

FINDINGS FROM MEETING 1

SUMMARY

On February 8, the Community Foundation convened a meeting of fourteen people with professional expertise in the realm of childcare and child development. These fourteen people share a connection to Leelanau Township and a lifetime of experience in the different facets of caring for children and families.

In this meeting, we brainstormed:

- Characteristics of a successful program
- Do's and Don'ts
- Priorities for moving forward

A series of clear themes emerged that will be important issues for our community to consider as we look to move this discussion forward and build our capacity to support thriving families in a year-round, sustainable community.

THEMES

Economic sustainability is paramount.

- The program and model will need to overcome funding and economic sustainability questions from start-up through ongoing operation. Economic sustainability extends beyond the cost of start-up – it is an ongoing need to support annual operating costs. The cost of beginning and operating a childcare program is expensive.
- It is more expensive to care for younger children. Infant programs on their own are not sustainable – they must be subsidized by preschool-age programs to work. For example, separate programs that serve older children are more profitable. But, if those older children are removed from a full spectrum program serving 0 to kindergarten, the full-spectrum program becomes less sustainable. They are not able to subsidize care for the youngest children from the tuition of preschool students.

Strengths and acumen in business capacity will be needed to support economic sustainability.

- Success will require a fully conceived, flexible business model to accommodate a diversity of factors: regulation, profit and revenue generation, funding and fund raising, child development, pedagogy/curriculum, food program, supporting services, community connections, staff development and retention, and so on.
- Enrollment numbers have historically been volatile, and per-student funding streams have made it difficult to impossible for past programs to weather these year-to-year demographic shifts

Financial pressures appear to be the big reason that centers are closing, and childcare services are not available.

- The Leelanau Children’s Center reported a loss of \$100,000 in 2018, which it reduced to a \$30,000 loss by closing its Northport location. The Leland center is now presumably costing the organization \$30,000 a year, for a program that is full and has a waiting list. (2018 Annual Report)
- In the same year that LCC closed its Northport location, it reported that tuition covered only 56% of the cost of care. (2018 Annual Report)
- It is reported that the Suttons Bay Lil Norsemen closed its infant/toddler program because of the high cost of school-based programs, particularly those serving children younger than 3.
- Staffing is expensive – but necessary for quality and safety. And taking care of staff financially is important to attraction and retention.

Affordability is equally important.

- Local families must be able to pay the cost of care. This is no easy solution, given that the cost of care is quite high, and the income and assets of families that need childcare services is limited and constrained by multiple other demands, such as housing, employment/wage opportunities, etc.
- Tuition at the Leelanau Children’s Center for an infant/toddler (12 months to 36 months, roughly) was \$15,000 per child per year (academic year, Sept-June, 4 days a week)
- LCC tuition for a preschool child (36 months to 5 years old, roughly) was \$9,800 per child per year (academic year, Sept-June, 4 days a week)
- For example, a family that enrolled one child from 12 months until kindergarten, during standard school hours (7:30 am to 3:30 pm) would pay a total of \$30,000 for the infant/toddler years and \$19,600 for the preschool years. **This is an investment of nearly \$50,000 per child.**
- The true cost of childcare to families is higher when you include care from age zero to 1, full-week coverage, evening coverage and summer/holiday coverage.

Some kind of subsidy will be necessary to make the cost of care affordable

to families.

- 39% of households in Leelanau Township struggle to cover their basic living expenses and would struggle to pay for childcare (2019 Alice Project Northwest Michigan Report, United Way of Northwest Michigan)
- Large employers in our region are finding it necessary to subsidize care – with numbers on the order of \$2,500 per child
- A nonprofit model is promising for its ability to accept/raise funds to sustain ongoing operation, while assuring that parents can pay for care – making it possible for families to stay in our community.

A quality program must meet families' and children's needs.

Hours and location must align with families' needs for care

- Hours and days that align with the times that families need care. This could mean extended hours 5 days a week, 6 am to 7 pm, all year round (i.e., including summers). It could also mean evening care or weekend care, depending on family work schedules. (We identified traditional workday schedules in our session, this probably bears further investigation with community members, employers and parents.)
- Flexible hours that recognize the reality of unexpected schedule changes and support families to navigate the complex mix of work and family scheduling. (i.e., what happens when the second server doesn't show up, and Mom is stuck waiting tables until her boss can find someone to relieve her?)
- Location that is convenient and accessible to parents. This could be proximity to where they work, and/or proximity to where they live. Family's transportation capacity should be considered as part of location.
- The ages served must fill the gap in care in our community. Today, families especially need care for birth to kindergarten. The group identified birth to 5 or 6, but also acknowledge need for care up to age 12, especially in evenings and during the summer.

Programming must be aligned with families' views of what their child needs

- Quality care satisfies parents' needs for their child to be safe, loved and nurtured in their growth and development.
- All components will need to be inclusive of and reflect the cultural and ethnic diversity of the population served
- From the perspective of providers and childcare professionals, including research and evidence-based practices characteristics of quality care include:
- Environment and activities must be age-appropriate and developmentally appropriate
- Encourage child-led exploration, play-based learning and outdoor connection
- Based on brain science / developmental research
- Not always the same as what the state says is "right" (one size doesn't necessarily fit all)
- Parental engagement, knowledge development/education and involvement are important
- Metrics: children are physically, socially and cognitively prepared for school by age 5 and meeting significant milestones along the way; use testing to evaluate development, needs

We will need the staff with the skills, knowledge and supporting organizational structure to deliver a program with quality

- Need a CEO, COO, CFO
- Need a director who understands pedagogy/development and business aspects, also understands fundraising and supporting services (e.g., food programs...)
- Need a lead teacher who understands how to support children's needs and family needs
- Need organizational structure to support staff with professional development, training, management, also the day-to-day support that lowers turnover

Connection and integration with the broader community will be a key to success.

- A program that is embedded in the community; Community engagement in the program is necessary.
- Community support – financial, in-kind, volunteer, resource-sharing – could be part of the solution for long-term sustainability.
- Integration with surrounding services that support families will support impact and outcomes: food and nutrition, health and wellness screening, connection to K-12 schools, Parenting Communities

- We see evidence and hope in the fact that people do care about this. It is an issue that broadly affects our community.
 - Recognition of childcare gap as a constraint on our employers and local economy
 - Hope to leverage community resources, including businesses, to underwrite

We must approach this from the unique standpoint of our local community.

- Policy and advocacy “fixes” to change government funding structures, etc. are slow moving and we can’t wait around for someone to fix at the state or federal level
- We have unique assets, resources and needs in our community; we need to approach it from a very local level and see how we can meet our local needs
- If we can solve the child care issue, we make progress toward solving other inter-related issues that also make it difficult for families to thrive: wage/earning constraints, housing costs, child care costs are all contributing factors that can make it difficult to impossible for families to live and work in our township.

Paradigm shift: Approaching this independently and locally, in the here and now, makes us more free to create something that enriches our community and our values.

Government policy and funding are a separate issue from our need to solve the childcare gap in our township.

- It is tempting to go down the road of government policy and funding programs to solve the economic need to sustain a program, however, those programs, and childcare centers that are funded by them, are themselves struggling to solve this issue.
- A locally arisen solution allows us to exit the fray and distraction of the political and policy arena and moves us into a mode of building something that meets our local community needs.
- When we seek our own answers and solutions, we are free to pursue those values; if we chase funding with strings attached to it, we are beholden to the values of others. This is a window of opportunity to move beyond the traditional funding conversation.

PRIORITIES & PATH FORWARD

- Understand the costs and the business model that is flexible and rigorous enough to withstand the challenges of childcare (Nonprofit model? Co-op? Volunteers?)
- Explore funding models that can support ongoing operation, annual costs, etc. in the long term. (endowment, private sector philanthropy, explore possibility of local businesses to support)
- Development of civic engagement and public will – we need people to understand and care, support; we also need champions to carry this forward and create something new for our community.
- Stay focused on our community's needs, resources and opportunities – don't get bogged down waiting on state or government agendas.
- What can we really do before August to take advantage of the Community Foundation lease on the former children's center?