

Heppner Daycare
PO BOX 446
Heppner, Oregon 97836
541-676-5429

September 9, 2024

To: Morrow County School District

RE: Request for Land Acquisition and Partnership

Dear Board of Directors,

We are writing to you on behalf of Heppner Daycare, the only non-profit licensed childcare and certified preschool center in South Morrow County. Heppner Daycare is a family-focused, high-quality certified center that nurtures the social-emotional and physical growth of children to create a foundation for future academic success and strong self-esteem. Since 1982, we have offered high quality Preschool for children ages 3 – 5 years old plus after school care. Our afterschool care supports our preschoolers that need full-day care and other children 5 – 8 years old that need afterschool childcare.

Currently, there are no licensed infant/toddler care in South Morrow County and limited slots for both preschool-aged and afterschool children. Heppner Daycare, like most certified childcare centers, relies on public and private investment to provide foundational services to its families. We have a duty to provide affordable, accessible childcare to all families, and provide a livable wage to our highly trained staff. Morrow County remains a childcare desert – defined as a county with fewer than 33% of the county’s children have access to a slot. In Morrow County, only 14% of children ages 0-5 years old have access to a childcare center.

The first step to solve this problem – a facility to meet the pressing childcare needs of our communities. The Heppner Daycare has begun a capital campaign toward a new facility expansion. Our current location on Gale Street in Heppner will not adequately meet our critical community need to serve infants and toddlers and expand our preschool and aftercare program.

With your support, we look to increase our maximum capacity of 3–8-year-olds to 40 children and expand the service to include an infant and toddler center with a capacity of 28. In addition, we look forward to providing our hardworking staff with sufficient space for both their roles as teachers and caregivers, and as administrators of our facility.

Today, we are requesting a negotiation of land acquisition of the current tennis courts adjacent to Heppner Elementary School. This space would meet our community needs and would only strengthen our partnership with the Morrow County School District.

Thank you for considering this opportunity to partner with Heppner Daycare. We greatly appreciate your time in reviewing this request.

In community,

Heppner Daycare
Childcare Expansion Subcommittee

Enc.

Fundraising Goals, Parcel Request Rendering, Building Requirements, Business Plan

Fundraising Goal: \$2,000,000

Committed: \$1,100,000

Morrow County Capital Commitment (ARPA) - \$750,000

WCVEDG - \$250,000

HBBF - \$150,000

Additional Fundraising in Progress:

Business Oregon Child Care Infrastructure Program - \$1,000,000

Ford Family Foundation Capital Grant - \$250,000

USDA Rural Business Development

Blue Mountain Early Learning Hub

Wildhorse Foundation

Oregon Community Foundation

Morrow County Health District

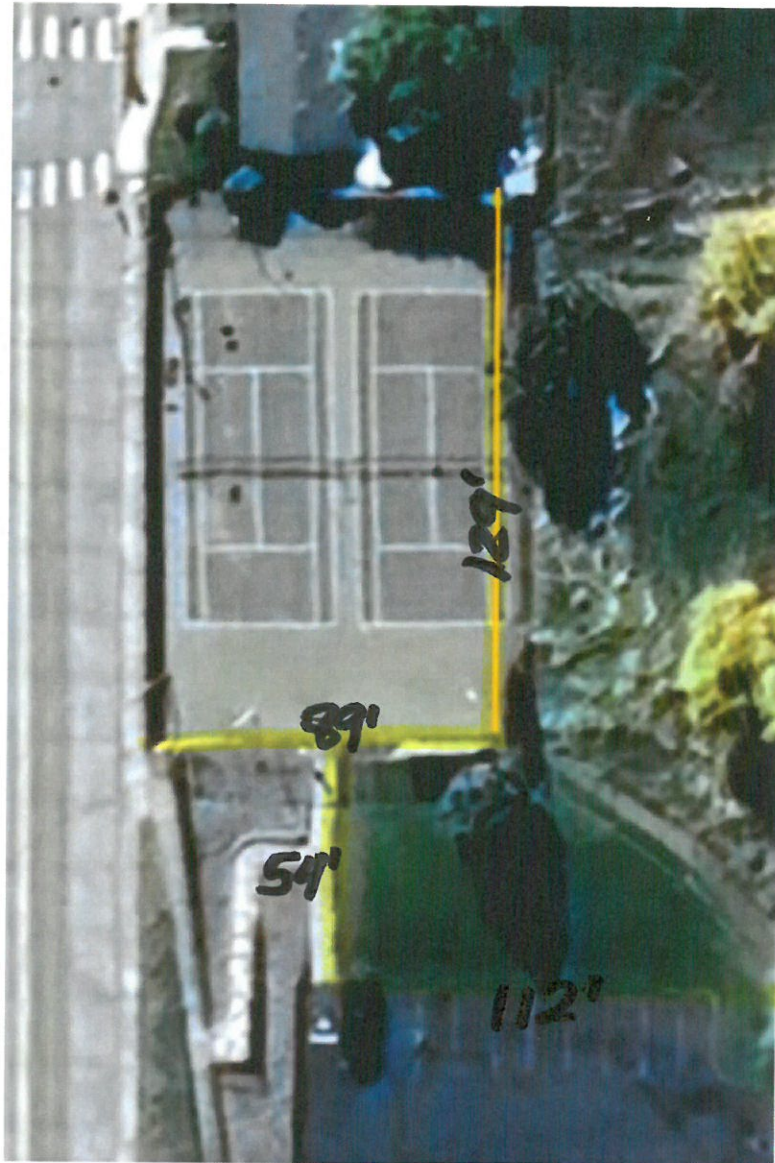
Good Shepherd Health System

Change X/AWS Grant Programs

Community Fundraising Events

Private donations

In-kind donations



3,024 sq. ft - grassy area
11,481 sq. ft - tennis courts

Building Requirements:

Approximately 2,500 square feet to accommodate 65 children (at rate of 35 square feet per child). Excludes kitchen, hallways, bathrooms, multipurpose and office space. An additional 1,500 square feet is needed for these rooms.

Outdoor space must accommodate a minimum of 32 children at one time (at rate of 75 square feet per child).

Total Indoor Requirement: 4,000 square feet

Total Outdoor Requirement: 2,400 square feet

Total Square Footage/Acreage: 6,400 square feet, or .15 acres

Total Requirements: 12,900 square feet, or approximately .3 acres

Parking Spots:

2 parking spots x Teacher (FTE)

1 parking spots x Admin (FTE)

10 Teacher Parking Spots

5 Admin Parking Spots

Total = 15

Total Minimum Square Footage/Acreage: 6,500 square feet, or .15 acres
(at a rate of 325 square feet per parking spot)

Projected Room Needs:

- 1) 0-2 yr old infant room (8 kids)
- 2) 2-3 yr old toddler room (10 kids)
- 3) 2-3 yr old toddler room (10 kids)
- 4) 3-4 yr old preschool room (20 kids)
- 5) 4-5 yr old preschool room (20 kids)
- 6) 6-8 yr old after school care room (30 kids)
- 7) Staff Room and Restroom – used for breaks, storage, training, conference room, etc.
- 8) Two staff offices (Director Office) (2 desks – Teacher Office)
- 9) Large Commons Area
 - o Dual Purpose: Can also be used as community room that can be rented for babysitting classes, youth activities (tumbling, youth group, etc), mom support groups, sylvan learning. Opportunities for grant funding for programming.
- 10) Large Commercial Kitchen
- 11) Storage Rooms
- 12) Bathrooms - # as required by licensing guidelines.

BUSINESS PLAN

*Heppner Day
Care, Inc.*

Board Operated

**SERVING
MORROW COUNTY
FAMILIES FOR
OVER 30 YEARS**

Established in 1986

1. EXECUTIVE SUMMARY

1.1 Product

The Heppner Daycare is a certified childcare center, serving children 3-8 years old. The center runs a half-day curriculum based preschool and provides full day childcare and after-school care.

1.2 Customers

Heppner Daycare serves the families in South Morrow County Communities.

1.3 What Drives Us

We strive to provide high quality care as a licensed childcare center. Our goal is to be a consistent resource for families. We focus on a community-based approach to childcare. It is essential to provide preschool and childcare for our rural area in order to bring families in to the community. Our plan is to expand the center to provide more slots for the current age range, and to provide an expanded level of care to children under the age of three.

2. COMPANY DESCRIPTION

2.1 Mission Statement

Heppner Day Care, is a family-focused, high-quality certified center that nurtures the social-emotional and physical growth of children to create a foundation for future academic success and strong self-esteem.

2.2 Vision Statement

Provide a stimulating and forward-thinking childcare and early learning environment for South Morrow County Communities.

2.3 Principal Members

The Board consists of seven members: Katie Murray, Kayla Haguewood, Lynn Calvert, Petra Payne, Emily Jack, Lindsay Grogan, and McKenzie Bailey.

The Center operates day-to-day functions through a director position, Jessica Britt.

2.4 Legal Structure

Heppner Daycare is a non-profit business focused on public benefit.

3. MARKET RESEARCH

3.1 Industry

Many working parents in Oregon rely on the child care industry for safe, affordable, and educational care for their children. Oregon employers benefit from the services of child care providers because these services help their workforce continue to be stable, reliable, and productive.

Child care supply, especially for infants through age two, is too scarce across most of the state. The Oregon Child Care Research Partnership report *Oregon's Child Care Deserts: 2022* found that for the youngest children, infants through age two, 35 out of Oregon's 36 counties remained in child care desert status as of December 2022. In early 2020, prior to the pandemic, all 36 counties were considered to be child care deserts – defined as an area with less than one child care slot per three children of a given age group.

Almost one out of three regulated child care slots for preschoolers in Oregon was publicly funded in December 2022 (31%). A much smaller share of infant and toddler slots was publicly funded (11%), but targeted investments are making a difference in supply for both age groups. The number of publicly funded slots for infants and toddlers grew 49% with increased state funding since the last report in early 2020, while the number of public preschooler slots increased 30%.

These investments are absolutely crucial to a functioning child care system in rural areas. As stated in the report, “Public funding is typically directed to areas where conditions for market care are weak. These targeted areas are in metropolitan and nonmetropolitan counties, but they make up a greater percentage of the slots in nonmetropolitan counties where the conditions to support market care are especially weak and thus the number of market slots is small.” In Oregon's nonmetro counties, publicly funded child care slots made up 33% of supply for care of infants and toddlers, and 58% of child care slots for preschoolers. In metro counties, the public component accounted for 8% of infant and toddler slots and 25% of preschooler slots.

The child care industry has grown over the long-term in response to the increasing numbers of families in which both parents work, and to the increasing number of households headed by women. Public investments in early childhood learning are making a difference in the supply of child care, but almost all Oregon counties remain child care deserts for the youngest children, and half are deserts for preschoolers as well. Efforts to improve pay, professional development, and working conditions as well as supply will help to retain and recruit the early learning workforce of the future. The need for child care services isn't going anywhere. Families and businesses rely on a stable child care industry.

3.2 Customers

Among parents of young children under the age of six, nine out of 10 fathers and

two-thirds of mothers are working. Parents of children under six years of age make up 12% of Oregon's workforce, and those with children ages six to 17 make up another 19%.

State of Oregon (Oregon's Child Care Industry)

3.3 Competitors

The Heppner Daycare is the only licensed childcare provider in South Morrow County (Heppner, Lexington, Lone). There is one other childcare/preschool provider in Heppner. Any other childcare is in-home care.

3.4 Competitive Advantage

In Heppner, the Daycare is the only licensed childcare provider. Although, with the lack of providers in the area, it is not a competitive environment as there are not enough services to provide for the need.

3.5 Regulation

Oregon Administrative Rules set forth the Child Care Licensing Division (CCLD) requirements for inspecting and certifying those child care facilities subject to Oregon laws governing child care facilities.

<https://www.oregon.gov/delc/providers/pages/child-care-rules.aspx>

4. PRODUCT/SERVICE LINE

4.1 Product or Service

Currently, we have a maximum capacity of 24 children. Our center serves children in the age range of 3-years to 8-years-old. Preschool is performed half-day Monday through Thursday, and childcare is provided Monday through Thursday with full-day, afternoon care, and after-school care options.

Our preschool focuses on supporting children for school readiness. We utilize a curriculum that focuses on social – emotional development and academics through a consistent schedule and a variety of activities. Daily lesson plans include times for large and small group learning, center play, outside time and meal times. In addition child assessments are completed 3 times during the year to assess children's growth and areas to support, along with 2 Parent-Teacher Conferences

4.2 Pricing Structure

Historically, Heppner Daycare has set pricing based on market surveys. However, the pricing structure is not increased very often, as the mission is to keep the childcare affordable to our communities' families.

TUITION

1/2 Day Preschool	8:00 - 12:30	\$150 / month
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4 Full Day Care (includes Preschool)	7:00 - 5:30	\$410 / month
Afternoon Care	12:45 - 5:30	\$280 / month
After School	3:30 - 5:30	\$125 / month

4.3 Product/Service Life Cycle

N/A

4.4 Intellectual Property Rights

N/A

4.5 Research & Development

N/A

5. MARKETING & SALES

5.1 Growth Strategy

It is our goal within the next three years to increase our maximum capacity of the 3- to 8-year-old range to 40 children and expand service to include an infant and toddler center with the maximum capacity of 28 children.

TABLE 3B
(For centers with initial certification on or before July 15, 2001)

Age of Children	Minimum Number of Staff to Children	Maximum Number of Children in a Group
6 weeks to 30 months of age	1:4	8
30 months to School-Age	1:10	20
School-Age	1:15	30

Projected room needs:

- 1) 0-2 yr old infant room (8 kids) *potentially more depending on survey results*
- 2) 2-3 yr old toddler room (10 kids)
- 3) 2-3 yr old toddler room (10 kids)
- 4) 3-4 yr old preschool room (20 kids)
- 5) 4-5 yr old preschool room (20 kids)
- 6) 6-8 yr old after school care room (30 kids)
- 7) Staff Room and Restroom – used for breaks, storage, training, conference room, etc.

- 8) Two staff offices (Director Office) (2 desks – Teacher Office)
- 9) Large Commons Area
 - o Dual Purpose: Can also be used as community room that can be rented for babysitting classes, youth activities (tumbling, youth group, etc), mom support groups, sylvan learning.
- 10) Large Commercial Kitchen
- 11) Storage Rooms
- 12) Bathrooms - # as required by licensing guidelines.

Facility requirements

Certified childcare centers must meet the following facility requirements to ensure they create a safe and hazard-free environment for children:

- Meet local planning and zoning requirements, building codes, environmental health requirements, and be approved by the fire marshal.
- Submit a building floor plan or drawing of the facility to OCC.
- All floor levels used by children for play and napping shall have two usable exits to the ground level.
- There must be at least 75 square feet of outdoor space for each child using the area at one time and a minimum of 35 square feet of indoor activity area per child.

The indoor activity area would need to be approximately 2500 square feet to accommodate 65 kids. Activity area means the area of the center that is available, during all the hours of operation, for the children's activities. This area excludes kitchens, hallways, toilet rooms, multi-purpose areas used by all children, lockers, office, storage areas, isolation quarters, staff room, furnace room, and that part of rooms occupied by heating stoves, or stationary equipment not used by children.

It is estimated the outdoor space would need to accommodate 30 children at one time. This would mean the outdoor space would need to be 2,250 square feet. The outdoor area would be split into two areas, an area for ages 0-3 and an area for ages 3-8.

In addition, there would need to be adequate short-term parking for parent drop-off and pick-up times.

As a result of this growth strategy, the childcare center is identifying real estate properties for the expansion of the physical structure. The current center is at capacity and does not allow for the growth of additional slots. With the expansion to providing additional childcare services, it would require approximately eight new employee positions to accommodate ratio regulations.

5.2 Communication

Currently, communications to our parents are through a childcare management software called Brightwheel. It is an easy and efficient way to communicate with families.

Communications with potential customers is through word of mouth, social media,

and partnerships with other community organizations.

5.3 Prospects

The center plans on partnering with community-based partners including; municipalities and employers to subsidize the ongoing costs of providing childcare services.

Currently, the center partners with the Morrow County School District for financial and educational support services. In addition, we have partnered with Umatilla-Morrow Head Start as part of their pre-school promise program which helps subsidize the tuition of the full-day preschool families enrolled. There has been many other donations/grants received from various organizations including The Crabby Beach Foundation, Morrow County, Willow Creek Economic Development Group, Howard and Beth Bryant Foundation, Lamb Weston, Tillamook, Inland Development, and Amazon Web Services.

In addition to the Center's ongoing donors, Ford Family Foundation, Business Oregon, Howard Beth Bryant, WCVEDG, Morrow County, and other smaller grants are being pursued for capital fundraising.

6. FINANCIAL PROJECTIONS

6.1 Profit & Loss

	2022	2023
Revenue		
CACFP Child and Adult Care Food Program		9,076.82
Child Care Income		50,468.69
Preschool Income		13,523.38
Total Day Care Income		63,992.07
Direct Public Support (typically one-time donations)		63,260.55
Grants		
Amazon		50,000.00
HBB / WCEDG		32,000.00
Partnership Grant		45,106.20
Total Grants		127,106.20
Miscellaneous		466.47
Services		180.00
Special Events Income		3,835.00
Unapplied Cash Payment Income		1,059.87
Total Revenue		\$268,976.98
GROSS PROFIT		\$268,976.98
Expenditures		

Accounting/Legal		1,750.00
Advertising		524.48
Day Care		
General		150.00
Total Advertising		674.48
Benefits-Insurance		13,919.66
Day Care Expense		73.18
Child Care		596.32
Preschool		1,891.10
Total Day Care Expense		2,560.60
Fundraising		1,427.45
Miscellaneous		
Total Fundraising		1,427.45
Groceries		249.36
Day Care		
Daycare CACFP Grocery		15,065.47
Total Groceries		15,314.83
Insurance		4,580.88
Licenses and Fees		1,045.25
Brightwheel Fee		600.00
Total Licenses and Fees		1,645.25
Miscellaneous Expense		1,279.58
Payroll		78,250.34
Payroll Expenses		25.00
		TOTAL
Taxes		11,253.25
Wages		107,698.52
Total Payroll Expenses		118,976.77
Payroll Taxes		554.48
Postage and Delivery		94.00
Box Fee		
Postage		102.14
Total Postage and Delivery		196.14
Repairs & Maintenance		1,631.29
Supplies		845.44
Day Care		
Daycare Facility Supplies		3,463.04
Office		3,177.84
Preschool		2,589.94
Preschool Family Event Supplies		1,669.73
Summer Camp Supplies		533.37
Total Supplies		12,279.36
Training		565.00
Professional Development Fees		

Total Training		565.00
Transfer Out		10,000.00
Utilities		83.25
Electric		2,060.05
Phone & Internet		2,492.39
Water		1,035.59
Total Utilities		5,671.28
Total Expenditures		\$271,277.39
NET OPERATING REVENUE		-\$ 2,300.41
Other Revenue		32.74
Interest Income		
Total Other Revenue		\$32.74
NET OTHER REVENUE		\$32.74
NET REVENUE		-\$ 2,267.67

6.2 Cash Flow (2023)

TOTAL OPERATING ACTIVITIES	
Net Revenue	-6,984.61
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	4,595.94
Accounts Payable	121.00
Oregon Department of Revenue Payable	0.00
Payroll Liabilities	3,931.32
Payroll Liabilities:Federal Taxes (941/943/944)	-1,478.84
Payroll Liabilities:OR Employment Taxes	-2,205.77
Payroll Liabilities:OR Income Tax	-2,314.50
Payroll Liabilities:OR Paid Family and Medical Leave	474.79
Payroll Liabilities:OR Statewide Transit Taxes	13.81
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	3,137.75
Net cash provided by operating activities	-\$ 3,846.86
NET CASH INCREASE FOR PERIOD	-\$ 3,846.86
Cash at beginning of period	193,827.59
CASH AT END OF PERIOD	\$189,980.73

6.3 Balance Sheet

	2023
ASSETS	
Current Assets	
<i>Bank Accounts</i>	
HDC Project Savings	20,739.07
HDC Savings	74,779.81
Heppner Day Care Inc	104,557.53
Total Bank Accounts	\$200,076.41
Accounts Receivable	-6,779.45
Total Accounts Receivable	-\$6,779.45
Other Current Assets	
Accounts Receivable*	6,779.45
Advances to Employees	0.00
Employee Cash Advance	250.00
Total Advances to Employees	250.00
Payroll Asset	-250.00
Total Other Current Assets	\$6,779.45
Total Current Assets	\$200,076.41
Fixed Assets	
Buildings	Unknown
Accumulated Depreciation	-30,521.00
Original Cost	46,058.12
Total Buildings	15,537.12
Equipment	707.74
Accumulated Depreciation	-17,976.42
Original Cost	20,540.02
Total Equipment	3,271.34
Improvements	2,835.00
Accumulated Depreciation	-26,875.00
Original Cost	42,732.51
Total Improvements	18,692.51
Land	15,000.00
Total Fixed Assets	\$52,500.97
TOTAL ASSETS	\$252,577.38
LIABILITIES AND EQUITIES	
LIABILITIES	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	\$0.00
Other Current Liabilities	

Credit Card Payable	556.48
Payroll Liabilities	3,971.43
Federal Taxes (941/943/944)	-1,478.84
OR Employment Taxes	-2,205.77
OR Income Tax	-2,314.50
OR Paid Family and Medical Leave	474.79
OR Statewide Transit Taxes	13.81
Total Payroll Liabilities	-1,539.08
Total Other Current Liabilities	-\$ 982.60
Total Current Liabilities	-\$ 982.60
Total Liabilities	-\$ 982.60
Equity	
Unrestricted Net Assets	245,731.97
Net Revenue	-2,267.67
Total Equity	\$243,464.30
TOTAL LIABILITIES AND EQUITY	\$242,481.70

Footnotes:

6.1 Profit and Loss

Direct Public Support- Typically these are one-time donations. For 2023 we received the following amounts: Friends Helping Friends \$200; PGE Gives \$112; Lamb Weston Gives \$48.55; Columbia River Tech for Groceries \$3500, Columbia River Tech \$1500 for Kitchen Equipment; Lamb Weston \$4900; Inland Development \$3000; Morrow County \$50,000 (year one, committed to two years) For the 2024 budget, we took Morrow County out of this funding stream and have them listed under Government Grants.

Grants - Morrow County School District is ongoing; Crabby Beach has faithfully given each year for many years, so we would consider it ongoing. Amazon, HBB, and WCVEDG are year to year.

Difference between payroll and wages lines - When we had to switch to the Online version of QuickBooks, they renamed the accounts, so for the past year, we had 2 sets of each. PAYROLL & PAYROLL TAXES are the "old" account names - TAXES & WAGES are the new account names.

Funding - We are DHS - ERDC certified, so families who receive that support can utilize our center that supports their costs. (ERDC = Employment Related Day Care)

6.3 Balance Sheet

Assets – The Center owns our building, but do not know the value.