



# First Children's Finance

## Dream Up! Grant Summary

### Lincoln County Social Services

Lincoln County, WI

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## Strategic Supply Planning

The Strategic Child Care Supply Planning Process is a facilitated community planning process designed to engage a Core Team of community leaders to support and expand the child care capacity in their community. First Children’s Finance works with the Core Team to understand the current child care landscape and create goals to address child care needs.

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# Background

## Lincoln County Social Services – Lincoln, WI

Lincoln County Social Services was selected to engage in community consultation regarding the supply of child care, through the Dream Up! Child Care Strategic Supply Planning Process. Funding for this work is provided by a *Preschool Development Grant* received by the Wisconsin Department of Children and Families. In this process, a Core Team lead by Renee Krueger, Core Team lead from Lincoln County Social Services, participated in a process that included:



- 8 hours of facilitated meetings by First Children’s Finance National Team Staff
- Identification of goals to increase high-quality child care slots
- Planning support, facilitation, and technical assistance from First Children’s Finance
- A Strategic Child Care Supply Plan that guides Lincoln County’s Core Team in efforts to increase its supply of high-quality child care.

# Community Information

Lincoln County Social Services are based in Lincoln County, Wisconsin. Lincoln County is a hardworking, involved community in the Northern Region of Wisconsin. They applied for the Dream Up! Strategic Supply Planning Process and were awarded participation with the Fall Dream Up! Strategic Supply Plan Cohort. Each application included a geographic region the Core Team planned to focus on, referred to as ‘the community’. The Lincoln County Social Services application included the zip codes and corresponding communities listed in Figure 1 as their geographic region and defined community. This geographic region has an approximate population of 28,535 residents and is the focus of the Strategic Supply Plan.

Cities	Zip Codes	Population
Merrill	54452	18,854
Tomahawk	54487	9,681

Figure 1: Lincoln County Social Services – Defined Zip Codes | Community Application Process

## Core Team

The following people participated in the Core Team meetings to address the child care supply needs in Lincoln County Social Service’s defined community. The primary contact for this project is Core Team Lead, Renee Krueger, Administrative Coordinator for Lincoln County.

Name	Organization Affiliation
<b>CORE TEAM LEAD:</b> Renee Krueger	Administrative Coordinator   Lincoln County
<b>CORE TEAM MEMBERS:</b>	
Trisha Kubeichek	School Social Worker   Merrill High School
Sandra Stetzer	Manager   Children’s Wisconsin
Micki Kreuger	Assistant Director   Childcaring, Inc.
Elizabeth McCrank	Community Educator   University of Wisconsin Extension   Lincoln County Board Supervisor
Becky Wagner	Director   Redeemer Child Care
Dee Olson	Executive Director   Merrill Area United Way
William Bialecki	Executive Director   Lincoln County Economic Development Corp.
Ryan Martinovici	Associate Principal   Merrill Area Public Schools
Becky Burdick	Bureau of Regional Operations Child Care Coordinator   Department of Children and Families
Sarah Agena	Business Child Care Advocate   Childcaring
Elsa Duranceau	Worker Advancement Initiative Grant Coordinator   North Central Wisconsin Workforce Development Board
Kathy Kwasny	Administrative Assistant   Trinity Merrill Lutheran Early Learning Center
Sarah Sturm	Marketing Director   Merrill Chamber of Commerce
Lisa Johnson	Director   Trinity Merrill Lutheran Early Learning Center

## Community Insights

Research by the Core Team was conducted and provided as part of the application process. First Children's Finance provided additional research and statistics regarding child care needs and sustainable child care solutions. During Strategic Supply Plan meetings, this data was reviewed with the Core Team to better understand their community's child care challenges.

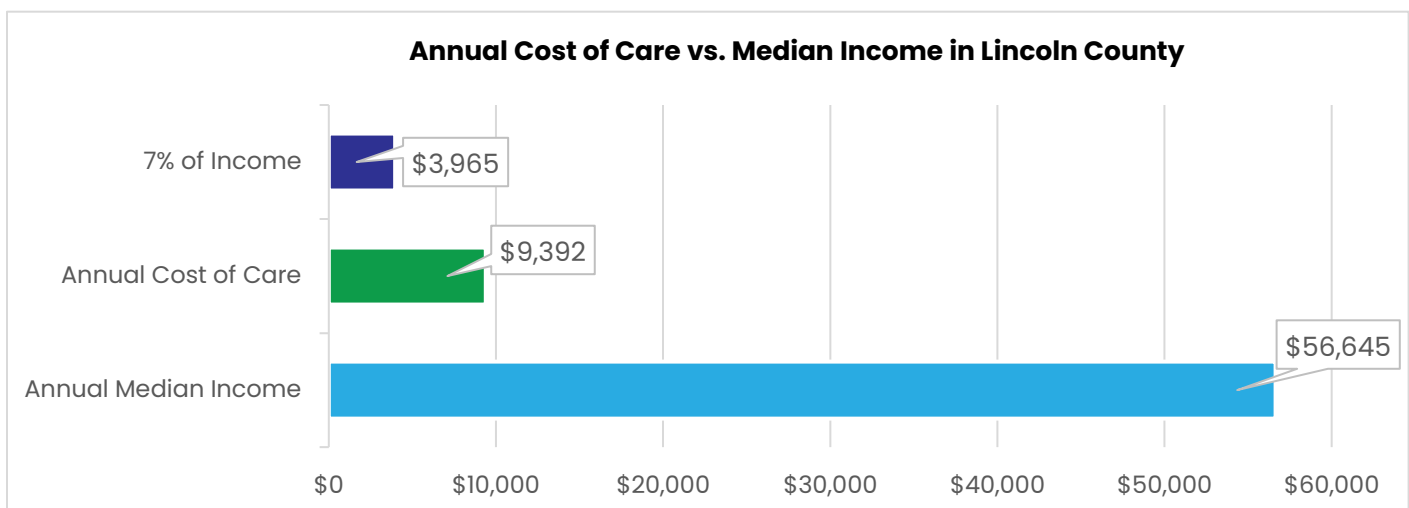
Lincoln County provided demographic data in their initial application that highlighted the community's need for affordable child care solutions.

- *We are seeing an increase in private, unlicensed homes providing child care and elderly relatives.*
- *Additionally, we have several businesses that operate in the evening and weekends...there is no child care currently available during those times.*
- *75% of zip codes in Lincoln County are considered child care deserts.*
- *The top five concerns of surveyed groups include: Availability of child care slots, shortage of qualified staff, cost of child care, low wages and benefits for child care workforce and quality of child care programs.*

*\*Excerpt from Dream Up! Application*

During the Strategic Supply Planning process, First Children's Finance shared with the Core Team the data regarding the annual median household income in Lincoln County compared to the annual cost of care. Figure 2 shows that the annual cost of care in Lincoln County is \$9,392. This is over double what is affordable according to the Federal Government but is still under what the true cost of providing high-quality care would be for a program. True cost of care is defined as the dollar value of all resources used to provide high-quality early childhood care and education. In Wisconsin, research conducted has the true cost of care at \$1,800 a month for an infant. Families simply cannot afford the true cost of care, leaving providers required to charge less than what it truly costs to provide high-quality care.

Figure 2: Cost of Care vs. Median Income in Lincoln County | PDG Sandbox



## Supply Demand Gap Analysis

As part of the Strategic Supply Planning Process, the Core Team was provided with information to help them understand factors that contribute to child care challenges. First Children’s Finance leveraged different data sources to create an illustrative picture of the demand for child care in the community (see Figure 3). These data sources include US Census Bureau, Wisconsin’s Department of Children and Families Data, and First Children’s Finance research and data.

The Supply Demand Gap Analysis completed by First Children’s Finance for the community dated August 2022, shows a deficit of 567 slots for children birth to 5 living in households where all available parents are in the workforce. As a result, First Children’s Finance found capacity of licensed and regulated full day year-round care in Lincoln County at only 254 children. Results revealed one out of two of the zip codes within the defined community shows a need of 513 of the total 567 slots.

Figure 3: Lincoln County Social Services Supply-Demand Gap Analysis | First Children’s Finance Analysis

Zip Code	City	Licensed Family Child Care	Licensed Group Child Care Center	Certified Child Care	Expected Child Care Capacity	Expected Number of Children Under Age 5	Expected Child Care Need
54452	Merrill	3	2	0	80	539	<b>513</b>
54487	Tomahawk	3	2	0	177	231	<b>54</b>
<b>TOTAL</b>		<b>6</b>	<b>4</b>	<b>0</b>	<b>254</b>	<b>770</b>	<b>567</b>



## How Is the Need Supported Today?

When there is a gap in the licensed and regulated child care slots available in a community compared to the children potentially needing care in the community, families find unique ways to meet their needs outside of licensed or regulated child care. The following are common ways that parents may fill their need for child care and may be present in the Lincoln County Social Services community.

### Legal Unlicensed (unregistered) Care / Family, Friends, & Neighbors

Friends, family, and neighbors may provide care for up to three (3) children without a license; however, under Wisconsin law, no person may provide care and supervision for four (4) or more children under the age of seven (7) for less than 24 hours a day. Care for four (4) or more children under the age of seven (7) would require a provider to obtain a license to operate a child care center from Wisconsin's Department of Children and Families.

### Illegal Unlicensed/Unregistered Care

Child care is provided in a setting that requires licensing or regulation, but the provider has chosen to provide care without the proper license or following regulatory guidelines.

### Under-Employment / Shift Alignment

Parents may work split shifts, work part-time, or limit their work hours to stay home with their children. There may be children in the community whose parents have left the workforce and are not looking for employment because of child care challenges. These families are not included in the data in this report, but parents may enter the workforce if viable child care options were available.

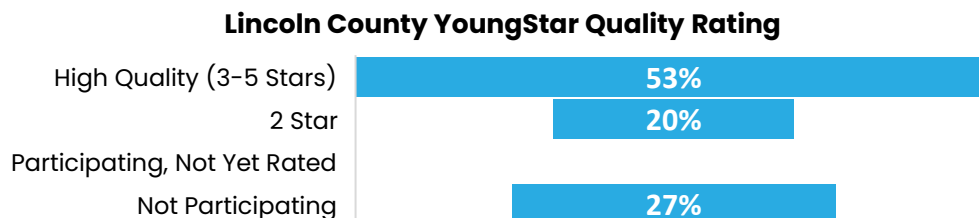
### Out of Area Care

Parents with children in the region studied may take their child to care outside of this report's area. This may be due to parents' work location, access to care, or other reasons.

## Quality Rating and Improvement System Overview

First Children's Finance examined state-wide information about the number of child care programs that are participating in the YoungStar Program (see Figure 4). YoungStar is Wisconsin's child care Quality Rating and Improvement System (QRIS) that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care program.

Figure 4: Lincoln County YoungStar Rating | PDG Sandbox



# Workforce

## Child Care Workforce

First Children’s Finance examined the child care workforce in Wisconsin. Many individuals in the workforce have formal educational backgrounds and more than a decade of experience. However, more than half of early childhood educators rely on some form of public assistance and do not receive benefits. The Institute for Research on Poverty at the University of Wisconsin–Madison reported a 40% turnover rate in the Early Childhood Education field. Figure 5 shows data collected for the Northern Region of Wisconsin and shows 34.5% of the workforce anticipates leaving the field within the next two years. The cost of care is high for families, and the cost of delivery is high for providers. Often, the impact is reflected in child care worker wages. The First Five Years Fund researched the average compensation rate for child care workers and found in Wisconsin; the average hourly rate is \$10.66. The annual salary of \$22,170.00 is below the poverty line for a working family.



### Early Education Workforce Survey

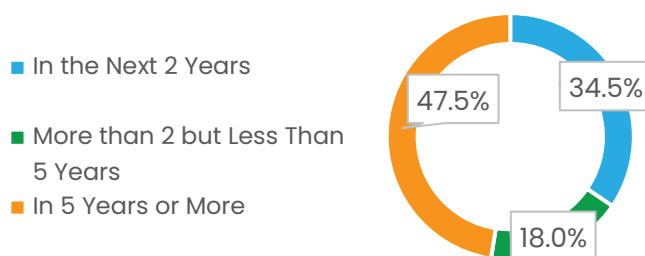


Figure 5: Survey of Center-Based Teachers | Institute for Research and Poverty

## Primary Industries

Additionally, First Children’s Finance examined the top industries in Lincoln County within available census data. The top industries (see Figure 6) can impact child care needs based on when shift workers are needed, as well as beginning and end time of employee shifts. In Lincoln County, two of the top industries are manufacturing and health care. Often, these industries call for second and third shift employees. Without sustainable child care options during these shifts, hiring new employees and retaining current employees in fields such as manufacturing can quickly become a challenge.

During Strategic Supply Plan meetings with First Children’s Finance, the Core Team was asked to brainstorm ways to address the need of child care for all types of working families within their community.

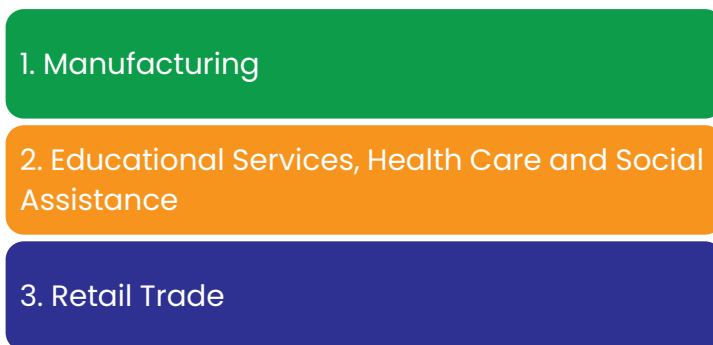


Figure 6: Top Industries in Lincoln County | U.S. CENSUS 2021

## Data Overview

<b>0</b> Certified Family Child Care Programs (*DCF Licensing Information)	<b>6</b> Licensed Family Child Care Programs (*DCF Licensing Information)
<b>4</b> Licensed Group Child Care Programs (*DCF Licensing Information)	<b>53%</b> of providers have a 3–5 Star Rating (DCF Sandbox Data)
<b>75%</b> of zip codes are considered child care deserts (DCF Sandbox Data)	<b>770</b> children under 5 with all parents in the workforce (*ACS 5 Year Estimates)
<b>254</b> *current expected child care capacity (*FCF Calculation May 2022)	<b>567</b> birth to age 5 slots needed (*FCF Calculation)
<b>\$783</b> average monthly cost of care (DCF Sandbox Data)	<b>28,535</b> defined zip code population

## Core Team Planning Meeting

Throughout the winter of 2023, the Core Team, a group of community stakeholders interested in the supply and sustainability of child care met to discuss the child care shortage in Lincoln County, and to develop strategies to increase the number of high-quality child care slots. Below are the primary topics addressed in the conversations and the goals developed to address the child care shortage.

Community Awareness

Partnerships

Workforce

After discussing these core topics, the focus was placed on primary areas of need, where current resources should be directed, and where additional resources are needed. The Core Team created the following goals to support the child care needs in the community.



## Goals



### **SMART Goal:**

Goal: By the end of October 2023, create partnerships with high schools, tech schools and senior population to implement apprenticeships, dual learning credits and job shares.

**Project Team Members:** Ryan Martinovici, Lisa Johnson, Trisha Kubicek, Becki Wagner

**Objective of the Goal:** To maintain current child care supply and build partnership with schools and enrichment centers to increase supports and increase child care workforce throughout Lincoln County.



### **SMART Goal:**

Goal: By October 1, 2023, a marketing plan, which will include at least three apprenticeships will be developed to increase community awareness of the child care issues in Lincoln County.

**Project Team Members:** Renee Krueger, Micki Krueger, Sarah Sturm, Sandy Stetzer

**Objective of the Goal:** Effective tools will be developed that will be used by community partners in order to assist in the effort to increase the awareness of Lincoln County's child care issues.



### **SMART Goal:**

Goal: Address the need for more providers and child care slots by creating community awareness to engage and develop partnerships for providers with local area businesses, school administrators, and enrichment centers.

**Project Team Members:** Renee Krueger, Elsa Duranceau, Sara Agena, Bill Bialecki

**Objective of the Goal:** Create partnerships that increase funding for local area child care providers to support their ability to attract and retain staff as well as increase their ability to operate at full capacity.

## Project Recommendations

Lincoln County, Wisconsin is a rural area in the heart of Wisconsin. Lincoln County Social Services has put together committed Core Team of individuals that are heavily invested in the child care landscape of their community. First Children's Finance recommends that the Core Team engage in the following activities:

1

Use your marketing strategy to also identify community members interested in starting a child care business. Continuously promoting and raising awareness of the benefits of opening a child care business can increase the interest of unregulated providers and others interested in the field to pursue certification or registration. In addition, efforts should be made to continue marketing efforts beyond the grant period, data shows a low number of providers and high demand for child care which will take time to address.

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2

Pursue braided funding opportunities for providers. Providers are unable to charge families the true cost of child care, as it is simply unaffordable for most families. Braided funding streams, for example, investments from local businesses, school districts, and more, provide child care providers the opportunity to have more sustainable and financially sound businesses. Pursuing partnerships with the community, businesses, and schools to increase sustainability of the field and support the workforce pipeline.

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3

Continue to involve existing providers in the community—they are part of the solution.

Goals set to support child care businesses with their workforce shortages aligned with activities to continuously engaging and attract new people to begin the process of opening a child care is critical; ongoing support to all types of existing child care in the area should be considered to retain the existing providers. Efforts should be made to ensure current child care providers continue to feel supported and have access to resources to stay in the field.

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