

Strategic Plan for Child Care

Independence, Iowa

April 2024

Strategic Plan for Child Care Independence, Iowa

April 2024

Prepared for:

City of Independence

Prepared by:

First Children's Finance- Iowa Regional Office
1601 22nd Street, Suite 305
West Des Moines, Iowa 50266

Regional Director: Heidi Schlueter

Project Lead: Angie Rae Duncan, Business Development Manager

This project was made possible in part through a Rural Child Care Market Study grant received by City of Independence through the Empower Rural Iowa initiative, a program administered by Center for Rural Revitalization, a division of Iowa Economic Development Authority.

This report including excerpts, tables, graphs and data, or attachments, may be used for noncommercial purposes, provided that all titles, logos, copyright notices, and legends included in the original materials are retained.

This report may be cited using the following attribution:

Source: Strategic Plan for Child Care, Independence, Iowa. Copyright ©2024 First Children's Finance, www.FirstChildrensFinance.org

CONTENTS

INTRODUCTION	4
THE STRATEGIC PLANNING PROCESS.....	5
EXECUTIVE SUMMARY	7
THE NEED AND DEMAND FOR QUALITY CHILD CARE	9
Market Area.....	9
Population	9
Working Families	9
Quality of Life for Residents	10
Quality of Care	10
Child Care as a Business Issue	11
Business Investment in Child Care	12
Child Care Market Analysis Key Findings	13
THE FUTURE OF CHILD CARE IN INDEPENDENCE	20
Vision for Child Care	20
Key Assumptions for Expanding Child Care.....	20
CHILD CARE GOALS AND STRATEGIES.....	22
GOAL 1	22
GOAL 2	26
PUTTING THIS PLAN INTO USE	33
APPENDIX.....	34
Strategic Planning Activities Summarized by Date	34

INTRODUCTION

In January 2024, First Children's Finance (FCF) completed a *Child Care Market Analysis* for Independence, Iowa, which analyzed the supply and demand for child care in the Independence area. In addition to direct surveys for input from parents, employers, and child care providers, FCF collected data from the US Census Bureau, Iowa Department of Health and Human Services, Iowa Workforce Development, and Iowa Child Care Resource & Referral. FCF's analysis resulted in several key findings related to the local child care market, which are summarized in the "The Need and Demand for Quality Child Care" section of this report.

Addressing a child care shortage is a challenge that requires a community response. The challenge is how to increase the supply and availability of child care to meet the needs of the families and employers, while supporting child care businesses. As a result, a solution-based community planning process spearheaded by a child care steering committee was initiated.

THE STRATEGIC PLANNING PROCESS

To develop this *Strategic Plan for Child Care*, First Children's Finance (FCF) focused data collection and planning efforts on how business interventions and community support could address local challenges. During February and March 2024, a series of strategic planning meetings were held. To launch this process, FCF presented the key findings from the *Child Care Market Analysis*. FCF also shared *Emerging Models and Promising Practices, Successful Child Care Models*, which highlighted child care providers and communities FCF has worked with as replicable examples. At the remaining meetings, strategic planning participants engaged in exercises to develop a vision for child care in the community, and goals and strategies to address the child care challenges identified through the child care market analysis.

Child Care Steering Committee

A steering committee consisting of representatives from local government, employers, child care providers, and economic development will serve as the leader of this plan, including reviewing the goals, strategies, and action plans each year. To fully implement this plan, the committee may form subcommittees or task forces so that additional community members or organizations become engaged, and activities and workload are distributed. Members of the committee are:

- Brad Bleichner, Mayor of Independence
- Carrie Mattson, Geater Machine & Manufacturing
- Cynthia Phillips, Independence Community School District
- Kathryn Jensen, Independence City Council
- Kay Reidy, Independence Community School District
- Kelly Walton, Kidsville Early Learning Center
- Kevin Jimmerson, Independence Mental Health Institute
- Lisa Kremer, Buchanan County Economic Development
- Lisa Wood, Child Care Resource & Referral
- Maria Drilling, Independence Premium Foods
- Mary Janssen, Child Care Resource & Referral
- Matt Schmitz, City of Independence
- Melissa Trumbauer, Geater Machine & Manufacturing
- Michelle McBride, Buchanan County Health Center
- Molly Hocken, Community Volunteer
- Nikki Barth, Independence Chamber of Commerce
- Tyler Rassmussen, EPM Iowa Real Estate

Strategic Planning Sessions

During February and March 2024, a series of sessions focused on strategic planning were held. A total of 15 members of the Child Care Steering Committee participated. The sessions resulted in the creation of a vision for child care in Independence, child care goals, and strategies to achieve each goal.

Putting this Plan into Use

This *Strategic Plan for Child Care* represents a significant investment of community resources. To achieve the expected outcomes and impacts outlined in this plan, members of the Independence Child Care Steering Committee, in partnership with the City of Independence, will need to remain engaged and lead efforts, which may include forming subcommittees so that additional community members or organizations become engaged, and activities and workload are distributed.

The plan and progress will be fully reviewed annually by the steering committee and report to the City of Independence and the community. Each year the committee will create a workplan assigning specific activities with detailed timelines and identify individuals to serve on subcommittees as needed. A matrix with a summary of the planned activities for each of the five years is provided in the Appendix to assist with assigning and tracking which activities are complete.

EXECUTIVE SUMMARY

Every parent wants their child to be in a child care setting that not only meets their basic needs for safety and security, but also provides nurturance and prepares that child for school success. The late Jim Greenman, child care developer and advocate, stated: “A baby welcomed into a center today may spend up to twelve thousand hours in child care, more time than she will spend in all of elementary school and high school.” For working parents, choosing child care may be one of the most critical decisions they can make as the child care environment has lasting effects on the child.

When the *Child Care Market Analysis* for the Independence area was completed in January 2024, Iowa Department of Health and Human Services (HHS) data showed there were 348 regulated child care spaces, and shortly after the plan was complete, one program announced it would close after the 2023-2024 school year. After that closure there will be 332 regulated child care spaces, with 284 of those available on a year-round basis. With an estimated 893 children likely to use regulated child care, it is reasonable to conclude there is a shortage of regulated child care spaces in Independence.

To address the child care shortage, a process that gathered information and data from different perspectives was used, including the results of the surveys conducted with employers, child care providers, and parents as part of the *Child Care Market Analysis*. The results were presented to the Child Care Steering Committee, which then participated in a series of strategic planning sessions to develop a vision, goals, and strategies with action steps to achieve those goals.

The following vision, goals, and strategies were developed by the Child Care Steering Committee.

The vision for child care in Independence is:

Independence will continue to be a thriving community with accessible, quality child care choices that allow employers to attract and retain workforce.

The following goals and strategies were developed for addressing child care within Independence:

GOAL 1: Support the efforts of child care businesses to be sustainable by facilitating partnerships and providing access to business resources.

Strategy 1- Facilitate partnerships between child care centers and local businesses.

Strategy 2- Provide a local connection to regional and statewide business resources and supports for both existing and prospective child care providers.

GOAL 2: Maintain the existing supply of regulated child care and add a minimum of 50 new regulated spaces by 2029.

Strategy 1- Identify viable locations for an Iowa Department of Health and Human Services licensed child care center.

Strategy 2- Inform the community of the need for more regulated child care spaces, and the efforts made toward exploring options to expand the number of spaces.

Strategy 3- Identify an entity to operate an Iowa Department of Health and Human Services (HHS) licensed child care center in the former Starlight Cinema building.

Strategy 4- Develop and implement a campaign to attract additional child care providers.

THE NEED AND DEMAND FOR QUALITY CHILD CARE

The City of Independence commissioned First Children's Finance (FCF) to conduct a *Child Care Market Analysis* to analyze the supply and demand for child care in the area. Through that process, FCF collected data from the US Census Bureau, Iowa Department of Health and Human Services, Iowa Workforce Development, Iowa Child Care Resource & Referral, and input from employers, child care providers, and parents. FCF's analysis resulted in several key findings related to the local child care market, including that there is a shortage of regulated child care spaces in the Independence area. According to FCF's calculations in that analysis, there is a child care gap of 545 spaces during the school year and that gap grows to 593 spaces during the summer months when some of the programs close. This gap may be worsened by families that live in other communities but prefer child care in Independence.

The following factors underlie the current and future need and demand for quality child care in the area. These factors were considered by the Child Care Steering Committee as they developed community strategies.

Market Area

The market area used for the market analysis study was the boundaries of the Independence Community School District, which includes the communities of Brandon, Independence, and Rowley, as well as the unincorporated areas adjacent to these cities.

Population

The US Census Bureau estimates that from 2012 to 2022, the total population of the market area increased, while the number of children ages 0 to 11 decreased. As of 2022, the total population is 9,148 and the number of children ages 0 to 11 is 1,153, which is 193 fewer children living in the market area than what were in 2012.

Working Families

As of 2022, there are 3,853 total households in the market area, of which 2,373 (62%) are family households, and 1,016 (26% overall) had children under the age of 18. The median income for families with children under the age of 18 is \$83,958.

According to the US Census Bureau as of 2022, 71% of families with children ages 0 to 5, and 95% of families with children ages 6 to 17 living in the Independence area have all parents in the labor force. All parents working means if there are two parents living in the home both work, or if the child lives with a single parent that parent is working.

Quality of Life for Residents

The child care sector serves two critical community functions. First, it is an economic driver allowing parents to work and earn income while at the same time creating jobs. Second, since the children that attend child care full-time typically spend between 35 and 50 hours per week with a caregiver who is not their parent, child care prepares children for school and life at a critical stage of their development.

In short, the child care industry is an essential component of the community infrastructure that keeps businesses growing and keeps parents working. In addition, quality child care contributes to a higher quality of life for residents as it assures that children are experiencing the kind of care that not only is safe and nurturing but prepares them for success and for growing into healthy and contributing future citizens.

Key to a positive future includes developing infrastructure and community assets that will attract families wishing to make the Independence area their home. Child care plays an essential role in a healthy community eco-system. The expansion of quality child care can be a catalyst for building a community that is vital, thriving, and prosperous.

Quality of Care

Although there is no simple definition of quality child care, the Iowa Department of Health and Human Services (HHS) has recently undergone a process to better align the state's quality rating system with nationally recognized quality standards. Iowa Quality for Kids (IQ4K™) is Iowa's new Quality Rating and Improvement System for HHS licensed child care centers and preschools, registered child development homes, and programs operating under the authority of an accredited school district or nonpublic school. IQ4K provides five levels of quality (building blocks) that programs can achieve and continue to improve on. By implementing Continuous Quality Improvement (CQI), IQ4K allows programs to assess their current grade across all areas of programming and devise a structured plan to increase the overall level of program quality.¹

Furthermore, research shows that the early years (ages 0–5) are the most sensitive for brain development. Over 90% of brain growth occurs during this period. Once in school, students who receive quality early childhood education are more likely to graduate from high school, own a home, and have a job than their peers who did not attend preschool. Young children that spend time in safe and healthy environments that stimulate learning (i.e., quality early care and education programs) are more prepared when they start school and have long-term economic, academic and social benefits, and reduced costs to individuals and communities later on.

¹ Iowa Child Care Resource & Referral <https://iowaccrr.org/providers/iq4k/>

According to secondary research conducted by the Minneapolis Federal Reserve, the annual rate of return on each \$1 dollar spent on high quality early care and education is twelve to sixteen percent (12-16%), with the greatest returns realized among children in low-income families. Child care requires an investment. The delivery of quality child care is a *business issue and a business challenge for child care providers*. A commitment to delivering quality care that results in quality learning outcomes for children requires significant resources for child care businesses. Low classroom staff to child ratios, age-appropriate curriculum, teacher training and improved teacher qualifications, physical environment improvements, and more – all result in increased costs. An investment in the sustainability of existing child care providers that are committed to quality, is an investment in child care now and into the future.

Child Care as a Business Issue

As we look into the future through the lens of national, state, and local social and economic trends, the greatest hope for sustainable child care, particularly quality child care, rests in the community's ability to *develop strong child care businesses* and to *diversify the dollars going into supporting them* through both *public and private sector engagement and investment*.

The business community has a stake in child care. Businesses, communities, and regional economies all benefit from short-term and longer-term benefits of quality child care:

- Employee retention and decreased turnover;
- More productive employees, who know their children are receiving quality care;
- Ability to attract and keep the best employees and a younger workforce;
- Increased employment and career advancement opportunities at growing child care businesses;
- Spin-off jobs as a result of the multiplier effect of child care business development and retention;
- Less remedial expense as children are prepared to be successful in school;
- Sharp reductions in public expenditures on criminal justice, welfare and other remedial services; and
- A well-prepared future workforce: the essential bedrock of regional economic growth.

An immediate cost that impacts families and child care businesses is child care employee turnover. "Studies by American Management Association and others report a range between 25 percent and 250 percent of annual salary per exiting employee. Entry-level, unskilled positions are at the lower end of the cost range, while executive, managerial and sales positions are at the

higher end.”² A 2006 article by Saratoga, a service offering of PricewaterhouseCoopers, lists the following turnover costs and consequences:

- Lost productivity during a vacancy.
- Diminished productivity of the team and managers who are covering for a vacant position.
- Diminished productivity of the team and managers who are training the new hire.
- Increased labor costs due to overtime or contractor’s needs.
- Hiring and onboarding costs.
- More difficult to quantify impacts may include decreased customer satisfaction, increased future turnover, and loss of institutional knowledge.

Combined, these turnover-related costs represented more than 12% of pre-tax income for the average company.³

Business Investment in Child Care

There are multiple opportunities for businesses to invest in child care, meeting both the employee and employer needs, while also promoting a positive image of their business in the community. Employers can support their workers by investing in child care. Support of individual child care businesses can come in multiple forms. First Children’s Finance believes the following examples are all viable options:

- Sponsor spaces within a child care center(s) or home(s). These spaces are then reserved for that business’s employees.
- Fund a child care scholarship that is available to employees whose income exceeds the Iowa child care assistance income eligibility limit, but still struggle to afford child care. This could be in the form of a reimbursement and may provide different levels of support for families with different incomes.
- Business or corporate giving grants or community investment funds.
- Donate space for on-site child care that is available to both employees and the community.
- Invest in building a child care facility that bears the corporate or business name.

All contributions, at various levels of support are needed, recognized as significant, and promote a positive image of the business or corporation providing that gift or support.

² Spremulli, Michael. (2011, June 22). *Employee Turnover on the Rise*. Retrieved from <http://www.chrysaliscorporation.com/employee-turnover-on-the-rise/>

³ *Driving the Bottom Line: Improving Retention*. Copyright © PricewaterhouseCoopers LLP, 2006. Retrieved from <https://www.shrm.org/hr-today/news/hr-magazine/Documents/saratoga-improving-retention.pdf>

Child Care Market Analysis Key Findings

Most notably, the *Child Care Market Analysis* showed there is a need for more *regulated* child care in the Independence area. According to the US Census Bureau, there are an estimated 1,153 children ages 0 to 11 in the area. First Children's Finance estimates, 893 of those are from families that want to use Iowa Department of Health and Human Services (HSS) regulated child care, either a licensed center or a registered child development home. As of January 2024, there are 348 regulated child care spaces and it has been announced one program will be closing, reducing that number to 332, of which 284 are available year-round.

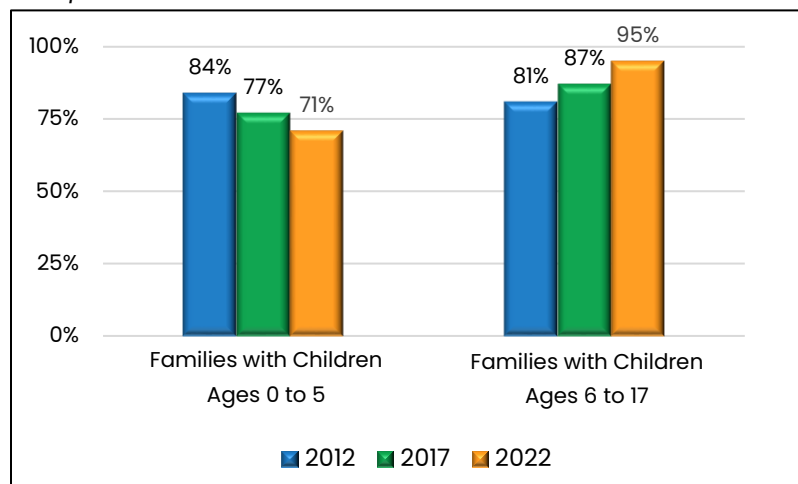
Based on the data and research from the *Child Care Market Analysis* that was completed for the Independence area in 2024, First Children's Finance identified the following key findings:

Finding 1: The Percentage of Families with Young Children and All Parents in the Labor Force is Declining

According to data from the US Census Bureau the percentage of families that have children ages 0 to 5 and that have all parents in the labor force has been decreasing over the last 10 years. During the same time period, the percentage of families that have children ages 6 to 17 and have all parents in the labor force has been increasing. All parents in the labor force means if a family is headed by a couple, both parents are working and if it is headed by a single parent that parent is working.

As of 2022, 71% of families with children ages 0 to 5, and 95% of families with children ages 6 to 17 living in the Independence Community School District (CSD) have all parents in the labor force. Five years ago in 2017, those numbers were 77% and 87% respectively, and in 2012 they were 84% and 81%.

Comparison of Families with All Parents in Labor Force Over the Past 10 Years

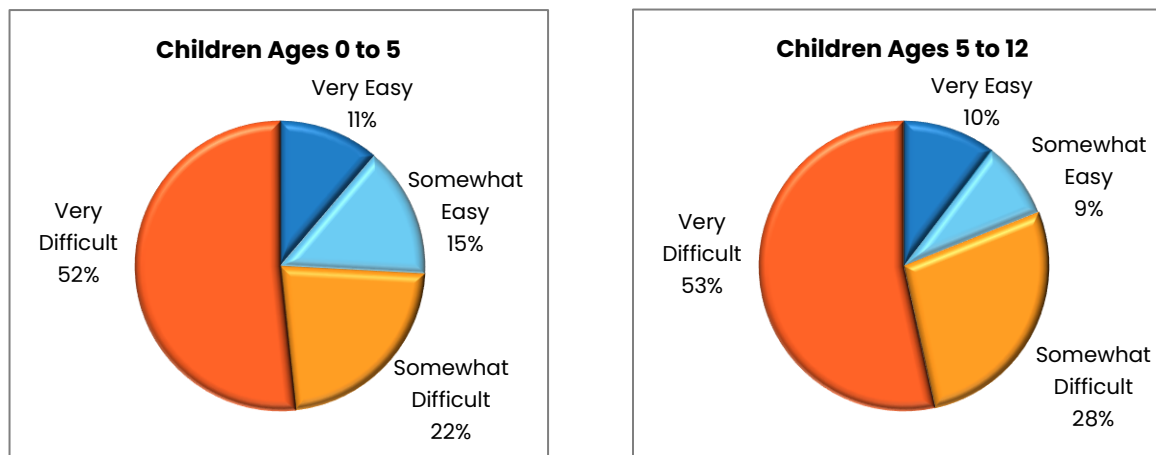


Finding 2: Parents are Having Difficulty Finding Child Care

Parents were asked if they had looked for child care in the last 12 months. Eighty-nine (89) parents indicated they had looked for care for children ages 0 to 5, and 58 parents indicated they had looked for care for children ages 5 to 12. Among those looking for care for ages 0 to 5, 74% indicated they experienced some level of difficulty—either somewhat difficult (22%) or very difficult (52%). And among those that looked for care for ages 5 to 12, 81% indicated they experienced some level of difficulty—either somewhat difficult (28%) or very difficult (53%).

As a follow up, parents were asked what obstacles they had experienced when looking for child care. Most comments refer to no openings within centers or child care programs not accepting children under the age of 2. There were also a few comments that included the cost of tuition, or stating that their family cannot afford the setting they prefer.

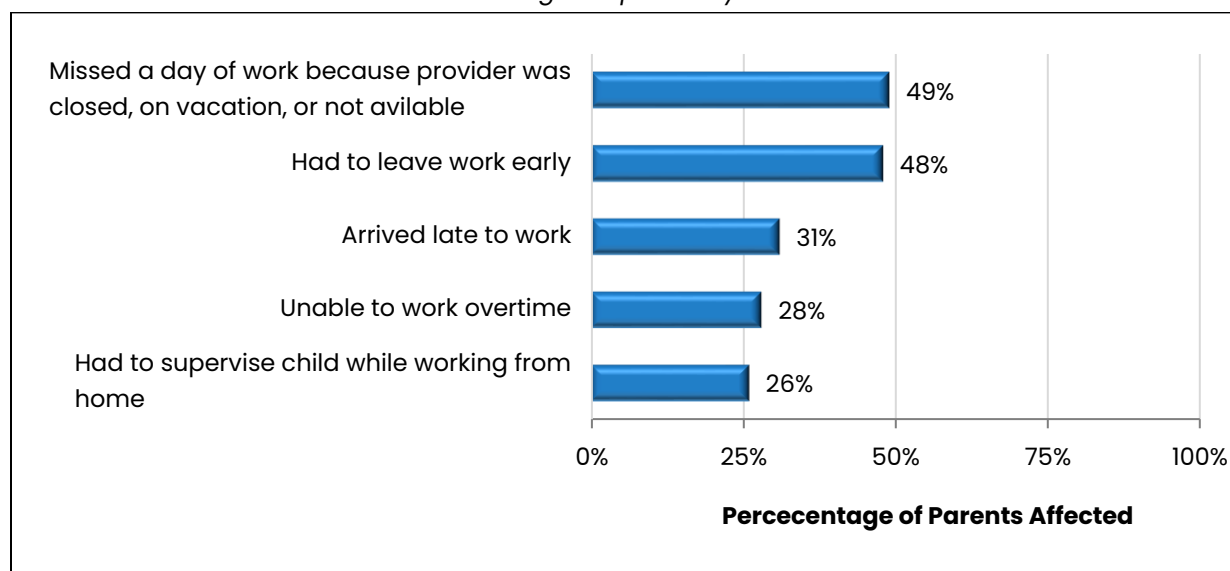
Ability to Find Child Care During Last 12 Months



Finding 3: Parents Indicate Child Care Challenges are Affecting their Job

Over the last 12 months, parents have experienced child care challenges that have in turn affected their job. The adverse effects experienced by at least 25% of parents that participated in the child care needs survey were: missed a day of work because the provider was closed, on vacation, or not available (49%), had to leave work early (48%), arrived late to work (31%), unable to work overtime (28%), and had to supervise child while working from home (26%). Overall, 57% of parents indicated they experienced no issues related to their job due to child care. *See figure on next page.*

Most Common Effects of Child Care Challenges Reported by Parents



Separately, 32% (75 parents) indicated child care challenges are currently limiting their or their spouse's or partner's employment, such as working part-time when full-time is preferred, or not working within their preferred field. In addition, 17% (40 parents) indicated that they or their spouse or partner have declined employment or withdrawn from the workforce in the last 12 months due to child care challenges, and 6% (14 parents) indicated as of today they or their spouse or partners is not working (unemployed) because of child care challenges.

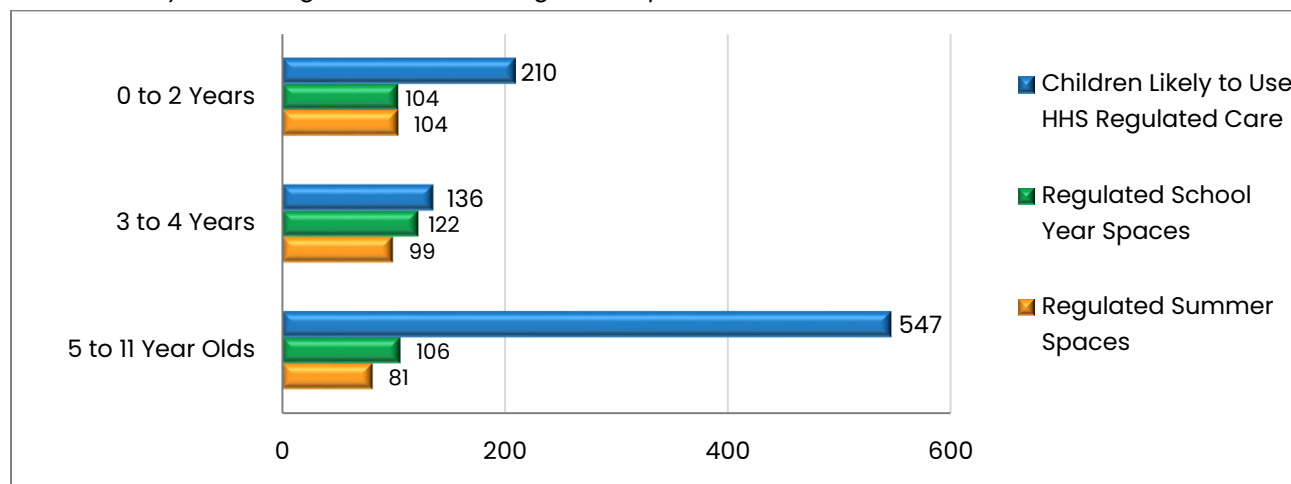
Finding 4: There is a Shortage of Spaces Among All Age Groups

There are 1,153 children ages 0 to 11 in the Independence Community School District (CSD) boundaries. Of those, First Children's Finance (FCF) estimates 960 have all parents working. Based on the percentage of families that have all parents working, and parents' preferences of child care settings, First Children's Finance estimates that 893 of those children are from families who prefer and are likely use Iowa Department of Health and Human Services (HHS) regulated child care. According to Iowa HHS, there are currently 348 HHS regulated spaces, however one preschool program has announced they are closing in May 2024, which will leave 332 spaces, of which 332 will be available during the school year and 284 during the summer.

The *Child Care Gap Analysis* shows that after June 2024, there will be a shortage of 561 spaces during the school year and 609 spaces during the summer when some programs close temporarily. When broken down by age group, for ages 0 to 2 there will be a shortage of 106 spaces during both the school year and summer, for ages 3 to 4 there will be a shortage of 14 spaces during the school year and 37 during the summer, and for ages 5 to 11 there will be a shortage of 441 spaces during the school year and 466 during the summer. Based on input from parents that completed the child care needs survey conducted as part of the *Child Care Market*

Analysis, FCF believes this gap may be worsened by families that live in other communities but prefer regulated child care in Independence.

Children Likely to Use Regulated Care vs. Regulated Spaces Available

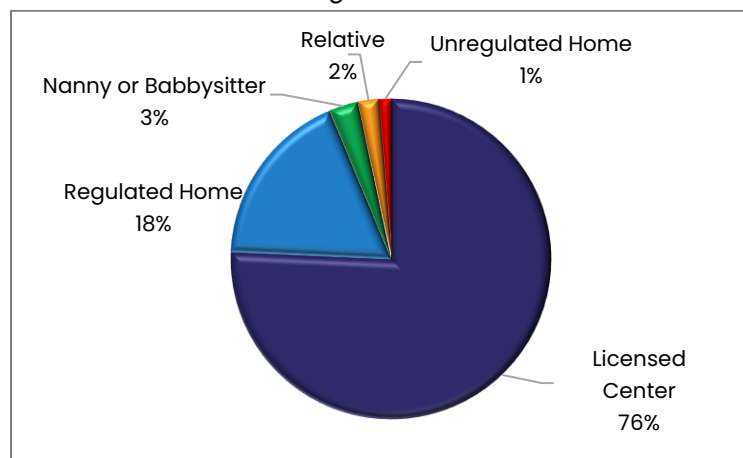


Finding 5: Parents Want Center-Based Child Care

Through the child care needs surveys completed by parents in 2023, both current and future parents were asked several questions about their child care needs and preferences. The most preferred child care arrangement chosen was a licensed child care center, which is preferred by 76% of all respondents, followed by a regulated child development home which is preferred by 18% of all respondents.

There are currently 284 spaces within licensed centers (which also includes preschools) for children ages 18 months to 12 years. One of the preschool programs has announced they will close in May 2024, which will bring the number of spaces down to 268 during the school year and 220 during the summer.

Preferred Child Care Setting



In addition to preferred child care setting, the child care needs survey also revealed that both current and future parents prefer to drop-off their children for care between 7:00 am and 7:59 am (47% overall) and pick them up between 4:00 pm and 4:59 pm (37% overall), and to use care Monday through Friday (90%-96% depending upon the day). Parents also prefer care that is available year-round for all ages, with 83% of those with children ages 0 to 5 choosing this option, and 61% of those with children ages 5 to 12.

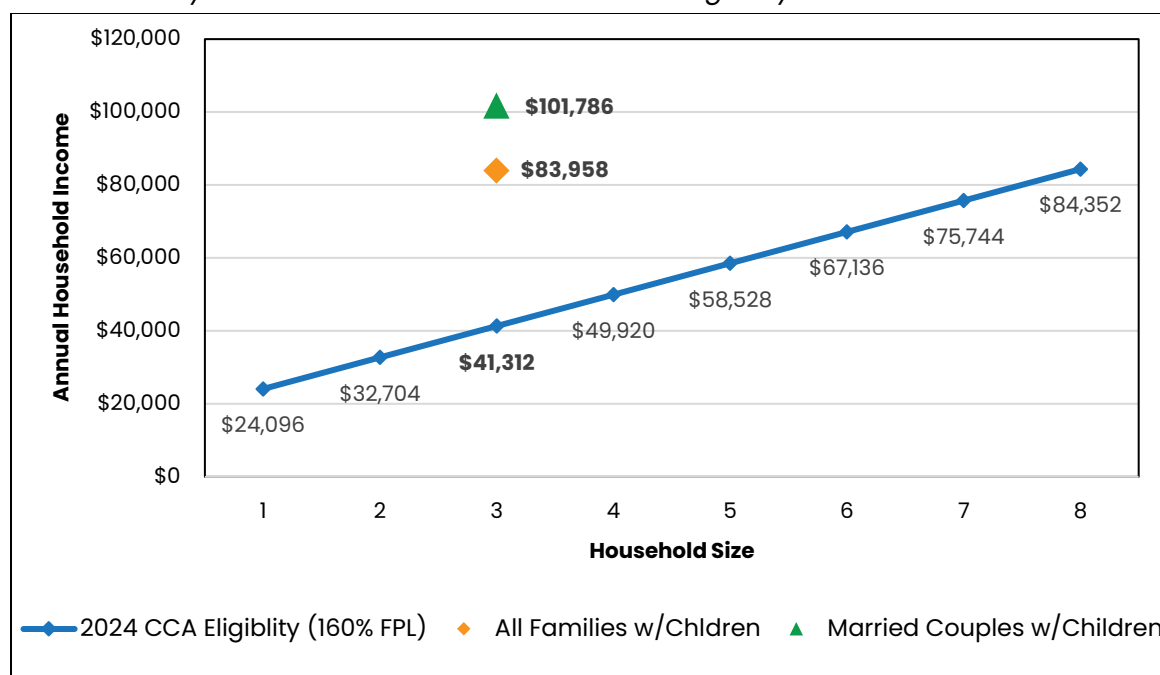
Finding 6: Median Income of Families with Children is Higher than the Child Care Assistance Threshold

The median income for families with children under the age of 18 in the Independence Community School District (CSD) is \$83,958, and that income jumps to \$101,786 for married couples with children under the age of 18. Among respondents of the child care needs survey, 87% of current parents (those that have children age 12 or younger) indicated they are married. To be eligible to initially qualify for tuition assistance under the Iowa Child Care Assistance (CCA) program a family's income must not exceed 160% of Federal Poverty Level (FPL), or 200% if they have a child with special needs. Once approved, a family's income is checked annually, and they continue to be eligible if their income does not exceed 225% FPL.

According to the federally determined poverty threshold that went into effect January 2024, for a household of 3, to initially qualify for CCA 160% FPL is \$41,312 while the point which a family already approved for CCA would exceed income eligibility, 225% FPL, is \$58,095. According to the same threshold, for a household of 4, to initially qualify for CCA 160% FPL is \$49,920 while the point which a family already approved for CCA would exceed income eligibility, 225% FPL is \$70,200. While many households with children in the area exceed these incomes, comments provided by parents through the child care needs survey indicate some families may be struggling to pay for child care expenses out of pocket.

The following figure plots the median income of households with children under 18 in the Independence CSD area using the family size of 3 (rounding the average family size of 2.94). The diagonal line shows 160% FPL by household size. The gap between 160% FPL for a family of 3, the median income for a family with children, and married couple with children can easily be seen by comparing the blue line to the orange diamond and green triangle. *See figure on next page.*

Median Family Incomes vs. Child Care Assistance Eligibility Threshold



Finding 7: Child Care Centers are Willing to Expand

Child care centers that completed the child care needs survey were asked, would you wish to expand their current child care program to serve more children? All 4 of the licensed centers in Independence participated, and at the time of the survey (October 2023) 3 of the 4 indicated, yes they would expand if they had the opportunity. Following the survey, one center announced they will close in May 2024, which may change the number of centers willing to expand as of the date of this report.

Providers that said yes were then asked to explain how they could expand. Comments received were:

- We would need to expand our building or find a new site to relocate to.
- We wish to offer full day preschool so parents wouldn't need to transport kids in the middle of the day. Or we wish we would have transportation. We wish we could have enough kids in morning and afternoon to have two sections of preschool.
- We could add on to our building.

Providers were asked to be more specific as to the support they would need in order to be able to expand to serve more children. All responses were related to two types of support, needing help with staffing and financing.

Finding 8—Few Employers are Currently Impacted by Child Care

Through the child care needs survey employers were asked several questions related to how child care is affecting them and their employees. Those questions included:

- Does your business have any challenges related to productivity because of employees' child care challenges?
- Does your business have any challenges related to absenteeism because of employees' child care challenges?
- Has your business had difficulty hiring due to child care options or challenges in the area?

A total of 9 employers participated in the survey. For each question, only 1 employer (the same employer) answered yes. Some of the comments received from all employers were:

- *None reported, however, we know the possibility exists.*
- *If they are we are not aware this is why they are calling as they do not say it is directly because of childcare.*
- *We list hours of operations and disclose in the interview process what hours are to be expected.*
- *Our most recent applicants do not have young children. I imagine that daycare hours would be a challenge with our 10-hour day schedule for prospective employees.*

Finding 9—Some Employers are Willing to Donate or Make a Contribution to Child Care

Employers that participated in the child care needs survey indicated their business is willing to assist in addressing the child care shortage and/or support child care businesses through various actions.

- 3 employers are willing to make a donation or financial contribution to build, remodel, or expand a child care center.
- 3 employers are willing to make a donation or financial contribution for child care scholarships for their own employees.
- 2 employers are willing to make an annual donation or financial contribution for a portion (but not all) of the wages of a child care center director.
- 2 employers would pay a child care provider the tuition of a vacant slot in order to reserve or hold that slot for one of their employees (with the employee taking over payment upon enrolling).
- 2 employers would make a financial contribution for the operation of a child care program.
- 2 employers would make a donation or financial contribution for child care scholarships for all children.

THE FUTURE OF CHILD CARE IN INDEPENDENCE

Vision for Child Care

The following vision for child care was developed by the Child Care Steering Committee during the strategic planning sessions. This vision will help guide the future of child care in Independence.

Independence will continue to be a thriving community with accessible, quality child care choices that allow employers to attract and retain workforce.

To accomplish this vision means a focus on and resources committed to:

- Creating more spaces within regulated child care environments.
- Recruiting and developing child care professionals that provide a variety of child care options.
- Developing local resources to assist parents in finding and paying for child care.
- Informing employers and the community on the value and importance of quality child care.
- Partnerships between employers and child care programs.

Every parent wants their child to be in a child care setting that not only meets their basic needs for safety and security, but also provides nurturance and prepares that child for school success. The late Jim Greenman, child care developer and advocate, stated: “A baby welcomed into a center today may spend up to twelve thousand hours in child care, more time than she will spend in all of elementary school and high school.” For working parents, choosing child care may be one of the most critical decisions they can make as the child care environment has lasting effects on the child. Finding child care is a challenge; options for quality, regulated child care that meets the needs and preferences of families is even more challenging. Community and business leaders all want the same thing – quality, affordable child care that meets the needs of families, employers, and the community as a whole – not only today, but into the future. From the beginning, the intention of this project was to develop a community-wide solutions-based plan for the expansion of *quality* child care, not to just add more child care spaces.

Key Assumptions for Expanding Child Care

The expansion of quality child care carries with it some key planning assumptions. These assumptions will guide the implementation of the *Strategic Plan for Child Care* for existing and new quality child care.



Commitment to program quality- All child care programs that choose to participate in child care expansion efforts and receive incentives (should any be made available) and other resources, will commit to quality. This commitment includes training, curriculum enhancement, and other business and classroom standards, including being a licensed center or registered child development home with the Iowa Department of Health and Human Services.



Serve all ages- The current child care shortage includes a shortage of infant and toddler care (under age 2), which is more costly to provide than care for older children, due to lower staff to child ratios. Provider participation in the child care expansion effort means a commitment to provide care to infants and toddlers, as well as other ages of children.



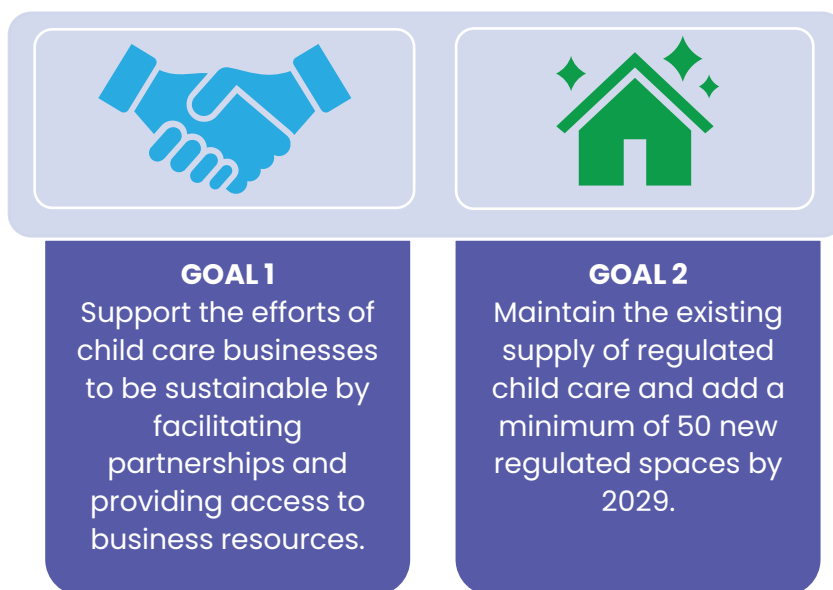
Meet quality requirements in physical environments- There exists a direct link between the quality of the physical environments and quality in the classroom practices. To the degree possible in existing child care and in new development of child care, attention will be given to quality child care physical environments – facilities and playgrounds, including meeting (or exceeding) standards as a licensed center or registered child development home as set by the Iowa Department of Health and Human Services.



New child care development needs to promote community-building- New child care development carries with it an opportunity to use development and design models that build a sense of community and become desirable community assets for the long term.

CHILD CARE GOALS AND STRATEGIES

The strategic planning process is an opportunity to leverage multiple view points and ideas related to addressing the child care challenges identified through the 2024 *Child Care Market Analysis* of the Independence area, including the child care needs surveys completed by employers, child care providers, and parents. Through a series of strategic planning meetings, the Child Care Steering Committee engaged in activities and conversations to develop these goals and strategies to address the child care challenges in Independence.



GOAL 1: Support the efforts of child care businesses to be sustainable by facilitating partnerships and providing access to business resources.

Child care is an essential component of the community's infrastructure that keeps businesses growing and parents working. In the child care market area, which is the boundaries of the Independence Community School District, 71% of families with children ages 0 to 5 and 95% of families with children ages 6 to 17 have all parents in the workforce. Involving local businesses and other community partners will result in solutions that meet the needs of parents, help employers recruit and retain the workforce they need, and set up the community for future growth.

Strategy 1- Facilitate partnerships between child care centers and local businesses.

Partnerships between child care centers and local businesses have the potential to benefit both the child care program and the business. The most ideal partnerships are those that would benefit a child care center by reducing costs or sharing expenses, allowing the center to have funds available to increase staff wages or offer employee benefits. The partnering businesses

may also benefit by making contributions or providing in-kind services which may be tax-deductible, or by reaching an agreement with the child care center that will benefit their employees, such as priority on the waitlist or for enrollment.

Partnerships could include (but are not limited to):

- Bulk purchasing for better pricing.
- Shared professional development.
- Shared services or back-office functions like bookkeeping or payroll services that are discounted or donated.
- In-kind donations to eliminate expenses such as snow removal, mowing, and cleaning and maintenance.
- Providing transportation for field trips and activities.
- An annual financial commitment equal to all or a portion of the child care center director's annual wage.
- On-going financial support for general operations.
- Child care employees have the ability to purchase insurance through a group plan under the partner business.
- Meals prepared by a partner entity and delivered to the child care center.

Action Plan

July 2024 through June 2025 (Year 1, repeat as needed)

- The Child Care Steering Committee will contact the child care centers in Independence to learn if the program is interested in pursuing partnerships with local businesses, the needs of the child care center, and preferred contact information to be shared with the businesses. Child care centers will be encouraged to prepare details about their needs including what they are requesting, how that will be used, and how the center, the employer, and parents will benefit.
- The Child Care Steering Committee will inform local businesses of the desired partnerships of each child care center and provide the businesses with the contact information for the center.
- Local businesses will identify which requests they are interested in pursuing and contact the child care centers directly to form a partnership.

Expected Outcomes and Impacts

Partnerships with local businesses could provide child care center owners and operators additional support to strengthen the sustainability of their operations, increasing the likelihood of them being available for the current and future workforce. This strategy is intended to help child care centers reduce or off-set some operating costs, freeing-up funds to pay staff higher wages

or offer employee benefits, ultimately improving child care staff attraction and retention. Businesses that provide support to child care centers may also experience positive outcomes such as their employees having easier access to child care, which could lead to improved employee attraction and retention. This strategy is not intended to be a substitute for child care programs budgeting for or hiring qualified professionals, such as CPAs or attorneys, or to create expectations that local employers and other professionals should provide their services free of charge.

Strategy 2- Provide a local connection to regional and statewide business resources and supports for both existing and prospective child care providers.

The community needs to retain existing child care spaces in addition to adding new. Providing child care business resources and supports can provide existing child care providers access to resources that will assist their efforts to achieve quality programming and stable business operations. In addition, these same resources and supports may be useful to individuals that are interested in starting a new child care center or registered child development home.

Action Plan

July 2024 through June 2025 (Year 1)

- The Child Care Steering Committee will research and make a list of entities that provide child care specific business consulting and training. Already known entities are Child Care Resource & Referral, First Children's Finance, Iowa Department of Health and Human Services, and Iowa State University Extension and Outreach.
- The Child Care Steering Committee will research and make a list of entities that provide general (not child care specific) business consulting and training. Already known entities are Small Business Development Center (SBDC), SCORE, and community colleges.
- The Child Care Steering Committee will work with community partners to create a page on a local website that will serve as a hub of links to resources for existing and prospective child care providers. Links that might be included are:
 - Child Care Resource & Referral
 - Child Care Collaborative of Iowa (Financial Management Consulting and access to state-funded Child Care Management Software)
 - Child Care Ready (training and assistance to become registered home)
 - Early Childhood Iowa (ECI)
 - Building Directions for Families (local system)
 - First Children's Finance
 - Business & Financial Fundamentals© for Child Care (business training and coaching for both homes and centers)
 - Child care business loans

- Online business resources and templates
- Iowa Association for the Education of Young Children (Iowa AEYC)
 - Child Development Associate® (CDA) Credential™ assistance
 - TEACH (scholarship program for CDA, Associates Degree, and Bachelor's Degree)
 - WAGE\$ (salary supplement program)
- Iowa Department of Education
 - Child and Adult Care Food Program (CACFP) (reimbursement for meal and kitchen supply costs)
- Iowa Department of Health and Human Services (HHS)
 - Child Care Center Licensing regulations
 - Registered Child Development Home regulations
 - Child Care Assistance Program (tuition assistance paid to providers)
 - Iowa Quality for Kids (IQ4K) quality rating improvement system
 - I-PoWeR Professional Workforce Registry (training calendar and credit hour tracking system)
- Hawkeye Community College
 - Early Childhood Education program
- Iowa State University Extension and Outreach

July 2025 through June 2026 (Year 2, repeat annually)

- The Child Care Steering Committee will review the prior year's efforts. Information and links will be updated, and efforts repeated annually or as needed.

Expected Outcomes and Impacts

This strategy is two-fold, sustainable child care businesses that continue operating and new child care businesses that contribute to increasing the number of child care spaces in Independence. Existing child care programs can access resources that will allow them to develop a sustainable business model and improve the quality of child care programming. Prospective child care providers can also utilize the resources to develop a sustainable business model. If more child care programs are started in Independence, the number of child care spaces will increase.

GOAL 2: Maintain the existing supply of regulated child care and add a minimum of 50 new regulated spaces by 2029.

In the child care market area, which is the boundaries of the Independence Community School District, there are 1,153 children ages 0 to 11. Of those, First Children's Finance (FCF) estimates 960 have all parents working and approximately 893 of those are from families that prefer and are likely to use an Iowa Department of Health and Human Services (HHS) regulated child care setting. According to HHS, as of January 2024 there are 348 spaces within regulated child care programs in Independence. One program will be closing at the end of the 2023–2024 school year, reducing the numbers of regulated spaces to 332 during the school year and 284 during the summer when some programs close temporarily.

When broken down by age group, the *Child Care Gap Analysis* from the market analysis shows that for ages 0 to 2, there are 210 children likely to use regulated care and 104 regulated spaces, leaving a shortage of 106 spaces. For ages 3 to 4, there are 136 children likely to use regulated care and starting June 2024, there will be 122 regulated spaces available during the school year and 99 during the summer, leaving a shortage of up to 37 spaces. For ages 5 to 11, there are 547 children likely to use regulated child care and 106 regulated spaces available during the school year and 81 available during the summer, leaving a shortage of up to 466 spaces.

There are several forms of early care and education available in Iowa to meet each family's varying needs and preferences. In Iowa, the Department of Health and Human Services (HHS) oversees programs that fall into three categories—Licensed Centers, Registered Child Development Homes, and Child Care Homes. The level of regulation and requirements placed on the provider varies among the three categories.

Strategy 1—Identify viable locations for an Iowa Department of Health and Human Services licensed child care center.

Strategic planning participants determined efforts to increase the number of regulated child care spaces need to include more spaces within child care centers. To have more space within child care centers, it will be necessary to either have an additional child care center in Independence or for a center that is already operating to either build an addition at their current facility or move to have a larger building.

Action Plan

July 2024 through June 2025 (Year 1)

- The Child Care Steering Committee will identify possible locations for an HHS licensed child care center. The location options that will be compared are:
 - Vacant lots to build a new facility.

- Remodel and expand the former Starlight Cinema building.
- Add an addition to an already operating child care facility.
- Other existing buildings not currently used for child care.
- When determining which locations are the most viable, the Child Care Steering Committee will consider the following:
 - The size of the lot or existing building in relation to the number of new child care spaces that would be created.
 - The ability to make renovations of an existing building to meet licensing requirements.
 - Adequate outdoor space to have multiple playgrounds for different age groups at the required square footage to meet licensing requirements.
 - Overall cost and timeline of building new compared to remodeling existing.
 - Accessibility for parents.
 - Financial feasibility of construction or remodeling, start-up, and ongoing operations.
 - Proximity to Independence Community School District facilities.

Expected Outcomes and Impacts

The expected outcome of this strategy will be a comprehensive look at all possible locations for a licensed child care center. Options that will be considered include remodeling existing buildings and building a new facility. The Child Care Steering Committee will identify possible locations and determine both advantages and disadvantages for each location. That information will be used for decision making for other strategies within this goal.

Strategy 2–Inform the community of the need for more regulated child care spaces, and the efforts made toward exploring options to increase the number of spaces available.

The *Child Care Market Analysis* included a child care gap analysis that showed Independence has a shortage of Iowa Department of Health and Human Services (HHS) regulated child care spaces. As the *Child Care Market Analysis* was being completed, child care providers answered questions about their current operations and their willingness to expand and serve more children. All 4 of the centers and preschools that were operating at the time answered, they would like to serve more children. Those willing to serve more children were asked to explain how they would expand. Two (2) of the centers indicated they would need to expand or build onto their existing building, or find a new site and relocate.

Action Plan

July 2024 through June 2025 (Year 1)

- The City of Independence will work with the Child Care Steering Committee to inform the community of efforts related to expanding child care within the community. The initial step will be to share information via social media, news articles, and press releases.

Information to be shared includes:

- The need for more regulated child care in Independence in the form of the data from the *Child Care Market Analysis*, including the number of children, the number of spaces needed, and the high percentage of parents that prefer a licensed center.
- Locations that have been considered and details of each.
- The next steps according to the *Strategic Plan for Child Care*.
- The City of Independence will host a public meeting to share information about the child care needs and plans. The target audience for this meeting is:
 - The Child Care Steering Committee
 - Local businesses
 - Elected Officials
 - Child care providers
 - Families

Expected Outcomes and Impacts

The expected outcome of this strategy is an increased awareness of the need for more regulated child care spaces in Independence, along with an understanding of why the City of Independence and the Child Care Steering Committee are considering specific options. Community support for both the City of Independence and the Child Care Steering Committee will in turn show support for achieving the goals and strategies of this strategic plan.

Strategy 3- Identify an entity to operate an Iowa Department of Health and Human Services (HHS) licensed child care center in the former Starlight Cinema building.

The City of Independence has acquired the former Starlight Cinema located at 2401 Swan Lake Boulevard. Preliminary plans to remodel the theater and to add an addition have been completed to demonstrate one possible option for a licensed child care center to operate in that building. The licensed capacity of the preliminary plan was 204 spaces. Increasing the child care supply is a priority in the community. The City Council, with assistance from the Child Care Steering Committee, will seek an occupant to operate a licensed child care center in that space.

Action Plan

July 2024 through June 2025 (Year 1)

- The City of Independence, with input from the Child Care Steering Committee, will develop a Request for Proposals (RFP) seeking an entity to operate a licensed child care center in the former Starlight Cinema building.
- The City Council will select an operator for the child care center according to the RFP.
- The City of Independence will provide the selected RFP respondent with a Development Agreement defining the details of the arrangement.

July 2025 through June 2026 (Year 2)

- The selected respondent, with assistance from the Child Care Steering Committee, will develop a business plan, which will include financial projections that reflect a sustainable business model. Key components of the business plan may include (but will not be limited to):
 - Description of business ownership or governance (how decisions are made).
 - Quality initiatives, such as curriculum and child assessments to be used.
 - Staff education and qualification requirements, both HHS requirements and any additional requirements that go above and beyond HHS that meet voluntary quality initiatives.
 - Partnerships.
 - Annual budget projections for five years.
 - Start-up costs, including remodeling, furnishings and playground equipment.
 - Funding sources for start-up costs, including construction or remodeling and furnishings.
 - Timeline for construction or remodeling and opening.
- The selected respondent, with assistance from the City of Independence and the Child Care Steering Committee, will procure final site and building plans.
- The selected respondent, with assistance from the Child Care Steering Committee, will develop a capital campaign. Key components of the plan may include (but will not be limited to):
 - Start-up costs for construction or remodeling and furnishings, plus initial hiring and training costs, and cash reserves equal to 3 to 6 months of operating expenses.
 - Donor levels, sponsorship and naming opportunities, and recognitions including if donors receive priority for waitlists or enrollments.
 - Develop a system to track donations, provide tax receipts, and collect annual pledges.
 - Identify potential grant sources.

- Identify potential private donors, organizations, and businesses.
 - Plan fundraising events.
- The selected respondent will launch the capital campaign, with support and assistance from committees and community volunteers.

July 2026 through June 2027 (Year 3)

- The capital campaign continues.
- The selected respondent will review and update the business plan, including the start-up costs and timeline.

July 2027 through June 2028 (Year 4)

- The capital campaign continues.
- The selected respondent will review and update the business plan, including the start-up costs and timeline.
- Construction/remodeling is underway.

July 2028 through June 2029 (Year 5)

- The capital campaign continues.
- Construction/remodeling is complete, and the new center is open.

Expected Outcomes and Impacts

The expected outcome of this strategy will be a newly remodeled facility that can be licensed for 204 children, and is opened by the end of 2029. This new facility will increase the child care supply in Independence, making it easier for parents to find care in their preferred setting and location. The net gain will depend on the selected recipient of the RFP process. If one of the centers already operating in Independence is chosen and decides to relocate and expand their center, the result will be the creation of between 50 and 125 regulated child care spaces, depending on which program and assuming the existing location will close. If an out-of-town entity or a new child care center is chosen and both current centers continue to operate at their current locations and capacities, the result will be the creation of 204 new spaces.

Strategy 4– Develop and implement a campaign to attract additional child care providers.

There is a considerable need for more regulated child care spaces in Independence. The Child Care Gap Analysis conducted as part of the Child Care Market Analysis, determined there are approximately 1,153 children ages 0 to 11 living in the Independence Community School District, and 893 are from families that are likely to use regulated child care. Starting in June 2024, there will be 332 regulated child care spaces will be available during the school year and 284 regulated child care spaces will be available during the summer.

If a new center licensed for 204 children is opened (Strategy 3 of this goal), that alone will not meet the demand. Additional options to increase the number of regulated child care spaces in Independence include:

- Already operating registered child development home providers change their registration to a different category, assuming the provider has the experience and space.
- Already operating non-registered home providers become a registered child development home.
- Individuals not currently providing child care start a new child care business as a registered child development home.
- An already operating home-based provider (either registered or non-registered) moves to a larger space and opens a child care center.
- An individual, business, or other entity, not currently providing child care starts a new child care center.
- An already operating child care center from another community moves to or opens a location in Independence.

The Child Care Steering Committee will publicize the need for additional regulated child care spaces in Independence and promote opportunities for individuals to start a child care business or expand an existing child care program.

Action Plan

July 2024 through June 2025 (Year 1)

- The Child Care Steering Committee will compile a list of regional and statewide entities that provide business resources and supports for both existing and prospective child care providers and share that information on a local website. (Goal 1, Strategy 2 of this plan).
- The Child Care Steering Committee will compile a list of local economic development or small business incentives that are available within the community. Incentives may include, but not limited to:
 - Property tax abatement for improvements made to a home or building.
 - Tax Increment Financing (TIF).
 - Local Option Sales Tax (LOST).
 - Utility hook-ups or extension to an undeveloped lot.
 - In-kind donation of services, such as lawn maintenance or snow removal.
 - Local revolving loan funds.
 - Business Incentive Program (BIP) for child care (funded by ECI, administered by CCR&R).
- The Child Care Steering Committee shares the information collected through this strategy on a local website.

July 2025 through June 2026 (Year 2, repeat annually)

- The Child Care Steering Committee will review the prior year's efforts. Information and links will be updated, and efforts repeated.

Expected Outcomes and Impacts

The expected outcome of this strategy is an increased awareness of the need for more regulated child care and an understanding of the resources available to support an individual or other entity that wishes to start a new child care program. Over time this increased awareness will lead to the formation of more child care businesses which will increase the number of child care spaces.

PUTTING THIS PLAN INTO USE

This *Strategic Plan for Child Care* represents a significant investment of community resources. To achieve the expected outcomes and impacts outlined in this plan, members of the Independence Child Care Steering Committee, in partnership with the City of Independence, will need to remain engaged and lead efforts, which may include forming subcommittees so that additional community members or organizations become engaged, and activities and workload are distributed.

The plan and progress will be fully reviewed annually by the steering committee and report to the City of Independence and the community. Each year the committee will create a workplan assigning specific activities with detailed timelines and identify individuals to serve on subcommittees as needed. A matrix with a summary of the planned activities for each of the five years is provided in the Appendix to assist with assigning and tracking which activities are complete.

APPENDIX

Strategic Planning Activities Summarized by Date

The following pages summarize the activities of each strategy in the “Child Care Goals and Strategies” section of this plan. This alternative format is intended to provide a condensed list of the activities to be completed each year. This matrix can be convenient for reviewing activities to determine what has been accomplished, as well as to assign activities for the upcoming year. The activities listed in the following tables are a summary, the full details of each activity can be referenced in the description of the corresponding goal and strategies in this plan.

Year 1 July 2024 through June 2025		
Activity	Responsible Party	Date Completed
Contact child care centers to gauge interest and the need for partnerships with local businesses. (Goal 1, Strategy 1)		
Inform local businesses of the desired partnerships of each child care center. (Goal 1, Strategy 1)		
Local businesses contact the child care centers directly to form a partnership. (Goal 1, Strategy 1)		
Research entities that provide child care specific business consulting and training. (Goal 1, Strategy 2)		
Research entities that provide general (not child care specific) business consulting and training. (Goal 1, Strategy 2)		
Create a page on a local website that will serve as a hub of links to business resources for child care providers. (Goal 1, Strategy 2)		
Identify possible locations for an HHS licensed child care center. (Goal 2, Strategy 1)		
Inform the community of efforts related to expanding child care within the community. (Goal 2, Strategy 2)		
Host a public meeting to share information about the child care needs and plans. (Goal 2, Strategy 2)		
Develop and RFP seeking an entity to operate a licensed child care center in the former Starlight Cinema building. (Goal 2, Strategy 3)		
Select an operator according to the RFP. (Goal 2, Strategy 3)		
Provide the selected RFP respondent with a Development Agreement. (Goal 2, Strategy 3)		
Compile and share entities that provide business resources and supports for child care providers. (Goal 2, Strategy 4)		
Compile and share economic development and small business incentives that are available within the community. (Goal 2, Strategy 4)		

Year 2 July 2025 through June 2026		
Activity	Responsible Party	Date Completed
Review information about entities that provide business consulting and training. (Goal 1, Strategy 2)		
Develop a business plan for the new center in the former Starlight Cinema building. (Goal 2, Strategy 3)		
Procure final site and building plans for the new center. (Goal 2, Strategy 3)		
Develop and launch a capital campaign for the new center. (Goal 2, Strategy 3)		
Review and update the business resources and incentives information and continue sharing. (Goal 2, Strategy 4)		

Year 3 July 2026 through June 2027		
Activity	Responsible Party	Date Completed
Review information about entities that provide business consulting and training. (Goal 1, Strategy 2)		
Review and update the business plan for the new center. (Goal 2, Strategy 3)		
The capital campaign for the new center continues. (Goal 2, Strategy 3)		
Review and update the business resources and incentives information and continue sharing. (Goal 2, Strategy 4)		

Year 4 July 2027 through June 2028		
Activity	Responsible Party	Date Completed
Review information about entities that provide business consulting and training. (Goal 1, Strategy 2)		
Review and update the business plan for the new center. (Goal 2, Strategy 3)		
The capital campaign for the new center continues. (Goal 2, Strategy 3)		
Construction/remodeling for the new center is underway. (Goal 2, Strategy 3)		
Review and update the business resources and incentives information and continue sharing. (Goal 2, Strategy 4)		

Year 5 July 2028 through June 2029		
Activity	Responsible Party	Date Completed
Review information about entities that provide business consulting and training. (Goal 1, Strategy 2)		
Review and update the business plan for the new center. (Goal 2, Strategy 3)		
The capital campaign for the new center continues. (Goal 2, Strategy 3)		
Construction/remodeling is complete, and the new center is open. (Goal 2, Strategy 3)		
Review and update the business resources and incentives information and continue sharing. (Goal 2, Strategy 4)		