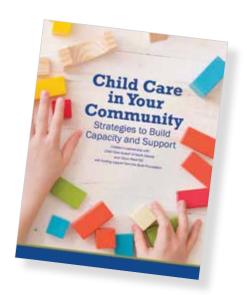




# Starting a Child Care in Your Community

Child Care Aware® of North Dakota and Vision West ND developed this guide to help you make informed decisions when starting child care in your community.

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# Child Care In Your Community

Child care is an important component of community infrastructure, but it can be a challenge to successfully operate a child care facility in North Dakota.

The increase in demand for child care makes it difficult to meet the needs of young families arriving in the state. While the basics of child care were generally well served by child care providers prior to the energy industry expansion, even then there were challenges in meeting the specific needs of infant care, shift workers, families with multiple children, children who are ill, or when the public schools are closed.

Populations in North Dakota communities are projected to show increases of up to 25% by 2025. Some western cities are projected to see population increases of 30% to 137%. A study conducted by Dr. Richard Rathge, then at NDSU, recommended North Dakota create child care space for 21,000 more children by 2025 or nearly 1600 spaces per year. This would mean an increase of nearly a thousand new family/ group facilities.

Along with housing and infrastructure, the lack of child care availability consistently ranked as one of the top three topics brought forward at every one of Vision West ND's 23 local planning meetings. When community leaders and volunteers were asked: "What is affecting the quality of life in your community?" A consistent top response was Child Care. The lack of child care services is a workforce issue, a social issue, a family issue, and a community issue, not only in western North Dakota, but throughout the entire state.

The intent of this publication is for use by community leaders and potential and existing child care providers in the energy-producing counties of western North Dakota. However, communities from throughout the state are encouraged to use and benefit from this resource.

We encourage community leaders and people exploring child care to contact Vision West ND and Child Care Aware ND to have questions answered and receive guidance regarding the various child care facility models showcased in this toolkit.



 Awareness Assessment

 Buildings Bank of community needs



- Cooperative child care
- Capital
- City regulations and ordinances



- Employee benefits
- Expansion funds
- Economic Development **Funds**



 Food service Fund raisers

Benefactor

of North

Dakota

- Flex Pace loans
- Food Program: CACFP
- First aid and CPR training



- Grants Grant writers
- Human Resources
- High School trade courses



Interest buy down

 Incentives to keep staff coming to work



 Knowledge & support from Child Care® Aware of ND



- Lease to operator
- Laundry services
- Licensed & legal



- ND Association of Rural Electric Cooperatives
- ND Small Business Development Centers



- Occupancy free
- Overages
- Ordinance <u>adj</u>ustme<u>nts</u>



- Property tax reduction/ forgiveness
- PACE funding



 Qualified work force Quality rating

and improvement

- Remodeling
- Relicensing incentives
- Right size for



- Subsidizing slots
- Seed funding
- Sales tax
- School support and space



Time to adequately plan and prepare



- Utilities provided
- USDA Rural Development



Volunteers



- scholarships
- Workplace sites



- X marks the spot on:
- Contracts
- Policies
- Lease agreements
- Licensing documents





- Zero dollar lease
- Zoning
- Zest for community advancement and vitality



## Strategies to Build Capacity and Support for Child Care

Child Care Aware can provide technical assistance in a variety of formats that best meets the needs of your community. Coaches are available to facilitate community meetings, assist in developing and conducting needs assessments, support the community in facility planning, program management, staff recruitment and training. Consultants assist interested individuals discern the operation of a child care business and offer support to newly licensed programs through a menu of topics that will help build a successful program.

> www.ndchildcare.org 800-997-8515 (press 3)

## Child Care Models

Child care programs fall into three main categories: family, group and center. Business models for ownership and management can vary based on the resources available within a community. Here are some models to consider for your community:

#### Private/Public Ownership

The child care is fully owned and operated by an individual, partners or an employer.

#### Non-Profit Run by a Board of Directors

The child care has a 501c3 non-profit status and is governed by a board of directors.

#### Public School Partnership

The school district owns the property, but the actual child care program is run by a private owner with potential access to school resources (food service, busing, gym space, specialists, etc.).

#### Cooperative

Non-profit employer-assisted parent cooperative that is owned and run jointly by its members who share in the benefits of child care.

## Hospital/Care Facility Partnership

A health facility owned property that is run by a private owner with potential access to hospital or long-term care resources (food service, janitorial service and products, etc.).

#### City Owned

A political subdivision purchases/owns the building and property and gets a person to run it. The operator may run it as a private business or may be on the payroll of the city or county.



## Successes and Challenges

No two child care programs are the same. However, many child care programs across North Dakota face similar challenges, are rewarded by successes, and learn from both. Here are some examples from a survey of providers:

#### **Keys to Success**

- · Good training for staff
- Developmentally appropriate curriculum and programming for children
- Board members who are not afraid to get involved and help when needed
- Community support and engagement get to know your community and invite the community to get to know your child care facility
- Staff and a director who are personable and professional
- Good communication with parents
- The ability to address the varied social, emotional, and physical needs of children

#### Challenges We Face

- Hiring and retaining staff a program needs to be a good place to work at and work for
- Knowing you need to raise staff salaries, but don't have the cash flow to do so
- Working with parents who may not understand child care
- Scheduling staff to meet ratio requirements and cover time-off/sick day needs of staff
- Staff meetings they are necessary, but can be difficult
- Realizing that a child care program needs to work with both children AND adults
- Resolving the dilemma between hiring more staff or paying overtime
- Staying up-to-date on changes in state rules and regulations
- Having transportation options for children
- A board that sets policies without determining if it is appropriate for a child care facility
- The need to expand, but not having the space or money to do so

#### What We Wish We'd Known

Past experiences can be a great teacher. Here are some things that child care start up leaders wish they would have known when starting their project.

- You need to do your homework before starting a child care business
- Partnerships, both private and public, are very important
- It is important to know and understand all the state rules and regulations of child care
- Required staff training and director certification takes longer than you think it will
- Not all children are the same some have special social, emotional and physical needs that you need to plan for and accommodate
- A child care business is very labor intensive
- Work ethic and compassion will vary among staff members. Communicating expectations and the values of your program needs to be part of staff training
- Being the director of a program is a big job
- Written policies and a transition plan are needed to accommodate staff/director changes
- Parents are challenging staff needs training on how to care for children as well as how to best interact with parents.
- Having or not having child care options available impacts the community
- A child care business may not be as profitable as anticipated



# **Understanding Financing Options**

Don't let your good ideas for a child care facility go by the wayside because of inadequate initial funding. It is important to begin with enough money to cover startup costs and operational costs for 60-90 days, as it is unlikely the facility will have full enrollment when the doors open for business.

There are many sources of funding for child care businesses. There are sources for loans and grants through commercial banks, government agencies, private sources, corporations, and grant programs.

#### Lending

A primary loan is the first loan recorded on a piece of property or business. Secondary loans are any subsequent loan taken on the same property or business. If a foreclosure or bankruptcy should occur, the primary loan has the first claim on the sale proceeds of the property/business.

**Primary**- locally based, familiar with local market and can make decisions quickly. More flexible. Low closing costs because they do all the loan paperwork in-house.

**Secondary**- large businesses/banks. Strict guidelines. Features fixed rates and has down payment options. Have to have escrow account, private mortgage insurance, and there are closing costs.

Primary lenders keep loans as part of their portfolio and service them for the life of the loan. These are typically community or locally-owned banks/institutions. Often require 10-20 percent down payment. Primary lenders can be large banks, but these banks typically sell the loan to secondary lenders.

Secondary lenders buy mortgages from larger regional and national banks. They can often apply through federal loan programs. Down payment requirements usually aren't as high, but there are very strict insurance, escrow, and closing cost regulations.

#### **Grants**

**Match-** a requirement for the said entity to raise \$X before getting the grant. The basic principal here is that people who have something invested will care more. Additionally, it tests if the community will support it. There are two different kind of match- hard and soft. Hard match is any actual money that is donated/given to the agency to get to the number they are supposed to match. The other kind of match is soft. This is anything else that would be donated- things, services, and time. These things are harder to put a monetary value on, but they can be just as good. Soft match is often called in-kind match.

#### Other Options

There may be times when multiple funding streams are needed to fully finance a project. Some options to consider beyond bank and grant funding include:

**Major Donor-** An individual or business provides a major financial gift for the start-up and/or maintenance of a child care program.

**Tax Exceptions**- A city or county provides property tax exceptions for the child care property.

**No-Cost or Low-Cost Utilities**- Utilities such as water, electricity, sewer or other services are provided at little or no cost which in turn improves cash flow for the child care business.

**Fund-Raising Campaign** - Solicit funds for start-up or on-going operations through one-time or annual fund raisers.

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## Volunteers and Board Members

People who volunteer their time and energy to a child care facility can make a difference in children's lives. Facilities that rely on volunteers to assist with tasks such as playtime, administrative and clerical work, and maintenance tasks must take proactive measures to ensure the safety and well-being of the children under volunteer care.

Check with your licenser to review the rules and regulations if you plan to use volunteers in a licensed child care program.

## Volunteer Liability

You can limit the liability of your organization and its volunteers if you follow these guidelines:

- Treat volunteers like you would treat paid staff by developing volunteer position descriptions, using and carefully screening volunteer applications, and training and closely supervising any volunteers.
- Promptly investigate and respond to any complaints or concerns regarding a volunteer's actions.
- Secure insurance protection for your volunteers, as well as make sure some has been secured for any staff paid to conduct the program.

#### **Guidelines for Board Members**

Because state and federal laws give unpaid workers an uncertain level of protection, it is best to take precautions when you volunteer in your community.

- · Avoid conflict of interest
- Educate yourself about how the organization operates.
- Examine internal controls to ensure staff people handle business in a consistent manner to minimize any opportunity to misappropriate funds.
- Examine the organization's bylaws.
- Understand responsibilities. Organizations should provide job descriptions, orientation and education sessions for board members to ensure that they understand their responsibilities.
- Make sure the organization protects you with a liability insurance policy. Check the type of coverage and amount.
- Attend meetings and document votes and discussions. If you don't attend meetings, you can be held just as responsible as those who do attend on a regular basis.

## **Attraction and Retention Strategies**

The more people can incorporate things they enjoy into their work, the more likely they are to enjoy what they are doing.

Allowing employees to bring their passions to work, whether it be making art, playing music, or exercising, helps to retain and attract employees to any business. Providing employees with pleasant work spaces and flexible scheduling is proven to enhance the effectiveness of an employee. A simple thank you or note of appreciation has a big impact on employee happiness. Feeling heard is another part in any healthy workplace. Unhappy employees who see employers making efforts to maintain a healthy and happy work environment are more inclined to become a part of the solution instead of resigning their position.

#### **Attraction Strategies**

- · Connect with local colleges/vocational schools
- · Look for interns that could become employees
- · Add a "hiring" or "careers" page to your website
- · Attend career fairs
- Look to non-profits looking for positions for their clientele
- · Post a hiring sign
- · Host an open house
- · Use social media
- Offer incentives if a parent makes a recommendation for employee or enrollment
- Allow candidates to spend real time with the people they would be working with
- Show the absolute perks of the job, but also its downfalls, so they aren't in for any surprises
- · Have a simple application process
- Ask employees for referrals
- · Have a good job description
- Show the potential employee how much you already value your other employees
- Make them feel like a part of the family
- Show off some of those fun activities you have been doing at work
- Sign on bonus

#### **Retention Strategies**

- · Discounted child care for employees
- Local area discounts- network with local business owners to work out deals for employees
- Paid break and prep time with float person coverage
- Thank you notes- encourage the children and other employees to make thank-you notes for employees that are doing a good job
- Encourage input- things can always be improved, let their ideas be heard
- Send employees to state, regional or national conferences
- Celebrate anniversaries, birthdays, and other milestones
- Flexible scheduling
- Paid holidays off- early off the day before
- Conduct "stay" interviews- a time specifically meant to address any issues they are having, so that they can be corrected
- · Have a "float" available to cover staff breaks
- Have a break area for staff. Have adult size furniture in addition to child size
- Random small gifts
- Keep the team "in the know"- rumors don't start if everyone knows what's going on
- Send out a short anonymous survey- for the people who may be too shy to give their opinions out loud
- · Build a wall of fame
- Give employees an allowance to choose materials and equipment for their classroom
- Incentive bonus for the employee who consistently comes to work or goes above and beyond



# **Fundraising Ideas**

Child care facilities are often underfunded and must make up the difference through fundraising efforts. Every facility has its own reasons to hold a fund raiser. Perhaps it needs new tables and chairs, playground equipment or educational toys.

#### **Creative Fundraisers**

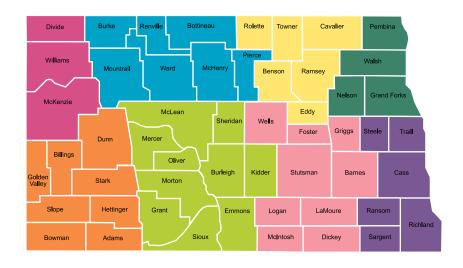
- Create and sell a calendar featuring children's artwork
- Amazon Smile donates a percentage of the price of the products you are purchasing to an organization of your choice
- Rubber Duck Race
- Grocery stores reward programs
- Scripts is a website where you can purchase gift cards and some of the funds go back to the organization
- Cow Pie Bingo
- · Flamingo fundraiser

- Raffles (permit required)
- Holiday gift wrapping
- Bushels for Babies at the elevator where farmers designated proceeds of a set number of bushels of grain as a financial donation
- Add a Facebook "donate now" link on your facility website
- Giving tree for items needed for classrooms,
- · Host a talent show and charge an entry fee
- Partner with restaurants and local businesses to earn part of the proceeds generated from a special event.
- A variety of products from pizzas, pastries, gift wrap, fruit and many other items can be sold to raise funds

# Economic Development Contacts

Contact city, county, and regional economic development groups to inquire about financial assistance.





#### Region 1

Divide County Job Development Authority PO Box 297 Crosby ND 58730 701-956-6006 www.dividecountynd.org

McKenzie County Development 201 5th St NW Watford City ND 58854 701-444-7419 www.4eyes.net/economic

Tioga Community Development/ EDC PO Box 218
Tioga ND 58852
701-629-8875
www.tiogand.net

Tri County Regional Planning Council 113 4th Street East Williston ND 58801 701-577-1358

Watford City Development 213 2nd St NE Watford City ND 58854 701-570-3392 econdev.mckenziecounty.net

Williston Economic Development Corporation 113 4th St E Williston ND 58802 701-577-8110 www.willistondevelopment.com

#### Region 2

Bottineau Economic Development Corporation 519 Main Street Bottineau ND 58318 701-228-3922 www.bottineauedc.com

Kenmare Community Development Corporation PO Box 35 Kenmare ND 58746 701-385-4232 www.kenmarend.com

Minot Area Development Corporation 1020 20th Ave SW Minot ND 58701 701-852-1075 www.minotusa.com

Renville County Job Development Authority PO Box 68 Mohall ND 58761 701-756-6288 www.renvillecountynd.org

Rugby Job Development Authority 126 2nd Ave SW Ste 1 Rugby, ND 58368-0136 (701) 776-7655 www.rugbyjda.com

Souris Basin Planning Council 1905 2nd Street SE Minot ND 58701 701-839-6641 www.sourisbasin.org

#### Region 3

Cavalier County Job Development Authority 901 3rd St., Ste. 5 Langdon, ND 58249-2457 (701) 256-3475 www.ccjda.org

FORWARD Devils Lake Development Corp P.O. Box 1048 Devils Lake, ND 58301-0879 (701) 662-4933 devilslakend.com/pages/Programs-Incentives

North Central Planning Council P.O. Box 603 Cando, ND 58324-0603 (701) 968-4340 www.townercountynd.com

North Central Planning Council 417 5th St NE Devils Lake, ND 58301-2539 (701) 662-8131 www.northcentralplanningcouncil.com

Rolla Job Development Authority
P.O .Box 1200
Rolla, ND 58367-1200
(701) 477-9130
www.ndrolla.com/job-development-authority.html

## ■ Region 4

Grand Forks Region Economic Development Corporation 120 N 4th St Grand Forks, ND 58203 (701) 746-2720 http://www.grandforks.org

City of McVille P.O. Box 275 McVille, ND 58254-0275 (701) 322-4343 www.hannafordnd.com

Red River Regional Council 516 Cooper Ave Ste 101 Grafton, ND 58237-1533 (701) 352-3550 www.redriverrc.com

Walsh County Job Development Authority 600 Cooper Ave Grafton, ND 58237-1509 (701) 352-3550 www.redriverrc.com

#### Region 5

Forman Community Development Corporation P.O .Box 282 Forman, ND 58032 (701) 724-3216 www.formannd.com/community-development-corporation

Greater Fargo-Moorhead Economic Development Corp. Fargo, ND 58102 (701) 364-1900 www.gfmedc.com

Lake Agassiz Regional Council 417 Main Ave Suite 201 Fargo, ND 58103 (701) 235-1197 www.lakeagassiz.com

Lisbon Economic Development 701-683-4140 www.lisbonnd.com/economic-development.html

City of Milnor P.O. Box 70 Milnor, ND 58060-0070 (701) 427-5272 www.milnornd.com

Steele County Job Development Authority P.O. Box 451 Finley, ND 58230-0255 (701) 524-2645 www.finleynd.com

Traill County Economic Development Commission P.O. Box 856 Hillsboro, ND 58045-0856 (701) 636-4746 www.tcedc.com

Wahpeton Economic Development P.O. Box 490 Wahpeton, ND 58074-0490 (701) 642-8559 www.wahpeton.com

City of West Fargo 800 4th Ave E West Fargo, ND 58078-2060 (701) 433-5300 www.acityonthegrow.com

## Region 6

Carrington Job Development Authority P.O .Box 501 Carrington, ND 58421-0439 (701) 652-3919 www.carringtonnd.com

Cooperstown-Griggs County Economic Development P.O. Box 553 Cooperstown, ND 58425 701-797-3613 www.cooperstownnd.com

Edgeley Job Development Authority P.O. Box 205 Edgeley, 58433 (701) 493-2208 www.edgeley.com

City of Ellendale P.O. Box 267 Ellendale, ND 58436-0267 (701) 349-3252 www.ellendalend.com

Jamestown/Stutsman County Jobs Development Corp P.O. Box 293 Jamestown, ND 58402-0293 (701) 252-6861 www.growingjamestown.com

LaMoure Community Development 701-883-5910 www.lamourend.com/economic-development

Logan County Job Development Authority P.O. Box 282 Napoleon, ND 58561 (701) 754-2000

New Rockford Area Community Betterment Corporation P.O. Box 775 New Rockford, ND 58356-0775 (701) 947-2205 www.cityofnewrockford.com

Oakes Enhancement Inc. P.O. Box 365 Oakes, ND 58474-0365 (701) 742-3508 www.oakesnd.com

South Central Dakota Regional Council 429 2nd St SW, Ste 208 P.O. Box 903 Jamestown, ND 58401-4260 (701) 952-8050 www.scdrc.org Valley City/Barnes County Development Corp P.O. Box 724 Valley City, ND 58072-0724 (701) 845-1891 www.valleycitynd.com

#### Region 7

City of Ashley P.O. Box 97 Ashley, ND 58413-0097 (701) 288-3096 www.ashley-nd.com

Beulah Job Development Authority PO Box 468 Beulah ND 58523 701-748-2233 www.beulahnd.org/economic

Bismarck/Mandan Development Association PO Box 2615 Bismarck ND 58502 701-222-5530 www.bmda.org

Elgin Community Betterment Inc. PO Box 93 Elgin, ND 58533 701-584-2525 www.elginnorthdakota.com

Garrison Area Improvement Association 42 N Main Garrison ND 58540 701-463-2631 www.garrisonnd.com

Hazen Community Development PO Box 717 Hazen ND 58545 701-748-2550 www.hazennd.org

Hazelton Development Corp PO Box 383 Hazelton, ND 58554 701-782-6878 www.hazeltonnorthdakota.com

Job Development Authority – McIntosh County
P.O .Box 315
Ashley ND 58413
(701) 288-5140
www.mcintoshnd.com /job development authority 80.html

Lewis & Clark Regional Development Council 200 1st Ave NW Mandan ND 58554 701-667-7620 www.lcdgroup.org

Linton Industrial Development Corp PO Box 433 Linton ND 58552 701-254-4267 www.lintonnd.org

City of Mandan 205 2nd Ave NW Mandan ND 58554 701-667-3213

www.cityofmandan.com/businessdevelopment

Standing Rock Sioux Tribe PO Box D Fort Yates ND 58538 701-854-2025 www.standingrock.org

Steele Area Economic Development Corp P.O .Box 337 Steele, ND 58482-0337 (701) 475-2133 www.steelend.com

City of Turtle Lake PO Box 338 Turtle Lake ND 58575 701-448-2596 www.turtlelakend.org

Underwood Area Economic Development Corporation PO Box 168
Underwood ND 58576
701-442-5481
www.underwoodnd.org

Washburn EDC PO Box 467 Washburn ND 58577 701-737-9106 www.washburnnd.com Wishek Job Development Authority P.O. Box 466 Wishek, ND 58495-0466 (701) 452-2371 www.wishek-nd.com

## Region 8

Adams County Development Corporation PO Box 1323 Hettinger ND 58639 701-567-2531 www.hettingernd.com

Bowman County Development Corp. PO Box 1143 Bowman ND 58623 701-523-5880 www.bowmannd.com/development

Dunn County Job Development Authority PO Box 283 Killdeer ND 58640 701-764-6092 www.dunncountyjda.com

Hettinger County Job Development Authority PO Box 157 Mott ND 58646 701-842-4205 www.hettingercountynd.com

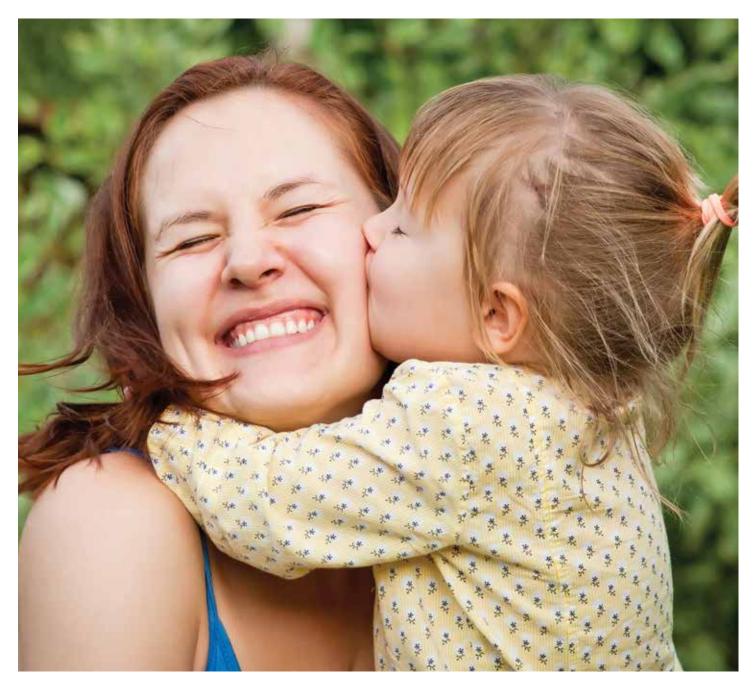
Prairie West Development Foundation PO Box 784 Beach ND 58621 701-872-3121 www.beachnd.com/2146/Economic-Development

Roosevelt-Custer Regional Council for Development 387 15th St West #247 Dickinson ND 58601 701-483-1241

Stark Development Corporation PO Box 765 Dickinson ND 58601 701-225-5997 www.starkdev.com

# Statewide Funding Options

- Community Development Block Grant (CDBG)
- · Community Development Loan Fund
- · EDA Revolving Loan Fund
- · Bank of North Dakota PACE and FLEX PACE
- North Dakota Development Fund (NDDF) Child Care Loan Fund
- Small Business Association (SBA) Loan Program
- USDA Intermediary Relending Program
- USDA/Rural Development



## Thank You

Our thanks to the following child care programs who provided input about their programs:

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- Eventide Heartland Child Care Center Devils Lake, ND
- · Hope Early Learning Center Corporation Hope, ND
- · Kids Choice Walhalla, ND
- · Kids Next Door Rugby, ND
- Little Hands Loving Hearts Child Development Center Minot, ND

- · Little Lyons Daycare Linton, ND
- · Meadowlark Daycare Killdeer, ND
- St. Aloisius Pot of Gold Generations of Learning Harvey, ND
- Sunnyside Childcare Center, LLC Devils Lake, ND
- · Tot Lot Child Daycare Bowman, ND
- · Wolf Pup Daycare Watford City, ND



## **Project Partners**



Child Care Aware® of North Dakota assists families in their search for and understanding of quality child care, builds the knowledge and skills of early childhood practitioners through professional learning services and coaching, supports communities in developing innovative strategies to expand the capacity of care to meet families' needs and is the "go to" place for individuals who want to start a child care business.



Vision West ND is a consortium of representatives from the 19 energy-producing counties in western North Dakota. The project's mission is to lead, educate, and collaborate to mobilize western North Dakota toward a resilient and prosperous quality of life for all residents. Child care is one of the top priorities identified as essential for sustainability and a good quality of life.

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