the program depends on the size of the grants and the duration of the program. For example, a campaign to raise $50,000 for a local grant program could offer 10 grants of $5,000 apiece and result in five grants per year over a two-year period. After two years the program would be evaluated to determine if there is a demand for additional funds or adjustments to the program. Types of grants may include:

Option 1: Start-up Grant - Start-up costs include remodeling, equipment, license and business fees, insurance, and other costs to cover the initial cost of operations. In the past, DPHHS offered a $3,500 start-up grant. The state has designated part of the American Rescue Plan Act (ARPA) funds for the purpose of **"**Support & Assistance Projects for Communities & Child Care Businesses" and "Innovation and Start-up Grants." Once the ARPA funds are disbursed, the state would have to authorize additional funding for the program as part of the bi-annual budget process. A local start-up grant would supplement the state grant.

Option 2: Incentive Grants - The Best Beginnings STARS to Quality Program (STARS) is a Quality Rating Improvement System (QRIS) for early childhood programs and early childhood professionals. The program is intended to raise the quality of child care. Providers in the STARS program receive scholarships for workforce training and receive quarterly incentive payments ($675 for a family home and $875 for a group home child care.) Even with these incentives, however, only a small portion of providers participate in the program. A local grant could match these incentives to encourage more providers to participate.

Option 3: Emergency Grants - At the outset of the pandemic, many child care providers experienced a loss of revenue due to the inability to accept children during the lock-down or closure due to a positive covid test by the staff or a child. Emergencies such as these can put an operation in financial jeopardy. While initial Cares Act funds for economic stabilization were directed toward child care providers and allowed operations to remain in business, these funds are no longer available. Part of a community fund could be allocated for emergency grants to help licensed home-based child care centers meet unexpected costs or staff shortages,

Option 4: Fee Reimbursements - For-profit businesses such as My Village or Wonder School provide curriculum support and training for home-based child care facilities. The fees to participate in these programs, however, may result in higher tuition and would create unaffordable costs for parents. Some businesses in the state have explored a partnership with home-based providers to pay fees from a "My Village" type of model in exchange for reserving spots for their employees.

Option 5: Business Networking, Training and Support - The Chamber can recruit child care centers and offer business networking and support. The community fund can cover cost of Flathead Valley Community College classes on business planning and operations. A child care expo would allow networking and mentoring opportunities.

Option 6: Produce a Community Home -Based Child Care Expo - The Chamber can produce a one-stop-shop expo to connect potential operators state and local resources to start a home child care operation.

NEXT STEPS

- ■ Sub-committee to explore the establishment of a community fund
- ■ Monitor state ARPA programs and other federal initiatives for funding
- ■ Discussions with The Nurturing Center to determine potential partnerships
- ■ Determine how best to complement state funding with a local grant program
- ■ Develop grant program guidelines
- ■ Outreach and events to attract new home-based child care businesses
- ■ Evaluate program and make adjustments

RESOURCES - PARNTERS

The Nurturing Center - Kalispell
https://nurturingcenter.org/providers-2/

Montana Early Childhood Project (Workforce Development & STARS implementation)
https://www.mtecp.org/

Montana Department of Health and Human Services
https://dphhs.mt.gov/ecfsd/childcare/Index
https://dphhs.mt.gov/ecfsd/childcare/childcarelicensing/resourceshttps://dphhs.mt.gov/ecfsd/childcare/stars/STARSProvidersandPrograms

Home-Based Child-Care Tool Kit
https://www.raisemt.org/home-based-child-care

My Village
https://www.myvillage.com/

Wonder School
https://corp.wonderschool.com/

Appendix A: Resources

Reports

 Montana Department of Labor and Industry, "Impacts of Child Care on the Montana Workforce Results from a Survey of Montana Businesses", Nov. 2020   http://lmi.mt.gov/Portals/193/Publications/LMI-Pubs/Special%20Reports%20and%20Studies/ChildcareReport2020.pdf

Enhance – "Essential Child Care Needs and Beyond," November 19, 2020 https://www.enhancemt.org/survey-results-summary.html

University of Montana, Bureau of Business and Economic Research, Lost Possibilities: The Impacts of Inadequate Child Care on Montana's Families, Employers and Economy, Sept. 2020 http://www.bber.umt.edu/pubs/Health/ChildCare2020.pdf

Economic Policy Institute, "Child Care Cost in the United States, *Last updated October 2020* https://www.epi.org/child-care-costs-in-the-united-states/#/MT

Montana Kids Count, "Child Care in Montana," Kids Count Montana (montanakidscount.org), 2021

Funding Sources

Montana Department of Public Health and Human Services – American Rescue Plan Act (ARPA) Child Care Grants https://dphhs.mt.gov/ARPA/Childcare/index

The Provider Financial Assistance Program (PFAP) - Administered by the Child Care Resource & Referral agency. Program funds can be used for Start-up, Infant Toddler Expansion, and Emergencies. 2021-Provider-Financial-Assistance-Program-Fillable-application-1.0.pdf (familyconnectionsmt.org)

Small Business Administration (SBA) Loans – An SBA small business loan is guaranteed and has rates and fees that are comparable to non-guaranteed loans. Loans can be applied for through local banks. https://www.sba.gov/offices/district/mt/helena

Grants – Foundations offer grants to non-profit entities. Montana State University has a website to help identify funding opportunities. http://msucommunityresources.org/GrantOpportunities.html

CDBG Public Facilities & Planning Grants – The Montana Department of Commerce has an annual grant cycle for a public facilities and planning grants. A child care center is a project that can be funded by the grant. To be eligible for the grant, 51% of the enrollment must be low-moderate income households. A government entity, such as the City or County, would be required to apply for the grant behalf of a non-profit entity.   https://comdev.mt.gov/Programs/CDBG

USDA Rural Development – Public facility grants covers planning/preliminary architectural costs. Must be related to job creation. www.rd.usda.gov/mt

Employer Contributions –Monetary contributions from employers could offset construction costs. Such contributions could be linked to having representation on the board or guarantees that a certain number of child care spots are reserved for employees of the partner organization.

In-kind contributions – Parent members may be able to offset some of the construction costs by doing some work on their own and hiring contractors for more complex tasks such as plumbing, carpentry, kitchen, and bathroom constructions. Local building supply stores may be willing to donate materials.

Other – Local economic development agencies have a variety of programs such as gap financing and low-interest loans.

Referral & Other Resources for Families

Montana Department of Health and Human Services – Early Childhood Services Bureau
https://dphhs.mt.gov/ecfsd/childcare/Index

The Nurturing Center
https://nurturingcenter.org/

Early Childhood Coalition of Flathead Valley
https://earlychildhoodflatheadvalley.org/

Montana 211
https://montana211.org/index.php

Northwest Montana United Way
https://www.unitedwaycares.org/community-impact-agencies

Flathead City-County Health Department
https://www.flatheadhealth.org/wic/

Funders For Montana's Children
https://fundersformontanaschildren.org/

Zero-to-Five Montana
https://www.zerotofive.org/

Appendix B: Focus Group Summary

1. **Expand Child Care Services – Early Childcare Education**

Issue	Strategies – Resources
Shortage of child care providers – long waiting lists.	• Form parent or employer cooperative to provide more space • Identify potential child care space for lease
Lack of child care in evenings and weekends.	• Parents sharing child care duties • Expand existing child care to weekend hours
Shortage of infant care. Up to two-year wait list.	• Provide on-site infant care only • Work with Head Start to get grant for early head start programs • Identify potential sites for infant care
Lack of space to locate a child care operation	• Check with FVCC to determine if the vacant Early Childhood Development Center can be leased to a private operator. • Identify potential space and solicit providers to lease (e.g., churches, commercial space ..)
High cost to lease, remodel or build space to accommodate a new child care operation	• Form employer cooperative to remodel/build space and lease to a private operator • DPHHS grants/funding for child care start-ups • Montana Cooperative Development Center for technical Assistance to form co-op • ARPA Community Innovation grants • Set up community fund to offset start-up costs
Lack of space for child care centers in commercial areas with affordable leases	• Potential space in Gateway Community Center if convert portion of parking lot into fenced playground area with rubber playground surface. • Create child care hubs/shared service models in vacant commercial space (K-mart?) Lease space in hub to child-oriented businesses. • Zero-to-Five for case studies of child care hubs
Lack of interest or difficulties in starting home child care	• https://www.myvillage.com/ • ARPA funds for technical assistance • Nurturing Center provides technical assistance • Mentoring/networking programs
Lack of quality early childhood education results in children not being kindergarten ready	• Public funded pre-k • DPHHS STARS program – Encourage more centers to participate • Expand classrooms for head-start programs

2. **Child Care Staffing**

Issue	Comments
Existing child care centers operating at below capacity due to lack of child care staff.	• Job service apprenticeships for child care • High school work -study • Legislation increases child-to-adult ratios
Child care worker wages are low and not competitive with other fields	• Increase child care wages to $15/$20 per hour • See "Direct Care Wage Initiative" for senior care as a model to increase wages.
Child care centers must close when staffing or absences result in adequate ratios.	Substitute pool with certified child care workers to fill in. (Family Connections in Great Falls is an example.)
Lack of interest in Early Childhood Education degrees due to low wages in field and student loan debt	• Training funds from DPHHS & Dept. of Labor • Federal Investment Opportunity Act can pay tuition • ARPA one-time child care worker incentive • Job Service & FVCC are developing certification programs • Work with LC staffing & Job service to develop recruiting programs/materials for child care workers
Once workers get 2-year early childhood education degree they go on for 4-year degree to get higher paying job at school district versus remaining in childcare	• Offer incentives to work in early childhood education • Establish community scholarship to supplement other training programs or pay student loans • Montana Community Foundation to help set up scholarship fund. Banks can help collect funds.
Lack of benefits for child care workers	• Insurance pool among businesses to offer health care benefits for child care workers • MT program for health benefits for health care workers can be model for child care • Allow early childhood centers opt-in to school health care programs • Other benefits – vacation, gym memberships. …
Parents recruit child care workers to be full-time nannies at higher pay	
Overall workforce shortage in Flathead County makes it difficult to find staff	Establish program similar to AmeriCorps except for child care Offer longevity bonuses for child care workers Make recruiting bonuses for child care workers tax free
Child care workers that have own children at center are often distracted and reduces revenue	

3. Affordability

Issue	Comments
Child care is not affordable. Costs more than college tuition.	• Public funded child care • Parents volunteer at child care center to off-set costs (Maintenance, office, …)
Low wages in food/lodging/retail are not enough to cover child care costs	• Employers subsidize costs of child care • Provide vouchers to parents for child care
Child care business model does not work. It is not profitable. If centers raise wages to recruit staff, must raise fees for parents and becomes more unaffordable for parents.	• Subsidize operating costs for centers. • Public funded child care • Establish additional revenue streams by renting space on weekends to use kitchen, play area for parties, providers who are willing to provide weekend care …..
Employees leaving workforce and staying home because can't afford child care.	13% of businesses offer dependent care assistance
Best Beginning Scholarships are not being fully used.	• Permanently raise eligibility limits • Reduce barriers such as requirements for court filed parenting plan
Parents must pay monthly flat rate fee for child care even if they don't use it every day	Malmstrom AFB in Great Falls has app to sublet child care slots
Combination of health care costs/child care costs is financially unfeasible for both parents to work	• Subsidize costs through work cafeteria plans • Proposed federal program would cap child care cost at 7% of income
Costly liability insurance for child care centers	

4. Back-up Care/Drop-In Care/After School/Summer

Issue	Comments
No back-up/emergency care options if the child care provider is closed due to illness.	• Co-work space with on-site child care (Little Wind, Tiny Co-work, Second Home..)
Lack of drop-care options	• The Summit has drop-in care for 3-hours for members • Drop-in care near Blue Cow car wash
Lack of options for after school care and summer care. Results in unsupervised latch key children .	• Support/expand existing programs (i.e., Boys & Girls Club, Whitefish Park District, The Wave Summer Camp, Kalispell Park District, Stillwater School ….) • Coordinate with school district, libraries, or other community partners to provide services
Transportation for afterschool care and extracurricular activities is an issue	Whitefish School District provides busing to Park & Rec afterschool program

Drop-in care that is not licensed is often low quality and does not provide early childhood development programs.	Provide incentives to upgrade facilities & services
Difficult to find child care for special needs child	

5. **Child Care Impact on Businesses**

Issue	Comments
More employees are requesting part-time or flex time due to lack of child care options.	- Offer tele-work & flextime options - Educate businesses on remote work resources - Adjust work schedules to accommodate child care arrangements 13% of Montana businesses offering paid parental leave
Employees/students leave early, take days off or bring children to work due to lack of child care. Grandparents are requesting reduced hours to help care for grandchildren.	- See strategies for expanding child care - See strategies for flextime
Employers must hire additional staff to cover shifts when they offer flextime or part-time. This is difficult due to labor force shortage.	Cross train of employees to cover shifts of workers who are absent due to child care.
Potential employees have turned down job offers due to inability to secure child care.	- Businesses pay fee to reserve child care slots for employees & use as recruiting incentive - Refer employees to Nurturing Center for referrals to licensed care and other resources - Business contributes to local fund to address child care needs
Difficult to hire for weekend/evening shifts due to lack of child care.	- Allow employees to bring older children to work during off hours on weekend. Provide informal space (i.e., conference room for children to use while parents' work.) - Offer job-share options for employees with children - Lease existing child care space to weekend operators
Less than 1% of businesses in Montana offer on-site child care operations for employees	- Business can lease space to private child care operators - Logan Health & Columbia Falls School District offer child care on-site. - The Wave in Whitefish has child care center for members
Hospital has 12-hour shifts and child care centers not open during these hours	Logan Health in Whitefish evaluated on-site child care, but it was not economical

6. **Outreach/Advocacy/Regulation**

Issue	Comments
Zoning requirements for parking lots at child care centers are costly	Review zoning requirements for parking and conditional uses
Requirements for outdoor play space and sprinklers limit options for locating child care centers at a business or in a commercial center.	ARPA funds allocated for reviewing regulations
Barriers for family home child care to meet state requirements. (i.e., Space requirements, can't use food from garden …..)	
Do not streamline regulations if they result in unsafe conditions. (i.e., keep background checks…)	
Different licensing requirements for child care and schools make it difficult to share space	
Change perception so child care is part of business infrastructure that is needed for economic development. Should receive public support.	• Contact legislators and other public officials • Share report with local legislators • Continue community conversation beyond study
New federal programs would have increased regulations for child care providers	Establish local fund to subsidize cost that has more flexibility.
ARPA Funds are one-time expenditures	Provide on-going funding
Community Foundation funds not available to non-profit child care	Involve non-profits and foundations in child care discussion
Difficulty finding resources and technical assistance for child care	Create comprehensive local resource guide

Appendix C: Licensed Child Care Providers in Flathead County

Kalispell, MT
Arlene Brash / Grow & Bloom Childcare
Big Sky Country Preschool & Infant Care
Denise W Brewer
Discovery Development Center
Emily Gonsalves / Creative Hands
Fawna Martin / Little Tracks Day Care
Firefly Children's Center
Ginger Hoskinson-Lannaghan
Greta Jurmu / The Birds Nest
Hannah Jo Owens/Light of Life Childcare
Harmony Boudreaux / Treeschool
Heather Christina Dougherty
Heidi J Kincel / A Place to Grow
Jennifer Losing
Jill Sharon Smith / Twinkle Star Daycare
Jody Pierce / Country Kids Childcare
Kathleen L Barlow / Kastle Kids
Logan Health Kid Kare
Logan Health Kid Kare Infant Center
Lesley Hawbaker / Laugh and Learn DC
Little Dreamers Child Care
Lori Riley /New Frontier Learning Center
Marge Berland / Hakuna Matata
Martinez / Glacier Montessori
Melissa Roberts/ Agape Childcare
Melissa Hunt / Natural Beginnings

Melissa L Silva/Lil Happy Feet Daycare
Mindy Warner / Krayola Kids Child Care
Misty Lynn Probert
Misty Minnehan / Busy Bodies Day Care
Peggy Erdmann / Funny Farm Day Care
Saint Matthew's Pre-K Academy
Sarah Turman/Lil Jelly Belly's Childcare
Shaine McMahon / The Birds Nest Pre-K
Shannon Johnson / Aunties Place
Smith Memorial Day Care
Snuggly Bugs LLC
Teresa D Smith / Step By Step
The Birds Nest Nursery
The Birds Nest Playschool
Tina Grande / Tina's Tiny Tots Day Care
Trinity Lutheran Child Care Center
Woodland Montessori School

Columbia Falls

Honey Bear Montessori LLC
Kerry Reikofski-Rhine / Aunties
Madderom / Outside Kids
Maleah Marie McQuade
Nature Kids Child Care Center
Outside Kids
Shannon Longfield / Noah's Ark
Shannon Williams / Just for Kids

Whitefish

Abby Wendt / Abby's Little Angels
Camas Day School, Inc.
Childrens House Montessori
Growing In God's Love Childcare

| Rainbow's End Preschool & Day Care |
| Whitefish Community School/Johnna Knoerr |

Bigfork

| Cari Galbraith / Spots For Tots, LLC |
| Rachel Ann Hamilton / Bigfork Vikings |
| Victoria Pauley / Yellow Bridge Road |

Lakeside

| Kidz In Motion Child Care / Cathy Nash |
| Lisa Perrin / Pinewoods Childcare |

Source:
https://dphhs.mt.gov/ecfsd/childcare/childcarelicensing/providersearch