

# 'INSPIRING AND AMAZING'

## Ottertail residents rallying to open child care facility, community center

BY KEVIN WALLEVAND  
WDAY

OTTERTAIL, MINN.

One of the region's most popular small towns in lakes country is preparing for future growth.

With more retirees and young families moving to Ottertail, volunteers have been busy raising money and preparing to open multiple day care centers and an impressive new community center.

The demographics are changing in Ottertail and the once-quiet country lakes town is now buzzing with news of progress. Work is already underway to build two townhouses and the Ottertail Family Center, which will be home to four day care providers with room for just over 40 children.

Alex and Tyler Rupe recently moved to Ottertail. They called 32 child care facilities recently when their second child was born, but none had available spots. The couple joined others in helping bring the day care idea, and the nonprofit to support it, to Ottertail.



Abby Makay / WDAY News  
Tyler and Alex Rupe stand with their son Friday, Aug. 22, 2025, in downtown Ottertail, Minnesota. The couple was part of the driving force to build two townhouses for child care in the small lakes town. A new community center for all ages is about to be built as well.

"I had a really hard time finding any spots for child care and found other parents with the same issue and Tyler joked we should start our own. A few days later he came back and said he had a plan and that is how it got started," Alex Rupe said.

"It has been surreal, to see something we have been planning and working on for three years and seeing the community come together and support all the kids in our town is inspiring and amazing," she continued.

But it's not just day care services coming to

Ottertail. Volunteers have a huge fundraising effort underway to bring a new community center here for all ages.

The new Ottertail community center next door will be home to pickleball and basketball courts, a walking track, and indoor playground for the

day care kids, as well as year-round programming. With more retirees and young families joining summer tourists in town, the town will soon have a different look.

Marnie Whitehead owns the busy Williams Store on Main Street in Ottertail. She said the

town offers more than meets the eye from the road.

"People often drive on Highway 78 and think that is Ottertail, but little do they know historic downtown Ottertail was here long before the highway was there and there is a rich history here and there are great businesses here as well," Whitehead said.

Both projects combined will cost around \$5 million, and just over \$3 million has been raised, all in an effort to keep the momentum of small town growth moving forward.

"We saw the demand and need for it in Ottertail and we got other community members in our area interested and pretty soon they invested in it as well," Tyler Rupe said.

Sen. Jordan Rasmussen, R-Fergus Falls, helped shepherd a state grant through Otter Tail County used as seed money for the day care centers.

For more information, visit ottertailcommunityproject.com.

Reach WDAY reporter Kevin Wallevand at [kwallevand@wday.com](mailto:kwallevand@wday.com).

# Closing Minn. housing program puts housing for 21,000 at risk

## State officials want to shutter Housing Stabilization Services program amid fraud probe

BY MARY MURPHY  
Forum News Service

ST. PAUL — More than 21,000 Minnesotans could be at risk for losing housing as the state moves to shutter its Housing Stabilization Services program amid a fraud probe.

On Aug. 1, the Minnesota Department of Human Services announced it was moving to terminate the 2020-established Housing Stabilization Services program, after the FBI raided eight providers on July 16 and an agent alleged the program has lent to a "massive" scheme defrauding Medicaid of "millions."

One of the providers, which is not accused of fraud, Home Care Staffing, located in St. Paul, filed suit against the state of Minnesota on Aug. 11

Demographics of People Served	
Percentage and number of people by race and ethnicity who received services July 2020-June 2024	
Race and Ethnicity	
American Indian/Alaska Native	4.6% (1,511)
Asian or Pacific Islander	2.0% (668)
Black	37.0% (12,242)
Hispanic or Latino	3.8% (1,260)
Multiple races	3.5% (1,154)
Not Reported	14.1% (4,643)
White	35.0% (11,564)

Contributed / Minnesota Department of Human Services  
Demographics of Housing Stabilization Services program enrollees

following the suspension of payments.

"As a result of the suspension, Plaintiff lost 80% of its staff and was forced to abandon hundreds of disabled and homeless clients dependent on its services," the complaint states. "This resulted in irreparable harm to the health and well-being of these individuals who were deprived of essential services."

Home Care Staffing accuses DHS in its complaint of violating several rights, including the Americans with Disabilities Act and the Rehabilitation Act — and is asking for roughly \$13 million from the state in monetary relief.

Gov. Tim Walz, who announced a payment freeze on July 28 just before DHS announced it was moving to terminate the program, said he anticipated lawsuits to come. Shireen Gandhi, temporary commissioner of DHS, said in an Aug. 1 statement that the request for termination was to prevent further fraudulent activity.

"DHS is rooting out fraud wherever we find it," Gandhi said in the release. "We cannot allow one more cent of taxpayer money going out the door to providers who claim to serve Minnesotans in need of stable housing while lining their pockets for personal gain."

### Who could be affected?

The move to terminate the program, as Home Care Staffing alleged in its lawsuit, could result in hundreds of thousands of Minnesotans potentially losing stable housing. DHS reported that as of August, 21,072 individuals are enrolled in HSS.

Of those who have received services between July 2020 and June 2024, DHS said 85% lived in the seven-county Twin Cities metro area, 37% or 12,242 individuals identified as Black, with 35% or 11,564 individuals identifying as white.

DHS reported that as of Aug. 22, costs of the program from 2020 through



Mary Murphy / Forum News Service  
Minnesota Department of Human Services Inspector General James Clark (left) answers questions from Minnesota representatives with DHS Temporary Commissioner Shireen Gandhi (right) on Tuesday, July 8 at the state Capitol in St. Paul.

the end of 2024 were \$205.5 million, and that while not all claims have been paid, costs for 2025 so far are \$105.4 million — roughly \$310 million in total costs. The program was initially expected to cost \$2.6 million annually, according to the federal search warrant.

Minnesota DHS did not confirm by the date of publication whether the federal Center for Medicare & Medicaid Services has agreed to the termination of the program.

Speaker of the House, Lisa Demuth, R-Cold

Spring, said in a statement on Aug. 1 that the move to shut down the program was the right decision, but was "too little, too late."

"Instead of doing what was necessary on the front end to ensure this program wouldn't follow the administration's pattern of allowing obscene levels of fraud, they ducked accountability by simply shutting down the program — penalizing the people who needed it most," Demuth said. "Minnesotans deserve better."

### Two people injured in rural Clay County crash

FELTON, Minn — Two people were taken to a Fargo hospital following a three-vehicle collision on Highway 9 and 160th Avenue North near Felton.

The Minnesota State Patrol said Alexander Nelson, 20, of Middle

River, and Kailee Kramer, 19, of Mentor received non-life-threatening injuries when the Jeep Renegade Nelson was driving collided with two other vehicles around 5:30 Saturday afternoon.

The Renegade, a Ford Edge driven by Brent Bernardy, 46, of Brandon, and a Chevy Tahoe

driven by Heather Crompton, 46, of Borup, were all southbound on Highway 9 when they crashed near the intersection of 160th Avenue North.

Crompton, Bernardy and the passengers in his car were not injured.

According to the Minnesota State Patrol, everyone was wearing

seatbelts and alcohol was not involved.

The Clay County Sheriff's Department, Felton Fire Department and Sanford EMS were also dispatched to the call.

### High-risk sex offender registers as homeless in Fargo

FARGO -- A high-risk sex offender has registered as homeless in



Duncan

and black hair, according to a release from the Fargo Police Department.

Fargo. Demetris Leonard Duncan, 50, is 5-foot-7, 150 pounds and has brown eyes

In 2001, Duncan was convicted of first-degree criminal sexual conduct in Stearns County in Minnesota.

The North Dakota Sex Offender Risk Assessment Committee determined he has a high-risk of re-offending. He is a lifetime registrant.

Forum staff reports

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### CONTACT US

Administration	Newsroom Staff
William C. Marcil Chairman	Matthew Von Pinnon, Editor <a href="mailto:mvonpinnon@forumcomm.com">mvonpinnon@forumcomm.com</a>
Bill Marcil Jr., Publisher <a href="mailto:publisher@forumcomm.com">publisher@forumcomm.com</a>	Kaity Young, News Editor <a href="mailto:kyoung@forumcomm.com">kyoung@forumcomm.com</a>
	Thomas Evarella, News Editor <a href="mailto:tevanella@forumcomm.com">tevanella@forumcomm.com</a>
Advertising	Angie Wieck, Business, Features Editor <a href="mailto:awieck@forumcomm.com">awieck@forumcomm.com</a>
Classified advertising 701-241-5504	Rob Beer, Sports Editor <a href="mailto:rbeer@forumcomm.com">rbeer@forumcomm.com</a>
Farmers' Forum ads 701-241-5504	
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All other advertising 701-241-5431	

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[news@forumcomm.com](mailto:news@forumcomm.com),  
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