



# WALSH COUNTY Childcare Center

817/819 Hill Avenue in Grafton

WALSH  
COUNTY  
JOB DEVELOPMENT  
AUTHORITY



chdo  
**RED RIVER**  
growing opportunity in the valley



EST. 1882  
**GRAFTON**  
NORTH DAKOTA

## The Goal: To create a turn-key childcare center

The Walsh County Childcare Center undertaking the capital investment through grants. Cash flow does not support debt service.

A private provider will pay a monthly rent.

The provider will increase from a group license (up to 30 children) to a center license with 25-35 more slots.

1

The number of providers licensed as a center in Walsh County.

Lil' Spuds Childcare is a partnership of the Valley-Edinburg School District and is located in the Hoople school.





## The How:

# Partnerships & Grant Funds

Developer: Walsh County JDA

Partners: Red River CHDO and City of Grafton

- ✓ WCJDA conducted need survey, assessed 10+ buildings, purchased a building, procured an architect, and awarded bids for construction. Staff has secured grants from 10 sources, and is managing grants and payments. Board members have also volunteered.
- ✓ When complete, ownership will be transferred to the Red River CHDO, a nonprofit.
- ✓ The City of Grafton has contributed \$110,000, is providing interim financing while continued fundraising, providing utilities for 2024 and Q1 of 2025 and considering a \$100,000 Challenge Grant. City is also providing a temporary location.

# And more partners ...



## ND Regional Workforce Impact Program

\$492,329  
grant (2)

## Three local banks

and the FHLB Member Impact Fund

### First United Bank:

\$10,000 donation  
\$30,000 FHLB match

### Choice Bank:

\$8,000 donation  
\$24,000 FHLB match

### Bremer Bank:

\$5,000 donation  
\$15,000 FHLB match

**\$92,000  
Donations  
& Grants**

## Grants secured which were available to provider:

- State childcare grant: \$60,000
- Choice Bank Childcare grant: \$10,000



Donated seven new windows:  
**\$18,000**  
(manufacturer's cost)

## Pending partners:

- Grafton Challenge Grant: \$100,000
- Other pending grants: \$30,000



## The Location:

★ 817 & 819 Hill Avenue

5,000 sq. ft. building purchased in early 2023



## The Provider:

In late 2022, all area licensed childcare providers were consulted on interest in expanding to a center to serve more children within the grant timeline.

Grafton provider responded: Rocking Horse - owned by Amber Osowski



**Grafton's  
Main Street**

# The Why:

Lack of quality childcare and housing have repeatedly been identified by our employers as the major barriers to workforce recruitment and retention.



## Walsh County: a childcare “desert”

One of ND’s 15 high-need counties, with just 29% of the needed supply to meet demand.

### Company growth plans put on hold

90% of regional rural businesses have growth plans.

The key barriers include lack of:

- workforce
- childcare
- housing



### 2022 Regional parent needs survey

556 respondents:

- 79% said work is affected when childcare fell through
- 37% were on waitlists (up to 3 years)

# ROCKING HORSE CHILDCARE

## Existing Impact

40 children enrolled = 38 parents working in these sectors:



5

**Financial**

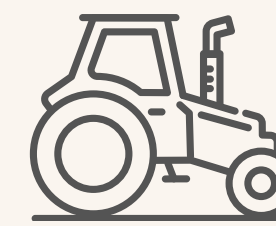
(Walsh & Regional)



7

**Health & Human Services**

(Walsh & Regional)



7

**Agriculture**

(Walsh & Regional)



3

**Ag Processing & Ag Manufacturing**

(Pembina & Regional)



2

**Skilled Trades**

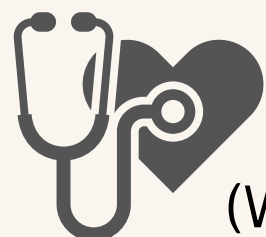
(Regional)



5

**Education**

(Walsh & Pembina: **Four school districts**)



6

**Healthcare**

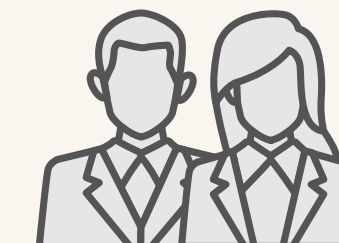
(Walsh & Regional)



1

**Manufacturing**

(Walsh)



2

**Professional**

(Regional)

**Childcare is essential to the region's economy.**

# Total Project Cost: \$1.4 million

## Renovation: \$21,000/slot vs. New Construction: \$40,000/slot

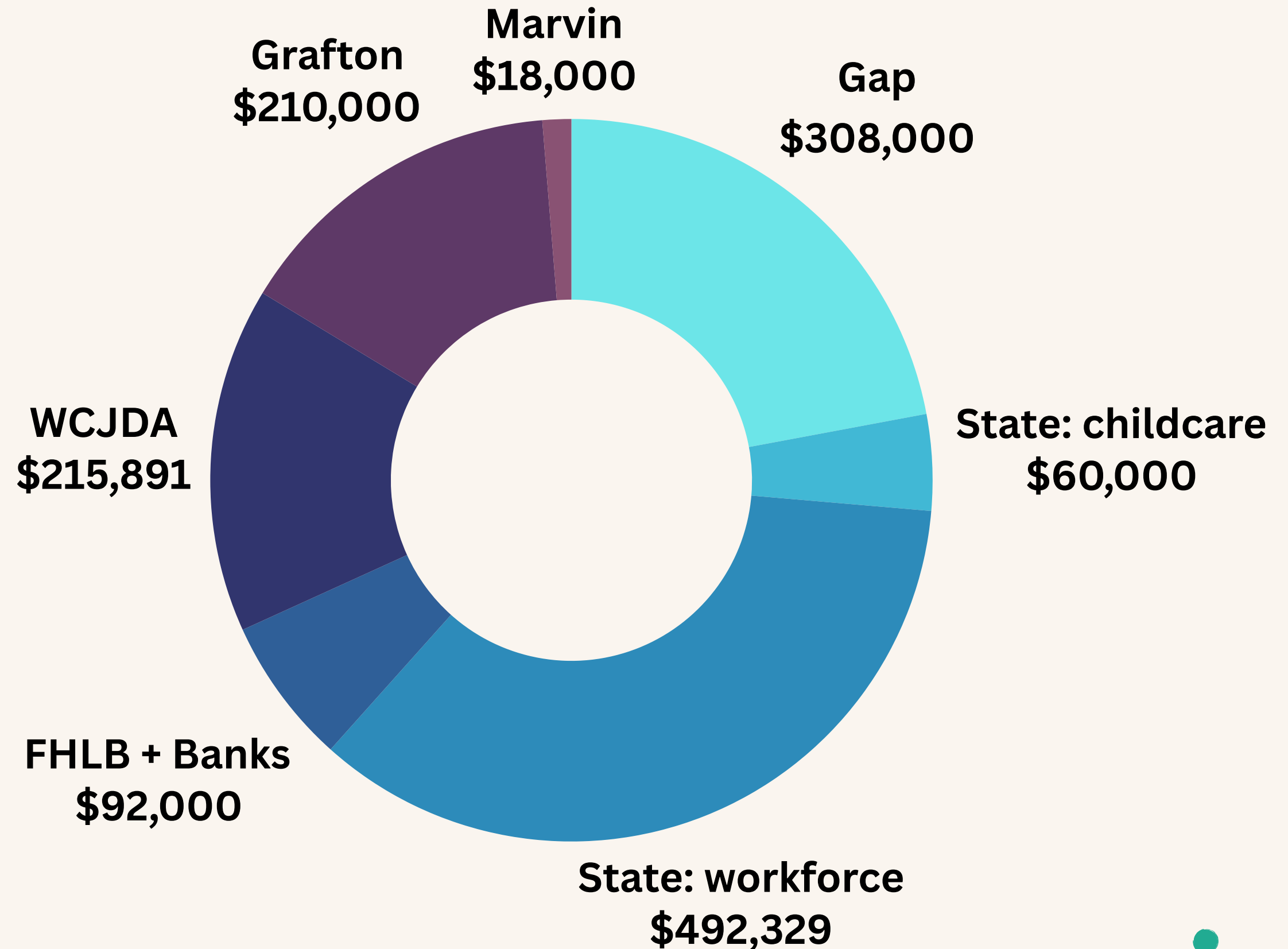
---

### Funds

#### Secured/Pending:

- \$988,220
- \$100,000 Grafton Challenge Grant
- 10 sources

**Gap: \$308,331**







# Hurdles



- Finding adequate, available building
- Quick state grant deadlines
- Lack of childcare facility grants adequate to support capital investments
- Unexpected/regulatory costs: fire suppression (\$100k); asbestos abatement (\$77k); new HVAC system (\$331k); new water line for fire suppression; architectural fees \$80k
- Funding gap despite 10 funding sources
- Stretched funding budgets impacting other projects (exceeds JDA's annual project budget)
- Stretched development staff capacity for nearly 3 years

★ **The last impossible mile ...  
bandaids vs. solutions**

---



**Construction is  
underway**

Construction  
expected to be  
completed  
January 2025





## State Suggestions

- 75% planning and capital grants for nonprofit or publicly-owned facilities in small towns
- **\$2 million+ was invested in childcare expansion in Region 4** through two rounds of workforce grants (RWIP), with more needed. It is expected childcare will **not** be eligible in future RWIP programs. Where will this support come from?
- Enable additional grant requests for actual costs
- Allow retroactive grants for previously-awarded projects to 75% threshold in 2025
- Adequate grant lead times
- Stable source of funding
- Review regulations that increase cost



Framing new  
walls  
has begun

# REGION 4 HURDLES

A 2022 regional childcare provider survey (84 respondents)

- 61% indicated the lack of funds and a facility were the major barriers to increasing childcare capacity
- 25% interested in expanding if an affordable facility were available

A center license requires the director have a Child Development associate's or bachelor's degree in early childhood education or related field.

# REGION 4 NEEDS UP TO 875 NEW SLOTS

Nelson County: 6

Pembina County: 106

Walsh County: 137

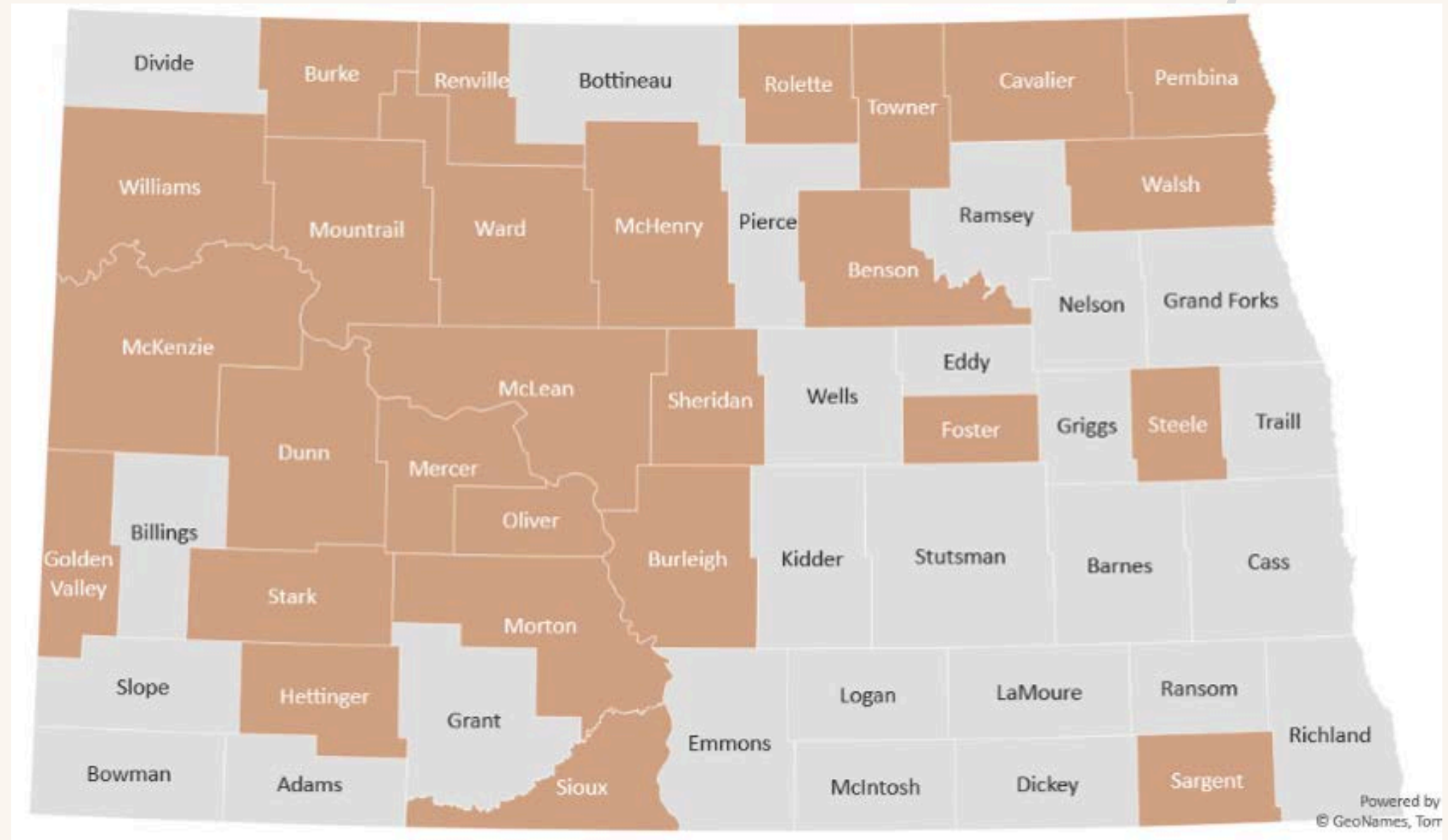
Grand Forks County: 561

Grand Forks City: 64

1 space for every 2 children, 0-5 year-olds ONLY

Does not include 6-13 year-olds, special needs, shift hours

# CHILD CARE DESERTS STATEWIDE



# Rocking Horse Childcare

**AMBER OSOWSKI**



*Rocking Horse Child Care*

# \$1.4 million: Provider's perspective



If a provider were able secure a \$1.4 million loan to renovate a building:

Max capacity & no rate increase =  
\$45,000/month in income

Payroll = \$30,000/month

---

**\$15,000/month remains for\*:**

Food, liability insurance, building maintenance and snow removal, employee benefits, and loan repayment

\*Does not include costs to scale up/add capacity (i.e. cribs, tables, chairs, etc.)



Providers cannot add childcare capacity on their own