



MONTANA CHILD CARE BUSINESS  
**CONNECT**



# Montana Child Care Business Connect: Building Capacity in Montana's Child Care Ecosystem

2022-2024  
Evaluation Report

# Purpose of this Report

Program and Policy Insight (PPI), LLC was engaged by Zero to Five Montana as the evaluator for the Montana Child Care Business Connect two-year grant period. Prior to the start of Project Year 1 (October 2022 through April 2023), PPI facilitated the development of the MCCBC theory of change and strategic plan, and developed a responsive evaluation plan. Over Project Year 1 and Project Year 2 (May 2023 through August 2024), PPI implemented the evaluation plan, which involved diverse data collection methods to understand MCCBC implementation, outcomes, and learnings. These methods included review of existing literature and grant progress reports; an annual survey of providers; strategy-specific participant pre-, mid-, and post-surveys; post-event or post-training course evaluations; participant focus groups; and key stakeholder interviews. This report summarizes the cumulative findings from these varied evaluation methods. The first section provides a cross-strategy summary of **MCCBC's work**, including descriptions of the purpose, context, theory of change, achievements and lessons learned. We then provide a more focused overview of MCCBC's **provider supports**, followed by **community supports** and **system supports**. Each of these sections describes:

- o the **reach** of implementation >> *How much did MCCBC do?*
- o the **quality** of activities >> *How well did MCCBC do it?*
- o the **impact** of services >> *Is anyone better off?*

In the quality sections, we also describe **lessons learned** across provider, community, and system supports. A **look ahead** rounds out the report.

## Acknowledgements

Numerous individuals and organizations provided input that informed the evaluation of, and lessons learned from, MCCBC implementation. We are grateful for ongoing input from child care providers who offered feedback via surveys, workshops, interviews, and focus groups at multiple points throughout implementation. We are thankful to Montana's child care ecosystem partners, for providing their reflections on the child care context and implementation experience. These partners include: First Children's Finance, MT Cooperative Development Center, MT Department of Public Health and Human Services, MT Small Business Development Center, Prenatal to 5 Fiscal Strategies, Raise MT, Wendt Agency, and Montana's regional Child Care Resource & Referral Agencies (Butte 4-C's, Child Care Connections, Child Care Resources, Family Connections MT, District 7 HRDC, and The Nurturing Center). We would also like to thank Zero to Five staff for their ongoing partnership and openness to iterative learning.

# Table of Contents

<b>MCCBC's Work</b>	
Why did MCCBC begin? .....	3
What is the context? .....	3
How did Zero to Five Montana respond? .....	4
What did MCCBC achieve? .....	8
What did MCCBC learn? .....	12
<b>Provider Supports</b>	
Reach .....	16
Quality .....	17
Impact .....	21
<b>Community Supports</b>	
Reach .....	23
Quality .....	23
Impact .....	26
<b>System Supports</b>	
Reach .....	30
Quality .....	32
Impact .....	34
Looking Forward .....	36
Sources and Notes .....	37
Appendix .....	38

## Why did MCCBC begin?

Access to child care is an important part of local economies. Limited child care options impact businesses, the economy, and families alike.

Montana, like many states, is facing challenges ensuring access to quality, affordable child care that meets the demand of parents in the labor force. One promising strategy to increase the supply of child care is to provide business capacity building supports for the child care sector, including child care entrepreneurs, existing child care businesses, and surrounding communities.

In the Spring of 2022, Zero to Five Montana (ZtFMT) was awarded an American Rescue Plan Act (ARPA) supplemental funding grant through the Montana Department of Public Health and Human Services (DPHHS) to design, implement, and evaluate a suite of new child care business supports for the purpose of assisting new and existing child care businesses in expanding licensed child care capacity across the state. ZtFMT established the Montana Child Care Business Connect (MCCBC) program to provide training, consultation, technical assistance, mentorship, and a web resource hub to employers, community leaders, and entrepreneurs to strengthen, grow, and sustain early care and education (ECE) in Montana. This strategy aligns with recommendations from the Community and Economic Development Child Care Work Group within the Federal Reserve System in their brief on “Child Care Funding and Policy Considerations in Response to COVID-19.”<sup>2</sup> Additionally, in developing business support services for child care providers, Montana joins a select group of state, county, and municipal innovators who are accessing ARPA and other funding streams to build business viability and capacity in the field (see inset on page 31).

## What is the context?

Lack of child care access in Montana impacts workforce engagement and the broader economy. In 2023, child care capacity in Montana met only 44% of estimated demand.<sup>3</sup> More than 66,000 parents were unable to fully engage in the labor force due to child care issues.<sup>4</sup> The child care shortage in Montana is widespread: almost 60% of counties are identified as child care deserts, where child care supply meets less than a third of estimated demand. Accessing infant and toddler care can be particularly challenging: licensed infant care meets just one-third of the estimated demand in the state.<sup>5</sup> Even in areas with greater child care capacity, families often face cost barriers that prevent them from accessing care.

In 2023, child care capacity in Montana met only 44% of estimated demand



44%

More than half of the providers responding to the 2024 MCCBC Provider Survey were operating under capacity, with hiring and retaining staff key contributors to under enrollment. Staffing was also a significant barrier to expansion.

The root causes underlying these capacity and cost issues are varied and complex, but lack of child care workers is a primary driver of the child care crisis. Low wages limit workforce recruitment, entry, and retention. A survey of 306 child care providers conducted by MCCBC in early 2024 revealed that more than half of the providers surveyed were operating under capacity, with hiring and retaining staff key contributors to under enrollment. Staffing was also a significant barrier to expansion. Efforts to increase early care workforce capacity, such as the Montana Department of Labor and Industry's apprenticeship program and pre-apprenticeship programs, are underway to increase the pipeline of skilled child care workers.

In addition to staffing, other barriers may prevent providers from entering or remaining in the market, particularly in an industry with tight profit margins and complicated economics of pricing and compensation. The survey of 306 child care providers conducted by MCCBC in early 2024 revealed that most were proud to be child care providers and believe that child care is rewarding work. However, only 23% believe that child care is a respected profession in Montana and only 37% believe they can make a decent living. Work/life balance for providers is a struggle, as well as accessing the capital needed for expansion.

## How did Zero to Five Montana respond?

Informed by the Montana child care ecosystem context, ZtFMT articulated a theory of change (see page 6) based on three foundational assumptions: business capacity building services to increase provider efficiency and solvency can lead to greater business retention, additional child care supply, and increased professionalism of the industry.

These central assumptions motivated ZtFMT to develop the MCCBC suite of **strategies** to support growth and stabilization of the early care ecosystem across multiple levels, including providers, communities, and the Montana early childhood system as a whole:

- The **provider supports** were designed to build the capacity of individual child care entrepreneurs or existing child care businesses. These provider-facing strategies included **individual consultation** with a business expert, virtual and in-person **trainings and webinars**, and a **business accelerator mentorship** program to help providers start, grow, and sustain their businesses. MCCBC delivered 60 training workshops, trained 11 center directors in an intensive Business Leadership Cohort, provided 1,292 hours of individual consultation to 135 clients, and matched 11 child care providers with 9 mentors across two peer-based mentorship cohorts.
- The **community supports** engaged with communities to address child care challenges in their regions. The implementation of **community capacity building** activities was intended

## MCCBC was built in response to three foundational assumptions:

- Accessible early care and education supports Montana's children, families, and economy.
- Comprehensive early care and education business supports will improve ECE infrastructure and availability.
- Improved early care and education business management will contribute to the development of a respected child care workforce and industry.

to address specific challenges in different communities, leading to responsive child care infrastructure and capacity. Fourteen communities, including two reservations, participated in Community Child Care Capacity Building Cohorts. MCCBC also provided **targeted technical assistance to communities** outside of the cohorts, and, in partnership with Montana DPHHS, facilitated a community of practice for 30 Child Care Innovation and Infrastructure Grants recipients.

- Beyond individual provider and community-based interventions, MCCBC pursued **system supports** that were responsive to early care and education system gaps, requests, and feedback. Two **annual summits** engaged diverse child care stakeholders, two **insurance surveys** elevated the issues providers face in getting, keeping, and affording liability insurance, and the **Cost of Care Modeling Tool** helps providers and policymakers understand the true cost of child care. Additionally, the **Child Care Cooperative Toolkit** provided insight into launching this promising model and the **Comprehensive Fiscal Analysis** of the early childhood system examined all aspects of the Montana system including costs, funding sources, service delivery models, and potential areas for improvement. Finally, the **Web-based Resource Center** provides ongoing and ready access to tools, resources, and trainings.

Through the implementation of this suite of services and supports, the MCCBC theory of change identified three **outcomes** – one long-term primary outcome and two secondary outcomes.

#### Primary long-term outcome:

Increased early care and education throughout the state, with a specific objective to increase statewide ECE slots by 300 through the implementation of MCCBC strategies

#### Secondary outcomes:

A respected child care workforce and industry  
Stable early care and education policy and investment

#### Provider Supports

- Individual Consultation
- Interactive Workshops
- Business Accelerator Mentorship

#### Community Supports

- Community Child Care Capacity Building Cohorts
- Targeted Community Technical Assistance

#### System Supports






- Annual MCCBC Summits
- Insurance Surveys
- Cost of Care Tool
- Co-op Development Toolkit
- Comprehensive Fiscal Analysis of Early Childhood System
- Web-Based Resource Center

# MCCBC Theory of Change

-  **Accessible ECE supports**  
Montana's children, families, and economy
-  **Comprehensive ECE business supports** will improve ECE infrastructure and availability
-  **Improved ECE business management** will contribute to the development of an esteemed child care workforce and industry



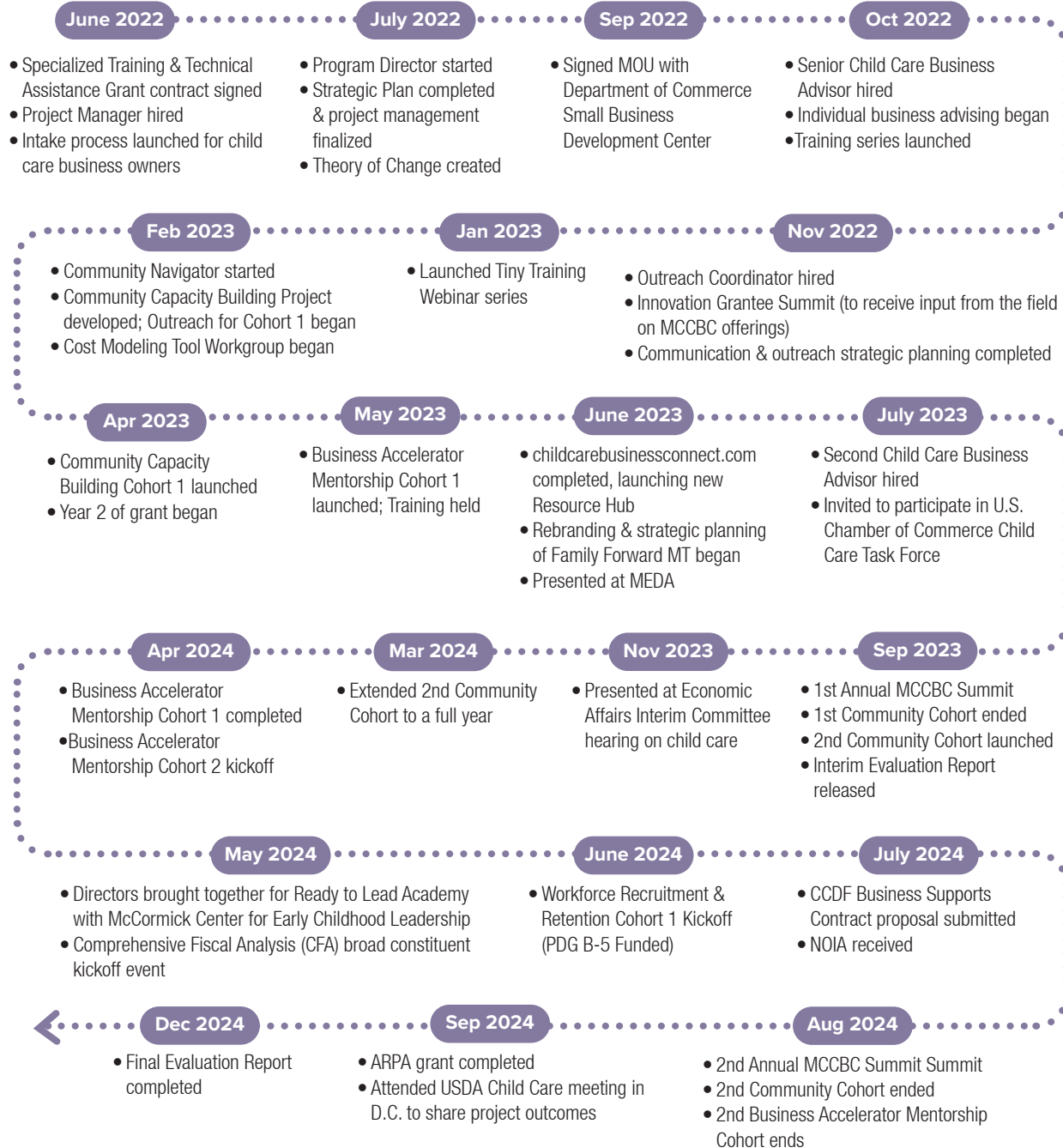
## Keys to Successful Grant Implementation

-  **Ongoing stakeholder needs assessment facilitates responsive programming**
-  **Communities identify their assets and leverage their strengths**
-  **Grant staff and budget capacity match task expectations**
-  **Identified program measures track progress and communicate results**
-  **Documentation of program strategy helps transfer learnings to policy**

### What is a Theory of Change?

A theory of change is a diagram or written description of how an intervention is expected achieve desired outcomes. It identifies assumptions about the need for and/or value of the interventions, as well as enablers, which are critical activities that will support success.

## MCCBC Milestones



## What did MCCBC achieve?

The outcomes identified in MCCBC's theory of change are long-term, which means that the anticipated achievement of the outcomes could be 5 to 10 years into the future or beyond. Yet, MCCBC can demonstrate notable progress toward these outcomes after the two-year implementation period.

<b>Increased ECE throughout the state</b>	<p>With the support of MCCBC services, 24 new programs opened across the state over the course of the two-year grant. Through these new programs or through expansion of existing programs, MCCBC supported the creation of an unduplicated count of 656 new child care slots (Figure 1).</p>
<b>Respected ECE work-force and industry</b>	<p>Anecdotally and through the Summit evaluation questionnaires, participants expressed appreciation for the professionalism MCCBC brought to the industry. This is significant because, in both the 2023 and the 2024 annual survey of providers, less than a quarter of respondents felt that child care was a respected industry and nearly three-quarters viewed their program as a public service first and only secondarily as a business. These are signs that ongoing work is needed both internally and externally to build the perception of professionalism and respect for the industry. Still, over half of providers feel respected personally as providers and the vast majority are proud to be providers.</p>
<b>Stable ECE policy and investment</b>	<p>MCCBC's engagement in the challenge of liability insurance for providers elevated the issue to state lawmakers and may lead to policy that would stabilize costs or reduce the incidence of providers dropped without the opportunity to remedy risks identified.</p> <p>MCCBC reported \$6.7 million in private or non-grant public equity and debt invested in the new and expanded programs they supported.</p> <p>In terms of public financial investment, the MCCBC model has caught the attention of state-level actors interested in continuing the work. Ongoing work will be needed to ensure stable policy and investment supporting the child care industry.</p>

**Two-Year Unduplicated Count of Child Care Slots Opened by Providers Accessing MCCBC Support**

**656**

**Two-Year Count of Child Care Slots Opened by Providers Accessing Specific MCCBC Services (Numbers Duplicated across Services)\***

**556**

Individual Business Advising

**230**

Business Accelerator Mentorship Program

**122**

Community Capacity Building Program

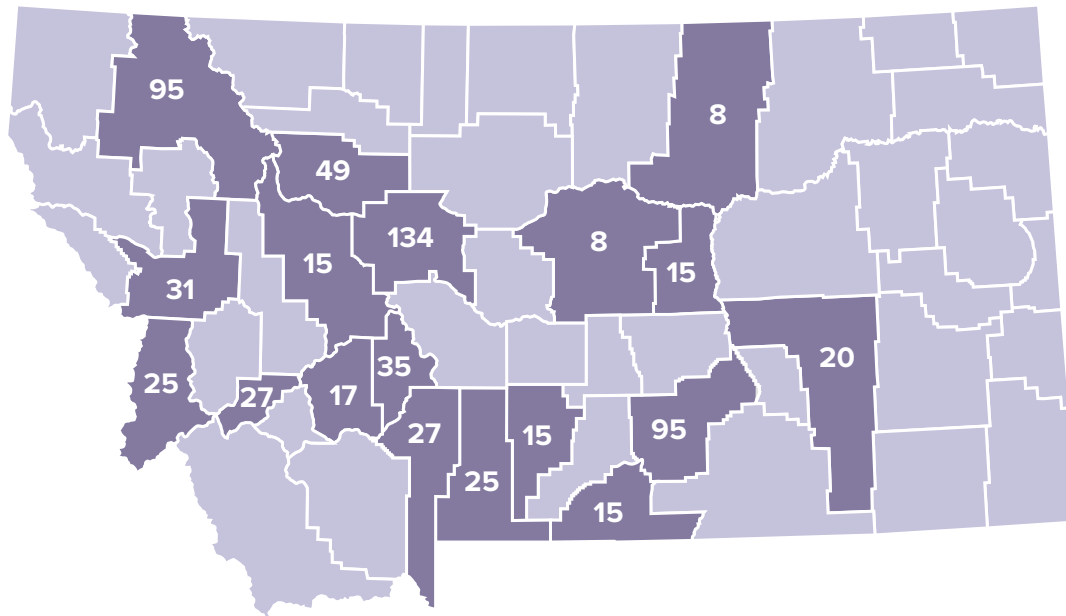
\*These service-specific counts include any slots created by a provider touched by the service. Since providers may access more than one service, these service-specific counts contain duplication.



A goal of MCCBC was to serve providers across the state. Figure 1 demonstrates this geographic reach through new slot counts, while Figure 2 (next page) looks at reach of services across all MCCBC programs. MCCBC programming touched providers and communities in 41 different Montana counties, representing 73% of all counties.<sup>6</sup>

### 656 NEW CHILD CARE SLOTS OPENED ACROSS MONTANA WITH MCCBC SUPPORT

Figure 1. Child care slots created with support from MCCBC services, by county (May 2022-September 2024)



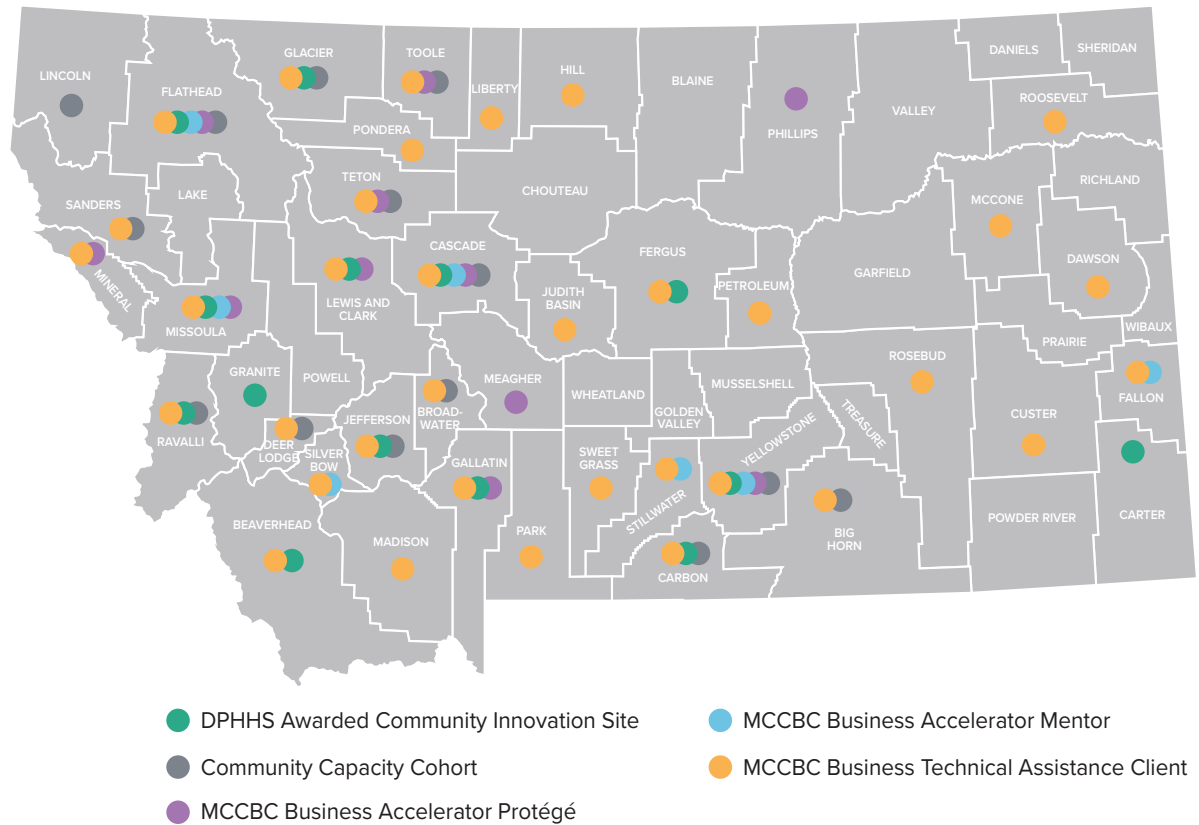
Source: Zero to Five Montana client management systems

The slot counts included in this report represent cumulative new licensed child care slots created by providers who engaged in one or more MCCBC service over the course of the two year grant period. New slots were reported only when a business receiving an MCCBC service created new, licensed slots after directly engaging with MCCBC. The licensed count does not represent net new slots which would include contraction of slots or provider closures. The slot count methodology in this evaluation report differs from that used to calculate state licensing and Pay for Performance metrics and should not be used for comparison purposes.



### MCCBC PROGRAMMING TOUCHED AT LEAST 73% OF ALL MONTANA COUNTIES

Figure 2. Statewide reach of MCCBC supports, as of August 2024



Source: Zero to Five Montana, as of August 2024

In addition to progress on the identified long-term desired outcomes described above, MCCBC achieved system-level outcomes as an agent of change within Montana’s ECE ecosystem. In the process of developing and implementing the MCCBC suite of supports, MCCBC grew the field and identified and raised awareness of persistent systemic challenges facing Montana’s ECE ecosystem. These system achievements are summarized on the following page.

### Statewide Reach

- 13 counties had at least one Community Innovation Site (17 sites overall)
- 12 counties had at least one Community Capacity Building Cohort (14 communities overall)
- 11 counties had at least one Business Accelerator Protégé (13 protégés overall)
- 7 counties had at least one Business Accelerator Mentor (7 mentors overall)
- 35 counties had at least one Technical Assistance Client

## System-Level Achievements

### Expanded Set of Stakeholders

MCCBC viewed the initiative as an opportunity to engage stakeholder groups not typically involved in advocacy efforts focused on child care, including leaders at the state and local levels within the business community – such as the state Chamber of Commerce and its local affiliates, along with economic development stakeholders. MCCBC staff also engaged housing interests and credit unions, attracting representation from these groups at the annual Summits. MCCBC staff leading the community cohort work encouraged participants to broaden their local coalitions as well. This engagement of stakeholders beyond the usual suspects may have influenced the attention MCCBC gained from the state's Economic Affairs Committee beginning in late 2023. In addition to sharing in-house expertise, ZtFMT brought other experts to the Committee who shared why addressing systemic child care challenges is important to children, families, communities, and businesses.

### Built Sustainable Additional Capacity Supporting the Child care Sector

Responsible stewardship of the resources awarded to ZtFMT to implement MCCBC necessitated investments in ZtFMT's organizational capacity, infrastructure, and partnerships. ZtFMT hired multiple full-time staff to lead the array of business supports that comprise MCCBC, and ZtFMT leadership has been deliberate about sustainable growth, continually focused on how to raise resources that will allow for the continuity of existing staff where possible and needed. They also developed multiple strategic partnerships both within Montana and nationally to lend expertise on topics including marketing and communications, cost of care modeling, and alternative business models such as cooperatives. These relationships will endure beyond the timeframe of MCCBC.

### Demonstrated Value of a Robust Statewide ECE Intermediary

Two years after the launch of MCCBC, ZtFMT's status as a trusted statewide intermediary appears to have solidified. An external partner that works with multiple states and localities noted the difference it makes to have an established entity like Zero to Five Montana to facilitate connections at the state-level. With a ready statewide early childhood entity, the external partner could lean on ZtFMT to convene new and existing stakeholders, allowing the external partner to concentrate on applying their expertise.

### Gave Voice to Child Care Providers

MCCBC allocated a proportion of grant resources to support communication efforts, including the MCCBC Web-based Resource Hub, social media posts, and a newsletter. These efforts advertised the MCCBC offerings and elevated the successes. Most recently, MCCBC began sharing multimedia case studies of individual providers and communities that have taken



*“It is important for other communities to see and hear from the perspective of the community, rather than just seeing Zero to Five MT come in and say ‘We can help you!’”*  
Rhonda Schwenke, ZtFMT  
Director of Program  
Services

advantage of MCCBC business planning resources. One of the first case studies documents the efforts in Chouteau to establish a child care-focused community collaborative and illustrates why this work is important to the community.

## What did MCCBC learn?

MCCBC's evolution was anchored by a commitment to continuous quality improvement (CQI), defined by an intentional examination of service implementation, receptivity to feedback, and willingness to adapt services. As ZtFMT looks toward the future, lessons learned from the implementation of MCCBC can inform effectiveness and reach of ongoing and new services. Other organizations or communities that wish to implement a similar business capacity and ecosystem building effort may leverage MCCBC lessons in their own program planning and development. This section describes successful practices that strengthened MCCBC implementation across the full suite of services, as well as targeted opportunities to refine strategy moving forward.

### Successful Practices

- **Allow sufficient planning time.** ZtFMT was intentionally planful in their strategy development. Prior to developing the MCCBC framework, ZtFMT staff gathered the foundational information necessary to understand ecosystem needs and identified business capacity development as a solution. This solid contextual grounding enabled them to understand the time it takes to develop programs from the ground up, and they were able to build a realistic timeframe for implementation, despite common pressures for services to be delivered sooner and faster. Underestimating the time necessary for planning and program development can result in less effective strategies and implementation.
- **Assemble the right team.** ZtFMT was committed to finding the right people to staff MCCBC. They sought people who understood different parts of the child care ecosystem and could bring that knowledge to bear in their MCCBC positions and relationships. Additionally, the evaluators observed notable professional growth across the team as staff adapted to their new roles and honed their expertise over the grant period.
- **Build strategic cross-organizational relationships upfront.** ZtFMT focused on targeted organizational relationships upfront that complemented rather than duplicated their work, such as with Small Business Development Centers (SBDC), the State Department of Commerce, and other economic development stakeholders. This contributed to a better

### Successful Practices

1

Allow sufficient planning time.

2

Assemble the right team.

3

Build strategic cross-organizational relationships upfront.

4

Grow your own when needed and take time to create quality content.

5

Support in-person interaction to ignite community-building and peer learning.

understanding of the ecosystem and laid the groundwork for quicker response times by leveraging existing relationships versus conducting novel outreach. For example, this early relationship-building facilitated the opportunity to embed a child care-specific SBDC consultant at ZtFMT. SBDCs across the state now refer individuals interested in launching or growing a child care business to ZtFMT for individual consultation.

- **Grow your own when needed and take time to create quality content.** To most effectively use contract resources, ZtFMT prioritized identifying existing off-the-shelf training or referrals to existing network specialists when possible. However, they also recognized when it was necessary to develop their own curriculum or build capacity of their own advisors to ensure consistency and quality content or consultation. When doing so, MCCBC identified the need to ensure quality over quantity in the development of trainings, working with external partners to create sustainable, high-value trainings that addressed specific business development needs. Although planning took additional time in the short term, spending the extra time to develop useful trainings resulted in higher quality trainings in the long term.
- **Support in-person interaction to ignite community-building and peer learning.** Using technology for virtual meetings can mitigate some of the challenges of widely dispersed geographic areas like Montana and maintain contact opportunities. But across multiple strategies, participants remarked on the power of in-person connection and expressed willingness to travel for periodic in-person sessions. These opportunities helped alleviate the isolation that some providers in the industry noted, as well as provided a supportive professional community that could expedite program improvement through formal and informal peer learning. Providers also expressed an eagerness to learn from existing programs and models, seeing value in observing programs in-person. Site visits to, or case studies of, successful communities would provide the opportunity to understand lessons learned and adapt those learnings to their own community. Key facilitators of the in-person opportunities were the stipends to cover replacement staffing and travel reimbursements provided by ZtFMT. As one mentor said, the fact that costs were covered was “huge.”

### Targeted Opportunities

- **Cast a wide and inclusive partnership net.** As described above, MCCBC’s work primarily focused organizational relationship-building on actors who could expand and strengthen the ecosystem, such as economic development, business, and financial interests, as well as targeted training resources. ZtFMT worked hard to communicate to traditional child care partners the role that MCCBC intended to play in the broader child care ecosystem and that they were providing new services and not encroaching on existing organizational territory. Despite this communication focus, some existing child care organizations expressed feeling

### Targeted Opportunities

1

Cast a wide and inclusive partnership net.

2

Provide ongoing interaction.

3

Track tool uptake.

4

Maintain statewide focus.

5

Increase adaptability of curriculum and pacing to account for variable stages of development.

left out of the conversation. In future efforts, alternative engagement strategies may facilitate more cohesion among partners across the ecosystem. Strategies may include further inquiry to understand the root of the feelings and whether they are pervasive from leadership through frontline staff, or more isolated. Strategies may also include direct executive-to-executive engagement and a clearer articulation of the distinction between MCCBC's role in the ecosystem and that of other players. Investing in these relationships is likely to support the optimization of the Montana early care and education system.

- **Provide ongoing interaction.** Program participants across the provider-facing and community-based supports sought ongoing opportunities to stay engaged with cohort peers after defined programs ended. They recognized the iterative nature of child care program refinement and adaptation and were eager for ongoing opportunities to connect with support as new questions and answers arose.
- **Track tool uptake.** MCCBC developed multiple tools based on provider and community input, including a cost of care modeling tool and a co-op formation toolkit. However, it is unclear how broadly the tools have been used outside of active downloads. MCCBC may wish to consider other steps to increase tool dissemination and use, such as integration into consultation and web-based training, as well as opportunities to track tool uptake and outcomes to understand reach and inform tool refinement.
- **Maintain statewide focus.** Montana covers a large geographic area with a dispersed population, and rural communities face unique challenges in building child care ecosystems. As the child care ecosystem evolves, ZtFMT should continue efforts to build inroads, develop trust, and adapt models to better reach lesser-served communities.
- **Increase adaptability of curriculum and pacing to account for variable stages of development.** A common theme among participants of both provider-facing and community-based strategies was the challenge of a set curriculum and pacing when each entrepreneur or community is at a different stage in their child care journey. Opportunities include: offering advanced material and one-on-one technical opportunities or office hours for entrepreneurs or communities at different stages; providing a brief introduction of all of the training topics at the outset of the cohort to give everyone some exposure to the information they need; creating cohorts based on the stage of development; or offering a "level two" for providers that are growing their business or communities that are farther along.





# Provider Supports

MCCBC reached providers through a variety of methods, ranging from short-term engagements to sustained cohort participation:

MCCBC's **interactive workshops** provided relevant, timely, and professional business training content to child care providers throughout the state of Montana. The trainings offered skill development and provider growth on a range of pertinent child care business issues, including financial management, marketing, budgeting and cash flow, policies and procedures, managing enrollment, improving quality, staffing, and engaging families and the community. MCCBC's primary training partner was First Children's Finance, with input and collaboration from childcaretraining.org, Montana Early Childhood Project, and Montana SBDC Network. For example, among other workshops, First Children's Finance facilitated the Business Leadership Cohort for center directors to develop skills in enrollment management and marketing, financial management, staffing, and developing a plan of action.

**Individual consultation** supported the creation and maintenance of high-quality child care businesses throughout the state through direct consultation with ZtFMT staff and referrals to a network of industry professionals. The technical assistance priorities identified by providers spanned business development stages and needs (see inset).

The **Business Accelerator Mentorship Program** (peer mentoring) created a structured business incubator/accelerator for new and expanding child care businesses throughout the state. Each new or existing child care business owner (protégé) was matched with a peer mentor (mentor) and supported by comprehensive training conducted by subject-matter experts. In addition to one-on-one support from mentors, protégés and mentors benefited from cross-community networking and peer learning. Both mentors and protégés received stipends and reimbursement for travel costs.

## Training and technical assistance priorities identified by providers included:

- (1) business stabilization and improvement assessments and planning;
- (2) start-up or expansion assessment and business plan development;
- (3) financial assessments, analysis, and planning;
- (4) onsite child care or employer sponsored child care models; and
- (5) technical expertise on funding opportunities and strategies.

## Reach

MCCBC reached hundreds of providers through diverse engagement methods, and many providers may have participated in multiple engagement options, from training webinars to consultation and peer business acceleration mentoring.

During the first year of implementation, there were 488 participants in MCCBC **interactive workshops**; these numbers may reflect providers participating in multiple workshops. During the second year, there were 419 participants in MCCBC interactive workshops, for a total of approximately 907 participant “touches” across both project years.<sup>7</sup> During the first year of implementation, MCCBC offered 18 distinct interactive workshops (28.5 training hours). During the second year, MCCBC offered 42 interactive workshops (95 training hours), for a total of 60 workshops (123.5 training hours) across both project years. In addition, 11 center directors participated in the Business Leadership Cohort program offered by First Children’s Finance. This program covered the basics of child care business through four group sessions and two individual consultation sessions.

MCCBC received 85 inquiries for **business advising** in Project Year 1 and 158 inquiries in Project Year 2, for a total of 243 inquiries. MCCBC provided a total of 1,292.25 hours of consultation between October 2022 and August 2024. A total of 135 clients received individual consultation from 35 counties throughout Montana across both project years (Figure 2).

Seven mentors and six protégés completed the first **business accelerator mentorship cohort** (May 2023 through April 2024), and five mentors and five protégés completed the second business mentoring cohort (April 2024 through August 2024).<sup>8</sup> Mentorship participation included three in-person events and monthly Zoom training sessions. Mentors and protégés typically communicated with each other about every two weeks via FaceTime, text messages, Zoom, emails, phone calls, or in person.

## Reach of MCCBC Provider-Facing Strategies



60 workshops



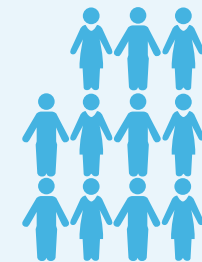
124 training hours



1,292 consultation hours



9 mentors<sup>8</sup>



11 protégés

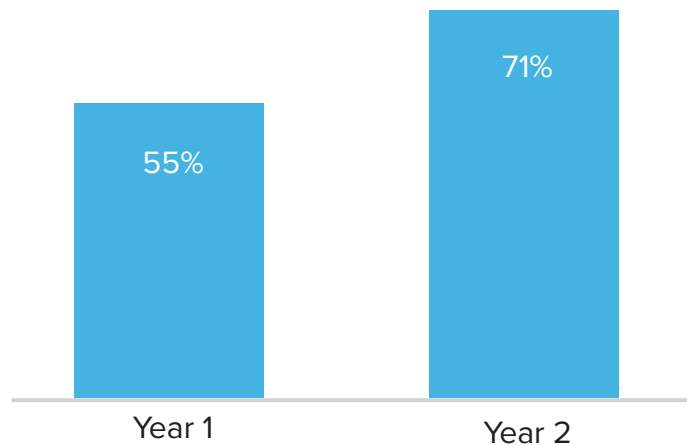


## Quality

**Interactive workshop** participants were pleased with the delivery mode, topic, and logistics of training sessions. Participants also rated training content highly. On a scale of 1-5, with 1 being lowest and 5 being highest, trainings were rated 4.5 on average across both project years, increasing from an average of 4.2 in Project Year 1 to 4.7 in Project Year 2 (Figure 3).

### TRAININGS RATED HIGHLY AND IMPROVED OVER TIME

Figure 3. Percent of participants rating training/event a 5 on 5-point scale by year (N=389)



Source: MCCBC Post-Event Surveys

Over the course of the implementation of Interactive Workshops, **MCCBC learned:**

- **Post-event evaluations support program adaptations.** While they are a time commitment for both the participant and program staff, post-event surveys were essential tools for understanding where modifications were needed in curriculum, instructors, and format, as well as the subjects offered. The ability to fine-tune offerings ultimately serves providers better and allowed MCCBC to focus limited resources on the most impactful content.



Trainings were rated  
4.5 on average

Interactive  
Workshop  
Lesson  
Learned

1

Post-event evaluations  
support program  
adaptations.

When seeking individual **business advising**, providers were most often interested in:

- start-up assistance,
- managing a business,
- marketing/sales,
- business accounting/budget,
- financing/capital,
- human resources/managing employees,
- buying/selling a business,
- business planning, and
- cash flow management.

In Project Year 1, 45 clients received consultation, and in Project Year 2, 120 clients received consultation, reaching 135 unique clients over the two years. Many clients participated for extended periods of time, suggesting that they found consultation to be valuable. In Project Year 1, 38% of clients received at least five hours of consultation, and in Project Year 2, 48% did so.

Over the course of the implementation of business advising, **MCCBC learned:**

- **Develop tracking systems and consistent procedures prior to launch.** MCCBC developed an internal reporting system to enable tracking of contacts received and the types of supports provided. In addition, MCCBC developed several procedures to improve effectiveness, including a consistent process for determining the best resource to support a provider by looking at specific criteria of the request.
- **Prepare for a high demand for services and widely varying needs.** MCCBC found that the magnitude of training and technical assistance needs among providers varied widely, which had a direct effect on the workload of the business advising consultant. To better manage workflow, MCCBC improved processes to identify specific needs and focus on high-priority technical assistance activities.
- **Ensure quality delivery.** MCCBC initially intended for business advising to be provided through volunteer subject matter experts or external consultants. However, to ensure high quality and consistent support, MCCBC decided to retain primary consultation in-house. Then, to balance increasing demand for services with the production of related content (training, website, and presentations), MCCBC hired a second business advisor.

## Business Advising Lessons Learned

1

Develop tracking systems and consistent procedures prior to launch.

2

Prepare for a high demand for services and widely varying needs.

3

Ensure quality delivery.

Providers also benefited through participation in the **Business Accelerator Mentorship Program**. All mentors and protégés across both cohorts reported that their participation in the program helped them improve their child care business, and all but one mentor reported that their expectations for the program were realized. All 11 protégés indicated that participation as a cohort was an asset to their success, that they built valuable professional networks, they learned skills that they will use in the real world, and they would recommend the program to prospective protégés who want to start a child care business. Figure 4 provides a visual summary of their perspectives.

**PROTÉGÉS BENEFITED FROM THEIR PARTICIPATION AND WOULD RECOMMEND IT TO OTHERS**

Figure 4. Protégé input on their experience with the program, Cohort 1 and 2 (N=11)

	More like this	In between	More like that	
Doing this as a cohort was an asset to my success	●●●●●●			Doing this as a cohort was not necessary for my success
I built supportive relationships with other child care providers	●●●●●	●●		I did not build supportive relationships with other child care providers
I built valuable professional networks	●●●●●●			I didn't build valuable professional networks
I learned skills that I will use in the real world	●●●●●●			I didn't learn skills I will use in the real-world
I would recommend the program to prospective protégés who want to start a child care business	●●●●●●			I would not recommend the program to prospective protégés who want to start a child care business

Source: Business Accelerator Post-Participation Surveys, Cohort 1 and 2

Over the course of the implementation of Business Accelerator Mentorship Program, **MCCBC learned:**

- **Adopt optimal program length.** Participants in the first cohort of the accelerator suggested consolidating the program timeframe to less than 12 months. In response, MCCBC shortened the second cohort to five months while still delivering full content. MCCBC may wish to consider the experience of both cohorts to “right-size” the length of future cohorts.
- **Fine-tune protégé selection.** To increase protégé engagement, mentors suggest conducting background checks, interviews, and/or some sort of additional screening to make sure prospective protégés have met basic prerequisites. The candidates could be people who have had some involvement with ZtFMT already, such as individual technical assistance, and/or they could be admitted to the program on a probationary basis, enabling another protégé to join if they drop out or do not pass probationary milestones.



- 1 Investigate different program lengths.
- 2 Fine-tune protégé selection.
- 3 Prioritize geography when pairing mentors and protégés.
- 4 Provide support to mentors.
- 5 Provide non-financial incentives or benefits for participation.
- 6 Continue to have an economic development professional as a mentor.

- **Prioritize geography when pairing mentors and protégés.** Participants reported good mentor-protégé personality matches, which was supported by the in-person kick-off event and administration of a DiSC personality assessment to facilitate constructive matches. They recommended prioritizing proximity when pairing mentors and protégés when possible to facilitate more in-person interactions.
- **Provide support to mentors.** Mentors may be well-versed in how to successfully operate a child care business, but participation in the cohort may be the first time they have served as a mentor. They expressed interest in receiving training and support on coaching/mentoring. Additionally, assigned mentors do not necessarily have all the expertise a protégé needs, so cultivating opportunities for tapping into the collective wisdom of all the mentors would benefit both protégés and mentors.
- **Provide non-financial incentives or benefits for participation.** Both mentors and protégés expressed interest in receiving recognition for their participation in the business accelerator cohort. For example, mentors could benefit from a career path on the Montana Practitioner Registry. Protégés could receive a guaranteed visit and publicity by ZtFMT upon the opening of their child care business, some type of verified certification for completing the session, or improving their level on the practitioner registry after participation.
- **Continue to have an economic development professional as a mentor.** The experience of having a mentor who worked in economic development was a net positive. While this mentor was less knowledgeable about running a child care business than other mentors, this mentor brought perspectives and knowledge that expanded the content protégés and the other mentors were exposed to. In future cohorts, this mentor could serve as an “economic development expert in residence” that helps all protégés better understand their local workforce and business resources.



*“Fantastic program. The benefit of the mentor is invaluable. It has been incredibly helpful and confidence building.”*  
– Protégé

## Impact

Providers benefited from exposure to a breadth of business topic areas, ongoing assistance, and opportunities to participate in multiple engagement methods across interactive workshops, individual consultation, and mentorship. This exposure resulted in benefits for providers who gained skills that will increase their success and for Montana families that can access the new child care slots created.

- ✔ **Business knowledge gain.** Almost all interactive workshop participants (95%) said they felt more knowledgeable about the topic after attending the training (91% in Project Year 1 and 97% in Project Year 2). Mentors and protégés alike reported tangible skill gains across diverse business practices due to program participation.
- ✔ **New child care business starts.** Many participants in the business mentoring cohorts and community capacity building cohorts received individual consultation in addition to their cohort-related supports. Given this overlap, it is difficult to determine with any certainty which support was most instrumental in the new business start or existing business expansion, but across all supports, there were 24 business starts and eight expansions over the two-year project.
- ✔ **Provider supports were associated with the creation of 614 new child care slots.** Providers that accessed Individual Business Advising services opened 556 child care slots over the period of the grant. Participants in the Business Accelerator Mentorship Program opened 230 slots. Together, these two provider supports were associated with the creation of 614 new slots. Since providers often access more than one MCCBC service, these figures are duplicated.

*"I wholeheartedly believe that this was the best program that I could have participated in. It has been extremely important in starting my business."*  
 – Protégé

### Two-Year Count of Child Care Slots Opened by Providers Accessing MCCBC Provider Supports\*

# 556

Slots opened by providers that received support from Individual Business Advising

# 230

Slots opened by participants of the Business Accelerator Mentorship Program

\*Figures contain duplication since providers often accessed more than one MCCBC support. Slot counts are not available from providers participating in interactive workshops.

Through MCCBC, Zero to Five Montana (ZtFMT) provides targeted services to communities interested in developing or strengthening their child care ecosystem. MCCBC's community-focused strategy was designed to leverage the benefits of community collaboration, including:

- Diverse perspectives and expertise
- Supported innovation and creativity
- Increased access to resources
- Expanded community trust and engagement

This strategy was realized through two key activities:

A ZtFMT community navigator or business consultant directed interested community leaders to apply to be a part of MCCBC's core community-based strategy – the **Community Child Care Capacity Building Cohort**. Community collaboratives applied to be a part of a cohort. Selected communities were provided a “roadmap” designed to help them learn about, and navigate the complexities of, their local child care ecosystem. The roadmap content was largely delivered in the form of monthly roundtables on key topics critical to developing community child care ecosystems (see inset). Cohort members also met together in person periodically to engage in peer learning and sharing.

In addition, MCCBC staff provided **technical assistance to communities** through ongoing support to community cohort participants outside of the cohort, responsive technical assistance to communities that found MCCBC through the web-based resource center, and facilitation of a Community of Practice and ad hoc technical assistance for 30 communities participating in Child Care Innovation and Infrastructure Grants. MCCBC community-based interventions provided communities with information on the current state of child care in their community and opportunities to facilitate progress towards greater access.

## Community Capacity Building Roundtable Topics

Both cohorts participated in skill building on the following:

- Basics of child care, collaboration, and facilitation
- Data gathering and collection
- Data analysis and exploring child care business models
- Community conversation facilitation
- Action and business planning

The extended timeframe of the second cohort allowed for additional skill-building roundtables:

- The child care ecosystem and crafting innovative solutions
- Branding and marketing your work, initiative, or campaign
- Unique funding opportunities and how to use them
- Risk management and pivoting when things don't go to plan
- Engagement and benefits of unique partnerships

## Reach

During the first year of the **Community Capacity Building Cohort** implementation, MCCBC received seven applications and selected six communities to participate in the first 6-month cohort. In the second project year, 8 communities participated in an extended 12-month cohort. Over the two-year grant period, two community child care capacity building cohorts served 14 communities.

Participating communities represented the geographic regions of Montana and ranged from 4,971 to 165,524 people per county. Child care capacity available to meet demand averaged 41% across all cohort counties.

Each community participated in over 30 hours of training during roundtables, a pre-summit gathering, and summit sessions. Participating communities spent additional time on cohort work outside of formal cohort roundtables. A sample of cohort communities indicated they had at least one team meeting per month outside of the cohort roundtable and the community team lead spent one to five hours per month on cohort work. Additional level of effort varied by community, with one participating community noting many team hours outside of the structured cohort hours to intentionally construct and conduct empathy interviews, think-meetings, and planning. Cohort lead organizations were often community development agencies, early care and education organizations, community foundations, or community college or extension services. Community leads often participated or provided oversight for the project as part of their paid position.

## Quality

According to evaluation surveys and focus groups, cohort participants widely agreed that participation helped them advance community progress on key components of building child care capacity, including networking with other communities across the state, information gathering, community development training / professional development, strategic planning, and technical assistance.

## Reach of Community-based Strategies



14 Community Capacity Building Cohort communities assisted



33 Communities assisted with targeted technical assistance



30 Innovation Grantee Communities of Practice



730 Community leader resources page views

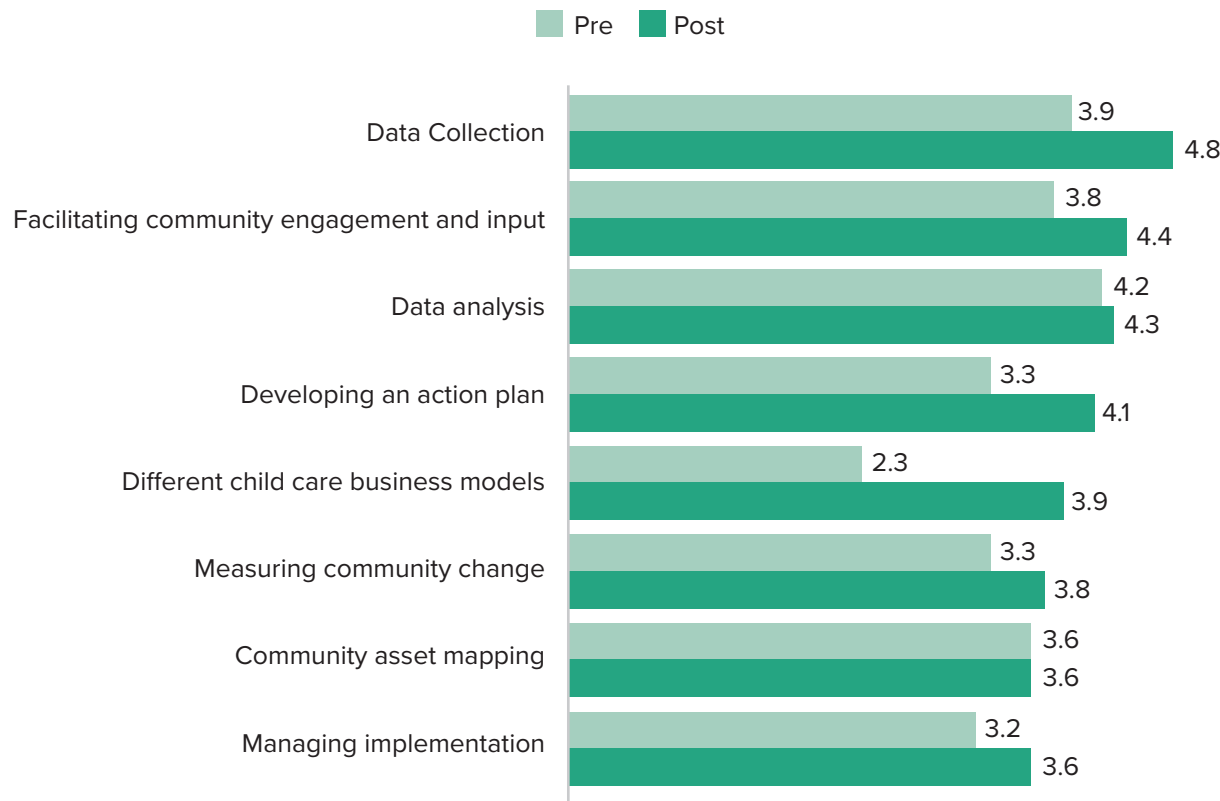


45 Community Collaboration Blog page views

Roundtable topics were considered effective in developing the skills communities need to support the development of child care capacity. Most community cohort participants rated their capacity a four or five on a five-point scale across all capacity areas. The second cohort was asked to rate capacity in areas before and after cohort participation. Participants reported capacity growth in all areas, with the greatest growth in understanding *different child care business models*, increasing from an average rating of 2.3 to an average rating of 3.9 (Figure 5).

**PARTICIPANTS REPORTED CAPACITY GROWTH IN ALL AREAS**

Figure 5. Second cohort survey respondents' average assessment of community capacity, before and after cohort participation, where 1= fairly weak and 5=very strong (N=8)



Source: Community Capacity Building Cohort 2 Pre- and Post-participation surveys



*"I think they did a great job. I am really grateful for the whole team."*  
 – Community cohort representative



**Data Driven**

The second community capacity building cohort increased focus on data collection and analysis during the first six months of the 12-month cohort year. All eight communities collected data on their local child care landscape and needs, with no fewer than 17 different survey instruments fielded. Additionally, all eight hosted community conversations and developed action plans. As a result, communities were able to make data-informed decisions, such as prioritizing a particular place for child care facilities, and working with providers to offer support such as training opportunities and networking.



All community cohort participants would recommend cohort participation, and almost all believed that participating in the cohort was an asset to their community's success and that their community gained skills that will support child care capacity building (Figure 6).

**MOST COMMUNITIES BENEFITED FROM PARTICIPATION AND ALL WOULD RECOMMEND IT**

Figure 6. Participant input on their experience with the program (N=20)

	More like this	In between	More like that	
Participating in this as a cohort was an asset to my community's success				Participating in this as a cohort was not necessary for my community's success
My community built supportive networks with other communities				My community did not build supportive networks with other communities
My community gained skills that will support child care capacity building				My community did not gain skills that will support child care capacity building
I would recommend participation to other communities				I would not recommend participation to other communities

Over the course of the implementation of the Community Capacity Building Cohort, **MCCBC learned:**

- **Engage ZtFMT staff for community-specific kick-offs.** Participants recommended an initial “Child Care 101” for both the cohort participants as well as the broader collaborative members in each community to allow cohort participants to learn before they lead.
- **Build data collection capacity early.** Building capacity around data collection and analysis early helps drive action planning and strategy.
- **Expand outreach to optimize program uptake.** MCCBC had initially anticipated delivering three six-month community child care capacity building cohorts. When they did not receive sufficient applications for a third cohort, they extended the second cohort to a 12-month timeline. This turned out to be a fortuitous adaptation; based on the benefits of the extended cohort, future cohorts will maintain an extended timeframe. However, it is important to understand why there was a lack of applications and whether additional outreach or pre-program activities may be necessary to raise community awareness of, and readiness for, community capacity building opportunities.



- 1 Engage ZtFMT staff for community-specific kick-offs.
- 2 Build data collection capacity early.
- 3 Expand outreach to optimize program uptake.

## Impact

The community capacity building cohort resulted in direct gains to community slots (see Figure 7) and increased community cohesion around child care as a priority focus. Participation helped cohort members build partnerships and bring the community along. Examples of successful data gathering efforts to build awareness included a hospital employee survey and empathy interviews with providers. These strategies and others increased the understanding of the need and helped build relationships across diverse stakeholders. Key accomplishments:

- ✓ **New child care capacity.** Communities established more child care facility space as a result of participating in the cohort.
- ✓ **Increased collaboration among partners.** Communities described improved collaboration and cohesion among community child care partners.
- ✓ **Increased data collection capacity.** Cohort members described increased data collection capacity to understand community needs and communicate findings.
- ✓ **Recognition of child care need.** Respondents indicated that participating in the community capacity building cohort increased their communities' recognition of child care as a priority need.
- ✓ **Increased credibility and visibility.** Participation in the cohort increased credibility with influential community members.

Community cohort participants also weighed in on factors that facilitated or impeded their success. Facilitators of success include the sense of comradery across the cohort, tactical tools and roadmap, and great support from MCCBC staff. With the support from MCCBC and each other, respondents were more willing – and more confident – to tackle child care issues in their communities. Barriers to success included the slow pace of progress, the changing context, and the politics of sustainable funding. Participants also noted many issues that were out of their direct control, such as changing licensing regulations, state politics that may impact access to resources, and increasing rent and insurance rates. The COVID-19 pandemic also had the impact of disbanding existing child care collaboratives, but participation in the Community Capacity Building Cohort reenergized or restarted those efforts.

*"We don't control the context and we don't control the outcomes to a large extent. I came into this with low expectations, but we have exceeded my expectations because we have created partnerships that will be vital for whatever the world brings us in the future. . . . My community better understands the complexity of the issues and we have identified some low hanging fruit that we can get started on."*  
Community cohort representative

### Community Capacity Building Participant Survey Highlights

Communities felt that they were more equipped to say that child care is everyone's problem – not just parents' and employers' – and that it is a problem that communities can work on together.

**MOST COHORT COMMUNITIES HAD MORE CHILD CARE SLOTS AFTER PARTICIPATION**

Figure 7. Child care slot counts before and after participation in Community Capacity Building Cohort (as of October 2024)<sup>9</sup>

	County	Supply Before	Supply After
<b>Cohort 1</b>	Carbon	83	91
	Teton	35	95
	Toole	30	35
	Ravalli	666	622
	Flathead	1,575	1,644
	Blackfeet Nation (Glacier & Ponderosa)	155	164
<b>Cohort 2</b>	Anaconda-Deer Lodge	198	242
	Big Horn	70	119
	Broadwater	45	72
	Cascade	2,774	2,794
	Jefferson	438	363
	Lincoln	188	266
	Sanders	16	16
	Yellowstone	3,060	3,691



**Two-Year Count of Child Care Slots Opened by Providers Participating in the Community Capacity-Building Program\***

**122**



While the Community Capacity Building Cohort participants were focused on building community capacity, mentors in the Business Accelerator Mentorship program also felt their participation increased their knowledge and comfort talking about the child care industry with people outside of the child care industry.

Note: Cohort 1 reflects change over two years; Cohort 2 reflects change over one year.  
 Source: Zero to Five Montana, pre- and post-participation data collection by communities participating in Community Capacity Building Cohorts

In addition to interventions targeting individual child care providers and the communities in which they operate, MCCBC invested in strategies aimed at addressing gaps or needs in the broader early care and education (ECE) ecosystem. These system-level supports included convenings, research, and the development of toolkits. Some of these system-supporting activities were not included in the original MCCBC scope of work but, rather, emerged in response to real time needs in Montana's ECE ecosystem. The landscape interventions covered in this section include the following:

In 2023 and 2024, MCCBC hosted the **Montana Child Care Business Connect Summit**. These conferences, which took place over 2 days, brought together diverse interest holders – including those in the child care sector, other business sectors, and government actors – to take a deep dive into the business challenges and opportunities in the Montana child care sector. The conference offered 25 different sessions for participants. The inset shows a sampling of the conference sessions offered.

The **Web-based Resource Hub** (<https://childcarebusinessconnect.com/>) was developed to provide a comprehensive online hub for child care businesses to access resources, toolkits, business briefs, guides, networking, training, and technical assistance from local, state, and national partners. The long-term goal for the resource hub is to document case studies from successful MCCBC early childhood business and community models, provide opportunities for crowdsourcing and connection, and provide Montanans with diverse child care ecosystem development tools in one easily accessible portal.

ZtFMT partnered with Prenatal to Five Strategies to develop a **Cost of Care Modeling Tool** customized to Montana's particular context. The tool built upon an existing one developed by the Montana Department of Public Health and Human Services and is designed to help providers understand the true and full cost of delivering child care based on their business model (i.e., home- or center-based business), number of slots, staff size, and other factors.

MCCBC commissioned the Montana Cooperative Development Center to create a **Child Care Cooperative Toolkit**. Cooperative business models are one strategy for pooling resources and expertise in a community toward meeting an unmet need. Given the high percentage of counties in Montana that are considered child care deserts, the Toolkit is one way in which ZtFMT is equipping local communities with information on different strategies for addressing this critical need.

## MCCBC Summits: A Sampling of Sessions

### Business Practices and Models

- Understanding the Diversity of Child Care Business Models in Montana (2023)
- Elevating Child Care Efficiency: The Impact of Integrating CCMS and CRM Solutions (2024)
- Transforming Child Care: Building Collaborative Solutions to a Collective Problem (2024)

### Community-specific Approaches

- Right Sized Solutions for Communities: Tailoring Child Care Initiatives (2023)
- Inclusive Voices: Engaging Communities for Early Childhood Policy Change (2024)

### Cost of Child Care

- Using Cost-Modeling to Illustrate the Broken Child Care Business Model (2023)

### Workplace Environment for Child Care Providers

- Cultivating a Family-Friendly Workplace to Recruit and Retain Staff (2023)
- Child Care Business Resiliency: How to Do it All without Getting Burned Out (2024)

While not included in the original scope of work, MCCBC created and fielded the **Child Care Provider Insurance Survey** in 2023 and 2024 based on anecdotal reports of providers losing their liability insurance or facing steady rate increases. MCCBC staff drafted a survey to gain insights on providers' experience with obtaining and retaining insurance for their businesses, and sought feedback from a small group of providers and ECE experts.

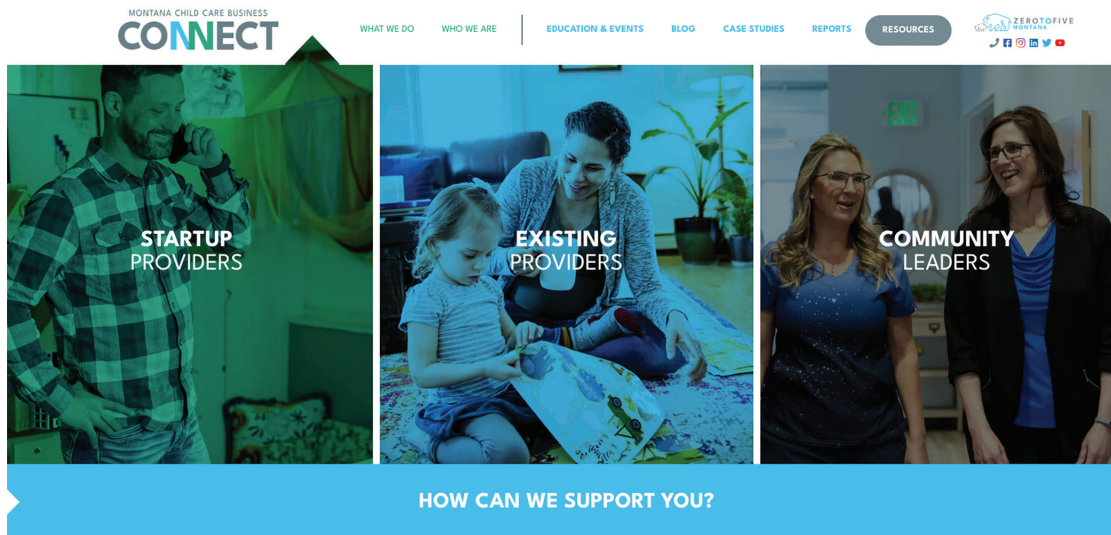
ZtFMT, MT DPHHS, and Prenatal to Five Fiscal Strategies (P5) are partnering on a **Comprehensive Fiscal Analysis** of Montana's early childhood system. The process includes deep engagement with key constituents, analysis of the current fiscal landscape, development of cost estimation models, and identification of recommendations to advance state goals for the prenatal to five system.



## Reach

Convening stakeholders across the ECE ecosystem to share strategies, problem solve, and collectively identify areas of future inquiry and focus occurred through the **Montana Child Care Business Connect Annual Summit**. The inaugural Summit, in 2023, attracted 167 attendees, including child care providers, government officials, ECE intermediary representatives (i.e., staff from CCR&Rs and advocacy organizations), business and economic development professionals, and researchers. In 2024, MCCBC built upon the initial Summit to include a similar mix of attendees, as well as representatives from the credit union and community development federal institution (CDFI) community; 147 individuals attended the 2024 Summit. MCCBC made an intentional effort to make participation in the Summit possible for as many child care providers as possible; at least one-quarter to one-third of Summit attendees were providers.<sup>10</sup>

From the launch of the **Web-based Resource Hub** website in April 2023 through September 2024, the community landing page on the website had hundreds of views and thousands of event counts (see inset), which measures how many times a user interacts with a website. This data helps MCCBC understand how many users are accessing the resources and information on the site.



The **Cost of Care Modeling Tool** was developed with input from a working group of providers and other experts in the ECE ecosystem and was made available online starting in March 2023. Between then and late August 2024, it was viewed nearly 500 times by almost 300 unique viewers.

## Reach of System Supports

*The Cost of Care Modeling Tool has been viewed nearly*



**500**  
times

by almost

**300**  
unique  
viewers

*The Child Care Cooperative Toolkit has been viewed by*

**70**  
individuals

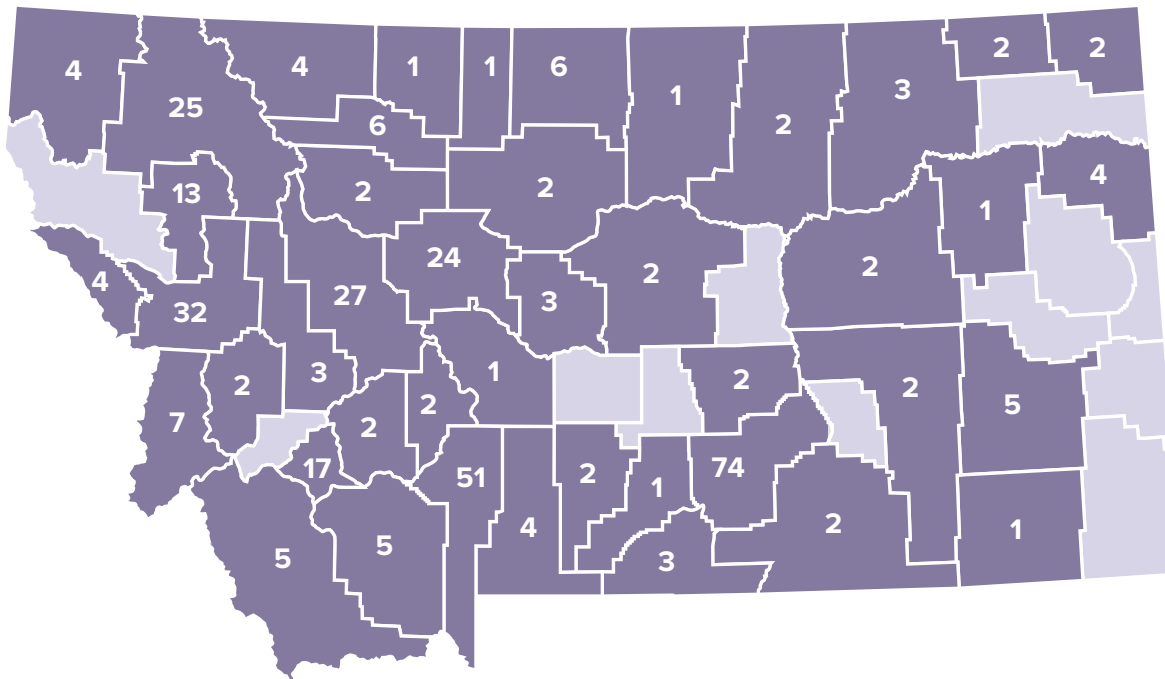


The **Child Care Cooperative Toolkit** was finalized and shared in March 2024. Child care providers can access the Toolkit through the MCCBC or the Montana Cooperative Development Center's website. Through late August 2024, 70 individuals had viewed the toolkit from the MCCBC website.

The first **Child Care Provider Insurance Survey** was fielded in February 2023 and received responses from 142 Montana child care providers. Most respondents were sole proprietor group providers with a licensed capacity of 15 or fewer children. Given the insights gleaned from the 2023 insurance survey and continued insurance-related issues facing Montana child care providers, MCCBC was asked to conduct the survey again in 2024. The 2024 survey yielded 228 responses, a 61% increase in responses over the first year. The composition of respondents in terms of provider type differed somewhat from 2023, with most (44%) identified as group providers, followed by child care centers (32%) and friends, family, or neighbor providers (23%). Figure 8 shows the distribution of respondents from both surveys.

#### INSURANCE SURVEY RESPONDENTS REPRESENT 79% OF MONTANA COUNTIES

Figure 8: 2023 and 2024 Child Care Provider Insurance Survey Respondents by County



Source: Zero to Five Montana, Child Care Provider Insurance Survey, 2023 and 2024

## Business Support Services for the Child Care Sector: A Growing Movement

MCCBC joins other innovative states and localities nationwide that are prioritizing business supports to stabilize and strengthen the child care industry. In 2021, the American Rescue Plan Act (ARPA) allocated \$39 billion for child care, with resources flowing to every state in the form of Child Care Stabilization grants (\$24 billion) and Child Care and Development Block Grants (\$15 billion). Each state developed initial plans for allocating these resources. At least ten states – in addition to Montana – included business supports in their plans, with additional states funding efforts to develop or enhance shared service models. For example:

- Connecticut provided individual and group financial and business supports to center-based and family child care providers to assist with improving the overall business health of the industry.
- Minnesota offered training and consultation to help child care providers build, strengthen, and acquire business skills.
- Nevada developed a one-stop child care hub for new and existing child care providers to access business tools and other supports.
- Tennessee provided early childhood educators with technology hardware along with coaching and technical assistance on using the equipment to strengthen business operations.
- New Hampshire developed an eight-week business support program where child care providers were assigned a support team, hosted a site visit, participated in group mentoring meetings; those completing program became eligible to receive a grant intended to support business improvement recommendations made by the support team.

(Continued on next page.)

In May 2024, ZtFMT and its DPHHS and P5 partners hosted a kick-off event for the **Comprehensive Fiscal Analysis** initiative. Approximately 50 constituents representing a broad group of early childhood stakeholders including child care providers, home visiting providers, early intervention providers, child care resource and referral agencies, representatives from higher education, state governmental agencies, early childhood coalitions, and more participated in the event. The information gathered through the ongoing process will inform strategies for system improvement and generate a deeper understanding of the investment needed to support prenatal to five services and systems in Montana.

## Quality

As evidenced above, hundreds of Montana child care providers engaged in the systems supports undertaken by MCCBC. The convenings, research, and use of developed tools are intended to strengthen not only individual child care providers but the broader ECE ecosystem.

**Montana Child Care Business Connect Summit** attendees responding to the post-conference evaluations overwhelmingly expressed satisfaction with their Summit experience. More than three-quarters of respondents considered the 2023 Summit to be “excellent” or “very good”, while nearly all (95 percent) rated the 2024 Summit as “excellent” or “very good.” Most respondents were pleased with Summit content, deeming it relevant to their work, and speakers were largely rated as knowledgeable.<sup>11</sup>

The **Cost of Care Modeling Tool** and **Child Care Cooperative Toolkit** were each developed by organizations with expertise in the respective topics in collaboration with MCCBC. The tools were the focus of several sessions at the Summits, and post-Summit evaluations indicate that a significant majority of participants felt the content was relevant or felt more knowledgeable about the topics after the session.<sup>12</sup>

*“We anecdotally had a sense that insurance and access to it was a problem; we heard this from providers. The insurance issue became a rolling thunder that grew closer and louder.”*

- Jason Nitschke,  
Senior Child Care Business  
Advisor, ZtFMT

*(Continued from previous page.)*

Prior to the passage of ARPA, Colorado launched business supports for child care providers in response to a 2019 needs assessment, which highlighted the need for business supports and informed a cross-agency collaboration between the Office of Economic Development and International Trade, the Colorado Department of Early Childhood (CDEC), and local early childhood councils to provide training courses and one-on-one consultations to providers. Nine of the state’s Small Business Development Centers (SBDCs) provide training and consultations on topics ranging from basic business practices, staffing, marketing, and financial planning. Critically, SBDCs work closely with their counterparts at CDEC and the local early childhood councils to bolster their knowledge of the child care industry.

In addition to states sponsoring business supports for child care providers, cities and counties have prioritized these services as well given the importance of a robust child care ecosystem to local economies. First 5 Orange County (California) offers, in partnership with the Small Business Development Center’s Women’s Business Center, an eight-week cohort program for individuals interested in starting an in-home licensed child care business. In the city of Columbia, Missouri, the city is working with the Women’s Business Center to offer cohort programs and one-on-one business coaching to child care providers, focusing on topics such as basic accounting, tax preparation, and grant writing. And the City of Boston established the Childcare Entrepreneur Fund to help family child care providers sustain and grow their businesses. Providers selected to participate receive a \$2,500 grant and take part in both cohort-based workshops and one-on-one coaching.



The **Child Care Provider Insurance Survey** brought rigor to the anecdotal stories of insurance problems among providers, and it made the challenges visible to people outside of the industry, particularly elevating the issue for policymakers (as discussed in more detail in the Impact section below).

ZtFMT and DPHHS's relationship with P5 on the **Comprehensive Fiscal Analysis** of Montana's early care and education fortifies a growing relationship with a leader in the field on early care and education fiscal analysis and policy.

Over the course of the implementation of system support activities, **MCCBC learned:**

- **Retain nimbleness to adapt activities to support ecosystem.** MCCBC benefited from the flexibility to pivot attention and resources as needed. To continue to optimize this flexibility and avoid split focus, MCCBC can strengthen its theory of change so it can guide determination of which emerging needs fall within its strategic focus. This will help MCCBC ascertain whether sufficient capacity and resources are available to address the emerging needs without negatively impacting other priorities.
- **MCCBC Summit filled a gap in the industry for child care business professional development and networking.** Continuing the Summits in some format should be strongly considered. It is an optimal venue for continuing progress on MCCBC's secondary desired outcomes related to "a respected ECE workforce and industry" and "stable ECE policy and investment." One area of reflection going forward is trying to identify why the attendance at the 2024 Summit was lower. Location may be a factor. As Community Navigator Shelby Whelan noted, "[Providers in] Eastern Montana get left behind. Some wanted to go to the Summit, but it would have taken seven hours to drive there." Conducting smaller regional Summits in addition to, or alternating with, the statewide Summit is an option worth considering.
- **Build a way to track the use of tools.** Outside of personal anecdotes, MCCBC is limited in its ability to know if and how a MCCBC tool is used in the field. Staff could consider requiring those who download a resource to enter their name, email, and organization prior to downloading, which would provide a way to potentially follow up and track the use of tools developed by MCCBC.
- **Institutionalize the insurance survey as an annual data collection project.** Access to affordable insurance is critical for child care providers. MCCBC should consider opportunities to build upon emerging conversations with insurance providers and continue to share these data and trends with the state legislature.

## System Supports Lessons Learned

1

Retain nimbleness to adapt activities to support ecosystem.

2

MCCBC Summit filled a gap in the industry for child care business professional development and networking.

3

Build a way to track the use of tools.

4

Institutionalize the insurance survey as an annual data collection project.

## Impact

MCCBC system supports are unlikely to yield their full effects or impacts immediately, but some initial evidence of impact did begin to emerge during the grant period.

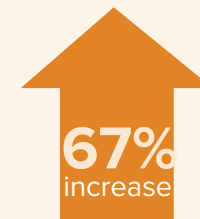
**Montana Child Care Business Connect Summit** attendees were asked to share any learnings or experiences during the Summit they might implement in their business or community. Respondents to the 2023 Summit evaluation reported learning about new avenues to partnership, including community resources and techniques. Leadership principles and financial strategies were also frequently mentioned takeaways among participants.<sup>13</sup> In sessions at the Summit, several participants commented that they appreciated the child care industry being treated professionally and with respect, as well as expressing the value they got from connecting with other providers.<sup>14</sup> MCCBC was able to cover lodging expenses for child care providers and did not charge a registration fee, enabling Summit attendance for many who would not likely have been able to attend otherwise.

The **Cost of Care Modeling Tool** developed through MCCBC attracted attention from DPHHS, resulting in an investment by the state in a more comprehensive financial analysis. As noted by Simon Workman of Prenatal to Five Fiscal Strategies, "MCCBC was a strong driver for the state to move to this more comprehensive look, informing why this work needs to be done." Prenatal to Five Fiscal Strategies is presently working with the state to identify a vision for the ECE system, which will be incorporated into the resulting tool. For example, the more robust tool will allow users to assess the implications of a change in child care subsidy rates, providing the potential for the state to use the tool in its decision making and policy setting processes.

Fully launching a cooperative can take several years to accomplish; as such, MCCBC did not expect to report the creation of any new child care cooperatives by the end of the grant. Supporting the creation of the **Child Care Cooperative Toolkit**, however, was intended to share knowledge on the cooperative model and potentially seed interest on the part of communities or stakeholder groups. A small number of individuals seeking one-on-one business consulting expressed interest in learning more about cooperative models; in each of these cases, the provider needed to launch their business rapidly, so a cooperative model was not a good fit to immediate needs.<sup>15</sup> As of mid-2024, the Montana Cooperative Development Center was working with a couple of prospective child care cooperatives, potentially yielding a cooperative model in the future.

MCCBC's work concerning liability insurance access and premiums, including administration of the **Child Care Provider Insurance Survey** in 2023 and 2024, garnered the attention of

### Among respondents to the Insurance Surveys



in annual premiums between  
2019 – 2022  
(2023 survey)



of providers had been dropped  
by an insurance carrier at some  
point since 2019


(2023 survey)



in annual premiums  
in the past year  
(2024 survey)

the Economic Affairs Committee of the Montana Legislature. The Committee engaged ZtFMT beginning in November 2023 as members sought information, research, and context on child care-related challenges facing Montana residents. Child care had not been previously taken up as an issue in committees outside of the Health and Human Services committee in Montana, making this engagement unprecedented. Following multiple presentations by ZtFMT, the Committee decided to focus on the liability insurance crisis unfolding in the state. The 2024 survey was conducted to validate the evidence from the 2023 survey for the Committee and to inform its recommendations. The Committee voted to move forward on considering legislation to create a reinsurance pool in 2025. Furthermore, survey results led MCCBC staff to connect with insurance providers to better understand why some were exiting the market, what factors contributed to decisions to drop coverage for some providers, and what MCCBC could do to support providers. This, in turn, led to the development of two webinars, two trainings at the 2023 Summit, and more information built into the Business Accelerator risk management content.

In addition to system wide impact to date, the forthcoming **comprehensive fiscal analysis** is expected to be delivered by July 2025. The product will provide formal data not only on what it costs providers to administer child care programs and services, but what it costs at a state level to support child care infrastructure. In completing the comprehensive fiscal analysis, ZtFMT and DPHHS will have the ability to leverage analysis results with the state legislature to potentially garner more funding for the early care and education system.



*“Even having child care in front of the Economic Affairs Committee to the level that it was is significant. These people are saying it is an important issue.”*  
– Rhonda Schwenke,  
Director of Program Services,  
ZtFMT



# Looking Forward

MCCBC's Work

Provider Supports

Community Supports

System Supports

Looking Forward

Zero to Five Montana has shown it is a learning organization, seeking out opportunities to refine new programs to better serve providers. Going forward, we encourage ZtFMT to continue to invest in the MCCBC strategies that have been in high demand and have shown significant return on investment, such as individual business consultation and the business accelerator mentorship program.

Complex systems – like the child care ecosystem – continually experience change, whether by intentional systems change work or through circumstance. MCCBC made a significant and rapid contribution to the child care ecosystem with its suite of comprehensive child care business supports, filling a gap in the Montana child care ecosystem. This rapid growth is bound to create growing pains both internally and externally, but as the MCCBC programs mature and the early childhood system increasingly builds these services into the fabric of resources available to Montana providers, the preliminary evidence provided in this report suggests that providers and the system will be better off for it.

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- 1 Friedman, Mark. (2015). “Trying Hard Is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities.” Fiscal Policy Studies Institute/Clear Impact
- 2 Federal Reserve System: Community and Economic Development Child Care Work Group, “Briefing on Child Care Funding and Policy Considerations in Response to COVID-19,” <https://www.atlantafed.org/-/media/documents/community-development/publications/special/200826-childcare-funding-and-policy-considerations-in-response-to-covid-19/childcare-funding-and-policy-considerations-in-response-to-covid-19.pdf>
- 3 “Child Care Deserts: An Analysis of Child care Supply and Demand Gaps in Montana.” January 2024. MTDLI, quoted in Amy Watson, “Child care in Montana: Exploring the causes and impacts of a lack of child care on the Montana economy,” Montana Department of Labor and Industry, March 2024.
- 4 MTDLI analysis of Current Population Survey microdata from IPUMS through December 2023. Reported as 12-month average, quoted in Amy Watson, “Child care in Montana: Exploring the causes and impacts of a lack of child care on the Montana economy,” Montana Department of Labor and Industry, March 2024.
- 5 Montana Department of Labor & Industry using U.S. Census Bureau 2012-2016 ACS data and Child Care Aware Survey 2017, quoted in Amy Watson, “Child care in Montana: Exploring the causes and impacts of a lack of child care on the Montana economy,” Montana Department of Labor and Industry, March 2024.
- 6 This percentage represents the geographic program participation for individual consultation, business accelerator mentoring, community capacity building cohorts, and the community innovation grantee community of practice. Geographic data for interactive workshops is not available.
- 7 These figures are not deduplicated (if one provider attended three workshops, for example, they would be counted three times). Because participation counts at the four workshops MCCBC offered at the MTAEYC conference in Project Year 2, Quarter 2 are not available, the number of non-deduplicated participants is an undercount.
- 8 Three mentors from the first cohort also served in the second cohort, so a total of nine mentors participated in the Business Accelerator Program.
- 9 The evaluation did not include a comparison group to test whether participation in the Community Capacity Building Cohort facilitated higher slot increases than communities that did not participate.
- 10 In 2023, 47 attendees included a Practitioner Registry ID with their registration ( $47/167 = 28.7\%$ ). It is possible more of the attendees were providers than those including a Practitioner Registry ID with their registration. In 2024, the count of provider attendance was based on organization name and is an estimate ( $43/147 = 29.3\%$ ).
- 11 2023 Summit Post Participation Survey (fielded by MCCBC, analyzed by PPI). Post-participation evaluations from the 2024 Summit did not have a sufficient number of respondents to provide reliable feedback on specific aspects of the Summit.
- 12 2023 Summit Post Participation Survey (fielded by MCCBC, analyzed by PPI).
- 13 2023 Summit Post Participation Survey (fielded by MCCBC, analyzed by PPI).
- 14 Evaluator observation.
- 15 Evaluator interview with MCCBC staff.

## Zero to Five Montana Theory of Change

