



Coldspring Addressing

THE CHILD CARE SHORTAGE

in Greater St. Cloud



BACKGROUND

Since 1898, Coldspring has had operations in Central Minnesota. The fourth-generation, family-owned company's products serve the architectural, memorial, residential and industrial markets with all types of natural stone, bronze, and industrial and diamond-tooling products. The company's headquarters, a primary manufacturing facility and bronze foundry remain in Cold Spring, employing 740 people – 50 percent of whom live within 10 miles. As Coldspring's operations expanded across the country to include 30 quarries, multiple fabrication facilities and ancillary businesses the company employs more than 1,000 people across North America.

Finding quality, affordable child care is a key barrier to employment for families in the area. Coldspring provides a model to show how other companies can help.

THE NEED

Due to an ongoing shortage of child care in central Minnesota, the Greater St. Cloud area faces a dire need for local, affordable, high-quality child care facilities.

Challenges in MN Child Care: From June 2018-June 2019, Minnesota experienced a loss of 411 family child care programs.

- From June 2018-June 2019, Benton, Sherburne and Stearns Counties experienced a loss of 42 family child care programs (94 family child care programs closed and 52 opened).
- Each closure represents: a loss of jobs; parents struggling to find affordable day care; and an unstable learning environment for children.
- Local Level Economic Impact of Child Care: Work issues due to child care arrangements include:
 - Tardiness
 - Inability to Work Overtime
 - Absence from Work
 - Inability to Work Different Shift
- Community action is crucial to assist families with their needs and companies for the purposes of employee retention and recruitment.

Coldspring ownership became aware of the current issue of child care shortages and wanted to understand if it could be affecting their employees. The president

approached a few employees regarding their child care situation and discovered it could be impacting a significant percentage of the company's younger employees, which would affect its employee retention and recruitment plan. The president empowered several employees (HR Director and former Marketing Director) to lead an effort to uncover more information regarding this need.

As Coldspring looked to understand and provide solutions for its employees, leadership realized the company did not want to get into the child care business as it is a very different business model and structure, which relies heavily on grants and subsidies to operate. The decision was to seek and develop a partnership and assist in some way.

Coldspring became involved in discussions with a local Catholic school and church— Saints Peter and Paul School (SSPPS) -- in Richmond, Minnesota, that was interested in child care to satisfy a need for their organization as well and had available space for a program. However, the school was unsure how to understand the scope of their needs and wants around child care. A core group of individuals from each organization continued to meet during January and February to discuss potential solutions.

As Coldspring worked to size and scope the need for child care, the company conducted a focus group in March 2020 of 10 Coldspring employees to understand the scope of the needs and issues better and assist in developing a survey to a larger employee population. Takeaways from the focus group show how important a child care solution is for Coldspring’s recruitment and retention plan.

Families are finding it difficult and even impossible to obtain child care for their children, especially infants. As a result, parents are planning their families around daycare openings, ending their careers to stay home with their children, or driving outside of a reasonable area because of the shortage. Current child care providers are at maximum capacity and doing all they can for families in need, including securing approved variances through the county when possible.

Finding a child care solution is key to Coldspring’s recruitment and retention plan.

During Coldspring’s outreach, a relationship was formed with a key individual, a senior business development manager with First Children’s Finance (FCF) who has industry-specific expertise and a shared commitment to the success of child care. This individual’s experience provided expertise in the rural setting, financial analysis for new and existing child care programs, consulting and training for family- and center-based child care programs, and insight on working with communities to identify right-sized solutions to address the child care shortage in Minnesota. Coldspring contracted her in March to expedite its scoping of a child care facility and assist with the survey outreach and provide recommendations to solve the child care need.

In July a survey was sent to employees of Coldspring, SSPP School and Church, and Assumption Community.

Key takeaways from the survey include:

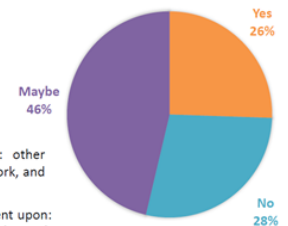
- 524 responses. Of the 524, 188 (36%) have children under 11 or are expecting within two years.

What's Important in Choosing a Child Care Provider?

Category	Rank
Clean & safe environment	1
Licensed by DHS	2
Conveniently located	3
Education curriculum	4
Parent Aware Rated	5
High level of education	6
Family, Friend or Neighbor	7

If a New Child Care Facility was Developed, Would You Use It?

Response	# of Responses
Yes	48
No	53
Maybe	87
Total	188



For those that responded “No” the reasons include: other arrangements for child care, cost, too far from spouse’s work, and kids are aging out of care.

For those that responded “Maybe” the decision is dependent upon: price, hours of operation, location, environment, & relationship with provider(s).

Digging Deeper into the Data

In a closer analysis of the data of those respondents who are interested in a new facility and are willing to pay the listed rates, we found:

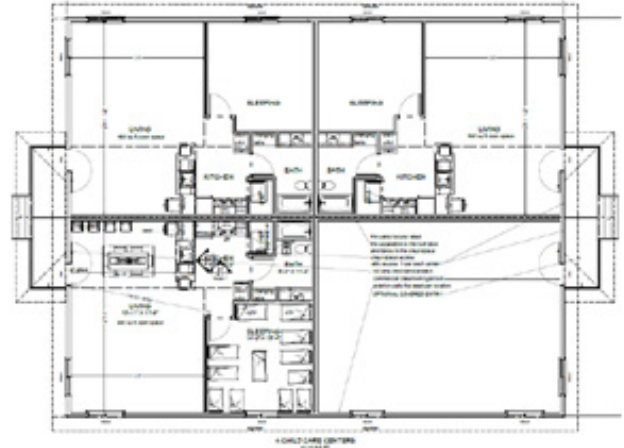
- Need for 16 infant slots (some existing and some expecting families)
- Need for 6 toddler slots
- Need for 13 preschool slots
- Need for 17 school age slots
- Start times ranging from 4:30am to 8:00 am with a significant need before 7:00am
- End times ranging from 3:00pm to 7:00pm with most pick-ups happening between 4:00pm and 5:30pm

RECOMMENDATION 1: CHILD CARE CENTER

Age	Ratio	Classroom Recommendation	# of children
Infant (Birth to 16 months)	1 to 4	2 rooms of 8 infants	16
Toddler (16 to 33 months)	1 to 7	2 rooms of 7 toddlers	14
Preschooler (33 months to K)	1 to 10	1 room of 20 preschoolers	20
School Age (K to 12 years)	1 to 15	1 room of 30 school age	30
Total			80

- Build for growth
- Market outside of employee base to fill all slots
- Keep in mind it typically takes one year to ramp up to full capacity; expect a loss the first year
- Do financial model with First Children's Finance to determine level of profitability
- May be necessary to provide a subsidy to infant rooms
- Be open to possibility of transitioning one infant room to a young toddler room as kids age up, or have one younger toddler room and one older toddler room

RECOMMENDATION 2: POD MODEL



- Multiple family child care programs in one commercial location

THE PLAN

As a result of the survey and review of the options, stakeholders identified that a future child care center, in partnership with SSPP Church as the most viable solution. The group felt using an existing space in the church, available immediately, and addressing part of the gap would be a good way to start and contribute to addressing the child care crisis. Detail of the child care include:

- The name of the child care center is Saints Peter & Paul Child Care
- The Catholic Diocese approved setting up child care entity as a 501c3. At the time of writing, final documents have been submitted for the child care entity as a 501c3.
- Saints Peter & Paul Child Care will be located at Saints Peter & Paul Church (which is located close to the SSPPS).
- The existing space in the church was evaluated and designed for renovation by a local architect. Renovation to begin in May 2021.
- The space will plan to accommodate 8 infants, 14 toddlers and 40 pre-kindergarten children.
- In January 2021 hired a Project Director on staff at SSPP Church until the child care is set up as an entity, she will oversee the child care project.
- Through the Initiative Foundation's support and funding, FCF will continue working with the SSPP Child Care Project Director in getting the child care started.
- The child care will share food service with the SSPPS food program
- The goal of the child care partnership with the school is to give parents and children an optimal child care experience so they will want to continue at SSPPS
- Plan to open September 1, 2021
- Has a Board of Trustees in place that will move forward with hiring a Child Care Director who will then hire other staff needs.
- Through Coldspring, a financial arrangement has been established to bridge the start-up and construction financing needs.
- SSPP Child Care continues to seek grant opportunities for funding.

HOW CAN YOU HELP?

- Invest in the Community Child Care fund to increase child care availability.
- Consider employer-sponsored child care.
- Take a look at your benefits package offered to employees.
- Contact Coldspring to learn more about initiating a similar program.

