



## First Children's Finance

# Dream Up! Grant Summary

### City of Superior Douglas County, Wisconsin

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# Table of Contents

<b>Strategic Supply Planning</b> .....	<b>1</b>
<b>Core Team</b> .....	<b>3</b>
<b>Community Insights</b> .....	<b>4</b>
<b>Supply Demand Gap Analysis</b> .....	<b>5</b>
<b>Quality Rating and Improvement System Overview</b> .....	<b>6</b>
<b>Workforce</b> .....	<b>7</b>
<b>Data Overview</b> .....	<b>8</b>
<b>Core Team Planning Meeting</b> .....	<b>9</b>
<b>Goals</b> .....	<b>10</b>
<b>Project Recommendations</b> .....	<b>11</b>
<b>References</b> .....	<b>12</b>

## 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

## City of Superior

First Children’s Finance selected the City of Superior to engage in community consultation around 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 led by Rebecca Scherf, Chief of Staff for the City of Superior, 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 the City of Superior in efforts to increase its supply of high-quality child care.

# COMMUNITY INFORMATION

Figure 1: Douglas County Defined Zip Codes | Community Application Process

Cities	Zip Codes
Brule	54820
Foxboro	54836
Gordon	54838
Hawthorne Lake	54842
Nebagamon	54849
Maple	54864
Poplar	54864
Solon Springs	54873
South Range	54874
Superior	54880
Wascott	54890

The City of Superior, located in Douglas County, is considered a semi-urban area located in the Western Region of Wisconsin. The City of Superior applied for the Dream Up! Strategic Supply planning process and was awarded participation with the Spring 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 City of Superior included the zip codes and corresponding communities listed in Figure 1 as their geographic region and defined community. Within the City of Superior, the median household income is \$50,637, with 10% of the population living in poverty. According to research completed for their application, the demographic makeup of Douglas County is 95.35% White, 1.82% Black or African American, 1.82% Native American, and 0.63% on Ojibwe Ceded Territory. According to Wisconsin’s Department of Children and

Families Preschool Development Grant Sandbox Data, 18.5% of a family’s income in Douglas County is spent on child care, with the average monthly cost of care being \$783. The Federal Government defines affordable care as no more than 7% of a family’s yearly income spent on child care. The Sandbox data shows that in Douglas County, a family with a child aged 0-1 receiving care in a licensed group child care will pay 2.6 times the affordable amount.

## Core Team

The following people participated in the Core Team meetings to address the child care supply needs in Douglas County. The primary contact for this project is the Core Team lead, Rebecca Scherf, Chief of Staff for the City of Superior.

Name	Organization Affiliation
<b>CORE TEAM LEAD:</b> Rebecca Scherf	Chief of Staff—City of Superior
<b>CORE TEAM MEMBERS:</b>	
Tamara Follett	Human Resources Manager—Fraser Industries
Jim Caesar	Development Association Executive Director
Andy Donahue	Small Business Center at University of Wisconsin—Superior
Jenny Van Sickle	Alder—City Council
Nic Ledin	Alder—City Council
June Finsland	Member—Opportunities for Children County Committee
David Deeth	Oasis Childcare Center
Jim Paine	Mayor of Superior
Shawnu Ksicinski	Progress North Executive Director
Deanna Reder	Chair—Communities of Color
Charlie Glazman	Douglas County Board Supervisor
Christina Kintop	Vice President—School Board
Mary Mahan	Manager—Douglas County WIC office
Kim Martin	YMCA
Jack Sweeney	Douglas County Supervisor, Provider, Current City Councilor
Kelly Wiisanen	Youth Services Manager—Superior Public Library
Stephanie Becker	City of Superior
Jason Serak	Economic Development
Alexis Hanson	Northwest Wisconsin Community Services Agency—Women, Infants & Children (WIC) Director

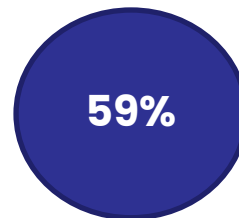
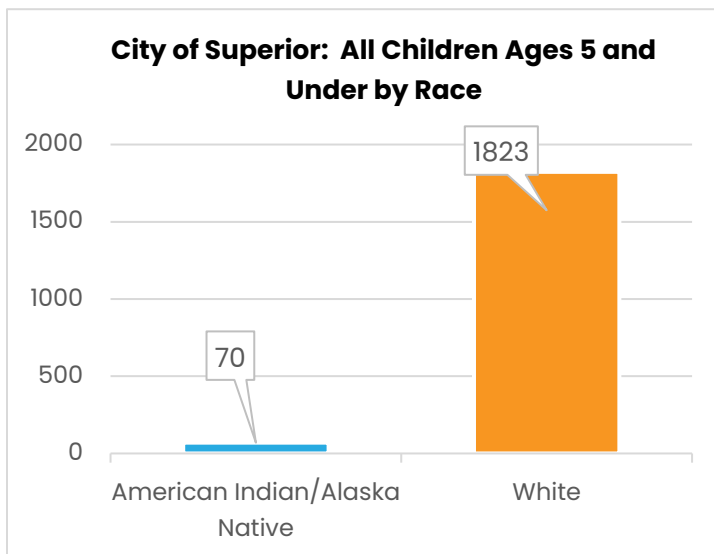
## Community Insights

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. As a result, the Core Team could better understand their community's child care challenges. Figure 2 displays all children ages 5 and under by race in Douglas County, to deepen the understanding of what the community make up consists of, specifically for children under age 5. Through conversations that the City of Superior has had with the community, they found four major considerations that impact child care availability.

- 1.) In the Summer of 2021, a child care center opened, operated by the Solon School District. The center was immediately full with a two-year waitlist.
- 2.) Additionally, Superior is the seat of Douglas County where child care centers have disproportionately closed across the Northland.
- 3.) The waterfront's Epicurean, Fraser Shipyards, and others need a workforce available during second shift. Our first responders and hospital staff need to work second and third shifts. Without expanded options for families to work outside the home, our services weaken.
- 4.) Douglas County is also recognized as a child care desert.

\*Excerpt from Dream Up! Application

Figure 2: Douglas County Children Under Age 5 by Race | US CENSUS 2021



Of children participating in Wisconsin Shares Child Care Subsidy served by High-Quality Providers.

## Supply Demand Gap Analysis

As part of the Strategic Supply Planning, the Core Team was provided with various forms of data and information to understand the contributing factors to the child care challenges. First Children’s Finance leveraged different data sources to create an illustrative picture of the supply of child care in the local area. These data sources include U.S. Census Information, Wisconsin’s Department of Children and Families Data, and other internal research including First Children’s Finance calculations.

First Children’s Finance completed a Supply Demand Gap Analysis which provided a view of potential child care needs (see Figure 3). The analysis was conducted in May 2022 and showed a deficit of 1,101 slots within the City of Superiors defined community. Results showed that each zip code individually showed a deficit in child care slots.

Figure 3: Douglas County Supply Demand Gap Analysis | FCF Calculation

Zip Code	City	Licensed Family Child Care	Licensed Group Child Care	Certified Family Child Care	Expected Child Care Capacity	Anticipated # of Children Under Age 5	Expected Child Care Need
54820	Brule	0	0	0	0	20	<b>20</b>
54836	Foxboro	0	0	0	0	29	<b>29</b>
54838	Gordon	0	0	0	0	20	<b>20</b>
54842	Hawthorne	0	0	0	0	43	<b>43</b>
54849	Lake Nebagamom	0	0	0	0	28	<b>28</b>
54854	Maple	0	0	0	0	37	<b>37</b>
54864	Poplar	1	1	0	40	64	<b>24</b>
54873	Solon Springs	0	1	0	28	69	<b>41</b>
54874	South Range	1	0	0	7	174	<b>167</b>
54880	Superior	6	6	0	375	1068	<b>693</b>
54890	Wascott	0	0	0	0	0	<b>0</b>
54820	Brule	0	0	0	0	20	<b>20</b>
<b>Total</b>		<b>8</b>	<b>8</b>	<b>0</b>	<b>450</b>	<b>1550</b>	<b>1101</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, families find unique ways to meet their needs outside of licensed or regulated child care. The following are common ways parents may fill their need for child care and may be present in the City of Superior 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**

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 are available.

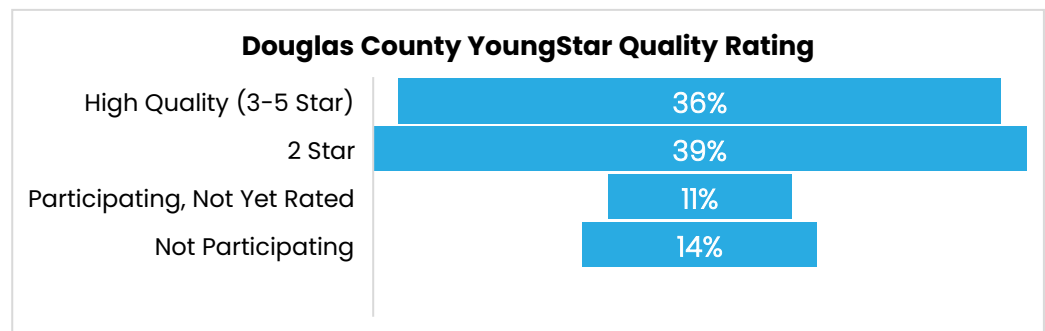
### **Out-of-Area Care**

Parents who have children in the region studied may take their child to care outside the defined 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 regarding the number of child care programs participating in the YoungStar Program. 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 programs (see Figure 4).

Figure 4: Douglas County YoungStar Rating | PDG Sandbox



# Workforce

## Child Care Workforce

First Children’s Finance also 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. Across the state, more than 25% of child care workers hope to find a new job in the next two years. Figure 5 shows data collected for the Western Region of Wisconsin. 19% 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 time, this 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. This annual salary of \$22,170 is below the poverty line.

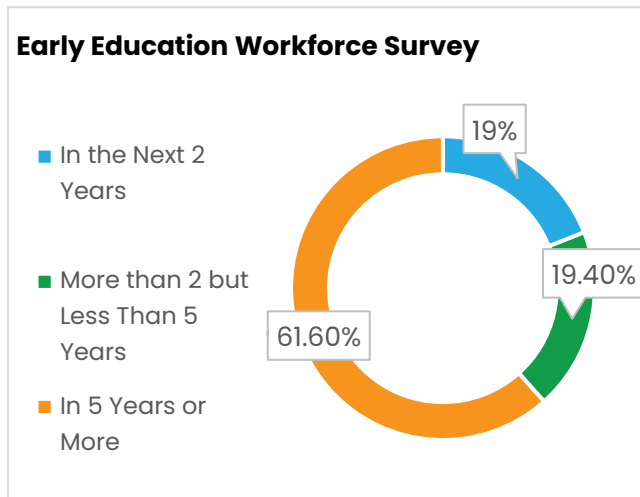


Figure 5: Survey of Center-Based Teachers | Institute for Research and Poverty

## Primary Industries

Additionally, First Children’s Finance examined the top industries in Douglas County within available U.S. census data (see Figure 6). The top industry can impact child care needs based on shift work and the

1. Manufacturing

2. Educational Services and Health Care and Social Assistance

3. Retail Trade

beginning and end time of employee shifts. It was shared in the City of Superior’s application that the community has a thriving manufacturing and a medical district that is in the process of expanding. Specifically, the waterfront’s Epicurean, Fraser Shipyards, and others need a workforce available during the second shift. With the Medical District expanding, the need for second and third shift employees will become increasingly more difficult without additional child care options. In Douglas County, there is currently one provider available for nighttime care and two providers available for weekend care. Without an increase in providers offering care during non-traditional hours, the businesses within the community will suffer. During Strategic Supply Plan meetings with First Children’s Finance, the Core Team was encouraged to brainstorm and develop ways to address the need for non-traditional hour child care within the community.

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

## Data Overview

<p><b>0</b></p> <p>Certified Family Child Care Programs in Douglas County (DCF Licensing Data)</p>	<p><b>8</b></p> <p>Licensed Family Child Care Programs in Douglas County (DCF Licensing Data)</p>
<p><b>8</b></p> <p>Licensed Group Child Care Programs in Douglas County (DCF Licensing Data)</p>	<p><b>36%</b></p> <p>of child care programs have a 3-5 Star Rating in Douglas County (DCF Sandbox Data)</p>
<p><b>30%</b></p> <p>Of zip codes are considered child care deserts in Douglas County (DCF Sandbox Data)</p>	<p><b>1,550</b></p> <p>children under 5 with all parents in the workforce in Douglas County (*ACS 5 Year Estimates)</p>
<p><b>450</b></p> <p>*current expected child care capacity in Douglas County (*FCF Calculation May 2022)</p>	<p><b>1,101</b></p> <p>birth to age 5 slots needed in Douglas County (*FCF Calculation)</p>
<p><b>\$783</b></p> <p>Average Monthly Cost of Care in Douglas County (DCF Sandbox Data)</p>	<p><b>12,047</b></p> <p>Douglas County residents are employed within the county</p>

## Core Team Planning Meeting

Throughout the summer of 2022, 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 Douglas 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 shortage of child care.

- Access to Subsidy
- Workforce
- New Child Care
- Partnerships

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 these goals to support the child care needs in the community.



## Goals



### **SMART Goal:**

Actively promote subsidies available while developing a child care fund through the city.

**Project Team Members:** Rebecca Scherf, Stephanie Becken, Jason Serck, Jim Paine, Christina Kintop, Cheyenne Otto-Defoe

### **Objective of the Goal:**

Assist new or existing child care facilities in learning about grant and subsidy options that are available to them. Through this process, facilities will be more sustainable and be able to retain staff. Facilities will also be able to apply for a grant through the City of Superior towards facility or home improvements required for licensure. The City of Superior will implement a plan for this to be an ongoing program once Dream Up! Funds have expired.



### **SMART Goal:**

Host two (2) child care bootcamps with the Development Association.

**Project Team Members:** Kim Martin, Charlie Glazman, Rebecca Scherf, Stephanie Becken, Shawnu Ksicinski

### **Objective of the Goal:**

Assist new or existing child care facilities in learning business aspects of child care. Topics will help child care facilities to stabilize as a business, recruit and retain staff, as well as other topics surrounding child care.

## Project Recommendations

The City of Superior is a vibrant, waterfront, industrial, and economically reviving community, with a committed Core Team invested in the childcare landscape. First Children's Finance recommends that the Core Team engage in the following activities:

1

Continue to promote child care to the community to bring attention to the funding currently available to providers. This can lead to additional providers going into the field and potentially gain interest of the unlicensed/unregulated individuals to take the first step in getting regulated. In the data shown previously, the City of Superior is facing a shortage of roughly 1,101 child care slots within the community. Investing in current providers within the community to ensure they can stay in business is also a crucial component of the child care challenge; however, without an increase in the number of providers, there will continue to be a shortage of child care slots within the community.

2

Continue to invest in any existing and new providers. Ensuring providers can sustain their business will help providers keep their doors open. Consider allowing City funds to go to more than home improvements and go towards operational costs. This will support providers in more than home improvements, and will allow funds to go towards operational costs, food, supplies, educational materials, and more. Broadening the funds will provide all providers in the community the opportunity to receive funds.

3

Continue to pursue partnerships with local high schools and higher educational institutions to address the Early Childhood workforce pipeline. During Strategic Supply Plan Meetings, there was much discussion around potential partnerships to address the workforce pipeline. It was also shared that staffing for child care centers has had a tremendous impact on child care businesses in the community. Continuing to pursue potential partnerships and promoting early childhood can lead to a more robust pipeline and draw interest of individuals in the community to go into the field.

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