



**Networks Northwest Coalition**

**Regional Child Care Plan 2024**



## Regional Child Care Plan

Networks Northwest is northwest lower Michigan's headquarters for talent, business, and community development. Networks Northwest has been proud to lead the Regional Child Care Planning effort for Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford Counties. We are grateful to the Regional Child Care Planning Coalition for their collaborative efforts and to every other person who has contributed to developing the Regional Child Care Plan.

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The purpose of the grant was to accelerate community-level efforts to develop new partnerships and implement action plans to address the child care crisis.

COALITION PROJECT MANAGEMENT TEAM,  
NETWORKS NORTHWEST



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*“A model based on survey responses suggests that the region needs full time care for roughly 2,600 young children (0-4 yrs).”*

**The regional child care system is critical infrastructure needed for the healthy functioning of northwest lower Michigan’s society and economy.** In addition, high quality child care can supplement the essential role of parents and families ensuring that children have the **best possible chance to succeed in school and life.**

This Regional Child Care Plan is focused on **expanding access to quality, affordable child care for working families in the region**—across Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford Counties. This was understood to mean licensed child care for children under the age of 12 years old.

Networks Northwest led a Regional Child Care Planning Coalition that included 37 people - parents of young children and child care providers (both home-based and center-based) as well as representatives of schools, intermediate school districts, employers, economic development organizations and local government. The Coalition used a wide variety of data and input to draw several high level conclusions about the regional child care system:

- The regional child care system **doesn’t have enough capacity to meet the needs of families with young children**
  - The Region needs full time care for roughly 2,600 young children (0-4 years old)
  - The unmet need is greatest for infants and toddlers (0-2 years old)
  - Families with young and elementary school age children have a significant need for before/after school care and summer care
  - The most widespread barriers reported by parents and other caregivers are availability of care (68% of survey respondents have experienced this barrier) and cost of care (65% have experienced this barrier)
- Families are seeking a **variety of care options**, including center-based care, home-based care, PreK programs, school-based and community-based programs, depending somewhat on the age of the child; **hours/days of care and price of care** are the most widespread “important” aspects of a child care arrangement
- Gaps in the regional child care system are having **real and widespread effects on employers and economies**
  - Most regional employers report that one or more impacts including employees missing work, employees being distracted or reducing scheduled hours

## Executive Summary

*“Over two-thirds of Michigan’s early care and education workforce earns less than \$15/hr, despite over 67% possessing a postsecondary credential.”*

- Many regional employers also report employees who have left positions or turned down job or promotion offers because of child care issues
- Statewide, Michigan’s child care shortage costs the state economy \$2.9B annually in lost earnings, productivity and revenue<sup>1</sup>
- Meanwhile, there are few incentives for child care educators to remain in the field. **Over two-thirds of Michigan’s early care and education workforce earns less than \$15 per hour, despite over 67% possessing a postsecondary credential**<sup>2</sup>

The Coalition then identified **5 Root Causes** that are driving gaps and challenges in the regional child care system:

- 1. Broken Business Model** – Rates that providers need to charge to earn a living wage exceed what families can reasonably afford to pay.
- 2. Too Many Barriers** – Becoming and remaining licensed is confusing, time-consuming, and burdensome.
- 3. Workforce Gaps** – Since child care educators are under-paid and under-appreciated for an extremely demanding job, there are significant workforce gaps.
- 4. Few Affordable & High Quality Options for Families** – Because of other root causes, families struggle to find affordable and high-quality child care options at the times and places they need it.
- 5. System Disconnectedness** – Providers are isolated from each other, from community support and from the policy makers who make the rules.

Finally, the Coalition identified **14 Impactful Solutions** that can help strengthen the regional child care system.

Each of the solutions is intended to address one or more of the root causes and to achieve improvement in one of three dimensions: **access** to care when and where families need it, **affordability** so that families can afford to pay for care and **quality** so that children are cared for in a safe, nurturing, and developmentally appropriate environment.

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<sup>1</sup> MI UNTAPPED POTENTIAL report compiled by the MI Chamber of Commerce with the U.S. Chamber Foundation, Grand Rapids Chamber and the Early Childhood Investment Corporation (ECIC) <https://www.michamber.com/miuntappedpotential/>

<sup>2</sup> “Balancing The Scales: A Proposal for a Systemwide Wage Scale to Address Michigan’s Early Childhood Education Crisis,” 2023, Early Childhood Investment Corporation and TalentFirst

*“Implementation of many Solutions is already under way throughout much of the region.”*

### The 14 solutions:

1. Enhance sustained **state investment** in child care
2. Build support for **local public funding** of early childhood
3. Adopt **policy changes** to help providers acquire and maintain licenses
4. Update **local master planning and zoning** to support child care
5. Expand **community incubation** of new providers
6. Coordinate **community investments** for facilities
7. Evolve, formalize and expand use of **micro-centers**
8. Expand pathways and support for **educators to earn credentials**
9. Expand educator **substitute pools**
10. Implement **universal preschool** to support quality, affordability and family choice
11. Implement a **home-based pilot for universal preschool**
12. **Employers: implement policies and partnerships** to support families
13. Enhance information resources for families with **navigators and coordination**
14. Strengthen **peer-to-peer and community collaboration**

Implementation of many solutions is already under way throughout much of the region, with investment, collaboration and innovation happening at the regional, sub-regional, county and community level. Some of this activity is happening through the good work of the Child Care Initiative (Emmet County, convened by North Central Michigan College), Infant & Toddler Child Care Startup (Benzie, Grand Traverse and Leelanau Counties), Raising Manistee County (Manistee County), Child Caring Now (Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties) and CARE for Benzie (Benzie County).



SECTION I

## The State of Regional Child Care

*“I’d like to have a job that pays enough for me to send my kids to child care and have something left over for our family. Instead, everything I would make would be just enough to pay for care.”*—WEXFORD COUNTY PARENT



# Introduction & Context

**This regional planning effort was convened to “expand access to quality, affordable child care for working families in the region.”**

**This work is important for two primary reasons:**

**First, high quality early childhood experiences create an essential foundation for future success in school and life.**

85% of human brain development typically occurs by the age of three. Positive experiences and stimulation in early childhood result in more positive neural connections. The effects of early experiences persist into adulthood, and long-term studies have shown that investing in early childhood can generate a return on investment of 400 percent to 1,700 percent in terms of positive outcomes and reduced future need for public services. All child care licensed in Michigan benefits from rules, oversight and support to ensure quality early childhood experiences.

**Second, available child care allows parents of young children to work or go to school.**

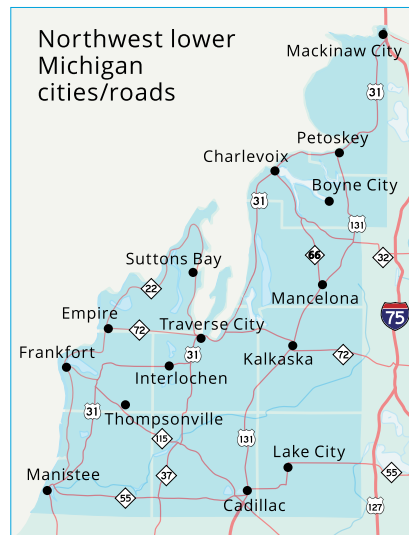
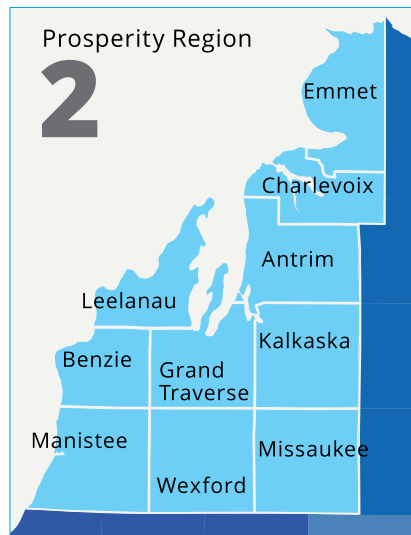
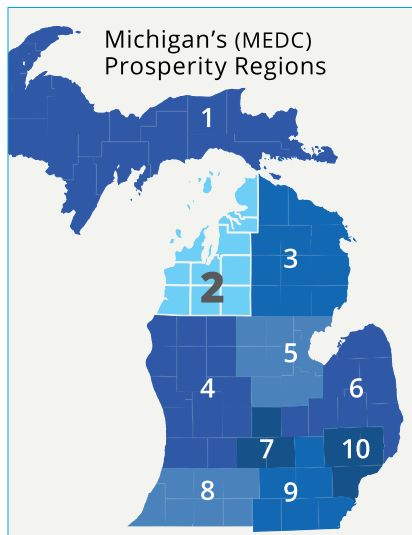
Across each of the 10 counties of northwest lower Michigan between 56 percent and 77 percent of households with children under 6 have all adults in the workforce. A child care system that provides affordable, high-quality child care when and where working parents need it is therefore critical infrastructure supporting community health and economic development. The child care business owners and the educators who work in licensed child care settings are the “workforce behind the workforce,” and each child care educator may allow 6 to 8 other people or more to go to work or school.

Therefore, investments to close gaps in the child care system may be among the most powerful workforce development tools available

## **The Regional Child Care Planning Grant: Northwest Lower Michigan**

The Regional Child Care Planning Grants were issued as part of the broader Caring for MI Future initiative. Caring for MI Future is a statewide effort to help child care entrepreneurs open 1,000 new or expanded child care programs by the end of 2024. This initiative, led by the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) is focusing on what entrepreneurs need most to open and expand child care businesses—help finding and renovating space, startup funding, help recruiting staff, and support creating a business plan.

Grants were awarded in Fall, 2022. Networks Northwest was awarded the grant covering the 10-county region of northwest lower Michigan—also known as Federal Planning region #10 or Michigan Economic Development Corporation (MEDC) Prosperity Region #2—encompassing Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford Counties. Maps indicating the region appear on the next page:



*Networks Northwest was awarded a Regional Child Care Planning Grant, covering the 10-county region of northwest lower Michigan, or, the Michigan Economic Development Corp. (MEDC) prosperity region #2.*

When the work was initiated and the Regional Child Care Planning Coalition first met in January, 2023 there were already five cross-sector community-driven initiatives underway working to develop solutions to address challenges and opportunities in the regional child care system:

- **Child Care Initiative**, Emmet County
- **Infant Toddler Child Care Startup**, Leelanau, Benzie and Grand Traverse Counties
- **Raising Manistee County**, Manistee County
- **Child Caring Now**, Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties
- **Childcare Access and Resources for Everyone (CARE) for Benzie**, Benzie County

Representatives of each of these initiatives joined the Coalition, along with parents of young children, child care business owners, child care leaders and educators, elected officials, planning and zoning staff, regional funders, economic development leaders and others. In a rural region with a large geographic area, it is difficult to represent all communities and constituencies. However, the Coalition made a good faith effort to ensure representation of all regional voices,

both in convening the Coalition and in collecting perspectives through research and data collection (see *Project Approach*).

## Goals and Desired Outcomes of the Regional Child Care Plan

Since the purpose of the work was to expand access to quality, affordable child care for working families in the region, the Coalition first established a working understanding of what would be meant by “child care.”

Child care = all licensed child care and preschool available to families living in the 10-county region.

This includes any type of licensed care for children from birth up to age 11, including summer care, before school care, after school care, preschool, traditional child care and the like. It excludes license-exempt care and elementary school education, though of course the Coalition values these settings.

The Coalition acknowledged that the goals established within the structure of the Regional Child Care Planning Grant would substantially help the region’s child care system:

- Assess the capacity and quality of the current child care system
- Identify the child care preferences of parents —what, where, when, what type, etc.
- Identify suitable buildings for facility establishment or expansion
- Identify best management practices for policy and regulatory language
- Develop and implement a Northwest Regional Child Care Plan

The Coalition supplemented these goals with four incremental goals to strengthen existing efforts and initiatives:

- Aggregate and synthesize data re: the needs of Providers
- Generate and advocate for potential changes related to licensure, oversight and state-level support of licensed child care facilities
- Make existing initiatives and actions more visible and share best practices across regional initiatives
- As the plan is developed and finalized, engage stakeholders and community members



*“Even in counties and communities that seem affluent, child care options that are affordable and accessible for economically-disadvantaged families are essential.”*

### **The Coalition focused on three foundational principles:**

- 1. Access** to care when and where families need it,
- 2. Affordability** so families can afford to pay for care
- 3. Quality** including but not limited to safe and nurturing environments, qualified and responsive caregivers and developmentally appropriate curriculum

### **Regional Considerations**

Northwest lower Michigan has a number of characteristics that influenced the development of the Regional Child Care Plan.

The region is quite beautiful and is characterized by rolling hills, woods and freshwater lakes and streams. For this reason, many parts of the region are popular vacation and retirement destinations. Within any given county, there can be a stark contrast between properties and amenities that cater to affluent residents and visitors (often in waterfront communities adjoining Lake Michigan or one of the many inland lakes) within a very short distance from families and communities experiencing poverty, homelessness and other challenges. Implication: even in counties and communities that seem affluent, child care options that are affordable and accessible for economically-disadvantaged families are essential.

Primary industries in the region include agriculture, tourism and some manufacturing, typically light manufacturing. The region has few large employers with more than 500 employees. In fact, the vast majority of regional employers have fewer than 10 employees. Implication: employer-driven child care solutions, while important, are likely insufficient to meet the needs of many families in the region.

Roughly 40 percent of the regional population is over the age of 55 and, as with much of northern Michigan, median age has been climbing over the past 10 years. Implication: child care solutions depending on community support may require many older residents to recognize the community benefits (rather than personal benefits) of an effective regional child care system.

In terms of racial identity, the region is characterized by majority white populations in each of its 10 counties. Roughly 2 percent of the region's population is Hispanic or Latino, 1 percent is Black or African American and 1 percent is American Indian or Native American. The region's widely-dispersed agriculture businesses regularly employ migrant workers, some of whom have children. Overall, because the region's minority communities are relatively small and dispersed, they may be less visible and therefore require more deliberate focus to meet their needs.

# Core Assumptions

*“Ensuring that all children and families have the opportunity to thrive through high quality care will ultimately make our communities stronger and more resilient.”*

## A Parent is a Child’s First and Best Teacher

The Regional Child Care Planning Coalition honors and values the critical role that parents, grandparents and other caregivers play in raising our next generation. Children absorb values, knowledge, and skills from their parents before formal schooling begins. Even after professional educators begin to have a role in helping with a child’s education and development, parental involvement is critical and central to a child’s growth. Providing northwest lower Michigan families with quality, affordable child care supports these parents and caregivers, and our Coalition did its work with the needs of parents primarily in mind.

## Child Care Is Critical Infrastructure

Critical infrastructure refers to “the essential systems, assets, and networks that are vital for the functioning of society and the economy.”<sup>1</sup> In a different era, the societal norm was that a parent would stay home full time. As mentioned in *Introduction and Context*, across each of the 10 counties of northwest lower Michigan between 56 percent and 77 percent of households with children under 6 have all parents in the workforce. Not having access to child care limits parents’ ability to work or go to school and

therefore to help their families.<sup>2</sup> Employers and economic development leaders in the region are actively working to recruit and retain “talent” for the effective functioning of society and the economy. A well developed child care system is part of the region’s critical infrastructure and should be prioritized accordingly.

## Child Care Is Not Babysitting

The educators who work in the child care system are skilled professionals who are expected to have deep knowledge of child development and/or early childhood education. Licensed child care settings must comply with high standards of quality and safety for the benefit of children and families. The people who work in the system, either for a little while or for a long time, are motivated to provide the best possible care to children and their families and to continuously improve their methods and approaches. This is not meant as an insult to baby-sitters, but this kind of care is in a completely different league. Because child care is such important and challenging work, child care educators deserve profound respect, generous compensation and solid support. The rest of us should work hard to get it for them.

## Marginalized Populations Should be Prioritized

The Regional Child Care Planning Coalition set out to prioritize opportunities to strengthen the child

care system where overall needs are greatest, giving particular emphasis to traditionally marginalized and economically disadvantaged communities. Access to child care is a significant economic driver that promotes employment stability and financial security, which are essential for breaking intergenerational cycles of poverty. It is also a social determinant of health, impacting housing, nutrition, and access to health services. Ensuring that all children and families have the opportunity to thrive through high quality care will ultimately make our communities stronger and more resilient.

## Solutions Should Be Based on the True Cost of Quality Child Care

Quoting from Petoskey-Based North Central Michigan College’s Child Care Initiative “The true cost of child care, in addition to standard costs such as licensing, facilities, and non-personnel items, includes living wages and benefits for all staff and owners. It also includes the cost of quality programming, and professional development, and assumes wages will increase with additional education and experience over time. A “true cost” fiscal model would include a budget for a child care provider that assumes rates reflect the true cost of care.” Any enduring solutions for the regional child care system should depend on this understanding.

<sup>1</sup> <https://www.cisa.gov/topics/critical-infrastructure-security-and-resilience>

<sup>2</sup> Parent Interviews and Focus Groups.



The chart at right describes several different types of child care and preschool options for families. A "mixed delivery system" corresponds with what families say they need to meet their diverse needs.

## Family Choice Is Essential

The term "mixed-delivery child care system" used throughout this report describes several different types of child care and preschool as summarized in the table at right.

Families have varied needs and preferences when it comes to child care. These include considerations of cost, location, hours, curricula, and caregiver qualifications. Acknowledging these diverse needs is essential to ensuring that child care options are suitable for different families. The regional child care system needs to be truly universal—supporting the needs of all families, regardless of socio-economic strata, composition or circumstance. Family choice is essential.

## Implementing a Regional Child Care Plan Requires Distributed Action

The 10-county region encompassing northwest lower Michigan has several proud traditions. The first is one of collaboration and mutual support - working together to solve problems and take advantage of opportunities. The second is a priority for local control in working out specific solutions to meet the needs of individual communities. In developing the Regional Child Care Plan, the Coalition developed some approaches and solutions that can be implemented at the regional level and many others that will likely be implemented at the sub-region, county

TYPE	SETTING	AGES SERVED
Family Child Care Homes (1-6 children; 7 for experienced providers)	Home-Based	Up to 17
Group Child Care Homes (7-12 children; 14 for experienced providers)	Home-Based	Up to 17
Head Start + Early Head Start (Federally Funded)	School-Based or Community-Based (typically in centers)	Primarily 3- and 4-year olds
Great Start Readiness Program and Strong Beginnings (State of Michigan Funded)	School-Based or Community-Based (typically in centers)	Primarily 4-year-olds
Center-Based Care: All Others (including private, school-based, place of worship, employer on-site and micro-centers)	School Based or Community-Based	Up to 12

or community level. Implementing the Regional Child Care Plan will likely depend not on a single agency or group implementing solutions on behalf of all 10 counties but rather a number of different groups taking initiative, sharing lessons learned and mutually supporting each other.

## Support May Be Building for Publicly-Supported Universal Solutions

Many conversations with parents and community members convened as part of the Regional Child Care Planning process quickly went to "big" solutions such as publicly-funded universal child care or publicly-funded universal paid family leave. Other countries and states have successfully implemented universal access to their child care programs or moved toward this kind of approach (see **Solution 1: State Investment**), often with positive effects for children, families and communities. Early childhood millage initiatives were renewed in Kent and Leelanau

counties in August, 2024, suggesting public will to fund a well-developed child care system that is part of the region's critical infrastructure, offers family choice, is affordable for parents, honors the profession with respect and a living wage, and is sufficiently funded to provide care options for all children and families may be growing. Moving forward, consideration should be given to universal funding of child care options. Determining the most efficacious manner in which to make universal funding possible remains the future challenge.

# Project Approach

The Regional Child Care Planning Coalition set out to deeply examine the existing child care system in our region—where it is strong and where it is challenged. The Coalition used a variety of data sources and data collection methods to better understand the needs of regional families and of regional child care providers. Many Coalition members helped to promote surveys, identify research participants and otherwise ensure diverse perspectives were represented, and Coalition members were actively involved in interpreting data and developing implications.

**The principal data sources used are detailed below.**

## **Maps and Geospatial Analysis** *(see Appendix 3: Additional Data)*

- Child Care Mapping Project conducted at Michigan State University under the direction of Jamie Heng-Chieh Wu, Ph.D. using data from the 2022 American Community Survey for families with children compared to available child care capacity provided by Great Start to Quality
- Childcare, Community and the Local Economy geospatial analysis completed by Networks Northwest Community Development Department in 2024 using data from the 2022 American Community Survey for families with children compared to both available child care capacity provided by Great Start to Quality and employment center data obtained by Networks

Northwest from the State of Michigan Department of Labor & Economic Opportunity

## **Secondary Data Review**

- 2020 Community Needs Assessment completed by the Grand Traverse Band of Ottawa and Chippewa Indians for the six-county service area of Antrim, Benzie, Charlevoix, Grand Traverse, Leelanau and Manistee Counties
- 2021 Community Needs Assessment completed by Northwest Michigan Community Action Agency for Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Missaukee and Wexford Counties
- 2020 United States Census and 2022 American Community Survey
- Annie E. Casey Foundation's KIDS COUNT® Data Book, 34th and 35th editions

## **Interviews, Focus Groups and Listening Sessions**

- Interviews/Discussions with Joe Tate, Speaker of the Michigan House of Representatives, State Representatives John Roth and Betsy Coffia and State Senator John Damoose about child care and family support; conducted from January, 2023 to May, 2024
- Site visit and discussion with Teddy Bear Day Care; conducted January, 2023
- Presentation and discussion with 12 regional planning and zoning administrators about local planning and zoning issues facing child care providers; hosted by the Planners Review and Advisory Committee (PRAC) in July, 2023
- Presentation and discussion with 20 Community Action Agency early childhood leaders and program staff; hosted by Michigan Community Action at their annual conference in July, 2023



- Presentation and discussion with 60+ human resource managers about employer policies and actions impacting employees needing child care; hosted by the 10-county Traverse Area Human Resources Association (TAHRA) in September, 2023
- Series of in-depth interviews conducted with four Leelanau County parents concerning their experiences raising children and finding care in Leelanau County; conducted in concert with the Parenting Communities program in January, 2024
- Series of in-depth interviews with immigrant/migrant advocates from Justice and Peace Advocacy Center, community health workers from Benzie-Leelanau District Health Department who work with migrant workers, and representatives from Bethany Christian Services who serve refugees in April and May, 2024

### Surveys *(see Appendix 3: Additional Data)*

- Provider Survey completed by 114 child care providers from Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, Manistee and Wexford Counties about current needs, challenges and priorities; online survey conducted by Child Caring Now in partnership with Northwest Education Services, Northwest Michigan Community Action Agency and the Great Start to Quality Northwest Resource Center in May, 2023
- Family Survey completed by 539 residents from the 10-county region (99% of whom had a child 0-11 years of age living at home) about current needs, challenges and priorities; online and printed survey conducted by the Regional Child Care Planning Coalition in October, 2023; promoted through email from Coalition representatives, media releases, social media posts and advertising, and in-person data collection completed by Coalition members

- Employer Survey completed by 197 employer representatives from the 10-county region (76% in a management or leadership role) about current employee child care challenges, business impacts and business policies; online survey conducted by the Regional Child Care Planning Coalition in November and December, 2023; promoted through email from Coalition representatives and affiliate communications through regional economic development organizations and chambers of commerce
- Community Survey completed by 532 community members from Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties regarding community priorities and perceived needs; online survey conducted by the Grand Traverse Regional Community Foundation in July, 2024; promoted through email and social media posts

### Community Showcases and Workshops

- Presentations and discussions with the Grand Traverse Family Child Care Network and Leelanau Family Child Care Network; conducted from January to June, 2024
- Presentations and discussions with the Great Start Collaborative Traverse Bay and Great Start Collaborative of Charlevoix, Emmet, and Northern Antrim Counties

*“The coalition included the perspectives of parents and families, child care providers, regional employers, local and statewide leaders and community members in the work.”*

- Community Showcase Events and Workshops attended by more than 150 community leaders in Cadillac (Wexford County), Petoskey (Emmet County) and Traverse City (Grand Traverse County) to share the Regional Child Care Plan, elicit feedback and chart next steps, conducted May 2024

Ultimately, the Coalition feels that the multiple data sources have provided a clear picture of regional child care needs and opportunities. Qualitative data collection (interviews, focus groups, listening sessions and community discussions) included all parts of the 10-county region and a wide variety of different perspectives.

#### **Survey data was representative and/or broad-based as described below:**

- The Provider Survey was completed by a mix of home-based and center-based providers, school-based and community based-providers as well as GSRP and Head Start educators. Although the Coalition did not assess representativeness of data, diverse perspectives were represented. Complete results are reported in *Appendix 3: Additional Data*.
- Family Survey results were broadly representative of regional demographics, according to the U.S. Census. Representation from some marginalized communities is on par with or above expected levels. 9 percent of respondents identify as BIPOC (black, indigenous or person of color) and 25

percent of respondents would have qualified for CDC based on self-reported income and family composition. Complete results are reported in *Appendix 3: Additional Data*.

- The Employer Survey was completed by a mix of “C-suite” leaders, human resources managers and other managers and employees representing a wide range of industries and sectors. Although the Coalition did not assess representativeness of data, diverse perspectives were represented. Complete results are reported in *Appendix 3: Additional Data*.

The coalition included the perspectives of parents and families, child care providers, regional employers, local and statewide leaders and community members in the work. Not every community or sovereign nation in the region was directly represented in the work, but the Coalition worked hard to understand diverse needs and develop solutions that could be applicable across communities and groups.

As the Regional Child Care Plan continues to be implemented, it will be important to continue to engage these diverse perspectives and stakeholders in evaluating the regional child care system over time—to assess progress, celebrate wins and understand changes. Particular attention to the needs of marginalized populations should continue to be a priority.





# Regional Child Care Gaps & Opportunities

The Regional Child Care Planning Coalition made the following determinations after reviewing available data:

**The regional child care system doesn't have enough capacity to meet the needs of families with young children, and the need is most acute for children under the age of three.**

**There are multiple data sources the coalition used to make this determination.**

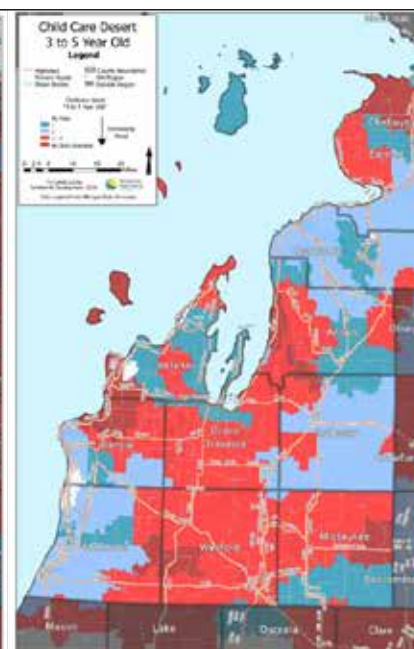
The work began with a series of interactive maps developed by Michigan State University's Child Care Mapping Project<sup>1</sup> contrasting 1) the number of children of particular age ranges and 2) the number of available licensed child care slots.

These "child care desert" maps show an overall lack of available licensed care to meet regional needs. Anything on the map that is red indicates that there are three or more children "competing" for every available licensed child care slot.

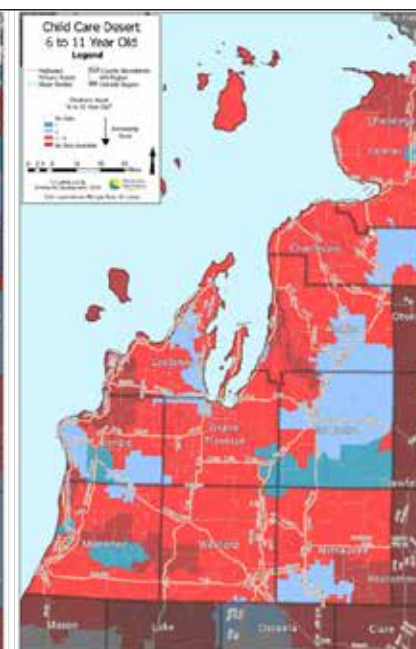
0 to <3 year olds



3 to <5 year olds

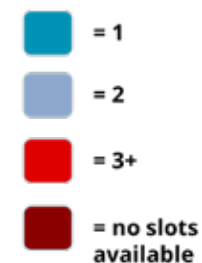


6 to 11 year olds



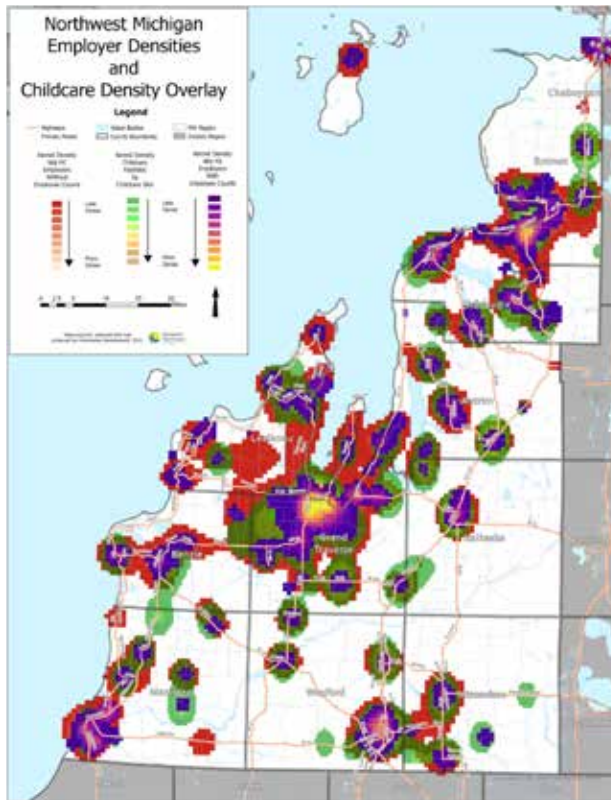
The darkest red shows areas within the region where there are no child care slots at all. In evaluating these maps, the Regional Child Care Planning Coalition determined that there appears to be an acute need for care at all age ranges, and the need for care is more significant for infants and toddlers (0 to <3 years) than for preschool aged kids. The Coalition interpreted child care deserts related to school age children (5- to 11-years-old) as relating to before- and after-school care as well as summer care.

**Number of Children Competing for a Slot**



<sup>1</sup> Source: Child Care Mapping Project, Community Evaluation Programs, Michigan State University Office for Public Engagement and Scholarship: <https://cep.msu.edu/projects/child-care-mapping-project/maps-and-charts/child-care-desert-map>. Based on 2022 American Community Survey data and current licensed child care capacity.

*“The maps showed employment centers where child care was inadequate to meet the needs of regional parents...Child care is critical infrastructure that is significantly compromised in many of the region’s most important employment centers.”*



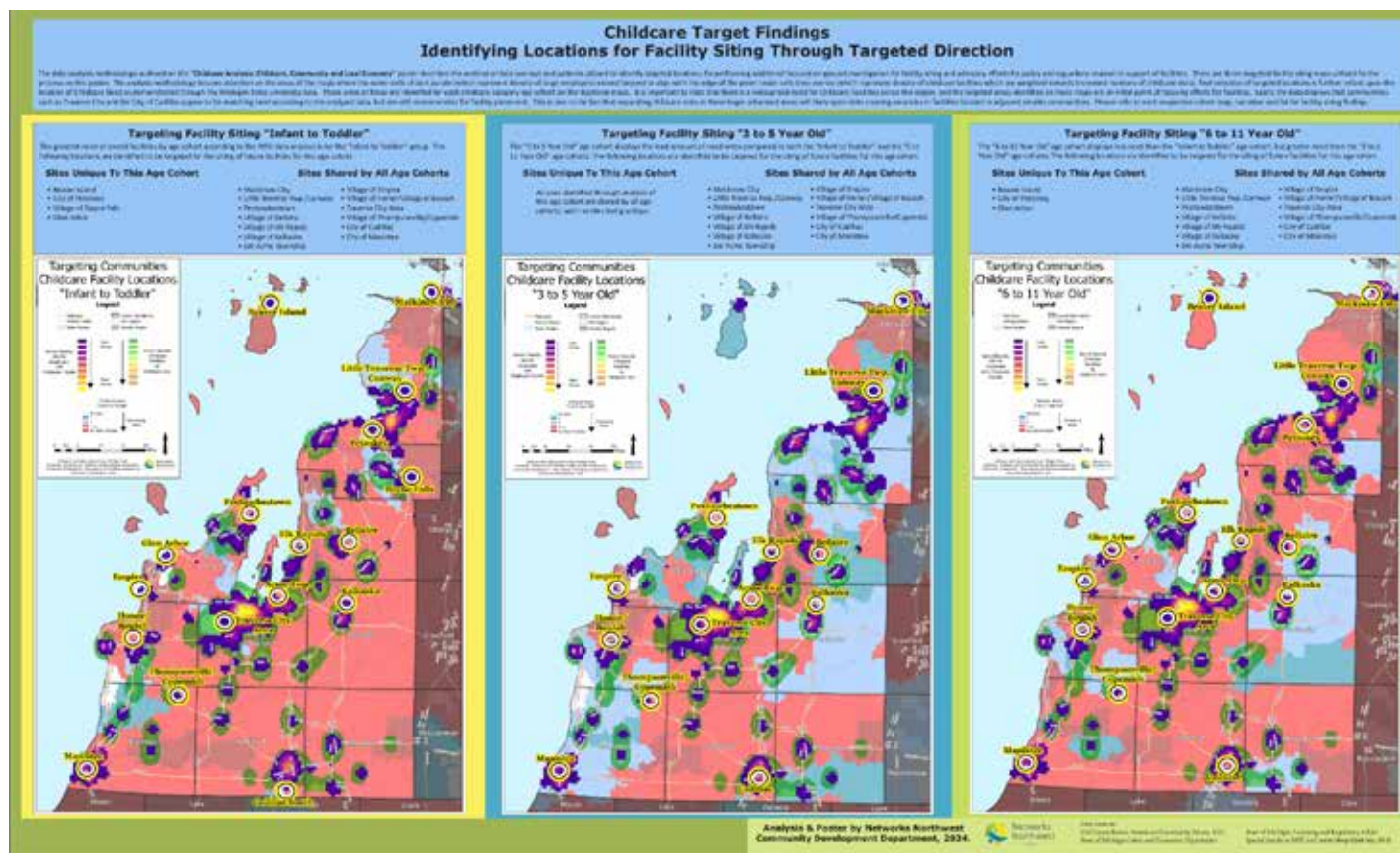
The Coalition supplemented its understanding of regional child care deserts by using a set of maps and geospatial visualizations developed by the Networks Northwest Community Development Department in May, 2024. These visualizations built on the Child Care Mapping Project’s work and then supplemented it with 2022 employer data sourced from the State of Michigan Department of Labor & Economic Opportunity. For additional details on these Networks Northwest maps, see *Appendix 3: Additional Data*. The maps showed employment centers where child care was inadequate to meet the needs of regional parents (in the map at left, an area that appears red or purple without significant green is likely to be an employment center without adequate child care). The Coalition used these incremental data tools to understand that child care is critical infrastructure that is significantly compromised in many of the region’s most important employment centers.

The Networks Northwest Community Development Department extended its mapping work by using the maps and the source data to identify, by age group of child, communities throughout the region that could be prioritized for new child care capacity. The regional target areas for all age cohorts were identified as: Mackinaw City, Little Traverse Twp./Conway, Peshawbestown, Village of Bellaire, Village of Elk Rapids, Village of Kalkaska, SW Acme Township, Village of Empire, Village of Honor/Village of Beulah, Traverse

City Area, Village of Thompsonville/Copemish, City of Cadillac and the City of Manistee. Additional target areas were identified for each age cohort.

The Coalition found the techniques used in this Networks Northwest mapping analysis to be powerful. However, the Coalition recognized that the challenges impacting capacity in the regional child care system are region-wide and system-wide. Without addressing the root causes that create gaps in the system, identifying a specific geography to target creating new child care capacity can lead to new licensed child care facilities being developed that may not be sustainable over the long term.

*“One important consideration not captured by these maps is that not every licensed child care facility is able to serve its full licensed capacity.”*



*Additional geospatial visualizations developed by the Networks Northwest Community Development Department in May, 2024."*

As with all data visualizations, these maps come with certain assumptions and frames. One important consideration not captured by these maps is that not every licensed child care facility is able to serve its full licensed capacity. When license holders don't have enough staff to support all children or when families pull their children out of a given program, the total number of children served may be below the full licensed capacity. That information, which is not captured in these maps, could make gaps in the system appear even more acute.



*“The unmet need for care in the region is most acute for infants and toddlers. The 10-county region needs fully staffed licensed capacity for 2,600 additional children under the age of five to fully meet family needs; 80 percent of that unmet need is for children under the age of three.”*

The final set of data that the Coalition used to assess gaps and opportunities in the regional child care system was a Family Survey of 539 parents and other caregivers conducted in Fall, 2023. Full research results are contained in Appendix 3: Additional Data.

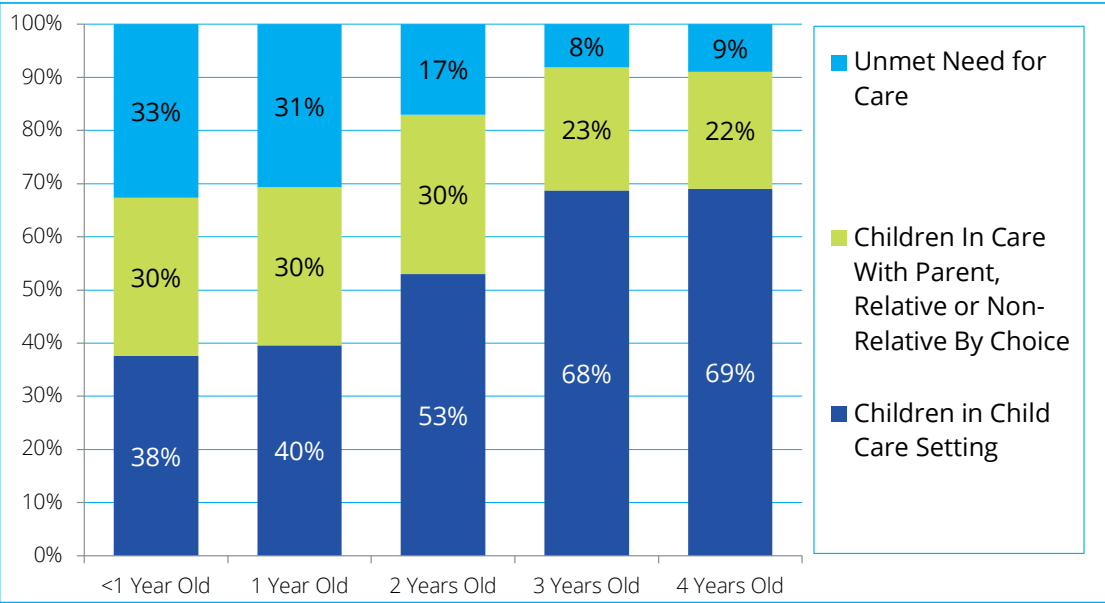
The following chart shows a summary of all responses summarizing both what care options families with children aged 0 to 4 are currently using today as well as what child care options they would ideally prefer for their children of different age groups.

The dark blue in the chart above indicates children who are currently in licensed child care. Light green indicates children in the care of parents, relatives or non-relatives with parents or caregivers with no desire for children to be placed in licensed child care. Light blue indicates children in the care of parents, relatives or non-relatives with parents or caregivers wishing they had options for licensed child care. In this analysis, this is considered the “unmet need for care.”

The Coalition drew two significant conclusions from this analysis:

1. Many parents/caregivers do not want to have their children in child care, but this percentage declines as children get older, from 30 percent for children under 2-years-old to 22 percent for children who are 4 years old

2. The unmet need for care in the region is significant and is most acute for infants and toddlers; in fact, the model indicates that the 10-county region needs fully staffed licensed capacity for 2,600 additional children under the age of five to fully meet family needs; 80 percent of that unmet need is for children under the age of three





*“More than two thirds of all families in the region report that at some point they’ve experienced a lack of availability of care. Nearly as many have been prevented from accessing care because of the cost of care. Other barriers such as back up care for school closure and the hours and days of operation are also widespread.”*

**Among many barriers to accessing care, availability and cost rank highest.**

The 2023 Family Survey of 539 parents and caregivers asked about the barriers that had prevented families from accessing the child care that they needed or wanted, now or in the past. **The responses to the “Select-all-that-apply” question appear below:**

- Availability of care (e.g., open slots) 68.3%
- Cost of child care 64.7%
- Finding back-up care (e.g., sick child, school/center closures, caregiver unavailability) 43.3%
- Hours/days care is offered 35.9%
- Lack of access to care that I consider to be high-quality 25.6%
- Location of child care setting 22.0%
- Dependability/consistency of care 20.9%
- Lack of paid time off work to care for own children 17.1%
- Care that meets my child(ren)’s special needs 10.6%
- Transportation to child care setting 7.6%
- Lack of care that meets my family’s preferences (e.g., language spoken, faith-based, nature-based) 5.1%
- Other 8.0%

So more than two thirds of all families in the region report that at some point they’ve experienced a lack of availability of care. Nearly as many have been prevented from accessing care because of the cost of care. Other barriers such as back up care for school closure and the hours and days of operation are also widespread.

**There is a significant need for before/after school care and summer care.**

The parents and caregivers who participated in the Family Survey reported on their needs for these types of care as shown in the table below:

	NEED BEFORE/AFTER SCHOOL CARE	NEED SUMMER CAMPS & PROGRAMS
Families with 3- and 4-year-old children	27%	32%
Families with 5- to 11-year-old children	50%	43%

So there is a significant need for additional before- and after-school care and summer camp for families with children aged three to 11, and this need is more acute for elementary school aged children.

*Note: Because this survey was conducted in Fall, 2023, it is difficult to precisely assess unmet need for summer camps and programs that may have occurred in 2024. However, media stories and the experiences of providers who offer summer camps and programs confirm that wait lists were long and parent frustration was high in Summer, 2024*

*“Interviews with families from migrant and tribal communities confirmed qualitatively that these families may have harder than usual times accessing high-quality and affordable child care for their children.”*

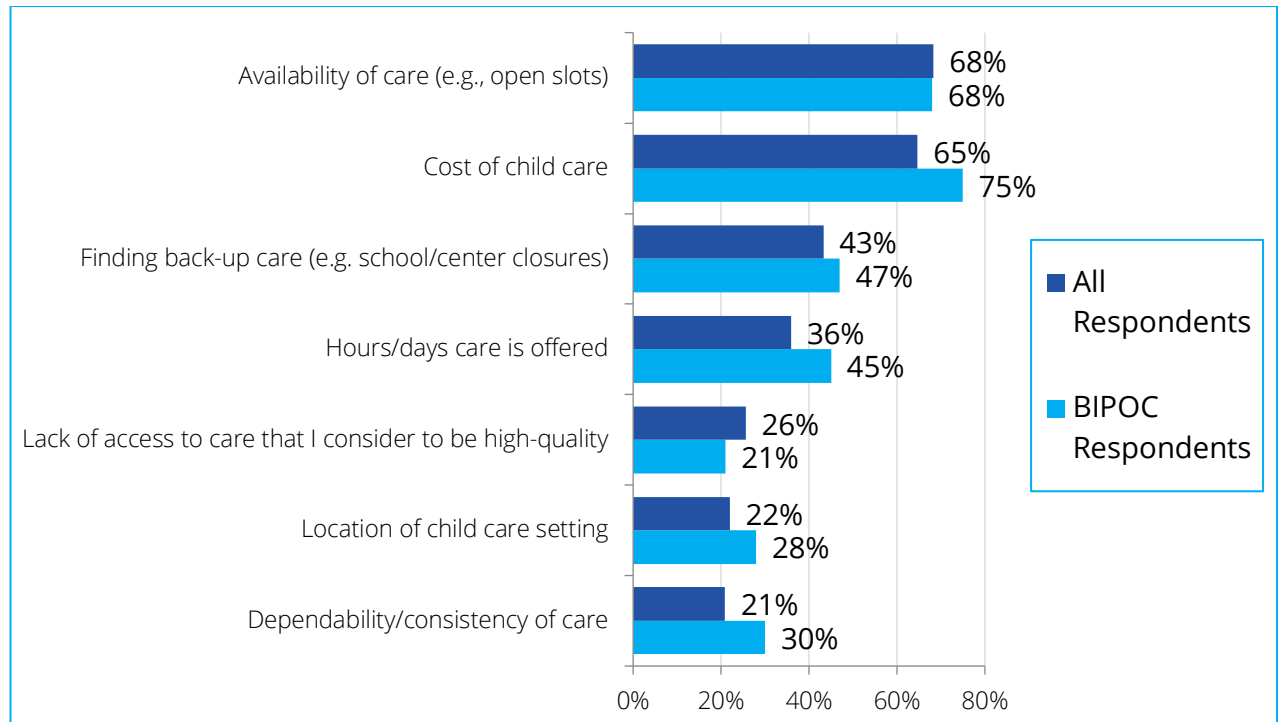
### Marginalized populations have unique challenges and needs.

The Coalition reviewed Family Survey data with a variety of cross-tabulations for family composition and demographic characteristics. The chart at right shows that for families with parents/caregivers who are BIPOC<sup>2</sup> barriers to accessing child care are even more acute than for all other regional parents and caregivers.

Interviews with families from migrant and tribal communities confirmed qualitatively that these families may have harder than usual times accessing high-quality and affordable child care for their children:

*“I have a 1 and 3 year old. I need full time childcare and it’s impossible in Manistee county. I need to be able to work to provide for my family and I can’t because of the lack of care!”*

—BIPOC FAMILY SURVEY RESPONDENT



<sup>2</sup> Black, Indigenous and People of Color

*“For infants and toddlers, parents/caregivers are most interested in having the child stay with a parent or having center-based or home-based care.”*

### Families seek a variety of care options.

In the Family Survey, families were asked about the care options they would ideally prefer for their children. The responses to this select-all-that-apply question appear at right (with results at or above 50 percent highlighted in light blue):

#### The Coalition interpreted these data in the following ways:

- Regional families have a wide range of preferences for child care settings
- For infants and toddlers, parents/caregivers are most interested in having the child stay with a parent or having center-based or home-based care
- For preschoolers, parents/caregivers are most interested in preK programs like GSRP and Head Start
- For elementary school age children, parents/caregivers are most interested in before-and-after-school programs and summer camps programs

	INFANT/TODDLER (0-2)	PRESCHOOLER (3-5)	SCHOOL AGE (6-12)
Parent (myself or my child(ren)'s other parent)	63%	28%	33%
Child care center	58%	47%	23%
Family child care home (licensed home-based care)	58%	28%	21%
Relative (e.g., grandparent, aunt/uncle)	49%	28%	31%
Nanny or nanny share	44%	22%	24%
Early Head Start/Head Start	27%	50%	13%
Non-relative (e.g., friend, neighbor)	24%	25%	34%
Pre-K program (e.g., Great Start Readiness Program)	16%	70%	12%
Tribal child care services	16%	15%	14%
Community-based before-/after-school program	14%	24%	55%
Summer camps/programs	11%	29%	67%
School-based before-/after-school program	2%	28%	65%

*“Statewide, this is all costing Michigan’s economy **\$2.9 Billion** annually in lost earnings, productivity and revenue caused by gaps and shortages in the child care system.”*

### Gaps in the regional child care system are having real and widespread effects on employers and economies.

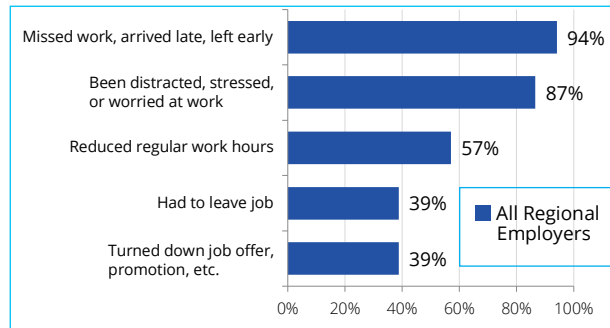
The chart at right shows responses from the Employer Survey of 197 employer representatives, about the frequency with which employees have experienced issues shown in the chart.

The vast majority of these employers have had employees miss work, been distracted at work or needed to reduce their work hours because of child care issues. And nearly 40 percent have had employees leave jobs and or turn down job offers, promotions, etc.

Statewide, this is all costing Michigan’s economy \$2.9 Billion<sup>3</sup> annually in lost earnings, productivity and revenue caused by gaps and shortages in the child care system.

### Michigan has an opportunity to do more.

Within the economic well-being domain, which includes factors related to child care affordability and access, Michigan ranks 32nd.<sup>4</sup> Other states have made investments in child care and education central to their economic and talent attraction strategies. Michigan can work to at least achieve parity and potentially to go beyond.



### Investing in child care can help build critical infrastructure and help fill the talent pipeline.

When thinking about economic development, most states including Michigan tend to focus on talent attraction and talent development. According to the U.S. bureau of labor statistics, Michigan’s unemployment rate has been below 5 percent since January 2022. Based on preliminary analyses conducted by the Coalition, each child care worker brought into the child care system can allow six to eight other people to work. This is why child care educators are sometimes referred to as “the workforce behind the workforce.” Addressing regional child care gaps may be one of the most direct and immediate ways to build talent for regional employers and communities.

### The region has the relationships and history to help create change.

Implementation of solutions to address the child care system’s gaps and opportunities is already under way throughout much of the region, with investment, collaboration and innovation happening at the regional, sub-regional, county and community level. Some of this activity is happening through the good work of the Child Care Initiative (Emmet County, convened by North Central Michigan College), Infant & Toddler Child Care Startup (Benzie, Grand Traverse and Leelanau Counties), Raising Manistee County (Manistee County), Child Caring Now (Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties) and CARE for Benzie (Benzie County). Other activities are being led through Early Childhood Support Networks, Great Start Collaboratives and other formal and informal groups.

Northwest lower Michigan has a reputation for collaboration and for developing innovative solutions that can be implemented elsewhere. Regional agencies work well with state and federal entities who are funding change. There is every reason to believe that the people of the region, working together and with partners outside the region, can strengthen the system so that it works for all children, families, providers, educators, employers and communities.

<sup>3</sup> Above, source: MI UNTAPPED POTENTIAL report compiled by the MI Chamber of Commerce with the U.S. Chamber Foundation, Grand Rapids Chamber and the Early Childhood Investment Corporation (ECIC) <https://www.michamber.com/miuntappedpotential/>

<sup>4</sup> 2023 Kids Count Data Book



# Root Causes & Barriers

The Regional Child Care Planning Coalition conducted multiple exercises to identify the root causes that are most significantly causing gaps in the regional child care system. They identified five principal root causes that need to be addressed if the regional child care system is to evolve to meet the needs of all families and communities.

## Broken Business Model

*(characterized by some as “market failure”)*

**Rates that providers need to charge to earn a living wage exceed what families can reasonably afford to pay.**

In a typical for-profit business there are a number of steps that the business owner or manager can take to improve profitability: 1) Increase rates to increase revenue, 2) Decrease fixed and variable costs, or 3) increase efficiency through automation and technology. These steps and approaches are generally not available to child care business owners and operators when operating margins are thin.

Child care is generally deemed “affordable” if a family pays 7 percent or less of median household income.<sup>1</sup> For a family with household income of \$60,000, this would be \$4,200 and if the family sought full time care for just one child, they would be able to pay just

over \$2 per hour for care. But a child care provider, who is required by licensing rules to maintain a ratio of adults to children, cannot charge that little even for a classroom of 4-year-olds where the ratios for center-based care allow up to 12 children per educator. So child care business owners and operators either must charge more than what a median family can afford to pay or must operate in the red and work to make up shortfalls with state funding, community contributions or similar approaches. Replacing humans with technology is not allowed (and not desirable), since early childhood education and child development depends on trained and sensitive caregivers providing care to young children.

The business model is “broken” because child care business owners and operators cannot charge what they would need to cover the true cost of care.

## Too Many Barriers

Becoming and remaining licensed is confusing, time-consuming and burdensome. The resources available to help providers navigate these barriers (e.g., Our Strong Start), while welcome, are insufficient.

All types of child care programs are different, but they all come with a LOT of rules and guidelines - from roughly 30 pages of single-spaced rules and guidelines for home based providers to about 130 pages of single-spaced rules and guidelines for the Great Start Readiness Program and Head Start. Even learning these rules is time-consuming, let alone complying with them all. Often the rules require substantial investments in facilities to be in compliance. More details on potential changes are discussed in *Solution 3: Policy Changes*.

In addition to the challenges related to state licensing rules, there are also issues of local zoning and the challenges of running any business or operation. Find more details in *Solution 4: Local Planning and Zoning*.

Providers interviewed as part of the Regional Child Care Plan confirm that the resources available to help providers navigate all of these challenges (e.g., Our Strong Start) are welcome. However, even with this kind of help it can still take many months to clear all hurdles when becoming licensed.

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<sup>1</sup> U.S. Department of Health and Human Services



## Workforce Gaps

**Since child care educators are under-paid and under-appreciated for a job that is extremely demanding and where significant educational credentials are expected, there are significant workforce gaps.**

A 2023 study completed by ECIC and TalentFirst<sup>2</sup> revealed that the current median hourly wage of child care Lead Teachers (\$16.03) ranks in the 12th percentile of all occupations in Michigan, the same ranking as Restaurant Cooks, Chauffeurs, and Wallpaper Installers—jobs that require only a high school diploma. Over two-thirds of Michigan's early care and education workforce earns less than \$15 per hour, despite over 67 percent possessing a postsecondary credential. Why? Because of the rules we have set defining the sector.

Many educators and child care business owners interviewed by the Coalition also reported that they have felt less and less valued and respected over

*“Many educators and child care business owners interviewed by the Coalition also reported that they have felt less and less valued and respected over time, even as demands increase.”*

time, even as the demands of their profession have continued to increase.

Because of these pressures, many educators and providers have exited the field, and the system is not able to fully utilize its licensed capacity. As of September, 2022, the region had a staff shortage rate of around 12 percent.<sup>3</sup> When there aren't enough educators to staff all classrooms and settings, there is less capacity to meet the needs of regional families.

## Few Affordable and High-Quality Options for Families

**Because of other root causes, families struggle to find affordable and high-quality child care options at the times and places they need it.**

Even when they find care for a child, they often need to scramble to cover early and late care, summer care, and care for any other children they may have. Accessing resources to help them find and pay for care is confusing.

## System Disconnectedness

**Providers are isolated from each other, from community support and from the policy makers who make the rules.**

Overall, the system is characterized by a fairly high degree of system myopia, in which different types of providers are silo-ed and the policy makers and regulators who create the rules of practice for child care are disconnected from the reality of providers.

Child care providers are often so busy trying to meet the needs of families with their scarce resources that they are not able to participate in conversations about what might make the system better.

Elected officials, economic development professionals, business owners and managers, funders and others want to help but they find the system and the available solutions too complex to be able to readily move forward.

<sup>2</sup> Balancing The Scales: A Proposal for a Systemwide Wage Scale to Address Michigan's Early Childhood Education Crisis, 2023. Early Childhood Investment Corporation and TalentFirst

<sup>3</sup> Data compiled for the Regional Child Care Planning Coalition by the Early Childhood Investment Corporation as part of a Regional Child Care Profile, using data supplied by the Great Start to Quality.



## SECTION II

# Impactful Solutions

*“If the region wants to be desirable to young families there has to be a change.”*—LEELANAU COUNTY PARENT

# Introduction to the 14 Solutions

The following 14 Solutions arise from more than 100 distinct ideas generated by the Regional Child Care Planning Coalition

## Each of the proposed solutions meets several criteria:

- **Impactful**—in the opinion of the Coalition, directly addresses one or more of the *Root Causes* impacting the regional child care system and will improve access, affordability and/or quality of child care
- **Vetted**—have proven to be successful within the region or elsewhere
- **Sponsored**—one or more regional entities or groups is presently committed to or leading implementation

Some of the proposed solutions require detailed modification to state policy. Others can be implemented by motivated stakeholders at the local level. Most require some level of coordination between policy makers, child care providers, parents and other caregivers, nonprofit organizations, education institutions, economic development organizations, funders, employers and others.

Ultimately, these solutions are achievable and will make a real difference in addressing the regional child care crisis.

It is not necessary that all solutions be implemented at the same time across the 10-county region. Each county and community will likely implement the solutions that leverage local resources and meet local needs.

## Grouped by primary Root Cause, the 14 Solutions are:

### Broken Business Model

1. State Investment
2. Local Public Funding

### Too Many Barriers

3. Policy Changes
4. Local Planning & Zoning
5. Provider Incubation
6. Community Facility Investments
7. Micro-Centers

### Workforce Gaps

8. Credential Pathways
9. Substitute Pools

### Few Affordable & High-Quality Options for Families

10. Universal Preschool
11. Home-Based Universal Preschool Option
12. Employer Policies & Actions
13. Enhanced Family Navigation

### System Disconnectedness

14. Peer-to-peer & Community Collaboration

## Each of the following solution descriptions consists of five distinct components:

- **Primary Root Cause** addressed
- **An introductory paragraph**—summarizes the solution, why it can be beneficial and how it can be implemented
- **Background and Context**—relates why the solution may be needed or beneficial, along with some historical context where applicable
- **Examples and Priorities**—showcases examples of comparable approaches implemented within the region or elsewhere and then highlights implied priorities for implementation
- **Potential Near-Term Actions**—calls out near term actions that different groups of stakeholders can take in order to move toward implementation

The Regional Child Care Planning Coalition hopes that each of these narratives can provide context and an initial road map for advocates and stakeholders who intend to implement the solution at a local, regional or statewide level.

For the full list of ideas generated by the Coalition, see: *Appendix 1, Additional Impactful Solutions*.



# State Investment

Enhance sustained state investment in child care

SOLUTION

1

Making child care more sustainable for providers and their staff requires public investment from the State of Michigan. The free market and current federal programs are both currently insufficient to bridge the gap between the true cost of quality care and the amount that most working families are able to pay. Michigan policy makers wishing to strengthen the child care system should expand and sustain investment through contracts, child care scholarships or other means.

## Background & Context

**Child care needs outside investment to be more broadly sustainable so that providers can afford to keep their programs open, child care educators can afford to stay in the field and families can afford the care they need.**

Although employers, local funders and local governments sometimes step in to help bridge the gap between the true cost of quality care and what working families can afford to pay, these approaches tend to be isolated and short term. Public investment at the state and federal levels has proven to be effective at closing the gap, especially when it is sustained, easy to access and broad-based in meeting family and community needs.

At the federal level, increased public funding has evolved over time since the federal government's initial involvement over 80 years ago. The Lanthan Act of 1940 provided grants to communities to provide care for the children of mothers who worked in the defense industries during World War II. The establishment of the Head Start program in 1965 under President Lyndon Johnson was a significant

federal milestone in increased public funding support. The Child Care and Development Block Grant (CCDBG) initiated in 1990 was another milestone providing subsidies to working families.

Michigan's child care system has recent evidence that enhanced investment can increase child care capacity while creating more affordability for families. When federal pandemic dollars were available, Michigan employed a number of approaches to fund direct grants to providers and enhanced child care subsidies/scholarships for families.

### These included:

- Child Care Relief Fund "stabilization" grants to keep providers open and providing child care; many providers in northwest Michigan used the receipt of these grants to provide staff members with bonuses and raises<sup>1</sup>
- Facilities Improvement Fund grants for child care businesses to renovate and upgrade facilities
- Supplemental Child Development and Care (CDC) "child care scholarship" payments

PRIMARY ROOT CAUSE  
ADDRESSED:

**Broken  
Business  
Model**

<sup>1</sup> Child Care Provider Interviews conducted January to April, 2024.

*“Michigan’s actions to date do not yet fully address the broken business model across the mixed-delivery child care system.”*

Combined, these approaches and other efforts allowed Michigan to open more than 1,000 new child care programs between May, 2022 and November, 2023.<sup>2</sup> Over the same time period, more than 2,100 home-based providers in Michigan expanded programs. Combined all programs added more than 36,000 new child care slots statewide.

But most of these grants and programs have already ended or will expire by September, 2024, and there does not appear to be meaningful will at the federal level to sustain or replace this funding. This is causing some providers<sup>3</sup> to raise rates charged to families in order to sustain hourly wage increases that they gave to child care educators when they had the opportunity. This in turn caused some providers to ‘lose’ families who were unable or unwilling to pay the higher rates.

At least eleven states and Washington, D.C. have taken action over the last two years to address the “child care cliff” created by the end of these federal funds, investing state funds into directly supporting providers and the workforce.<sup>4</sup> As one example among many, Minnesota has implemented legislation to invest \$1.3 billion over four years to lower child care prices for families across the mixed-delivery child care system.

2 <https://www.michigan.gov/mileap/early-childhood-education/ccbl/caring-for-mi-future>

3 Child Care Provider interviews

4 “With Arrival of Child Care Cliff, Some States Have Stepped in to Save the Sector,” Julie Kashen and Laura Valle-Gutierrez, The Century Foundation, <https://tcf.org/content/report/with-arrival-of-child-care-cliff-some-states-have-stepped-in-to-save-the-sector/>

In June 2024, the Michigan legislature passed the 2024-25 School Aid Budget which contains numerous provisions intended to strengthen one or more aspects of the early learning and care system in Michigan, including line items intended to support PreK for All and also supplemental child care scholarship funding that partially replaces the gap created by expiring federal pandemic funding.<sup>5</sup>

These investments are substantial and will likely both help some families in accessing affordable, high-quality child care and also help school-based and community-based child care programs offering the Great Start Readiness Program.

However, Michigan’s actions to date do not yet fully address the broken business model across the mixed-delivery child care system.

If Michigan policy makers wish to comprehensively close gaps in the child care system across the region and state, they should consistently invest in the child care system through child care scholarships, contracts or other means.

*Solution 10: Universal Preschool*, details the potential of Michigan’s Universal PreK program to benefit families and potentially move Michigan toward true universal publicly funded child care, an approach that is being offered in numerous countries. The following examples and priorities are about either implementing such an ambitious solution or, simply strengthening the existing mixed-delivery child care system.

5 [https://www.senate.michigan.gov/sfa/departments/highlightsheet/hik12\\_web.pdf](https://www.senate.michigan.gov/sfa/departments/highlightsheet/hik12_web.pdf) provides and overview of spending

## Examples & Priorities

**There are many approaches that Michigan and other states have used to invest in the mixed-delivery child care system.**

For example, grants to providers were widely used during the pandemic. However, grants tend to be unequally applied across the child care system—favoring one type of provider or favoring providers who move early to apply for funding before budgets are depleted.

The most effective approaches to address the broken business model are comprehensive and equitable—that is, every provider across the mixed-delivery child care system is able to equally benefit over time, whether the provider is home-based, center-based, school-based or community-based.

Two of the most direct, comprehensive and promising approaches to public investment in child care are 1) enhanced child care scholarships or 2) direct contracts between the State of Michigan and child care providers.

### Child Care Scholarship Payment Policies

**Every state and territory receives federal funding** through the Child Care and Development Fund (CCDF) to provide child care financial assistance



*“Consistent investment utilizing scholarships, contracts and other innovative means is essential to close the child care gap.”*

are paid to providers in response to billing for care provided. Families pay a family contribution and the State of Michigan supplements this with child care scholarship dollars.

From 2021 to 2024, Michigan used supplemental CCDF funding provided through the American Rescue Plan Act (ARPA) to increase the upper-level income threshold for participation in the CDC program, including paying all of the family contribution for the program from April 1, 2021 to September 30, 2022. This increase in funding allowed many more families to participate. Several providers in northwest Michigan report that this enhanced funding both helped improve child care affordability for families and made their child care operations more sustainable, allowing them to pay themselves and staff a higher hourly wage.<sup>7</sup>

Recognizing that the “child care cliff” was coming when these funds would no longer be available, the Michigan legislature acted in Spring 2024 to restore some funding back to the program to improve access for moderate-income, working families. This is important and valuable for the child care system. However, the funding still represents a step down from 200 percent of Federal Poverty Level in 2021-24 to a 130 percent “entry” threshold at present,<sup>8</sup> which means both providers and families are adjusting to try to replace the net loss in funding.

**To more significantly support the child care system, Michigan policy makers should consistently maintain and expand the enhanced CDC scholarship funds made available from 2021-24,** both raising the family income limit necessary to qualify for scholarship and reducing or eliminating the copay families are required to pay.

Increasing CDC scholarship funding would help address the broken business model of child care, but it is not 100 percent comprehensive and there are some other issues with this approach. Not all providers participate in the CDC scholarship program. As one provider put it, the administrative requirements “take work and time and [are] sometimes not straight-forward.”<sup>9</sup> Furthermore, not all families who qualify for CDC scholarships want to go through the income verification and other qualification requirements necessary to obtain scholarship funds. Finally, participating families who experience an improvement in financial circumstances (e.g. receiving a raise at work) can become ineligible for the CDC scholarship, creating a stressful ‘catch-22’ for working families.

**For these reasons, child care contracts may provide even more consistent and widespread positive impacts on the child care system.**

to eligible low-income families.<sup>6</sup> CCDF scholarship funds help families pay for care and can improve viability for providers by supporting higher rates for care than the marketplace can otherwise support.

**States have wide latitude in how they implement CCDF funding** and the extent to which they supplement the funding. Michigan uses CCDF funds through its Child Development and Care (CDC) scholarship program to subsidize child care slots for lower income working families that meet certain criteria, such as income thresholds and work or training requirements. CCDF funds

<sup>6</sup> <https://childcare.gov/consumer-education/get-help-paying-for-child-care>

<sup>7</sup> Child Care Provider interviews

<sup>8</sup> “CDC Income Eligibility Scale and Provider Rates” RFT 270, extracted from Michigan Department of Health & Human Services <https://dhhs.michigan.gov/OLMWEB/EX/RF/Public/RFT/270.pdf>

<sup>9</sup> Child Care Provider interviews.

## Child Care Contracts

A “child care contract” is an agreement that outlines the terms and conditions under which a child care provider will offer services to families receiving state-subsidized child care and under which the state will pay for that care. Several states have used child care contracts as a supplement or alternative to child care scholarships.

Child care providers need stable revenues over sustained periods of time to be able to invest in quality and plan for the future. **Direct contracts between the State of Michigan and child care providers can provide stable revenues that make the child care business model more sustainable.** Simultaneously, contracts can be used as a tool to advance quality and expand the availability of infant and toddler care.

### Key components of successful child care contract programs:

- The state (or a third-party representative) enters into a multi-year or annual contract with child care providers and pays an upfront rate for a specific number of slots; the amount may be paid in advanced or in predetermined installments—this ensures that providers don’t have to bill for reimbursement—speeding the cash-to-cash cycle and are not penalized when children are absent
- Providers are freed from having to submit reports before they are reimbursed, closing the “cash to cash” cycle of providing care before it

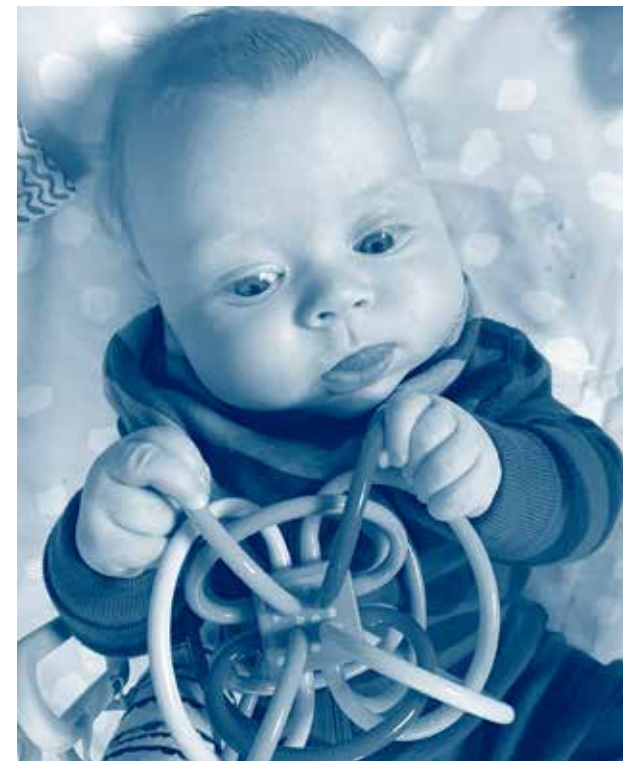
is reimbursed; Michigan has already switched to a system of making on-time payments based on enrollment rather than attendance, which addresses this need

- The rate of reimbursement for care reflects the true cost of care and is sufficient to allow providers and their staff a living wage, e.g. a reimbursement rate of \$18,000 for an infant slot in 2024-25
- Participating providers meet quality standards and commit to quality improvement (in Michigan, participating in Great Start to Quality)
- Participating providers agree to accept child care scholarship funds as a policy, and there should be no requirement limiting the number of families actually using CDC scholarships in a given child care program
- May focus on more acute needs, such as care for infants and toddlers, where the need for child capacity is even more acute than in the overall system

### Michigan experimented with an Infant Toddler Quality Grant Pilot Program in 2023 and 2024.

The focus of the program was to support infant and toddler care. Providers wishing to participate in the program were required to 1) already be licensed to provide infant and toddler care, 2) already have accepted CDC scholarship funds, and 3) currently serving children with special needs.

These requirements limited the number of providers who were able to participate in the program, but ear-



ly returns have shown that Michigan is easily capable of implementing the administrative, oversight and quality improvement components of this system.

The CCDF Final Rule<sup>10</sup> that went into effect April 30, 2024 requires states to implement grants or contracts for care. Michigan has currently been issued a waiver to implement.

To more broadly invest in the child care system, Michigan policy makers should implement a broad-based child care contract program that is available to all licensed child care providers. This program can be a substitute for or an enhancement of child care scholarship programs.

<sup>10</sup> 2024 CCDF Final Rule: Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund: Final Rule Regulatory Changes



*“As a society we are comfortable with state investment in health care, emergency services and critical infrastructure...Investing in our child care system benefits our families, our communities and our economy.”*

## Other Approaches

Some states and territories have experimented with annual or hourly wage supports to bring child care workers into some level of parity with other fields. For example, The District of Columbia’s Early Childhood Pay Equity Fund provides supplemental payments of up to \$14,000 per year to eligible early childhood educators, assistant teachers, and home providers in licensed programs.<sup>11</sup>

Illinois’ ExceleRate Pilot program<sup>12</sup> used a combination of wage supports and targeted funding to cover release time for early childhood educators to plan, reflect and work on advanced credentials, leading to higher retention rates and greater participation rates in college courses.

Other states have programs to pay the child care costs of child care workers, providing a powerful incentive for parents of young children to work in child care. Kentucky used ARPA funds to expand child care access for the ECE workforce by providing employees in licensed programs (including non-teaching staff) eligibility for child care subsidies.<sup>13</sup>

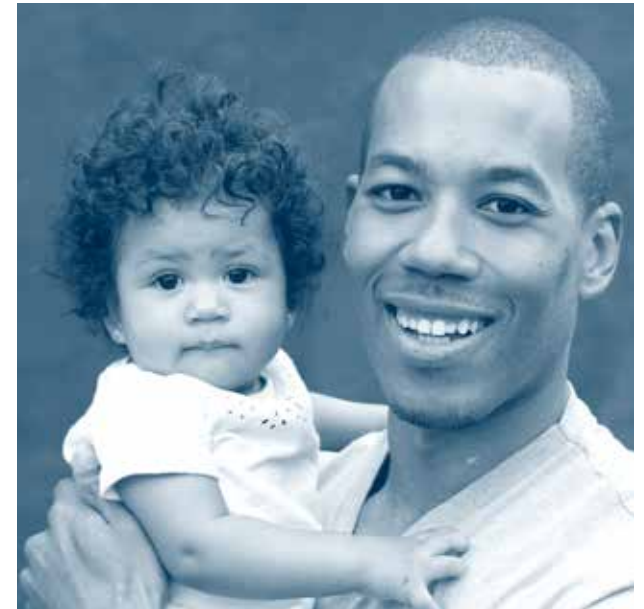
*Solution 8: Credential Pathways* details approaches that can be effective in subsidizing and supporting child care educators to earn credentials and advance through the child care career pathway.

These approaches appear to work best when used in conjunction with a more widespread approach to investing in child care through child care scholarships or child care contracts.

## Potential Near-Term Actions

**Michigan policy makers** seeking comprehensive and enduring improvement across the mixed-delivery child care system should build a coalition of support for enhanced child care scholarship and/or child care contract funding. Because stability and predictability of funding is so critical to providers, a broad and bipartisan coalition of support is ideal.

**Advocacy organizations** focused on improving child care capacity and affordability in Michigan should focus their efforts on one or both of these widespread funding solutions.



**Parents, caregivers and community members** wishing to close gaps in the child care system should advocate for enhanced state funding of child care. As a society we are comfortable with state investment in health care, emergency services and critical infrastructure, in addition to K-12 and higher education. Investing in our child care system benefits our families, our communities and our economy. The child care system is critical infrastructure and should be a funding priority.

<sup>11</sup> See the Washington D.C. Office of the State Superintendent of Education <https://osse.dc.gov/ecepayequity>

<sup>12</sup> See Center for Early Learning <https://celfe.org/resources/how-the-excele-rate-pilot-is-strategically-funding-quality-improvement-in-early-learning-in-illinois/>

<sup>13</sup> See Kentucky Youth Advocates <https://kyyouth.org/celebrating-new-benefits-for-child-care-employees/>

# Local Public Funding

Build support for local public funding of early childhood

SOLUTION

2

Gaining public support to use taxpayer dollars for early learning and care programs can create dramatic new opportunities for children and families. Community groups within the region have successfully advocated for local millages and bonding requests to fund both school-based programs and community-based programs intended to support children and families. Community engagement is crucial to building the widespread support needed to develop and gain endorsement for programs related to local tax dollars.

## Background & Context

**Federal and state governments have often led the way in supporting early learning and care programs implementing new policies and funding opportunities.**

In the 1990s, research showcasing the benefits of early education drove an interest in state-level funding for pre-kindergarten programs. Between that time and 2016, the number of states providing funding and operating early learning and care programs had risen from 7 to 43 states and the District of Columbia. In addition to funding, states set policies on quality and access to early learning and care programs.<sup>1</sup>

Despite this increase in state-level funding, there still exists a huge gap to achieving adequate funding of programs in Michigan's mixed-delivery child care system (*see Solution 1: State Investment*).

As the unmet needs expressed by families have grown, there has been increased public support at the local level to reduce persistent gaps.

**Local taxpayer support for the mixed-delivery child care system or for early childhood in general brings several distinct benefits:**

- Locally generated funds may be more appropriately matched to local needs
- Engaging residents in support of child care and early childhood helps them to understand the shared responsibility we all have for our region's children and families
- The coalition building needed to pass local ballot initiatives can have enduring impact and strength beyond the specific ballot question (*see Solution 14: Peer-to-peer and Community Collaboration*)

Historically, building support for local public funding for early childhood education programs has been complex and challenging. However, many communities within the region have recently achieved success.

PRIMARY ROOT CAUSE  
ADDRESSED:

**Broken  
Business  
Model**

<sup>1</sup> Transforming the Financing of Early care and Education: Landscape of Early Care and Education financing. [Ncbi.nlm.nih.gov](https://www.ncbi.nlm.nih.gov)

*“Two Michigan counties, Kent and Leelanau, successfully passed county millage proposals levying property taxes to support community-based early childhood programs.”*

## Examples & Priorities

**County and local governmental financial support to expand capacity, improve affordability and enhance quality of early learning and care can take the form of grants, contracts, public-private partnerships, and millage or bond proposals:**

- A bond proposal is a request to approve borrowing money for large capital projects
- A millage proposal is a request to approve a property tax levy for a specific purpose and duration

Both of these involve assessment of property taxes on owners of homestead and non-homestead properties.

### School-Based Programs

Michigan’s school financing rules allow public school districts to use bond proposals to fund capital projects and other expenditures on physical assets such as transportation and technology.

In the last several years, several school districts within the region have emphasized early childhood programming and the infrastructure to support it in their proposals to the community.

In May 2021 Kalkaska Public Schools (KPS) area voters approved a \$16.85 million school bond proposal that included creation of a new Early Childhood Education Center significantly enhancing the early

childhood education programs in that district. The KPS proposal also included renovations to other existing elementary schools to improve and expand their programs.<sup>2</sup>

Both Traverse City Area Public Schools (TCAPS) and Allendale Public Schools Districts had bond proposals on the August 2024 ballot seeking public funds to enhance early care and learning programs through equipping additions to existing school facilities, as is the case with TCAPS, or expanding their child care center, as Allendale intends to do.<sup>3</sup>

### Other Programs

Two Michigan counties, Kent and Leelanau, successfully passed county millage proposals levying property taxes to support community-based early childhood programs.

**Successful passage of a new millage is complicated. It requires knowledge of:**

- The State statute, code or charter that governmental units operate under
- Associated constraints stemming from regulations
- The impact that the millage may have on taxpayers at all levels

Leelanau County’s first attempt at passing a millage began in April of 2012 with the establishment of the

<sup>2</sup> Traverse City Record Eagle, April 25, 2021

<sup>3</sup> 2024 Capital Bond Millage, TCAPS, [tcaps.net](https://tcaps.net)



Leelanau Early Childhood Development Commission (LECDC), a private non-profit corporation.

The Commission’s initial goal was to pass a county millage that would fund 33 percent of a \$4,013,800 comprehensive program covering tuition scholarship assistance, preschool quality assessment, family parenting support and accountability, research, project administrative and coordination, all related to the early learning and care system. LECDC requested approval from the Leelanau County Board of Commissioners (BOC) to place a referendum on the ballot allowing Leelanau residents to decide whether

*“The Leelanau County early childhood program renewal millage passed in August 2024 with 64% of voters in favor.”*

to publicly fund early childhood development programs for Leelanau families.

Despite considerable support from residents and the business community, this effort failed. The Leelanau County attorneys opined that “the proposed program appears to be essentially a comprehensive pre-school education program. Therefore the County does not have the authority to run such an educational program and thus would not be authorized to levy a tax for that purpose or spend county tax dollars.”<sup>4</sup>

In Michigan, the processes for funding schools and related educational programs are tightly prescribed. The LECDC had asked the BOC to take an action that the Leelanau County attorneys believed fell outside their governmental statute.

Discouraged but not defeated, the LECDC pivoted and began private philanthropic fundraising efforts to support the award-winning Parenting Communities program (described below) as a vehicle to provide early learning and care support programs for Leelanau families.

Kent County became the first county in Michigan to successfully pass a millage to support community-based early childhood programs in 2018. The Kent County millage is funded by a .25 mill property tax rate that generates about \$7.7 million dollars annually supporting community-based early childhood

development and health services for expectant parents and children up to age five. The “Ready by Five” renewal millage proposal passed in the August, 2024 election with 59 percent voting in favor.

The millage will provide funding to support 18 community-based organizations that offer 32 different early childhood programs.

Leelanau County’s second attempt to pass a millage began in January of 2019. At that time the BOC voted to appoint an early childhood study committee.<sup>5</sup> The 42-member Early Childhood County Committee (ECCC) was charged with exploring options on how the county could invest in quality early childhood programs and services, creating a continuum of support to help build a strong foundation for children. The ECCC members included stakeholders from early childhood programs, government, organizations, businesses, and parents and grandparents. The committee divided into three focus work groups around the topics of Health, Strong Families and Positive Early Learning Experiences, each exploring considerations within their focus and conducting SPOT analyses<sup>6</sup> which formed the basis for their recommendations.

The ECCC believed a millage was needed to fund the development, implementation, coordination, and monitoring of programs supporting Leelanau County young children and their families, including support for physical health, vision, dental health, mental and emotional health and related parenting support.

In July of 2019 they recommended to the BOC that an expanded Parenting Communities program be created under the auspices of the Benzie-Leelanau District Health Department (BLDH). The BLDH would be in a position to integrate Parenting Communities services with other health programs offered for families, and this request fell within the purview of the BLDH as a jointly administered department of Leelanau County.

The 0.253 millage request on the August 2019 ballot was approved by Leelanau County voters generating \$700,000 annually to support funding for early childhood programs and services for children ages birth to six. The expanded Parenting Communities program has been incredibly successful, and the renewal millage supporting these services passed in August 2024 with 64 percent of voters in favor.

<sup>4</sup> July 10, 2012 Letter from Cohl, Stoker, and Toskey, P.C. to Leelanau County Administrator re County Millage for a County Early Childhood Development Program.

<sup>5</sup> Special Session Minutes, Leelanau County Board of Commissioner, August 6, 2019

<sup>6</sup> SPOT analysis (Strengths, Problems, Opportunities and Threats) is a strategic planning evaluation tool used by organizations to assess internal positive attributes, challenges and issues and external factors and risks.



*“Public funding plays a crucial role in expanding access to high-quality education programs and in filling critical gaps in the current mixed-delivery child care system.”*

## Conclusion

The importance, benefit and impact of using public financing to expand quality early child care services for families can be summed up from a comment made by Lillian Katz, Professor Emeriti of Early Childhood Education, University of Illinois at Urbana-Champaign:

“Each of us must come to care about everyone else’s children... After all, when one of our children needs life saving surgery, someone else’s child will perform it. If one of our children is threatened or harmed by violence someone else’s child will be responsible for the violent act. The good life for our own children can be secured only if a good life is secured for all other people’s children.”

Public funding plays a crucial role in expanding access to high-quality education programs and in filling critical gaps in the current mixed-delivery child care system.

### Building support for effective local taxpayer-funded proposals depends on the following:

- Clearly identifying the issues and gaining understanding through listening to ideas, differing opinions, insights and potential solutions
- Developing a clear message that emphasizes the pros and cons of taking action
- Using communications tools that cover all the ways in which local residents access information

- Welcoming everyone’s participation at the level each person wants to be involved to create a sense of community ownership
- Keeping all participating groups/individuals informed, motivated and moving forward as a unit

## Potential Near-Term Actions

**To lay the groundwork for local funding to support the early learning and care system, community advocates should engage in activities designed to highlight and engender support. This should include:**

Documenting and publicizing how public funds have improved community services and outcomes

Highlighting success stories of community programs supported by public funding

Engaging in relationship-building with diverse stakeholders from across the social and political spectrum

Attending township Planning and Board meetings, and providing constructive feedback



Engaging local media to increase awareness of funding needs and impacts

Coordinating activities with community leaders and organizations

Conducting letter-writing campaigns or petition drives

Local legislators should rethink policies around grants and other funding mechanisms to be more sensitive to the realities of community organizations

# Policy Changes

**Adopt policy changes that help providers acquire and maintain licenses**

SOLUTION

3

Expanding the number of providers in the region's mixed-delivery child care system requires reducing barriers that discourage new providers from becoming licensed and that cause existing providers to close their licenses. Policy modifications are needed in three areas: 1) application and review processes, 2) provider evaluation processes, 3) home-based and center-based regulations. In addition, policy makers should consider a variety of proactive approaches to increase provider sustainability.

## Background & Context

**Operating a child care of any type is challenging work.**

As detailed in *Root Cause: Broken Business Model*, child care providers are limited in their ability to charge enough to earn a living wage. As described in *Root Cause: Too Many Barriers* this low-compensation work is typically complicated by a regulatory structure that can make it confusing, time-consuming, and burdensome to establish and maintain a child care license. Because of *Root Cause: Workforce Gaps* many providers, especially center-based providers, have difficulty finding the quantity and quality of staff needed to comply with rules and ratios.

**No one set out to make the rules hard.**

The rules and processes are designed so that licensed child care programs adhere to high standards of health and safety for the benefit of children, families and child care educators. But there are some real points of friction that are driving out potential providers, thus creating gaps in the capacity of the mixed-delivery child care system to meet the needs of regional families.

## Issues and Opportunities as Viewed by Providers

Home-based and center-based providers had the opportunity through group discussions and in-depth interviews to describe their experiences, both in general and specifically as it relates to the current regulatory processes and practices. Their input is summarized below.

Providers generally appreciate the home-based and center-based regulations governing operation of child care programs. They feel the majority of rules protect children, protect providers and reduce the likelihood that people who shouldn't be given charge of children may gain access to the profession.

**Both home-based and center-based providers expressed a desire for more:**

- Review and revision of certain rules and processes considered unnecessarily burdensome
- In general, either eliminating “unfunded mandates” that drive direct and indirect costs for rule compliance or providing accompanying funding for rule implementation

PRIMARY ROOT CAUSE  
ADDRESSED:

**Too Many  
Barriers**



- Fast track options and other preferential licensure processes for established/experienced providers relative to first time applicants
- Constructive assistance when staying in compliance with licensure rules and reviews, especially when potential issues are identified
- Reconsideration of the age ranges and educator to child ratios for infant and toddler care, since these rules currently dis-incentivize providing care to children younger than 30 months, the age group of highest regional need

#### Home-based providers—both Family Child Care Home and Group Child Care Home providers—expressed the following general frustrations:

- Difficulty qualifying for state and federal financial stimulus programs associated with pandemic relief

- Belief that the Child Development and Care (CDC) scholarship program, which is designed to subsidize child care slots for lower income working families that meet certain criteria, is not sufficient to compensate providers for the true cost of care (see *Solution 1: State Investment for more information*)

#### Center-based providers expressed the following challenges, which are directly or indirectly related to current policy:

- The facility rule requirements overall are expensive to meet
- The required frequency of inspections for utilities (e.g. furnace, water heater), and environmental health and safety issues (e.g. sanitation, water, sewage, radon and food safety) results in costly fees<sup>1</sup>
- Because finding the quantity and required quality of staff is challenging and costly, especially to meet Great Start Readiness Program (GSRP) Lead Teacher requirements (a bachelor's degree with dedicated focus in early childhood education or child development), providers must pass on costs to parents, solicit donations for tuition subsidy and/or operate financially in the red
  - *Note: Recruitment of credentialed staff to meet Lead Teacher and GSRP standards for the highest quality rated centers is made even more challenging due to the inability to pay wages commensurate with elementary school teachers.*

<sup>1</sup> Licensing Rules for Child Care Centers, December 18, 2019 <https://www.michigan.gov/mileap/early-childhood-education/cclb/rules>

## Examples & Priorities

The following recommendations to lower barriers throughout the process of becoming and remaining licensed in Michigan emerge directly from discussions with providers. In some cases, recommendations relate to the Child Care Licensing Bureau (CCLB), the state bureau that provides key oversight functions for licensed child care settings—issuance of state licenses, routine inspections, complaint investigations, and enforcement of state and federal requirements.<sup>2</sup>

### Modifying the Application Process

Providers report that the application process is too long and overwhelming. The most often heard complaint for applicants is the length of time involved in completing the multi-step application process, which can often extend to 5 or 6 months or more, even when all application materials are submitted correctly and on time.

The recently introduced Child Care Hub Information Records Portal (CCHIRP) system, coupled with Our Strong Start (OSS)<sup>3</sup> navigators, helps make the application process less overwhelming. However,

<sup>2</sup> <https://www.michigan.gov/mileap/early-childhood-education/cclb/about-cclb>

<sup>3</sup> The OSS aims to open new and expand existing child care programs and offer trained navigators as support

*“The relationship between Child Care Licensing Bureau (CCLB) field staff and child care providers can be challenging. CCLB staff have an enforcement role they must perform. Providers wish they could have more consultative support in meeting rule requirements.”*

providers believe these supports have not substantially reduced the time required for license approval.

Until recently, a CCLB-approved local fire marshal could conduct an on-site visit and provide the applicant with a report detailing any necessary changes for inspection approval. More recent policy requires centers to submit architectural drawings (building plans) and other documents to the Bureau of Fire Services (BFS) for a review that can take up to 12 weeks after submission of the plans.<sup>4</sup>

The length of time and fees associated with obtaining a license can be financially challenging for an unemployed and aspiring provider hoping to start a business or for an established provider without surplus funds in their budget.

### **Suggestions to streamline the application process:**

- Frequently review processes to identify opportunities to reduce fees and to trim time for application, review, inspection review, and reports
- Add additional field staff, including Our Strong Start navigators, to promote more timely response during the application process
- Add a fast-track option for applicants with child care experience and credentials to differentiate from novices who need more support or time

- Provide an alternative to the required 6-hour orientation for applicants who have held a child care license in Michigan
- Allow documentation of training in required areas to substitute for MiRegistry<sup>5</sup> training modules

### **Modifying the Child Care Licensing Review Process**

The relationship between Child Care Licensing Bureau field staff and child care providers can be challenging. Providers recognize that CCLB staff have an enforcement role they must perform by documenting violations of licensing rules, requiring Corrective Action Plans and initiating penalties. However, providers wish they could have more consultative support in meeting rule requirements.

The Great Start to Quality Resource Centers are charged with providing direct support for continuous quality improvement to providers. By working more closely with these resource centers, Child Care Licensing Bureau field staff can focus on their oversight and enforcement role while providing avenues for licensed providers to continue to operate and offer the care that is so often desperately needed by regional families.



### **Suggestions to strengthen and improve the provider inspection and investigation process:**

- When minor technical infractions occur (e.g. submitting paperwork with signatures placed in the wrong area or N/A written instead of “none”), give providers an opportunity to correct before “writing up” an infraction
- When more significant violations are identified or Corrective Action Plans are requested, send a non-binding referral to Resource Center Staff so that they may provide support to the provider in developing approaches to return to full compliance with licensing rules
- Consider attaching positive quality steps and outcomes to public documentation, along with infractions and negative results, e.g. quality ratings, successful completion of GSQ training, operating practices that exceed expectations and the like

<sup>4</sup> Technical Assistance and Consultation Manual Child Care Centers, R400.8510, Updated May 2024

<sup>5</sup> Michigan's professional development registry for the early childhood and school-age workforce



*“Ultimately there are two broad approaches to addressing the barriers to establishing and maintaining a child care license in Michigan: 1) eliminate the barriers, 2) create incentives that make the remaining barriers worth navigating.”*

## **Suggestions to Strengthen and Improve Licensing Rules**

As mentioned, providers generally appreciate the licensing rules and feel they help children, families and providers.

However, providers note that some rules are expensive to implement and others feel “over the top” for what is reasonable to maintain safety and quality.

### **Providers request that the following changes be at least considered:**

- Eliminate the requirement that fingerprints be renewed every five years
- Adjust current child care ratios for home-based providers to allow two children aged birth to 12 months, instead of birth to 18 months, leaving four available slots for children aged 13 months to 24 months; this would allow providers to serve more infants and toddlers, the age range where the regional need for care is most acute
- Eliminate cleaning requirements for items that aren't dirty or haven't been used
- Reduce costly facility renovations (e.g. requirements to install significant fire suppression and retardant infrastructure) by examining statutes on health, safety and environment providing flexibility in complying with requirements through less costly alterations that still ensure the health, safety and welfare of children

- Consider alternative credential and training requirements for center-based Lead Teacher and GSRP positions and/or create new credentialing supports (see *Solution 8: Credential Pathways*) so that center-based providers may more easily fill these positions from the pool of qualified candidates
- Modify rules that inhibit flexibility in providing care —e.g., sleeping infants must remain in a crib rather than an infant stroller, which limits outside time for older children in mixed-age programs
- Reduce paperwork needed for all children in home-based care settings by changing the frequency of completing required “field trip” forms from daily to quarterly if the field trip is on the provider's property where the residence is located. Note: The current rule requires providers who include nature walks outside the approved fenced-in area, but still on the provider's property, to complete a field trip form for every child included each time children are outside the approved fenced area
- Create a central hub where all paperwork requirements that relate to a provider's business operation are located; providers interviews describe multiple different websites where different required paperwork needs to be submitted and maintained
- Eliminate the requirement that a child visiting the provider's children after school must be counted in the provider's ratio and must have appropriate

paperwork for the visiting child. A provider's own children do not have to be included in provider-child ratios after the child turns six years of age. However, if a child comes to play with the provider's child after school, the visiting child must be counted as part of the provider's ratio unless the visiting child's parent also is on the premises. This applies until the visiting child reaches age 18

- Alert providers via email when there is a change in rules, on reporting forms and equipment recalls at the time the change occurs so the program policy manuals can be kept up to date. The monthly newsletter contains some but not all changes/updates/recalls. Resume the policy of sending out new forms to replace current ones when the form has been updated

## **Suggestions to Increase Provider Sustainability**

Ultimately there are two broad approaches to addressing the barriers to establishing and maintaining a child care license in Michigan. The first is to eliminate the barriers and the second is to create incentives so the barriers are “worth” navigating.

### **The following approaches fall in the second category and emerge directly from provider input:**

- Develop solutions designed to enhance wages and benefits available to child care educators (see *Solution 1: Public Funding*)



Consider new benefits such as “free child care” for educators working in the child care field - benefits that are fully funded and do not place an additional burden on providers through unfunded mandates

- Subsidize housing for educators, including child care educators
- Working with community colleges and other educational and workforce development agencies, increase access to credentialing and degree programs for child care educators (see Solution 8: Credential Pathways)

*“Overcoming barriers to the provision of child care is important to ensure families in rural areas have access to quality licensed family child care options.”*

- Subsidize shared services for child care business owners such as enrollment, billing, bookkeeping and insurance

### Summary

Overcoming barriers to the provision of child care is important to ensure families in rural areas have access to quality licensed family child care options. The Child Care Licensing Bureau currently is in the process of reviewing and updating regulations for center and family/group home licensing and operation. Many of these suggestions are already being considered by the Bureau in their review process and will likely result in positive changes.

## Potential Near-Term Actions

**Policy makers** should continue streamlining and simplifying licensing requirements, reducing regulatory burdens, reducing costs, speeding application and review time and expanding the availability of guidance.

**Policy makers** should provide funding support for new and longstanding mandated requirements to reduce the financial burden of implementation.

**Policy makers** should provide new financial incentives to help alleviate economic pressures and encourage more providers to enter the market.

**Legislators** should provide funding for additional child care licensing staff to significantly reduce the time required for obtaining a license.

**Child care advocates** should meet with policy makers stressing the importance of a living wage for child care providers in addition to other benefits in order to expand and retain child care services for Michigan families.

**Child care providers** should continue to request changes to rules and policies that negatively impact their ability to provide quality child care, while taking advantage of available resources (e.g. Resource Center staff) to meet existing requirements.

# Local Planning & Zoning

Update local master planning and zoning to support child care

SOLUTION

4

In many communities within the region, local zoning ordinances create barriers for child care providers trying to establish or expand facilities. These barriers are often unintended but include requirements, fees and lengthy application processes that can stifle planned child care expansion. Local leaders seeking to create more child care options should 1) update master plans to call out child care as a vital sector; and 2) amend zoning ordinances and policies to eliminate barriers.

## Background & Context

**According to Family Survey results conducted as part of the Regional Child Care Plan, 43 percent of parents and other caregivers have had to leave a job because of access to child care. When families are consistently unable to access child care, they may need to leave northwest Michigan communities for other places that have available care.<sup>1</sup>**

Local officials who wish to encourage young families to live in their communities should therefore both prioritize child care in master plans and reduce unnecessary barriers created by local zoning ordinances and associated administrative rules.

Definitions: A master plan sets the policy for land use and community development in a municipality. A zoning ordinance is the regulating tool for implementing land use policies, enabled under the Michigan Zoning Enabling Act (PA 110). Within northwest

lower Michigan, zoning ordinances are typically developed at the township level and occasionally at the county level.

Licensed home-based and center-based child care providers must comply with local zoning ordinances in order to operate.

In many communities within the region, local zoning ordinances create barriers for child care providers trying to establish or expand facilities.

### There are three fundamental issues:

**1. Local Zoning Ordinances may be redundant or inconsistent with state licensing rules.** Child care is a heavily regulated field. The Michigan Licensing Rules and Statutes<sup>2</sup> contain a wide array of rules designed to keep licensed child care properties safe and appropriate places for children to learn and play. Even home-based providers need to adhere to roughly 30 pages of single-spaced rules and regulations (as opposed to 130 pages for the Great Start Readiness Program and Head Start). Many local zoning ordinances contain fencing requirements, play space requirements, setback requirements,

PRIMARY ROOT CAUSE

ADDRESSED:

**Too Many Barriers**

<sup>1</sup> Family interviews

<sup>2</sup> <https://www.michigan.gov/mileap/early-childhood-education/ccib/rules>

*“Eliminating redundancy, reducing costs and decreasing time delays are needed in order to increase child care capacity for parents.”*

site environmental requirements, signage requirements and other rules that layer onto state licensure rules that often cover such issues. Other local zoning ordinances specify limits of 6 children for Family Child Care Homes and 12 children for Group Child Care Homes, even though state licensure rules now allow 7 and 14 children respectively for experienced providers (see below).

**2. Application fees and requirements may dissuade applicants from beginning or completing the application process for zoning approval.** Because of the rules and requirements governing child care, these small businesses generally operate with very thin profit margins. Local administrative rules associated with zoning ordinances often require Group Child Care Homes and center-based programs to submit a Special Land Use Permit application or other application, accompanied by an application fee and potentially additional documentation. Fees and requirements that require cash outlays (e.g. needing to pay for a professionally rendered site plan) can exceed \$1,000. While this may not be a barrier for some businesses, it is a significant barrier for child care providers. For new providers who are not yet operating and are awaiting final licensure approval, it becomes a speculative and risky bet against potential future revenues. In interviews, several regional child care providers have indicated these fees and requirements prevented them from expanding their licenses.<sup>3</sup>

**3. Time delays associated with application review and approval may be costly.** Special Land Use Permit applications and other local zoning applications can take many months to process. These time delays stack on top of the time required for child care licensure application and review. Some providers report five months for local zoning application and five more months for licensure review.<sup>4</sup> This time delay before a provider can accept new families is too much for some providers and may cause them to withdraw interest. If providers do submit applications, the uncertainty associated with the review process can make it difficult for them and the families in their care to plan for the future.

## Examples & Priorities

**Some communities in rural northern Michigan and elsewhere have taken very simple and straightforward actions with master plans and zoning ordinances to better support formation and operation of licensed child care within their jurisdictions. These steps generally assume that state licensing rules should take precedence over local ordinances and that removing barriers for child care providers should be a priority.**

## General Principles

Local officials should always specify that both master plans and local zoning ordinances apply only to child care licensed through the Child Care Licensing Bureau. It is generally illegal in Michigan to provide child care services without being licensed by this bureau or having license-exempt status.<sup>5</sup>

Governor Whitmer signed into law a package of changes to Michigan’s child care system in June 2022 that included allowing experienced home-based providers to serve more children. Experienced providers in Family Child Care Homes can now serve up to 7 children, increased from the previous maximum of 6. Experienced providers in Group Child Care Homes can now serve up to 14 children, increased from the previous maximum of 12. In case of further changes, local ordinances should specify the terms “Family Child Care Home” and “Group Child Care Home” and the “maximum number of children allowed under current licensing rules,” rather than specifying a raw number that may not reflect current policy.

Referencing current licensing rules will help avoid future incompatibility with any additional changes implemented over the coming years.

To support the formation, expansion and continuation of licensed child care facilities in communities, local government officials should consider the following additional moves:

<sup>3</sup> Child care provider interviews

<sup>4</sup> Child care provider interviews

<sup>5</sup> Call CCLB at 1-517-284-9730 or visit <https://www.michigan.gov/mileap/early-childhood-education/cclb> for more information about licensed child care.



*“Identifying and eliminating common Master Plan barriers and amending restrictive zoning ordinances allow more providers to start and expand child care facilities.”*

## Update Master Plan and Other Planning Language

Local leaders should include language in master plans, strategic plans and other community documents that 1) specifies child care as an essential service with a critical role in quality of life, neighborhoods, and economic development; and 2) includes one or more strategies to support child care.

The City of Negaunee 2023 Master Plan includes this Objective: “Identify common barriers to community-oriented business opportunities, such as in-home child care operations, and work to amend or limit those barriers.”

## Update Local Zoning Ordinances

Local elected officials and staff should consider amending restrictive zoning ordinances to allow principal permitted use for Group Child Care Homes in as many zones as possible, including but not limited to: residential areas, mixed use areas, agricultural areas and commercial areas throughout their jurisdiction. Officials should also consider amending zoning ordinances to allow principal permitted use (preferred) or special land use for Child Care Centers in as many zones as possible, including all of the same areas as home-based providers (see above) as well as industrial areas such as industrial parks. These changes will allow more providers to start and expand child care facilities without paying fees or going through the time associated with a special land use permit application.



According to the Michigan Zoning Enabling Act, Family Child Care Homes are considered a residential use of property for zoning purposes and are permitted in all residential zones.<sup>6</sup>

In 2024 the Planning Commission of East Bay Charter Township in Grand Traverse County updated its ordinance in just this way. The Planning Commission amended zoning districts and the approval process in its Land Use Table to convert many zones from special land use to administrative review and other

zones to allow child care with a special land use application. The goal of these changes was to respond to an action item in the 2023 East Bay Township Master Plan to “Support zoning and other policies that facilitate childcare facilities in the Township.”

In addition to these changes, local officials should amend or remove additional rules in zoning ordinances such as fencing requirements, fire safety rules, site-specific environmental rules, distances from other classes of business (including other child care facilities), requirements for outdoor play spaces, setbacks for play equipment or other restrictions.

<sup>6</sup> Chapter 125—MICHIGAN ZONING ENABLING ACT, Section 125.3206—Residential use of property; adult foster care facilities; family or group child care homes.

*“Updating Master Plans and Zoning ordinances will not, on their own, create more child care capacity in a community. However, these actions signal to potential child care operators that the community is serious about supporting child care.”*

It’s likely that such rules may be redundant or in conflict with the licensing rules governing licensed child care providers in Michigan.

Where applicable local officials should consider making exceptions for child care applicants in annual fee schedules to waive application fees, fence permit fees or other requirements likely to incur cost. One example may be to remove requirements for engineered site plans for child care applicants, instead allowing for administrative review of simple site plans at the zoning administrator’s discretion.

Finally, local zoning administrators may consider prioritizing or expediting any administrative review of applications from child care facilities to reduce time delays.

## Conclusion

Taking these actions will not, on their own, create more child care capacity in a community. However, they will signal to potential child care operators that the community is serious about supporting child care. They will also ensure that other efforts to establish, expand and maintain child care services are able to move forward with as few barriers as possible.

## Potential Near-Term Actions

**Advocates** should share information with local planning commission members about the child care crisis and how their actions can help.

**Local officials** should also make a note now to include language prioritizing child care as critical infrastructure the next time they update their community master plans.

**Local planning commission members** wishing to remove barriers should amend local zoning ordinances to eliminate child care requirements (fencing, signage, separation requirements), especially when redundant with licensing. They should also reduce or eliminate application fees and special land use requirements for child care.



# Provider Incubation

Expand community incubation of new providers to add capacity

SOLUTION

5

New child care providers can be strengthened through community support—business planning, licensure support, child care support, investment, professional services, etc. Communities wishing to establish and retain new providers should establish ‘incubator’ organizations or ‘partnerships’ to recruit prospective providers and coordinate community support.

## Background & Context

**Starting, maintaining or expanding a licensed child care facility is hard.**

Child care providers need to make a slew of decisions requiring different kinds of expertise. These typically include creating a workable business plan, applying for or modifying a license to provide care, finding and renovating physical space, hiring and managing staff, setting up scheduling and billing systems, preparing curriculum and the learning environment and more.

To provide this expertise and support new and existing providers, some communities have found solid success from creating “child care incubators.”

**These incubators provide an array of support services often including one or more of the following:**

- **Business planning support**—incubators may provide business plan writing, contract negotiation, financial planning and other business skills
- **Shared services**—incubators may negotiate with lawyers, bookkeepers, accountants, insurance providers and other professional services providers on behalf of multiple child care providers

- **Licensing support**—incubators may support providers through the application, help them sequence and complete necessary documentation and address licensing questions
- **Safety and quality**—incubators may provide classes and learning opportunities re: First Aid, CPR, nutrition and other topics required for licensure or intended to enhance quality and safety
- **Operation**—incubators may support providers ordering equipment and supplies, choosing curriculum and learning materials and planning for interactions with families and children

Child care incubators can play a vital role in expanding access to quality child care, supporting child care workers, and contributing to the overall health and economic security of families and communities.

Child care incubators can be tailored to meet particular needs or gaps, such as providing care during non-traditional hours, meeting the needs of marginalized communities or focusing on infant and toddler care.

PRIMARY ROOT CAUSE  
ADDRESSED:

**Too Many  
Barriers**

*“Key program priorities were to promote diversity in providers and families served, ensure quality, expand capacity and enhance program financial sustainability in child care deserts.”*

## Examples & Priorities

The following examples detail sample programs of child care incubators that have been successful in rural northern Michigan.

### Leelanau Infant Toddler Child Care Startup

Northwest lower Michigan has a recently launched a successful child care incubator known as the Infant Toddler Child Care Startup (ITCS).<sup>1</sup> This was a project led by three partners—the Leelanau Early Childhood Development Commission, Leelanau Children’s Center and Leelanau Peninsula Economic Foundation—with funding provided by the Early Childhood Investment Corporation’s Child Care Innovation Fund.

The project focused on recruiting home-based child care businesses in child care deserts. To participate, these businesses would agree to prioritize care for children from birth to three years old, the area of greatest need.

Key priorities of ITCS were to promote diversity in providers and families served, ensure quality, expand capacity and enhance program financial sustainability. Financial stability was strengthened by 1) ensuring a living wage for providers by covering all startup costs, and 2) establishing a subsidy program to fill the gap between what providers need to charge and what families can afford to pay.

### Important steps completed by the ITCS project team:

1. Forged local partnerships with: a partner willing to provide business planning support, an entity to serve as the fiduciary for donated funds, an existing quality child care program to provide child care planning support, and the Great Start to Quality Northwest Resource Center to provide licensing support
2. Communicated with existing child care providers and identified child care deserts requiring additional capacity
3. Created project infrastructure: project plan and roles, enrollee documentation database, interview and vetting process, etc.
4. Developed and launched a recruitment and communications campaign involving printed flyers, press releases, social media advertising and affiliate communications to local businesses and community organizations. Communications were generally in both Spanish and English.
5. Created wraparound support systems for enrollees, some individually and some as a group/cohort:
  - A. Recruited “coaches” to assist enrollees in three areas—business, licensing and child care best practices
  - B. Created a “Business Plan Bootcamp”
  - C. Created quality training experiences

Note: all education programs and support services provided to new providers were also provided to existing providers interested in expanding their businesses in Leelanau County.

5. Established a new “micro-center” category of child care, allowed in Michigan through a variance from existing rules. Micro-centers have the same number of children in care as home-based programs but operate in facilities other than private residences. They are more thorough explained in *Solution 7: Micro-Centers*.

**Outcomes:** Two years from inception, ITCS has launched two in-home programs and one new micro-center. ITCS expects to launch two more child care facilities in 2024 and one more in 2025. Combined, this would mean a total of 72 new child care slots, including at least 24 new infant and toddler slots.

### Childcare SPARK

Childcare SPARK is a child care incubator based in Marquette, Michigan designed to support would-be child care business owners in launching new child care businesses throughout Marquette County. The program is described as following a “business accelerator model” and was designed and launched by the Marquette County Childcare Business Lab. Childcare SPARK was initially funded by the Community Foundation of Marquette County, the Statewide Equity Fund, and an American Rescue Plan Act (ARPA) allocation from the Marquette County Commission.<sup>2</sup>

<sup>1</sup> <https://www.leelanauearlychildhood.org/about-infant-toddler-child-care-startup>

<sup>2</sup> <https://marquette.org/childcare-spark/>



*“Child care incubators hold great promise in supporting new providers who may lack expertise about state requirements and operating a child care business. However, given the broken business model of child care, incubators cannot be supported by fee-for-service models paid for by providers.”*

Childcare SPARK focuses on helping interested entrepreneurs understand, launch, operate, and grow home-based child care businesses.

Each participant of the program is paired with a mentor who is experienced in running a home-based child care business. The 12-week program covers topics like early childhood development, business development, financing, licensing and regulations. Participants also receive a stipend to compensate them for their time learning about and establishing a business.<sup>3</sup>

The program links existing resources at Marquette-Alger Regional Educational Service Agency and Great Start to Quality with the Lake Superior Community Partnership to provide both business education and specialized childcare service support to help Marquette County meet the current and future demand for affordable quality child care.<sup>4</sup>

Similar to ITCS, Childcare SPARK leverages existing knowledge and expertise in the community to create a set of wraparound services and supports to incubate and launch new child care businesses.

## Need for Outside Investment

Child care incubators hold great promise in supporting new providers who may be passionate about working with children but who may lack expertise

<sup>3</sup> <https://www.michiganfoundations.org/news/supporting-innovative-child-care-programs-marquette>

<sup>4</sup> <https://www.secondwavemedia.com/upword/features/marquette-childcare.aspx>



across the range of requirements needed to establish and operate a child care business. However, given the broken business model of child care,<sup>5</sup> incubators cannot be supported by fee-for-service models paid for by providers. They need outside investment from local governments, economic development organizations, charitable foundations or other funders.

## Potential Near-Term Actions

**Child care advocates** interested in launching child care incubators should identify partners who are willing to provide

**business planning support, child care planning support and licensing support.** They should then collaboratively build out a project plan and case for support that can be used to secure public and philanthropic investment.

**Local officials** who see child care as critical infrastructure needed for community and economic development should consider investing in child care incubators.

**Local funders** who wish to strengthen the early learning and care system should consider investing in child care incubators.

<sup>5</sup> See Root Cause: Broken Business Model

# Community Facility Investments

Coordinators of community investments for facilities are needed

SOLUTION

6

There are a variety of sources of funding—grants, low or zero interest loans, employer and community investments, etc.—available for child care capacity expansion and continued operation. Child care business owners and leaders often lack the expertise and time needed to access and combine these investments. Regional agencies or Community Development Financial Institutions should consider coordinating these community investments for facilities.

## Background & Context

**To resolve the region’s unmet need for care, the child care system will need to develop additional capacity—more high-quality slots that meet the needs of parents and other caregivers. This means that providers will need to expand capacity at current locations or else bring new child care facilities into the system.**

Facilities typically require investment in order to be safe and suitable for child care. Play spaces, fencing, classrooms, methods of ingress/egress, fire safety elements, fixtures, finishes and all other aspects of the physical environment need to be consistent with child care licensing rules and standards.

*Appendix 4: Licensable Property Analysis* details that the sites across the region that are most suitable for child care and “licensable” are likely to be 1) currently licensed child care facilities, 2) formerly licensed facilities, and 3) other spaces that have been approved for educational activities. But some additional new-to-the-world capacity will likely be needed.

The region has seen many successful partnerships over the past several years to create new child care centers. Employers, real estate developers, communities of faith, schools and others have worked, often in partnership with existing child care providers, to renovate and open facilities.

But there have been a number of other efforts that have fallen by the wayside despite an initial willingness to work together to create new licensed facilities. Child care business owners do not always have the expertise needed to navigate available funding opportunities to support capacity expansion. Community partners such as employers also lack this expertise, as well as the time needed to fully get up to speed.

In interviews with employers and providers involved with unsuccessful attempts to create new capacity, participants indicate that **a key skill set missing from the early stages of potential projects is capital planning and coordination.**

PRIMARY ROOT CAUSE  
ADDRESSED:

**Too Many  
Barriers**

*“One or more experienced organizations or groups willing to fulfill this capital planning and coordination role within the region will improve the potential of new and aspiring providers to be able to add capacity where needed.”*



#### Aspects of this role include:

- Knowledge of existing grants and low interest loan programs that can support child care facilities expansion
- Business planning and financial planning expertise, including strong facility with business plans, project budgets and pro forma financial statements
- Experience with “stacking” different types of investments—direct investments from partners, federal and state grants, economic development

investments, rural development grants, philanthropic donations from foundations and individuals, public and private sector loans, etc.

- Demonstrated track record of successful projects

One or more experienced organizations or groups willing to fulfill this capital planning and coordination role within the region will improve the potential of new and aspiring providers to be able to add capacity where needed.

## Examples & Priorities

One type of organization that can play the capital planning and coordination role for child care facilities projects is a **Community Development Financial Institution (CDFI)**—a “mission-driven financial institution that aims to promote community development by providing affordable financial products and services to underserved communities and individuals.”<sup>1</sup>

By design, these organizations provide development and business support services along with financing. CDFIs can directly access awards and programs offered by the U.S. Department of Treasury’s CDFI Fund and are also able to access and coordinate additional funding resources as needed.

Several CDFIs can operate in northwest lower Michigan. **Venture North**<sup>2</sup> is geographically focused on the 10 counties of the Regional Child Care Plan region. The organization directly provides 1) low interest loans, 2) mini grants for growth, and 3) professional business consulting including business planning and coaching, cash flow projections and proforma balance sheet development, grant writing support and access to funding from state and federal partners.

<sup>1</sup> United States Department of the Treasury <https://www.cdfifund.gov/programs-training/certification/cdfi>

<sup>2</sup> <https://www.venturenorthfunding.org>



Venture North has helped both home-based and center-based providers secure and manage facilities funding.

Other CDFIs that can serve the region include: **Lendistry**, a minority-led small business lender based in California); **Michigan Women Forward**, located in Detroit, works to expand economic opportunity, empower the next generation and celebrate and honor the accomplishments of Michigan women; and **Northern Initiatives**, a Marquette-based CDFI that provides loans to small business owners and aspiring entrepreneurs across Michigan who might not qualify for a small business loan from traditional banks for various reasons.<sup>3</sup>

Beyond CDFIs, there are many other organizations that could provide capital planning and coordination services in support of child care facility investments. **Economic Development Organizations (EDOs)**, **chambers of commerce**, **nonprofit agencies** and **community foundations** have all played this role for capital projects with significant community value.

**Regardless, key success criteria appear to be:**

- An authentic understanding of and commitment to the value of a strong child care system
- Strength in assessing the feasibility of capital projects and the readiness of partners to complete the work and achieve business goals
- Well-developed relationships with federal and statewide funders, economic development

leaders, rural development offices and local philanthropic funders

- Facility establishing appropriate roles for property owners, child care providers, building and construction management contractors, and public and private sector investors
- Ideally, a willingness to support both home-based and center-based programs to continue to support the entire mixed-delivery child care system

By providing solid expertise and support in the early stages of potential capital projects and by helping to coordinate the needed capital to make a facilities project possible, these capital planning and coordination partners will help achieve more viable projects to expand and improve child care capacity in the region.

## Potential Near-Term Actions

**Regional advocates** with an interest in child care expansion should create “readiness checklists” (see *Appendix 4: Licensable Property Analysis*) for providers, employers and others who are interested in child care capacity expansion so that parties can have realistic expectations of the resources needed.



**Regional funders, Economic Development Organizations, Community Development Financial Institutions and others** with an interest in investing in child care expansion should coordinate roles so that there is at least one organization capable of capital planning and coordination support for both home-based and center-based child care in every part of the region needing more capacity. Once an approach is established, these entities should coordinate the availability of this solution widely to providers and regional advocates working to support child care solutions.

<sup>3</sup> Michigan Economic Development Corporation <https://www.michiganbusiness.org/services/cdfi-resource-locator/>



# Micro-Centers

Evolve, formalize and expand use of Micro-Centers

SOLUTION

7

Micro-centers are the size of home-based programs but can operate outside the home in facilities such as schools and churches, creating flexibility, operating efficiency and new partnership opportunities. Micro-centers are currently allowed in Michigan through variances issued by MiLEAP. Communities seeking to expand child care capacity should consider creating micro-centers. Policy makers working to expand capacity should evolve the micro-center rules as a new category of child care.

## Background & Context

**While many parents and caregivers may favor a bigger, center-based program for their children, other parents prefer home-based programs which have fewer children. This is why home-based programs are an essential option within the mixed-delivery child care system.**

This is even more true among families with infants and toddlers. According to Family Survey results,<sup>1</sup> 58 percent of families with infants and toddlers (0-2) would ideally prefer child care homes for their children, equivalent to those who would most prefer center-based care.

The existing home-based child care model doesn't always work for aspiring child care providers, even those who would otherwise like to operate smaller child care facilities. Under current Michigan rules, a licensed Family Child Care Home or Group Child Care Home *must* be operated at the provider's personal residence. However,

many people are not able to provide child care in their private residences, often due to factors beyond their immediate control such as home size or property use restrictions. Other family members or residents at the residence may also object to hosting child care within the home. The solution would be to match the person who wishes to operate a smaller scale child care with a location outside of their home that is suitable for child care.

"Micro-centers" operate in facilities other than private residences such as schools, hospitals, office buildings, churches, community centers, or shopping malls. Because they serve the same number of children as home-based programs, they can be easier for new providers to start and operate, relative to creating a new center-based facility.

Currently seven states allow smaller "family child care" providers to operate in non-residential settings and eight states allow "group home" or large family child care providers to operate in settings outside the home. While these program models may differ, what they have in common is:

PRIMARY ROOT CAUSE  
ADDRESSED:

**Too Many  
Barriers**

<sup>1</sup> See Appendix 3: Family Survey Results

*“The Leelanau County based Infant and Toddler Child Care Start Up project is currently pioneering the concept of ‘micro-centers’ as a stand-alone business model in Michigan.”*

1. The ability to care for small groups of children, ranging in size between 8-20
2. Adherence to ratio requirements for personnel and operating rules generally aligned with home-based child care rules rather than center-based child care rules

The primary benefit of allowing micro-centers as a model for child care is that it expands flexibility—an additional option to create child care capacity to meet the needs of regional families.

## Examples & Priorities

**Among the several states that have implemented models by which small group care can be offered outside the traditional residential home setting, there are two principal approaches:**

1. Hub arrangements where some or all business services are performed by the hub while individual providers focus strictly on providing care within their own setting
2. Stand-alone arrangements where single child care businesses operate away from the license holder’s home

The Chambliss Center for Children in Chattanooga, Tennessee serves as a hub that supports 13 single-classroom child care facilities that operate within area public schools. These facilities primarily serve

the children of teachers. The hub handles administration and key business services while each remote location operates differently based on the site-specific needs of school communities.<sup>2</sup>

Minneapolis uses a “pod model” for hosting and co-locating micro-centers, clustering several small group providers offering individual programs in one facility.<sup>3</sup> Sharing a facility brings down costs and creates efficiencies while allowing child care business owners to maintain program control. In this pod model, each provider operates their micro-center program in their own primary language, thereby providing families with multi-cultural options for care.

### The ITCS Model:

The Leelanau County based Infant and Toddler Child Care Start Up project (ITCS), discussed in Solution 5: Provider Incubation, is currently pioneering the concept of micro-centers as a stand-alone business model in Michigan.

ITCS turned to this idea in 2022 when they were unable to recruit Leelanau County residents to offer in-home child care but found several who were willing to operate small-scale child care operations outside their homes.

The Michigan Child Care Licensing Bureau approved the creation of a pilot program to allow “home-scaled” (i.e. six or twelve children corresponding to family and group home licensed capacity) child care

programs to operate outside the home. The initial micro-centers were licensed under center-based rules using variances to modify specific rules regarding credentials, ratios and requirements to allow these small capacity micro-centers to operate efficiently with one or two full-time equivalent (FTE) staff members.

In the ITCS micro-center pilot, each child care business owner established a partnership with a facility owner who provided free rent and covered the operational cost of the facility itself. This partnership effectively created parity with typical home-based programs where residents already own or rent the facility and do not have incremental rent and operational costs for operating a child care.

### Key components and benefits reported from the ITCS pilot are:

#### Basic Components:

- Allowed providers to obtain a “home-scaled” license for up to 12 children while operating outside of their home
- Required the license-holder to meet the standards of a home-based provider, either Family Child Care Home or Group Child Care Home
- Required the facility to meet the standards of a center-based provider, including rules for safety and environmental quality

<sup>2</sup> “Micro-Center Network” Opportunities Exchange, September, 2019

<sup>3</sup> “Micro-Center Network” Opportunities Exchange, September, 2019

*“Families appreciate the more intimate scale offered by these small-capacity child care operations, and providers have appreciated the opportunity to operate outside their homes in partnerships with established facility owners.”*



#### Supplemental Program Components (helped create a more sustainable and equitable business model):

- Operated rent-free out of community owned spaces such as schools, churches and local government buildings
- Were supported by nonprofits, other child care providers and members of the business community. *See Solution 5: Provider Incubation.*
- Used scholarships/tuition subsidies to ensure uni-

versal access regardless of family composition and household income

#### Benefits:

- Creates flexibility for prospective providers
- Allows for innovative public/private partnerships with schools and other facilities where child care can be provided
- Provides quality child care programs while honoring each child care business owner's unique situation and each facility's unique features

- When co-located or donated spaces are made available at no cost or below market rates, supports the sustainability of small-scale providers

While the pilot program is still relatively new and although there have been some challenges in adapting this hybrid approach to fit current licensing rules, early results appear positive. Families appreciate the more intimate scale offered by these small-capacity child care operations, and providers have appreciated the opportunity to operate outside their homes in partnerships with established facility owners.

#### Next Steps for Micro-Centers

The ITCS pilot experience identified long-term challenges that will need to be addressed within the administrative rules governing center-based care. Specific and general issues are detailed below; all proposed changes would apply to small capacity centers with no more than 12 children in care.<sup>4</sup>

- Under current center-based child care rules governing ratios and group size requirements, at least two adults (one of whom is a child care staff member) must be present at all times when three or more children between the ages of birth and 3 years are present
  - This poses a problem for early-stage providers who may start out with just a few children in care and cannot afford to hire a second staff member

<sup>4</sup> Michigan's child care system currently allows experienced home-based providers to serve more children. Experienced providers in Family Child Care Homes can now serve up to 7 children, up from the previous maximum of 6. Experienced providers in Group Child Care Homes can now serve up to 14 children, up from the previous maximum of 12. These allow not-yet-been-applied-to micro-centers.

*“Micro-centers are showing early signs of creating flexibility, operating efficiency and new partnership opportunities that benefit families, providers and communities.”*

- This challenge can be removed by applying home-based child care ratio requirements to micro centers, i.e. one provider up to six children
- Current center-based child care rules require that each center have a Program Director, Lead Teacher and Site Supervisor with specific qualifications for each position
  - This challenge can be removed by allowing all three positions to be held by the owner/operator
- Child care center Program Directors are required to have an associate degree or equivalent with a dedicated focus in early childhood education or child development
  - More small capacity centers will likely be established if owners can instead complete 60 specialized training hours on providing care to children made available through MiRegistry, Michigan’s professional development registry for the early childhood workforce
- In general, rules should adapt so that micro-center owners meet the home-based standards based on the number of children served while micro-center facilities continue to meet center-based rules

## Summary

Micro-centers are showing some early signs of creating flexibility, operating efficiency and new partnership opportunities that benefit families, providers and communities. As rules governing their operation continue to evolve to better support the business model, this can be an approach that communities can increasingly turn to as they address child care capacity needs.

## Potential Near-Term Actions

**Policy makers** should support the evolution of micro-centers from variance-allowable child care settings to a new class of small capacity child care centers supported by a unique set of rules specific to micro-centers.

### Community advocates seeking to establish micro-centers should:

More fully familiarize themselves with the model and the approach by visiting <https://www.leelanauearlychildhood.org/> and tracking any evolutions in micro-center rules developed by MiLEAP and;



Identify existing facilities within the community to be served that may already be suitable for providing care to young children with minimal renovation.

### Local planning and zoning officials seeking to accommodate micro-centers should:

Modify zoning language to allow small capacity child care centers to operate in zones where schools, churches, commercial buildings and similar uses are allowed and;

Align zoning ordinances with licensing rules and eliminate unnecessary and/or redundant regulations governing the health and safety of child care facilities.



# Credential Pathways

Expand pathways and support for educators to earn credentials

SOLUTION

8

The educators who work in the child care system are expected to earn specific credentials in child development or early childhood education, depending on what role they will play in provider organizations. Educational institutions, agencies and funders wishing to attract and retain early learning and care professionals in the child care system should work together to make sure that programs are easy to access and complete at low or no cost.

## Background and Context

**The educators who work in the child care system are skilled professionals who are expected to have deep knowledge of child development (CD) and/or early childhood education (ECE). Knowledge can come from on-the-job experience, mentorship, formal and informal training programs and many other sources. However, specific credentials—degrees, certificates and courses of study—are required to hold defined roles within the system.**

MiRegistry is Michigan's professional development registry for the early childhood and out-of-school time workforce.<sup>1</sup> The registry allows individuals to record their employment, education, and training history and to earn designation of defined credential levels. MiRegistry defines eight basic credential levels for educators in the system with the following requirements<sup>2</sup> (abbreviated for this report).

An analysis conducted in April, 2024 by the Regional Child Care Planning Coalition revealed that there were numerous open and unfilled positions requiring the P1, P2 and P3 professional level credentials across Head Start, Early Head Start, Great Start Readiness Program (GSRP), Strong Beginnings and center-based programs across the region.

Closing workforce gaps<sup>3</sup> that are affecting the child care system requires encouraging new child care educators and those who are already established in the field to earn credentials that allow them to achieve Foundational and Professional levels. But there are barriers.

Moving from one credential level to another requires a considerable commitment of time. Whether or not there is direct cost for tuition or training expenses, child care educators often need to forgo wages while they are earning degrees and other credentials. The combination of time commitments, hard costs and/or lost wage revenue often prevent child care educators from earning additional credentials, even if these credentials come with higher wages and benefits or other incentives.

PRIMARY ROOT CAUSE  
ADDRESSED:

**Workforce  
Gaps**

<sup>1</sup> <https://miregistry.org/>

<sup>2</sup> <https://miregistry.org/wp-content/uploads/Career-Pathway.pdf>

<sup>3</sup> See Root Cause: Workforce Gaps

FOUNDATION LEVELS		
LEVEL	REQUIREMENT	POSSIBLE CAREER OPPORTUNITIES
<b>F1</b>	Membership in MiRegistry, the entry point for professionals in the field	Get started as a home-based child care owner or assistant or an Assistant Teacher in a child care center or school age program
<b>F2</b>	60 specialized training hours on providing care to children provided through MiRegistry or other approved source; completed within 3 years after getting started in the field	Home-based child care owner or assistant or an Assistant Teacher in a child care center or school age program
<b>F3</b>	6 semester credit hours in ECE / CD or child related-eld or 90 specialized training hours on providing care to children provided through MiRegistry or other approved source	Program Director for school age program

PROFESSIONAL LEVELS		
LEVEL	REQUIREMENT	POSSIBLE CAREER OPPORTUNITIES
<b>P1</b>	Child Development Associate credential or equivalent	Early Head Start or child care center Lead Teacher, Head Start Assistant Teacher, Great Start Readiness Program Associate Teacher
<b>P2</b>	Associate Degree or equivalent with dedicated focus in ECE, CD or child-related field	Head Start Lead Teacher, child care center Program Director, variety of technical roles in the system
<b>P3</b>	Bachelor Degree with dedicated focus in ECE, CD or child-related field	Great Start Readiness Program Lead Teacher, variety of leadership and advanced technical roles in the system
<b>P4</b>	Master Degree in ECE, CD or child-related field	Quality improvement and licensure roles, university or community college teaching role, variety of specialized roles in the system
<b>P5</b>	Ed.D. or PhD in ECE, CD or child-related field	University faculty member in an early childhood field

The tables at left show the initial requirements to achieve a given level; additional requirements for continuing education and credential renewal are not included.

At left, acronyms ECE / CD: Early Childhood Education / Child Development; and CDA: Child Development Associate



*“Apprenticeship programs are one example of a proven tool available for child care workers seeking career advancement opportunities...35 states currently have active regional or statewide child care apprenticeship programs.”*

By working together, educational institutions, agencies and funders wishing to attract and retain educators in the child care system should bring down barriers and make sure that programs are easy to begin and complete at low or no cost. This will improve the ability of the field to both attract and retain the workforce needed to provide high quality care to children and their families.

## Examples & Priorities

**There are a number of proven tools that have been used to reduce barriers associated with earning early learning and care credentials. The following examples are offered both as specific solutions that can be replicated and expanded as well as general examples of community partners working together to improve access to early learning and care credentials.**

**At the highest level, these approaches:**

- Provide degree and credential programs at times and locations that work well for early learning and care educators
- Reduce or eliminate direct costs for early learning and care educators
- Provide stipends to replace lost wages, pay for transportation or child care or otherwise reduce or eliminate indirect costs

- Provide mentorship to participants so they can make the most of their professional development time and chart their next career steps
- Provide support to child care providers so their employees can participate in skill-building, training and credential-seeking

### Fully Utilize Registered Apprenticeship Programs

An apprenticeship is an arrangement between employee and employer that allows the worker to remain employed while they participate in on-the-job learning and pursue related coursework or training.<sup>4</sup> 35 states currently have active regional or statewide child care apprenticeship programs.<sup>5</sup> The Michigan Registered Apprenticeship program is offered through Michigan Works! offices and can be used to support early learning and care workers in both direct care and administrative roles across the mixed-delivery child care system.

Child care providers who initiate apprenticeships agree to pay apprentices while they complete on-the-job learning and to provide a mentor within their organization who can help guide and support the apprentice. In recent years, they have been able to take advantage of funding to be able to defray incurred costs associated with the program.

<sup>4</sup> “Early Childhood Education Apprenticeships: The Why, What and How”, National Center on Early Childhood Development, Teaching and Learning

<sup>5</sup> “Apprenticeships: The Fastest Growing Strategy for Child Care Workforce Development”, Linda K. Smith, July 21, 2023, <https://bi-partisanpolicy.org/blog/apprenticeships-child-care-workforce-development/>



As of the time of this writing, Northwest Michigan Works! is supporting multiple early learning and care apprenticeships in partnership with NMCAA (Head Start) and a number of other center-based child care providers. Those providers who have participated in the program report strong satisfaction with the support they have received. However, the program has additional capacity to support more apprenticeships within the region.

Many home-based and center-based providers may never have sponsored an apprentice before and may believe they are too stretched to take advantage

*“Child Development Associate programs—another example of career pathway opportunities for child care workers...The CDA is a nationally recognized credential for early learning and care professionals.”*

of this program. Learning about success stories from peer providers may help some of them to step forward.

Local education institutions, workforce development professionals, agencies and funders should work together to promote and fully utilize the Registered Apprenticeship program across the mixed-delivery child care system.

**Potential approaches to fully utilize the Registered Apprenticeship program across the mixed-deliver child care system include:**

- Continue to promote the program and its potential benefits through all forums that reach child care providers, including Family Child Care Networks, child care incubator programs, continuing education events, Resource Center communications, GSRP and other Northwest Education Services communications, etc.
- Develop case studies featuring successful apprenticeships within the region, including the positive benefits for both the apprentice and the child care provider

**Provide and Support Flexible Child Development Associate (CDA) Programs**

The Child Development Associate (CDA) credential is a nationally recognized professional credential for early learning and care professionals.<sup>6</sup> As detailed



above, earning a CDA is necessary to earn the P1 professional level credential in MiRegistry and is often a starting point that participants use before advancing to complete an associate or bachelor degree in child development (CD), early childhood education (ECE) or other child-development field.

**There are multiple components to earning the credential:**

1. 120 hours of instruction in early childhood education in a variety of subject areas
2. 480 hours of practical experience working directly with young children over the span of three years
3. Completion of written and in-person assessments, along with other requirements demonstrating competence in ECE

CDA training programs to meet the hours of instruc-

tion requirement are offered in both virtual and in-person settings. Online training for earning the CDA is provided by ProSolutions Training, a vendor approved by the Great Start to Quality.<sup>7</sup> In-person CDA training is provided by both of the community colleges located in the region—Northwestern Michigan College and North Central Michigan College. In-person courses are typically offered on Saturdays and require several months to complete. Virtual options are self-paced.

Both online and in person options require direct tuition – several hundred dollars or more. This tuition can be covered by the T.E.A.C.H. Early Childhood® Michigan scholarship if learners work 20+ hours per week for a licensed child care provider that is willing to sponsor participation in the program. T.E.A.C.H. scholarships therefore help those who already work within the child care system but are not applicable to those who are considering this career path and not yet employed.

In summer of 2022, 2023 and 2024 Northwestern Michigan College partnered with Northwest Education Services and other community partners to offer an “Accelerated CDA” course, taught over three weeks to a learning cohort that included educators working in Great Start Readiness Program (GSRP), Head Start, center-based and other settings, as well as aspiring educators who had not yet worked in the field. The overall initiative was funded by the Early Childhood Investment Corporation’s Child Care Innovation Fund.

<sup>6</sup> Council for Professional Recognition <https://www.cdacouncil.org/en/about/learn-about-the-cda/>

<sup>7</sup> <https://www.prosolutionstraining.com/content/?id=85%2FMichigan%2F>



*“Both CDAs and Associate Degree opportunities are available for child care workers and can be supported by T.E.A.C.H. scholarships to help defray the costs.”*



#### **Additional features and benefits of the Accelerated CDA program included:**

- No tuition cost for participants, regardless of whether they were new to the field or already working in the system
- Mentorship for program participants that included both professional support as well as career planning
- Income replacement stipends provided through funding made available by the Grand Traverse Regional Community Foundation so that participants did not need to forgo three weeks of wages to participate in the program

Preliminary results from the 2022 and 2023 cohorts seem very positive. Dozens of educators have been able to complete their CDA coursework, allowing many more educators to work across the mixed-delivery child care system. Cohort learning and mentorship ensured that program participants were able to build connections with each other and with those who are further along the early learning and care career pathway.

However, funding for the project may come to an end after summer 2024.

#### **Potential approaches to remove barriers for those seeking to earn their CDA credential include:**

- Secure funding to pay for CDA coursework for those who are new to the field
- Replicate and extend the Accelerated CDA program throughout the 10-county region, including income replacement stipends

#### **Generate Scholarships for Community College Degree Programs**

Both community colleges located in the region—Northwestern Michigan College (NMC) and North Central Michigan College (NCMC)—offer associate degree programs in early childhood education (ECE). Both colleges also offer the opportunity to earn a bachelor degree in ECE through University Center

partnerships (NMC through Lake Superior State University and NMC through Ferris State University).

Students who have already earned the Child Development Associate credential typically earn 6 to 9 credit hours toward completion of an associate or bachelor degree in ECE.

T.E.A.C.H. Early Childhood® Michigan scholarships are available to cover a significant portion of the cost for tuition and books for students earning associate or bachelor programs.<sup>8</sup> Depending on eligibility, this scholarship may also provide a travel stipend, income replacement for release time and a bonus upon successful completion.

#### **To qualify for these scholarships, applicants need to meet multiple criteria:**

- Work a minimum of 20 hours per week in a licensed child care setting
- Earn \$29.90 or less per hour<sup>9</sup>
- Are eligible to receive Michigan in-state student tuition rate
- Provide evidence that you have applied for financial aid

Scholarship recipients typically have an obligation to work at least one year in the field after they complete their course of study.

<sup>8</sup> <https://miaeyc.org/t-e-a-c-h-scholarships/>

<sup>9</sup> Source: MIAEYC (Michigan Association for the Education of Young Children)

*“Ultimately, there are considerable resources already available to support those who want to earn credentials and work within the regional child care system.”*



In summary, the T.E.A.C.H. scholarships for the Child Development Associate (CDA) program require that a licensed child care provider is willing to sponsor participation in the program. Scholarships therefore help those who already work within the child care system to advance along the career pathway and take on new roles.

While these and other programs may cover a significant portion of the costs of earning an associate or bachelor degree in ECE, they often come with requirements, limits and caps that lead students to pay some costs.

Therefore, expanding scholarship funds available through the community colleges to support students working to earn degrees in Early Childhood Education or Child Development will create additional flexibility and opportunities for those moving through the professional credentials in the system.

### **Expand State Investment in Professional Development**

Illinois' ExceleRate Pilot program<sup>10</sup> uses a combination of wage supports and targeted funding to cover release time for early childhood educators to plan, reflect and work on advanced credentials, leading to higher retention rates and greater participation rates in college courses.

### **Promote Opportunities in Early Learning and Care**

Ultimately, there are considerable resources already available to support those who want to earn credentials and work within the regional child care system. Some of the strongest selling points for this work and career include the ability to do meaningful work and earn a degree at low cost and with considerable support.

Therefore, intermediate school district Career Tech Centers, community colleges, NW Michigan Works! programs and all other programs that provide information resources to prospective learners and career seekers should have the access to information that promotes these opportunities in early childhood education.

<sup>10</sup> See Center for Early Learning <https://celfe.org/resources/how-the-excele-rate-pilot-is-strategically-funding-quality-improvement-in-early-learning-in-illinois/>

## **Potential Near-Term Actions**

**Michigan policy makers** should continue to provide pathways and support for educators to earn credentials and should provide funding for accelerated CDA programs. They can also expand direct investment in credentialing and professional development.

**Local funders** should provide income replacement stipends for educators working to earn their Child Development Associate (CDA) credential and generate scholarship funds at local community colleges to support students working to earn degrees in Early Childhood Education or Child Development.

**Local agencies, educational institutions and child care advocates** should work together to ensure that prospective learners and career seekers know about opportunities to advance their education and career development by working in child care and moving along the child care career pathway.

# Substitute Pools

Expanding educator substitute pools—a substantial provider support

SOLUTION

9

Substitutes allow child care centers and in-home providers to remain open when regular staff are absent due to illness, training, or personal leave, ensuring children continue to receive care without disruption. The region has some early-stage substitute pools in spots, but not enough to cover the need. Community organizations wishing to stabilize child care operations should expand available educator substitute pools.

## Background & Context

**Substitute educators are widely used across the K-12 education system. The presence of substitute teachers eases disruptions caused by teacher absences, allowing students to continue to receive instruction and support.**

In Michigan there are multiple substitute placement providers, such as Edustaff and WillSub, that hire substitute teachers and then contract with individual school districts to provide staffing as needed. These placement services manage all of the many safety and quality requirements that need to be met before a substitute can be entrusted with children (though substitutes do need to cover the costs of their own substitute permit and fingerprinting).

That well-developed system generally does not apply to child care educators. As a result few child care systems in Michigan are able to regularly take advantage of substitutes.

Why do these placement services companies not service child care? The answer is likely related to both the Broken Business Model and Workforce Gaps root causes. Because child care providers operate with such tight operating margins, there is little incentive for

the K-12 substitute companies to develop a staffing approach for child care. Child care substitutes need specialized training in early childhood education, CPR, health, and food handling. This can take about 42 hours of training, costing around \$1,000 per substitute.<sup>1</sup> Child care providers are willing to pay these costs for their own employees but not for a substitute who will float among multiple providers. The low wages and benefits that are typical of Michigan's current child care model make it even more challenging to recruit and retain substitutes compared to full time staff.

Despite these challenges, communities within Michigan and across the U.S. have been able to create viable substitute pools that provide essential support for child care providers while giving meaningful and viable work experiences for those who work as substitute child care educators.

**A stable and effective substitute system that supports the mixed-delivery child care system in the region would provide a number of benefits including:**

- Help child care providers maintain acceptable child-to-adult ratios

<sup>1</sup> Child Caring Now, Substitute Pool action team internal analysis

PRIMARY ROOT CAUSE  
ADDRESSED:

**Workforce  
Gaps**

*“Substitute pools that specifically benefit the child care sector generally require public or philanthropic investment. Local officials and funders wishing to substantially support child care providers should consider subsidizing new and existing substitute pools. The positive impact on the system will be significant.”*

- Child care providers shared stories of 1) having a sick educator 2) knowing that they would be “out of ratio” without this staff member and 3) needing to call families served by the child care provider to see who would be willing to have their children stay home
- This current disruption would be eliminated with a well-functioning substitute pool
- Allow educators to take time off for wellness, professional development or vacation
- Provide an opportunity for prospective educators and providers to “try out” the work and gain experience before taking other career path steps
- Provide a work opportunity for those who want a part-time or flexible schedule while working in the system
- Generally create more flexibility and adaptability within the system

Substitute pools that specifically benefit the child care sector generally require public or philanthropic investment. Local officials and funders wishing to substantially support child care providers should consider subsidizing new and existing substitute pools. The positive impact on the system will be significant.

## Examples & Priorities

**States, communities, nonprofits, service providers and child care providers have worked together to create a range of viable child care educator substitute pools.**

### State-Backed Initiatives

Washington’s Early Care and Education Substitute Pool works to meet the need for child care substitutes by recruiting, training, and coordinating substitutes for licensed providers.<sup>2</sup> These efforts aim to create a more stable and sustainable child care system for providers, children, and families. All licensed providers are able to utilize the substitute pool. Those licensed providers who either 1) participate in child care scholarship programs or 2) use substitute hours in order to participate in state-sanctioned quality improvement are able to use substitutes at low or no cost. The Washington Department of Children, Youth and Families provides training, background checks, etc., at no cost to prospective substitutes, ensuring that the program is an attractive point of entry and workforce pipeline for people considering work in child care.

In September 2023, Wonderschool (an online business training and business support platform for child care providers) and the Mississippi Department of Human Services announced that they would be working to develop and implement a Statewide

<sup>2</sup> <https://www.dcyf.wa.gov/services/earlylearning-profdev/substitute-pool>

Substitute Teacher Pool.<sup>3</sup> In the first four months after the program was launched, Wonderschool received applications from 3,500 individuals interested in working as child care substitutes and was able to supply more than 3,000 hours of substitute time.<sup>4</sup>

### Nonprofit and Community Initiatives

Some nonprofit and community initiatives have sought to be “matchmakers” between individuals willing to be substitutes and individual child care providers who can make use of substitutes. Examples include Open Hearth Community Center in Vermont’s Mad River Valley<sup>5</sup> and Early Learning Ventures in Colorado.<sup>6</sup> The Early Learning Ventures approach also included some training and substitute educator support and operates in partnership with several Substitute Placement Agencies - a distinct child care license category introduced in Colorado in 2018.<sup>7</sup>

Child Caring Now (CCN), an initiative of the Great Start Collaborative Traverse Bay, created a preliminary sub pool in 2023. The CCN Sub Pool Action

<sup>3</sup> “MDHS Launches Initiative for Child Care Programs”; <https://www.mdhs.ms.gov/post/mississippi-department-of-human-services-launches-initiative-to-create-new-child-care-programs-and-develop-a-statewide-substitute-teacher-pool/>

<sup>4</sup> “Platform to Help Child Care Providers with Substitute Support” <https://www.prnewswire.com/news-releases/wonderschool-acquires-childcarematters-subpool-platform-to-help-child-care-providers-with-substitute-support-302120389.html>

<sup>5</sup> <https://www.valleyreporter.com/index.php/news/local-news/16707-open-hearth-facilitates-substitute-pool-for-child-care-providers>

<sup>6</sup> <https://cdec.colorado.gov/implement-a-substitute-fund-pilot>

<sup>7</sup> <https://leg.colorado.gov/bills/sb18-162>



*“A key finding of the Child Caring Now team is that without a single entity willing to serve as employer of record, the practicality of a system-wide substitute pool is limited.”*

Team created a standard agreement that could be used between multiple providers and substitutes, and the Action Team recruited and trained five individuals to serve as substitutes within Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties. A key finding of the CCN team is that without a single entity willing to serve as employer of record, the practicality of a system-wide substitute pool is limited. Without this singular employer, employees need to effectively be “hired” by each facility where they do work, including going through extra verification and administrative processes.<sup>8</sup>

## Summary

To be truly effective at supporting the entire mixed-delivery child care system, a regional child care substitute pool requires the following components:

- A single employer of record who is willing to hire substitutes, ensure their compliance with state-mandated requirements, manage them and place them in child care settings
- Communications capabilities across media to be able to recruit interested candidates
- A digital system for scheduling substitute shifts that is easy to use for both child care providers and substitutes

- Physical documentation of background checks and fingerprints that can be maintained at each site where the substitute will work
- Ideally, funding to pay for fingerprinting and registration fees so that these don't need to be paid by the prospective substitute
- An outside source of funding/investment and logistical support to allow the substitute pool to provide a consistently high-quality group of substitute educators without needing to pass along the full cost to financially constrained child care providers

## Potential Near-Term Actions

**Child care advocates** interested in launching or expanding substitute pools should identify a local or statewide agency willing to serve as the employer and operator of the pool.

**Local funders** should invest in child care substitute pools to bridge the gap between what it costs to create a high-quality program and what providers are able to pay.



**Child care providers** should work to ensure substitutes are supported and have positive experiences so that they remain in the system and potentially consider advancing along the career pathway.

<sup>8</sup> Note, even with a singular employer the site-specific onboarding topics such as emergency procedures, day to day operations, etc. would need to be completed and documented for each site. Some universal licensing requirements would not need to be duplicated

# Universal Preschool

**Implement universal preschool to support quality, affordability and family choice**

SOLUTION

10

As a significant step toward expanding access to publicly funded free preschool for 4-year-olds, Michigan recently raised the income eligibility threshold for families wishing to participate in publicly funded preK. This change will significantly increase access to high-quality preschool for regional families but could also create challenges within the mixed-delivery child care system. Regional stakeholders should simultaneously work to 1) make the most of this opportunity, 2) lessen any resulting disruptions for families and child care providers and 3) make the change stable and sustainable.

## Background & Context

**There is a wealth of data showing that children who have access to and attend high-quality prekindergarten (preK) education programs reap lifelong benefits. Pre-K programs effectively level the field for all students entering kindergarten, regardless of their socio-economic background. Outcome data from preK programs show improved cognitive, social-emotional, and behavioral skills that better prepare children for kindergarten and then persist in later years.<sup>1</sup>**

Eight states have implemented publicly funded prekindergarten program models, but only four states—Florida, Oklahoma, Vermont and Wisconsin—plus the District of Columbia currently have “universal” preK with 70 percent or more of eligible 4-year-

olds enrolled in free programs. Whether states can achieve the 70 percent benchmark qualifying as “universal” depends on consistency of funding in addition to efforts to increase access regardless of family income, location, disability, enrollment caps or other criteria.

A 2023 effort to include national funding for preK for 3- and 4-year-olds as part of the Build Back Better proposal failed<sup>2</sup> in US congress when it was blocked by one Senator.<sup>3</sup> However, bipartisan support for funding universal preK appears to be growing across the country in recognition of the benefits of these programs.

Georgia uses state lottery revenue to fund preK for all 4-year-olds. In November 2022, New Mexico voters overwhelmingly approved (with 70 percent voter support) Constitutional Amendment 1, which allocated additional funding from the state’s Land Grant Permanent Fund for early childhood education and public schools, and which

PRIMARY ROOT CAUSE  
ADDRESSED:

**Few Affordable  
& High-Quality  
Options  
for Families**

<sup>1</sup> Shapiro, A., “The Benefits of Prekindergarten Programs: Strong Findings and Open Questions,” Phi Delta Kappa Magazine, 1 October, 2021

<sup>2</sup> Simba, A., “Universal Pre-K Is Harder Than We Thought,” The Progressive Magazine, April 3, 2024

<sup>3</sup> Cassidy, J., “Joe Manchin Kills the Build Back Better Bill,” The New Yorker, December 2021

*“Bipartisan support for funding universal preK appears to be growing across the country...New Mexico voters overwhelmingly approved additional funding from the state’s Land Grant Permanent Fund for early childhood education and public schools, and which guaranteed universal preK as a constitutional right.”*



guaranteed universal preK as a constitutional right.<sup>4</sup> Colorado residents voted in 2023 to fund their pre-school program for 4-year-olds using nicotine taxes.<sup>5</sup>

The increasing number of states offering universal prekindergarten programs may suggest an overall increase in support among elected officials and citizens to fund child care programs from birth to four-years-old across the mixed-delivery child care system. That is yet to be determined.

### Michigan GSRP & PreK Expansion

Michigan first introduced its Great Start Readiness Program (GSRP) nearly 40 years ago,<sup>6</sup> marking the beginning of Michigan’s long-term commitment to high-quality early childhood education. The program has proven to be very effective at positively impacting educational outcomes. A 2012 meta-analysis conducted by the HighScope Educational Research Foundation and the Michigan Department of Education confirmed that GSRP participants showed better performance compared to non-participants throughout their K-12 education,<sup>7</sup> including positive impacts at kindergarten entry, better educational attainment

throughout the K-12 years, reduced grade retention and higher graduation rates.

Subsequent program evaluations have confirmed not only that GSRP participants continue to outperform comparison groups on school success indicators but also that despite rapid expansion, GSRP has maintained consistently high quality.

GSRP historically works in concert with Head Start, the federal prekindergarten that targets the lowest income families in any community. GSRP income and qualification guidelines generally “sit on top” of Head Start guidelines, and the two programs at times operate blended classrooms where students of both programs receive comparable instruction.

In January 2023 Governor Gretchen Whitmer announced a new push for “PreK for All” that would dramatically increase enrollment in GSRP, Head Start and other prekindergarten programs.

## Examples & Priorities

### Michigan’s PreK for All Expansion in Implementation

The initial goal stated by the PreK for All Action Team (convened by MiLEAP with technical support from Policy Equity Group)<sup>8</sup> was to entirely remove the eligibility cap for PreK for All, potentially increasing

<sup>4</sup> <https://www.k12dive.com/news/New-Mexico-guarantees-pre-school/636356/>

<sup>5</sup> “Publicly funded pre-kindergarten programs”, County Health Rankings and Road Maps Division, Population Health Institute, University of Wisconsin, 2024

<sup>6</sup> The program was initially known in 1985 as the Michigan School Readiness Program

<sup>7</sup> “Michigan Great Start Readiness Program Evaluation 2012: High School Graduation and Grade Retention Findings”, Lawrence J. Schweinhart, Zongping Xiang, Marijata Daniel-Echols, Kimberly Browning, & Tomoko Wakabayashi

<sup>8</sup> “Making the Vision a Reality: A Roadmap for Implementing PreK for All” <https://www.michigan.gov/mileap/-/media/Project/Websites/mileap/Documents/Early-Childhood-Education/PreK-For-All/PreK-For-All-Roadmap.pdf?rev=3e3787419ca5402a8e389219d-b3577a3&hash=397AD3E5956EA07DF68DA5CD47586517>

enrollment of all Michigan 4-year-olds in publicly funded early learning settings from 41 percent to 75 percent. However, this approach was not fully adopted and funded in 2024<sup>9</sup> and has been modified for fall 2024 enrollment.

### The following changes will be implemented in the 2024-25 program:

- As of the time of this writing, families with incomes up to 400 percent of the federal poverty level will now be eligible, up from 300 percent and 250 percent in prior enrollment periods
  - For a family of four, this means households earning up to \$124,800 could qualify
  - If slots are still available after enrolling lower-income students, even higher-income families may be able to participate.
- Intermediate school districts around the state are planning to provide free preK to over 57,000 children, up from about 41,000 the previous year
- The new state budget includes \$85 million in additional funding to support preK expansion.
  - This includes \$63.5 million to serve an additional 6,800 children starting Fall 2024
  - \$42.8 million to increase the full-day per-child allocation to \$10,342
  - \$35 million to open new classrooms in underserved areas

- In addition, Michigan's PreK for All initiative includes several measures to ensure quality improvement as it expands access to pre-kindergarten education, including quality standards and indicators, professional development programs for staff, improved compensation to attract and retain qualified staff, ongoing evaluation and continuous improvement processes

### The key strategies envisioned for implementing PreK for All in the 2024-25 academic year include:

- Through the intermediate school districts, the state is working to increase capacity by recruiting more teachers and opening new classrooms
- Efforts are underway to convert some tuition-based programs, both school-based and community-based, to free preK slots

## Issues & Implications

**The expansion of a successful program that improves access to high quality, affordable preK for all Michigan families with 4-year-olds is clearly a good thing. However, there are some potential consequences for families and for the rest of the mixed-delivery child care system<sup>10</sup> that should be mitigated if possible:**



- Many GSRP programs operate on 4-day-a-week schedule during the regular K-12 academic year, so an expansion of GSRP and PreK for All programs will likely create additional demand for before and after school care and for summer care. If that demand is not met by available options, it will intensify what is already a significant challenge for working parents
- The push to open new GSRP and other Michigan-funded classrooms could impact classroom availability for Head Start programs
- The push to hire more teachers to staff GSRP and Michigan-funded classrooms could pull educators out of other home-based and center-based programs

<sup>9</sup> "Michigan touts 'free pre-K for all.' It's more complicated than that" Bridge Magazine, August 13, 2024

<sup>10</sup> 10-County Regional Child Care Planning Coalition meeting minutes and interviews



*“To make the most of this opportunity, balancing the significant investment being made in preschool with the need for investment across Michigan’s mixed-delivery child care system, is needed—especially for infants and toddlers.”*

- For tuition-based programs that do not participate in PreK for all, either out of choice or because their programs don’t meet the criteria, a net loss of 4-year-old children in care can put even more pressure on a challenged business model, potentially driving some providers to close their operations and potentially eroding capacity that serves 0- to 3-year-olds
- At present, the expansion of PreK for All is vulnerable to changing priorities and leadership in Michigan’s state government

## Maximizing the Benefit & Minimizing the Harm

Conversations within the Regional Child Care Planning Coalition generally focused on three broad areas, with several potential approaches mentioned

### 1. Making the most of this opportunity (much of this is already under way)

- Reaching out to existing licensed center-based providers to participate in PreK for All and access start-up grants designed to help them add capacity
- Presenting clear information to families with 4-year-olds about the new opportunity and where and how it can be accessed for those who are interested and disseminating this information

through a variety of information sources, partners, hubs and navigators (see *Solution 13: Enhanced Family Navigation*)

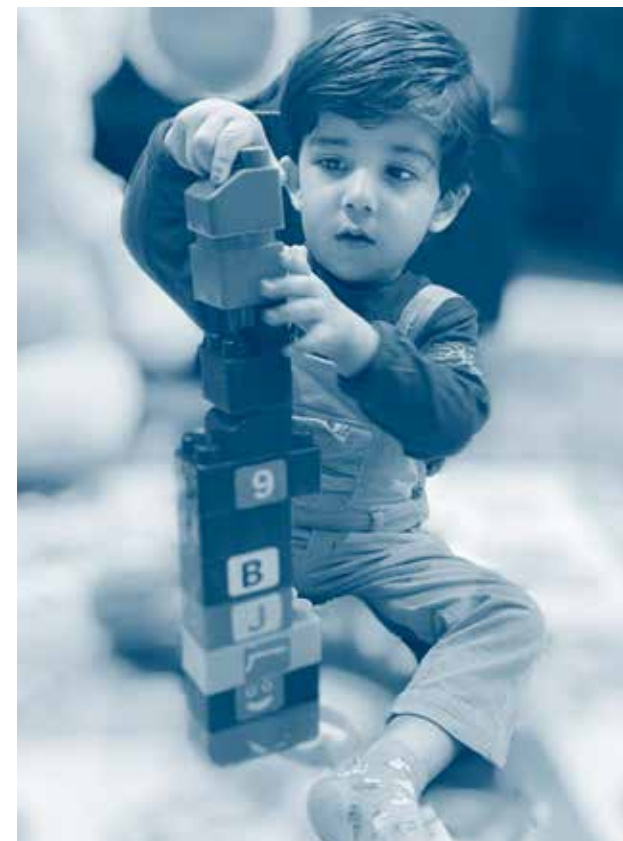
- Supplementing available transportation so that all eligible students can have access to the nearest available PreK for All

### 2. Lessening any resulting disruptions for families and child care providers

- Encouraging school-based programs and other providers to offer 5-day-a-week preK programming
- Working with community partners, identify providers who are willing to expand before and after school care as well as summer programs
- Implementing a home-based provider component to offer preK options to parents (see *Solution 11: Home-Based Universal Preschool*)

*Note: Colorado’s publicly funded PreK program offers parents a mixed-delivery child care system to choose from that includes community-based programs, school districts, and home providers.<sup>11</sup>*

- Balancing the significant investment being made in preschool with the need for investment across Michigan’s mixed-delivery child care system so that full day/full year early care and learning remains accessible to those families who need it, and especially for infants and toddlers



### 3. Working to make the change stable and sustainable.

- As the program is successfully implemented within the mixed-delivery child care system, supporting the vision to provide PreK for All to 75 percent of Michigan 4-year-olds by 2027
- Advocating for modifications to the funding and enabling of the programs that are broad-based, nonpartisan and sustainable, similar to the approaches taken by other states

<sup>11</sup> “Publicly funded pre-kindergarten programs”, County Health Rankings and Road Maps Division, Population Health Institute, University of Wisconsin, 2024

## Potential Near-Term Actions

The success and potential expansion of PreK for All in Michigan and within the region will depend on community support and involvement.

### Community members should:

Stay informed about the program's progress by signing up for updates at [greatstarttoquality.org/find-free-quality-preschool](https://greatstarttoquality.org/find-free-quality-preschool)

Advocate for continued funding and resources to support the program's goals, such as facilities and start-up grants

Advocate with school-based and center-based providers to offer convenient extended day and summer care for PreK children at reasonable rates

Advocate for and support other solutions to lessen disruptions for families and child care providers associated with PreK for All

### Policy makers should:

Maintain and increase funding support for the PreK for All program including

*“Policy makers should maintain and increase funding support for the PreK for All program including identifying funds to support a home-based version of the program.”*

identifying funds to support a home-based version of the program

Support efforts to attract and retain early childhood workers through better compensation, career pathway support and other workforce development efforts

Support other solutions to lessen disruptions for families and child care providers associated with PreK for All

### PreK for All program administrators should:

Work with child care providers, schools and stakeholders to ensure accessible transportation to programs and create solutions for extended day and summer care for 4-year-olds enrolled in prekindergarten programs

Spread awareness about the program and its benefits to parents of 4-year-olds

Direct families to [MiFreePreschool.org](https://MiFreePreschool.org) to check eligibility and apply

Remind people that applications are accepted on a rolling basis, and families can apply in spring or summer for fall enrollment



# Home-Based Universal Preschool

Implement a home-based component of universal preschool

SOLUTION

11

Michigan's PreK for All program currently provides a tuition-free option for four-year-old children in school-based and center-based settings only. A quality home-based PreK for All program option would support parents who prefer home-based settings for their children while also supporting home-based providers with tuition reimbursement and quality improvement.

## Background & Context

**PreK for All is envisioned as a pathway to ensure that all Michigan's children are prepared to enter kindergarten, ready and eager to learn (see Solution 10: Universal Preschool). PreK for All promises families access to free, high quality preschool experiences for four-year-olds, no matter where they live or the socio-economic barriers they face.**

In Michigan's well-established mixed-delivery child care system, families choose the type of licensed care that works best for them: home-based child care, tuition-based child care centers, or publicly funded preschool programs.

Families choose home-based child care for a variety of reasons.<sup>1</sup> For some, these are the providers that are closest to where they live. Other families prefer a setting that is intimate and that more closely resembles their own homes. Most home-based programs offer essential year-round, full-day and wrap-around care which is crucial for working parents.

If PreK for All is available only in school- and center-based programs, families who prefer the home-based setting or require full-

day care will have to choose between forgoing tuition-free care or choosing a child care setting different from their first choice.

Research indicates that excluding home-based providers from PreK expansion can perpetuate systemic inequities. These home-based providers often serve underserved communities, including families of color and those in rural areas. By not including them in formal preK systems, these families are further marginalized, and the disparities in access to quality early education are widened.<sup>2</sup>

Finally, a net loss of 4-year-old children in care can put even more pressure on the challenged business model for home-based providers, potentially driving some providers to close their operations and potentially eroding capacity that serves 0- to 3-year-olds.

On the other hand, including home-based providers in a PreK for All expansion will preserve family choice, support home-based child care business sustainability and help improve home-based child care quality.

The quality of many home-based programs is already high and can support the type of curriculum envisioned under PreK for All. Other states and systems have demonstrated that this type of model can be successful.

PRIMARY ROOT CAUSE  
ADDRESSED:

**Few Affordable  
& High-Quality  
Options  
for Families**

<sup>1</sup> Parent Interviews and Focus Groups

<sup>2</sup> J. Barshay, The Hechinger Report, "PROOF POINTS: In two places, researchers find problems with expansion of free pre-K," June 6 2022

*“In this region, the Head Start program operated by Northwest Michigan Community Action Agency has supported high quality preschool slots in home-based settings.”*



## Examples & Priorities

**The States of Vermont and Colorado are two examples of publicly funded preschool programs offering home-based care choice to parents. The Vermont program is detailed at right.**

### Vermont Universal Prekindergarten Program

Vermont's universal prekindergarten program, established under Act 166 of 2014, provides publicly funded universal prekindergarten education for children aged 3 to 5 with programs in public schools or community-based settings (center-based or home-based), in accordance with parents' choice.<sup>3</sup>

<sup>3</sup> Agency of Education, State of Vermont, <https://education.vermont.gov/student-support/early-education/universal-prekindergarten-act-166/families-of-prekindergarten-students>, 2024.

Vermont's universal prekindergarten program has shown significant success in providing early education access to young children across the state. The state ranks 6th nationally for preschool enrollment of four-year-olds, with 64 percent of this age group served. "Vermont is one of only a handful of states nationally committed to universal preschool and close to achieving it for both 3- and 4-year-olds," said W. Steven Barnett, Ph.D., senior co-director and founder. "Vermont ranks second nationally in serving three-year-olds, which is critically important since research finds that two years of preschool have a greater impact than one."

Vermont's prekindergarten program also has demonstrated a commitment to maintaining high-quality standards, meeting 7 of 10 research-based quality standards benchmarks for minimum quality recommendations. This is true across all settings.

Vermont has been able to develop and expand a high-quality universal prekindergarten program while preserving family choice.

### Head Start

The Head Start program operated by Northwest Michigan Community Action Agency has supported high quality preschool slots in home-based settings. While this required some additional coordination to provide support, Head Start leaders report that the approach and the model can be successful in north-west lower Michigan.<sup>4</sup>

<sup>4</sup> Regional Child Care Planning Coalition notes and minutes



*“Providers should prepare for the possibility that Michigan will introduce a home-based option under PreK For All by learning more about program requirements, curriculum and planning ways to adapt their programs to meet these needs.”*

## Implementation

Creating a model for engaging home-based child care businesses in PreK for All will have significant benefits for owner/operators, for families, and for Michigan's mixed-delivery child care system.

**Owner/operators should be involved in designing this component of the overall PreK for All program to:**

- Share leadership with providers throughout the process
- Respect providers as both small business owners and child development professionals
- Work “on the ground” with providers to implement and innovate in ways that fit the home-based business model
- Adapt and modify PreK For All programming to fit the multi-age setting
- Support implementation of new teaching strategies
- Fund home-based PreK fairly in a way that reflects the true cost of child care

To assure high quality programs, a home-based model would permit PreK for All to be offered only in licensed Group Child Care Homes that were in good standing, had enrollment of three or more four-year-old children, and was participating in the Great Start to Quality (GSQ),<sup>5</sup> demonstrating quality levels in all

required indicators. In addition, the owner/operator would need to commit to a professional development program leading to minimum required credentials, if they do not already possess credentials that meet or exceed program standards.

The quality-improvement components of PreK for All expansion should be offered to home-based providers participating in the program. This may require cooperation among 1) Great Start to Quality Resource Center staff, who are knowledgeable and familiar with the home-based model, 2) the program specialists who are ultimately responsible for PreK for All program implementation and 3) potentially other partners.

## Potential Near-Term Actions

**Policy makers** should fund creation of a home-based option as part of the PreK for All program.

**Providers** should prepare for the possibility that Michigan will introduce a home-based option under PreK For All by learning more about PreK For All program requirements and curriculum and planning ways to adapt their programs to meet these needs.



<sup>5</sup> Michigan's Great Start to Quality program was introduced in 2011 utilizing quality ratings to help families find high quality early learning and care programs.

# Employer Policies & Actions

**Employers: implement policies and partnerships to support families**

SOLUTION

12

Regional employers are widely experiencing the consequences of gaps in the child care system, including higher rates of absenteeism and employee turnover. Employers can help stabilize the system in at least three ways: 1) adopting HR and other policies to address employees' child care needs, 2) sharing management expertise with child care providers and 3) advocating for policy change at the local, state and national level.

## Background & Context

**Employers of all sizes and sectors need “talent” – the employees, subcontractors and partners needed to complete the tasks that enable employers to meet their organizational goals.**

A 2022 survey of more than 1,000 Michigan business owners<sup>1</sup> revealed that “hiring/locating talent” was the most widespread challenge facing Michigan businesses, ahead of generating customer demand/revenue, access to capital and other issues. Since 2022, workforce gaps in the region have remained intense.<sup>2</sup>

The Regional Child Care Plan Employer Survey<sup>3</sup> revealed that the vast majority of regional employers have had employees miss work, been distracted at work or needed to reduce their work hours because of child care issues. Nearly 40 percent have had

employees leave jobs and or turn down job offers, promotions, etc. because of child care issues.

So challenges in the child care system both prevent potential employees from taking jobs that they want and impact the productivity and professional development of employees who do take jobs.

For this reason, among others, employers are increasingly seeking opportunities to address gaps in the regional child care system.

**Most leaders of regional employers understand that through devoting time, money or influence to closing gaps in the child care system, they have the potential to achieve multiple benefits:**

1. Allow the employer to be an “employer of choice” with solid hiring and retention advantages over other employers
2. Improve overall rates of employee attraction, retention, absenteeism and productivity
3. Compassionately solve an issue impacting the people and communities where the employer operates...an alternate “bottom line” that is motivating to many

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<sup>1</sup> MEDC Small Business Survey 2022 – Statewide Results, Prepared for Michigan Economic Development Corporation by Economic Impact Catalyst, <https://www.michigan-business.org/4a6f19/globalassets/documents/small-business/mec-small-business-survey-2022-statewide-results.pdf>

<sup>2</sup> See Employer Interviews

<sup>3</sup> See Appendix 3: Employer Survey

*“On a purely practical level, making these types of investments can produce significant bottom-line results. According to Employee Benefits News, companies that offer child care benefits reduce turnover by 35-60 percent.”*

On a purely practical level, making these types of investments can produce significant bottom-line results. According to Employee Benefits News, companies that offer child care benefits reduce turnover by 35-60 percent. This can result in significant savings for the company, as the cost of replacing an employee can be as much as 50-200 percent of their annual salary.<sup>4</sup>

**Employers seeking to close these talent gaps and to attract and retain the workforce they need should consider three broad approaches:**

- **Adopt family-friendly employer policies** designed to improve access to child care and/or affordability of care
- **Advocate for positive changes in the system** by using influence to request enhanced public investment or other approaches designed to address root causes
- **Directly support the system** by providing expertise, investment and other support directly to child care providers and community collaboration efforts

## Examples & Priorities

**Employers in Michigan and elsewhere have adopted a wide variety of approaches to provide family-friendly employer policies, advocate for positive changes and directly support the system.**

The Pulse Roadmap,<sup>5</sup> developed by The Upjohn Institute, lays out a variety of options and approaches with an assessment of the likely impacts on employers' recruitment and retention, employee performance and community standing.

Most of the following approaches have successfully been implemented in northwest lower Michigan:

### Flexible Scheduling and Work From Home

**The Regional Child Care Plan Family Survey<sup>6</sup> reveals that 70 percent of regional parents and other caregivers report that “flexible work scheduling and/or remote work options” is among the employer supports for child care they would find most valuable.**

These scheduling options make it easier for families to drop off and pick up children from child care or school, care for sick children and otherwise meet the needs of their children while continuing to meet their work responsibilities.



Whether employees working from home are more or less productive than employees working on-site is an extensively debated topic and is often dependent on the specifics of the role and work responsibilities of the employee. Employers interviewed as part of the regional planning process<sup>7</sup> report that offering remote work that is well supported by communication and coordination systems can both lead to 1) increased productivity and 2) improved rates of hiring and retention relative to employers who do not offer work from home or flex-time options.

According to the Regional Child Care Plan Employer Survey,<sup>8</sup> 65 percent of regional employers have already implemented flexible work scheduling and/or remote work options and an additional 17 percent would consider or are planning to implement these approaches. Some work does need to be completed in-person according to scheduled shifts. Even for

<sup>4</sup> <https://www.benefitnews.com/opinion/providing-childcare-benefits-to-retain-employees>

<sup>5</sup> <https://pulseroadmap.org/>

<sup>6</sup> See Appendix 3: Family Survey

<sup>7</sup> Employer Interviews

<sup>8</sup> See Appendix 3: Employer Survey

*“Michigan’s Tri-Share program was initiated in March 2021. Through MI Tri-Share the cost of an employee’s child care is shared equally among the employer, the employee, and the State of Michigan—a three-way split.”*

these jobs, employers can support employees with children by providing staggered start times that allow them to make child care and school drop off and pick up times and predictive scheduling that allows employees to plan for child care needs.

### **Employee Benefits to Improve Child Care Affordability**

**According to the Employer Survey,<sup>9</sup> 22 percent of regional employers have already implemented financial supports such as flexible spending accounts, and a whopping 51 percent would consider or are planning to implement these approaches.**

Dependent Care Flexible Spending Accounts (DCFSA) are pre-tax employee benefits that allow employees to set aside money to pay for eligible child care expenses. Employees can use these funds to pay for things like child care, preschool, before/after school care, and summer day camps.

Michigan’s Tri-Share program was initiated in March 2021. Through MI Tri-Share the cost of an employee’s child care is shared equally among the employer, the employee, and the State of Michigan—a three-way split.<sup>10</sup> This means that a participating employee may have their child care costs cut by two-thirds. The program is supported by regional hubs that provide support to employers, providers and families getting

established for the program. These hubs, through partnership with the Great Start to Quality, actively work to connect families with providers that meet their child care needs. In northwest lower Michigan, the Tri-Share hub is currently provided by United Way of Northwest Michigan. Nearly 50 regional employers are currently offering Tri-Share to their employees, including manufacturers, educational institutions, hotels and resorts, professional services companies and others. Anecdotal results compiled by United Way indicate the program is helping employers with employee recruitment, retention and loyalty.

Because of the way MI Tri-Share uses public funds, there are household income requirements that a family must meet before benefiting from the program. To meet the needs of employers and employees needing more flexibility, United Way has recently been offering a DuoShare program available to employers of any size throughout Michigan.<sup>11</sup> The program allows employers to contribute any amount (not just a third) to their employees’ child care costs and does not have a household income limit for employees. The other hub supports offered under the MI Tri-Share program are also provided under DuoShare.

There are other ways that employers can help employees with child care costs, including direct subsidies and vouchers for care, often made available through partnership with specific child care providers (as follows).



### **Information and Connection**

**Many Human Resources leaders, business owners and managers are already doing what they can to advise employees on meeting their child care needs, which can be frustrating and time-consuming.<sup>12</sup>**

The Great Start to Quality Northwest Resource Center services include support for families searching for child care and preschool options.<sup>13</sup> Help Me Grow Northwest provides resources for families as well as access to a care coordinator who can provide direct support to families.<sup>14</sup> See *Solution 13 – Enhance Family Navigation* for more information on approaches to support families.

Some employers have contracted with digital platforms such as Tootris or Brightwheel to provide employees a resource to find child care, schedule and

<sup>9</sup> See Appendix 3: Employer Survey

<sup>10</sup> <https://www.michigan.gov/mileap/early-childhood-education/mi-tri-share-child-care>

<sup>11</sup> <https://duoshare.org/>

<sup>12</sup> See Employer Interviews

<sup>13</sup> <https://greatstarttoquality.org/northwest-resource-center/>

<sup>14</sup> <https://www.helpmegrow-mi.org/northwest>



*“Munson Healthcare...currently offers child care for more than 600 children of employees through multiple sites. The program has been in existence for more than 30 years.”*

coordinate care and apply employer-sponsored child care benefits and subsidies. These platforms can amplify the benefit of other programs designed to address employees' child care needs

### **Employer-Sponsored Child Care**

**Some employers have taken the step of developing and offering on-site child care for qualifying employees. Given the root causes impacting child care, this is an approach that involves considerable investment of time and money to be successful. However, it can provide enduring and differentiating benefits to employees and employers.**

Munson Healthcare, a health care system spanning many counties in northern Michigan, currently offers child care through its Munson Child Development programs for more than 600 children of employees through multiple sites.<sup>15</sup> These programs include infant and toddler care, preschool care, Great Start Readiness Program classrooms, a popular summer camp and other care options intended to meet the needs of employees. Some programs are available to community members and not just employees. Educators and other employees of Munson Child Development are Munson Healthcare employees, entitling them to participate in benefits programs. They also are eligible to receive significant discounts for the care of their own children, providing an incentive to work there. The program has been in existence for

more than 30 years. Although Munson Healthcare is only now embarking on a project to measure the impact of this long-standing commitment, leaders within the organization believe the investment has paid for itself in terms of employee retention, productivity and goodwill.

The Commongrounds Cooperative building, a mixed-use community center based in Traverse City, offers child care through Northern Blooms, a Montessori school. Although Northern Blooms employees are not direct employees of Commongrounds, the developers who built the community center provided significant licensure and fund development support to establish this center.

### **Partnerships With Child Care Providers**

**Many regional businesses, nonprofits and communities of faith have explored the possibility of making space available for child care on their premises and finding an independent child care provider to hold the child care license and operate the child care.**

While this has certainly proven successful in some instances—The Harborage in Harbor Springs housing Blackbird Child Care Center, Sojourn Church housing YMCA Child Development Center, there have also been efforts that have petered out once the realities of establishing and operating a child care have become more broadly understood. Any employer considering this kind of arrangement should also



consider whether they are able to contribute resources to renovate space, establish licensed care and provide ongoing support.

KinderCare and other national or regional child care chains have established partnerships with employers involving 1) the employer subsidizing tuition for employees 2) the employer contracting with the provider for guaranteed slots or backup care or 3) other sponsorship and care arrangements. To date the economics and labor market of the region have not proven attractive for those national chains that have considered opening new facilities.

### **Advocacy for Positive Child Care Change**

**Ultimately, employers are among the most important constituencies of local and state government. Business leaders and other employers are already working through local chambers of commerce and the Northern**

<sup>15</sup> See Employer Interviews

*“Many employers have already led the way and seen tremendous benefits. The specific approaches will vary from organization to organization—but inaction is likely no longer an option.”*

### **Michigan Chamber Alliance to advocate for enhanced supports to the mixed-delivery child care system and for families.**

In the past, this advocacy has led to an expansion of the Great Start Readiness Program under the Snyder administration. The support of business groups was important to the adoption of a bipartisan package of bills passed in 2022 intended to remove barriers to operating child care. Business advocacy has helped to shape the implementation of Universal Prekindergarten in 2024 and beyond.

Going forward, employers should continue to serve as powerful advocates for an improved child care system at the state and local level, both as individual organizations and through the policy councils and committees of chambers of commerce and other business groups and associations.

### **Supporting the Local or Regional System**

**Employers typically need to give their first priority to their business and mission concerns. They are busy creating value for customers, owners and shareholders, developing important programs and services and otherwise getting the job done.**

But they have so much to offer in the complex work of strengthening child care. They should find ways to provide expertise, investment or other support directly to child care providers and community collaboration efforts.

See *Solution 5: Provider Incubation* for opportunities for businesses to support child care providers with their expertise and experience.

See *Solution 6: Community Facility Investments* for opportunities to invest in new child care capacity.

See *Solution 14: Peer-to-Peer and Community Collaboration* for opportunities for business and other leaders to use their strategic planning and problem-solving capabilities to collaboratively solve the puzzle of strengthening the regional child care system.

### **Conclusion**

**There are many ways that employers—small and large, for-profit and not-for-profit, can positively impact child care for their employees and their communities. Many have already led the way and seen tremendous benefits. The specific approaches will vary from organization to organization, but inaction is likely no longer an option.**

### **Potential Near-Term Actions**

**Employers considering implementing or updating family-friendly policies should consider adopting incremental family-friendly policies as laid out in this document or the Pulse Roadmap.**



**Employers** interested in strengthening the regional child care system should share expertise in finance, business planning, accounting, etc., to support new and existing child care providers. They should also include child care business owners in business groups and discussions and should provide mentorship where appropriate.

**Employers and business groups** should consider advocating for an improved child care system at the state and local level.

# Enhanced Family Navigation

Information resources for families need navigators & coordinators

SOLUTION

13

In person and online resources exist to help families find and afford child care and to help families to raise children. However, these resources are often scattered and disconnected. Parents and other caregivers will be better supported if the groups that offer these resources—1) work together to create a more seamless, no-wrong-door experience for families, and; 2) provide experienced navigators with the tools and resources to be able to directly support families of all types.

## Background & Context

**As shared in Child Care Gaps and Opportunities, families seeking child care face significant challenges. Accessing resources to secure and pay for care is confusing. Even when parents and other caregivers find care for a child during the week, they often need to scramble to cover early and late care, summer care, and care for any other children they may have. Hard choices for families!**

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for Families**

Plus the system is confusing. There are a slew of federal, state and local programs and benefits that are designed to help families, but they are literally all over the place. At this time, a family seeking options for child care or family supports would find more than 1,500 categorical listings in at least three regionally-published early childhood family resource guides.<sup>1</sup> Which programs and resources can directly benefit them is murky at any point in time.

Furthermore, programs come and go. Inevitably, shifting state and regional priorities, funding sources and policy initiatives change or retreat leaving families and those who serve them with the task of staying current in a child care system circuitously layered and complex.

Finally, marginalized families—non-English-speaking groups such as migrant and guest workers, newly landed refugees/immigrants, BIPOC (Black, Indigenous and People Of Color) families, people living in poverty or with economic hardships, families with disabled children or adults—generally face extra layers of multifaceted setbacks when seeking child care or family supports, exacerbating all of the challenges above.

Parents are mostly on their own to research, navigate and assess the many stand-alone, informally organized resources currently offered to them. For the most part, families are solo navigators in a system of many fractured parts.

Families of all types and backgrounds need a more seamless, no-wrong-door experience for finding options. They also need direct support from experienced navigators who can direct them to the specific resources that best fit with their individual family needs.

<sup>1</sup> One example: <https://greatstart.hflip.co/familyresourceguide.html>



The region does have a number of state-level and regional programs and entities with staff available to help families navigate available resources. Some navigation is provided through:

- Public health departments (home visiting, Healthy Futures and Community Connections)
- Great Start Collaboratives (GSC) and Great Start Family Coalitions (GSFC)
- Head Start/Early Head Start and the Head Start Parent Council
- The emerging Help Me Grow framework including the newly launched Family Engagement protocols
- Northwest Michigan 211 Call Line

The existence of these programs does not mean the system works perfectly today. Regional parents report<sup>2</sup> that the navigators they work with are often deprived of the scope and resources they need to truly be effective.

## Examples & Priorities

**Place-based web-based hubs or universal-intake methods of connecting families with resources and navigation supports are optimal. The best hubs aspire to a “no wrong door” approach so that a family is never told to contact another organization for a related service.**



**Some examples of hub models are:**

### **Great Britain: Community Family Hubs<sup>3</sup>**

The U.K. Family Hub model involves multi-agency networks that provide integrated early help services for families with children aged 0-19 (or up to 25 for those with special educational needs and disabilities). They aim to make it easier for families to access a wide range of support services in one place. Family Hubs make use of existing programs, virtual spaces and facilities wherever possible and as necessary to reduce duplication and redundancy. Many of the professionals and partners are co-located in buildings, which act as delivery sites.

### **South Carolina: First 5<sup>4</sup>**

First 5 is a website/portal with one intake form that allows families to get the supports their children (birth through age five) may need across 40 services

and a range of categories. Parents and other caregivers can answer just a few questions to see everything they might qualify for and then can apply online.

### **Utah: Family Support Centers<sup>5</sup>**

The mission of the FSCU is to strengthen Utah families one community at a time by supporting parents, protecting children, and preserving families. To accomplish this mission, each Family Support Center provides its clients with a 24-hour crisis and respite nursery, a 24-hour information and referral service, and a parenting and youth education program.

Based on the needs of the particular community it serves, each center likewise offers additional services, ranging from on-site therapists, lending libraries, and in-home parenting support.

<sup>2</sup> Parent Interviews and Focus Groups

<sup>3</sup> <https://familyhubsnetwork.com/>

<sup>4</sup> <https://first5sc.org>

<sup>5</sup> <https://utahfamilies.org>



*“Families of all types and backgrounds need a more seamless, no-wrong-door experience for finding options. They also need direct support from experienced navigators who can direct them to the specific resources that best fit with their individual family needs.”*

### **Michigan, 5toONE Neighborhood Centers<sup>6</sup>**

5toONE is a system covering Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties with three components: (1) local Neighborhood Centers in existing community centers, libraries and other family-friendly destinations that host playgroups and serve as points of connection to services and supports; (2) a regional network connecting parents, early childhood professionals, service providers, and community stakeholders through social media and a dedicated website; (3) a core support team of early childhood professionals and parent leaders.

### **Summary**

**What does success look like? Agencies, non-profits and community partners working together to:**

- Enhance the role of navigators regionally and provide them the resources (time, compensation, training) to be effective in their roles
- Create more ways for families and navigators to connect with each other
- Bring navigator peers together for more consistent/timely information sharing
- Build more comprehensive resource guides using shared databases of family and child care supports
- Ramp-up distribution and promotion of resource guides both online and in print

- Shift from “information access” to proactive program/s of ongoing, timely communication about how to access the vital interdependent supports and resources that families say they need.
- Empower parents and other caregivers to be navigators within their own communities through training and support

## **Potential Near-Term Actions**

**Agencies and organizations seeking to provide information and support to families** should provide navigators with the resources they need to be effective in their roles. They should consider collaborating regionally such that all available applications and services can be accessed through a single seamless point of entry or hub. If that is not practical, they should cooperatively develop digital and printed information resources (e.g. web sites, flyers) so the information is presented in a consistent manner from organization to organization.



<sup>6</sup> <https://www.facebook.com/5toONEneighborhoodnetwork/>

# Peer-to-peer & Community Collaboration

Strengthen peer-to-peer and community networks

SOLUTION

14

By meeting regularly and working together in peer-to-peer networks, child care providers can share information and best practices to strengthen their operations and the care they provide. In addition, cross-sector collaborations of agencies, businesses, government officials, funders, families and providers can achieve impactful system change to address the system's current challenges.

## Background & Context

**The regional child care system cannot fix itself. The root causes impacting the system are too deep and substantial. Real solutions that better support children, families and child care providers require people working together in new ways. Even solutions that are developed at the federal and state level are more impactful when local providers and stakeholders are able to work together to navigate opportunities and challenges.**

There is a particular challenge to operating a home-based child care. As a member of the Northwest Regional Child Care Coalition who is an experienced group child care home provider put it, "Caring for children in our homes is a rewarding but challenging and isolating job with a high turnover rate." As a potential remedy she went on to say, "so we need to support each other and make the profession more attractive for new providers." Although informal networks tend to crop up across the region, they may not be known and therefore available to the newest providers who may need the most emotional and practical support.

PRIMARY ROOT CAUSE  
ADDRESSED:

**System  
Disconnectedness**

An approach to establishing and maintaining peer-to-peer family child care networks can provide substantial benefits as detailed in the next section.

In the language of systems change, the problem of providing quality, affordable child care that meets families' needs and provides fulfilling, well-compensated careers for educators is a "complex problem"<sup>1</sup>—cause and effect are not predictable, there is little consensus on the problem/solution, things are constantly changing, what worked in the past might not work in the future, and there is no one solution that completely "solves" the problem. In this environment, the only enduring solutions involve:

1. Bringing together diverse stakeholders with different skills, experiences and backgrounds
2. Analyzing the system to learn about what is working and what isn't and to identify some of the upstream causes
3. Designing and testing new approaches
4. Learning and adapting
5. Repeating the process and refreshing the approaches used to address the problem

<sup>1</sup> Adapted from the Cynefin Framework, Created by Dave Snowden

*“Caring for children in our homes is a rewarding but challenging and isolating job with a high turnover rate. We need to support each other and make the profession more attractive for new providers.”*—GROUP HOME CHILD CARE PROVIDER

This type of approach can take work...a lot of work. But it is the kind of approach that is most likely to achieve widespread and enduring solutions while building the relationships across communities that can adapt to future changes and policy priorities. When business leaders, government officials, community leaders, education leaders, funders, families, child care providers and community members can work together to create a stronger child care system, communities have a chance to build something special—and highly impactful.

## Examples & Priorities

**There are currently a number of peer-to-peer and community collaboration initiatives in the region that are building connections, launching home-grown solutions and broadening the base of support for the child care system.**

### Family Child Care Networks

In July 2023 the Early Childhood Investment Corporation’s Child Care Innovation Fund announced nine Family Child Care Networks (FCCN) pilot grants aiming to improve the funding, policy, and regulatory environment for home-based child care businesses.<sup>2</sup> One of the nine hubs funded as part of this work was based within northwest lower Michigan and has

been supporting three family child care networks—in Grand Traverse, Leelanau and Benzie Counties.

#### The networks have provided a number of benefits to providers:

- Mentorship and peer learning opportunities for providers, from the very experienced to the newly licensed
- Professional development and learning opportunities associated with business management, child care licensure and early learning curriculum
- A forum to discuss current and emerging policy issues impacting the system
- A self-directed setting allowing home-based providers to develop their leadership and advocacy skills
- Stipends and meals to acknowledge the value of their time

#### In return the three networks have generated a great deal of insight based on practical experience:

- They developed sets of policy priorities that have been shared with elected officials and officials within MILEAP
- They provided feedback on proposed changes in child care funding and priorities
- They provided substantial input into and vetting of the Regional Child Care Plan



### Community Collaborations

When the Regional Child Care Planning Coalition formed in Spring 2023, there were already five cross-sector community initiatives under way seeking to address the complexities of the child care system at a county and sub-regional level.

#### These are:

- **Child Care Initiative (CCI)** – CCI is a community-centered solution to Emmet County’s child care shortage housed at North Central Michigan College
- **Infant Toddler Collaborative Startup (ITCS)** – After successful proof of concept for incubating

<sup>2</sup> “Family Child Care Network Grantee Announcement” <https://www.firststepskent.org/articles/family-child-care-network-grantee-announcement>



new child care businesses in Leelanau County (see *Solution 5: Provider Incubation*), ITCS is expanding to also cover Benzie and Grand Traverse Counties

- **Raising Manistee County (RMC)** – RMC is an action-oriented, cross-sector initiative working to preserve and develop a strong, coordinated early childhood infrastructure in Manistee County
- **Child Caring Now (CCN)** – Child Caring Now is a collaborative initiative addressing the critical shortage of child care capacity and workforce in Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau Counties through seven action teams
- **Childcare Access and Resources for Everyone (CARE) for Benzie** – CARE for Benzie builds on work completed with First Children’s Finance. The initiative seeks to build community education and partnerships plus recognition for providers

These initiatives have generated ideas and pioneered new approaches that are transforming child care within the region. Indeed some of their approaches have already changed statewide policy and are being widely adopted throughout Michigan.

**This is powerful systems change work.**

## Great Start Collaboratives

Michigan’s Great Start Collaboratives (GSCs) are coalitions of community agencies, business partners, faith organizations, schools, health care providers, parents, and individuals working together to improve



programs and services for families with children from birth to age eight.<sup>3</sup>

**These collaboratives are not specifically charged with strengthening regional child care, focusing more broadly on four main early childhood outcomes:**

1. Children born healthy
2. Children healthy, thriving, and developmentally on track from birth to third grade
3. Children developmentally ready to succeed in school at the time of school entry

4. Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade

However, GSCs have typically been the venues where representatives of a variety of community groups and individuals come together to strengthen community partnerships and work together to improve outcomes for young children and families.

Community Collaborations should work closely with the region’s three Great Start Collaboratives for efficiency and mutual support.

<sup>3</sup> State of Michigan website “Great Start Collaboratives and Family Coalitions” <https://www.michigan.gov/mikidsmatter/community/gspc>



## The Importance of Parent and Provider Voice in Community Collaborations

Although we all benefit when the regional child care system works well, the most direct beneficiaries are the children in care and their families. Following the principle of “nothing about me without me,” it is essential to involve parent voices in developing programs and solutions meant to strengthen the regional child care system. Of course this goes beyond parents to include grandparents, foster parents and all of the other caregivers who are responsible for raising children in our region.

In addition, a representation of providers from across the mixed-delivery child care system is essential when decisions are being made that may impact them positively or negatively.

**To authentically include parents and providers in the conversation about the regional child care system, several principles should be followed:**

- Include parents and providers in decision making and leadership groups
- Support them with time, information and context so that they can be confident advocates
- Meet at times and places that are convenient for them
- Remove barriers to participation by providing stipends for time and helping to address child care and/or transportation needs



- Value and celebrate their participation as the true “experts” on their children, circumstances, cultures and experiences

### Improving Collaboration Efforts

Not every peer-to-peer and community collaboration effort will yield greatness. However, many of them hold that potential.

**Those who fund and participate in these efforts can improve their potential outcomes by ensuring these networks have:**

- Backbone support from one or a few people who can effectively organize all activities
- Mutually agreed-upon community agreements and governance structures that are clear, consistent and fair
- Effective facilitation that cycles through stages of outreach to stakeholders (to keep refreshing groups), analysis and problem-solving, action planning and implementation and learning/adaptation
- Measurable goals tied to desired system outcomes and shared ways of tracking progress toward goals
- Communications internally and externally about signs of change and stories of progress



## Potential Near-Term Actions

**Policy makers and funders** should continue to support the Family Child Care Networks and hubs that facilitate home-based providers self-organizing to share resources, ideas and supports, sustain their businesses and advocate for themselves.

**Funders and local leaders** should sustain and broaden initiatives throughout the 10 counties of northwest lower Michigan that involve cross-sector community collaboration and systems change efforts, especially ones that are showing positive signs of change.

**All existing initiatives** should work to ensure they are legitimately including parent and provider advocates with a diversity of perspectives...and working to help them find their voices.



SECTION III

## Looking Forward

*“Our law makers in this state and our employers need to step up and help.”*

—EMMET COUNTY EMPLOYER

# Stakeholder Opportunities for Impact

The previous 14 Impactful Solutions detail the ways that a wide variety of stakeholders can strengthen the regional child care system. The following is a summary of *some* possible actions, by stakeholder role, that can produce positive change. Additional detail can be found within the *Impactful Solutions* section of this plan.

**Michigan Policy  
Makers can:**

- Enhance state investment in child care across the mixed delivery system
- Fund additional child care licensing staff to significantly reduce the time required for obtaining a license
- Continue to provide pathways and support for educators to earn credentials
- Support evolution of micro-centers
- When implementing universal preschool, provide options across the mixed delivery child care system, ensure accessible transportation and create solutions for extended day and summer care

- Through funding and policy changes, help providers acquire and maintain licenses
- Continue streamlining and simplifying licensing requirements, reducing regulatory burdens, reducing costs, speeding application and review time
- Continue to support peer-to-peer and community collaboration in support of child care
- When providing information and support to families, adequately fund navigators to work directly with families.

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**Local Officials can:**

Support incubation of new child care providers

Educate local planning commissions about the child care crisis and how their actions can help

Include language in master plans that prioritizes child care

Reduce barriers for child care applicants—special land use requirements, application fees, restrictions and rules

Modify zoning language to allow small capacity micro-center child care facilities to operate in zones where schools, churches, commercial buildings and similar uses are allowed

Pursue economic development opportunities to strengthen child care

Support coordinated community investment in capacity expansion

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**Employers can:**

Adopt family-friendly policies and employee benefits, such as providing flexible scheduling, participating in Tri-Share/DuoShare, or offering on-site child care

Share expertise in finance, business planning, accounting etc, to support new and existing child care providers

Include child care business owners in business groups and discussions; provide mentorship where appropriate

Advocate for an improved child care system at the state and local level

Connect employees to navigation and information resources for families

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**Local Funders can:**

Invest in community incubation of new providers

Identify funding pathways to support facilities upgrades needed for capacity expansion—small scale or large scale

Fund income replacement stipends for educators working to earn their (CDA) credential

Generate scholarship funds at local colleges to support students working to earn their associate degree in Early Childhood Education or Child Development

Continue to support peer-to-peer and community collaboration in support of child care



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**Community  
Members can:**

Acknowledge and appreciate the critical work being done by child care educators

Welcome child care businesses into your neighborhood and speak on their behalf in local meetings (“Yes in my backyard”)

Support statewide and local efforts to fund and support the child care system, e.g. through letter-writing campaigns, petition drives, votes on statewide initiatives

Strongly consider voting “Yes” in support of public funding of early childhood...and spread the word!

Stay informed about the expansion of PreK for All program’s progress, advocate for continued funding and extended day and summer care at reasonable rates, and creation of a home-based option

Donate to local agencies and local funders who are working to support improvements in child care

Consider becoming a substitute or volunteer in support of child care providers

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**Community  
Organizations and  
Leaders can:**

Meet with policy makers stressing the importance of benefits and a living wage for child care providers to retain child care services

Engage in relationship-building with key stakeholders by attending and participating in township Planning and Board meetings

Create partnerships to support incubation of new child care providers, development of substitute pools and other collaborative efforts to strengthen the child care system

Identify existing facilities within the community that may be suitable with minimal renovation for expansion

of child care as either large capacity centers or small capacity micro-centers

Document and highlight success stories and engage local media to publicize how public funds have improved community services and outcomes

# Implementation & Next Steps

Significant work implementing the solutions described in this Regional Child Care Plan are already under way across the region. Following are *some* of many examples:



- Many Coalition members and other community leaders and volunteers worked to provide education to support the citizens of Leelanau County renewing their early childhood millage in August, 2024
- Many Coalition members have provided recommendations for potential policy changes impacting center-based, home-based and micro-center providers
- East Bay Township has updated their master plan and zoning ordinance to better support child care (with help from the Regional Child Care Planning Coalition) and is already seeing some interest from existing providers wishing to expand capacity; other units of government are actively reviewing local master plans and zoning ordinances
- The Infant Toddler Child Care Start of received funding through a State of Michigan appropriation to expand child care provider incubation in Benzie and Grand Traverse Counties
- Regional funders have been meeting to plan ways to fund facility investments and other initiatives highlighted in the plan
- The region continues to lead in launching micro-centers and recommending ways to better support this new category of child care provider
- Community colleges, intermediate school districts and community partners are working to expand opportunities for child care educators to earn credentials
- Intermediate school districts and community partners are working to implement expansion of preschool eligibility
- Month by month and week by week, regional employers are stepping up to participate in Tri-Share and to expand family-friendly policies and benefits

Beyond these tangible signs of progress, the Coalition is observing changes in awareness and attitudes among elected officials, economic development organizations, funders and others who understand:

**1) that child care is vital to the future success of the region's children, families, communities and economy, and 2) that the system needs help and support from many places to address root causes and close gaps.**

## Implementation and Next Steps

Much of the work and community impact the Coalition has observed is happening through the work of existing coalitions and partnerships working at the local, county and community level. This is how it should be in the 10-county region. As detailed in Core Assumptions, implementing a Regional Child Care Plan requires distributed action.

But some level of coordinated regional activity is needed. Most members of the Regional Child Care Planning Coalition want to meet at least periodically to share progress and mutually amplify efforts.



Regional and state funders want to make sure there is regional coordination to reduce redundancy and maximize benefits.

**For this reason, the Coalition envisions the following as this work evolves into ongoing action planning:**

- Crosswalk the initiatives, strategies, action plans and metrics of existing regional coalitions (e.g. Child Caring Now, Emmet County's Child Care Initiative) against the solutions spelled out in this Regional Child Care Plan
- Recruit new stakeholders (e.g. those who attended Child Care Solutions Showcase events and expressed willingness to do more) into the implementation process
- Establish a cadence of meeting, tracking progress (closing capacity gaps, increasing affordability, advancing quality), lifting up success stories and updating plans and approaches

# Final Thoughts



## **This work has been immensely worthwhile.**

Both in the Regional Child Care Planning Coalition and in numerous adjacent community conversations, the planning process engaged a wide range of people from across counties and across sectors to think critically about the issues facing the regional child care system.

The planning process highlighted root causes and built consensus about ways to address them, with roles and responsibilities for all stakeholders.

Through regular interactions with other regional coalitions from across Michigan, the plan was able to benefit from other regional and statewide coalitions.

The Coalition is already seeing numerous signs of change. Policy makers at the state level are evolving funding and administrative rules and practices to help the system improve. Local units of government within the region are taking up changes to master plans and zoning rules. Community leaders and concerned citizens are stepping up to design and implement solutions. The people of northwest lower Michigan are seeing the child care system as critical infrastructure requiring broad public support.

The Regional Child Care Planning Coalition is excited about what comes next to build on the momentum created through this process. Coalition members are motivated to continue work to benefit the region's children, families and providers, including those who are most vulnerable.

## **Let's Go!**





#### SECTION IV

## Appendices

*“I now know there is something each person in this community can do to help families and young children thrive and develop their fullest potential. I want to do my part!”*

—MANISTEE COUNTY BUSINESS LEADER

# Additional Impactful Solutions

## Appendix 1

The Regional Child Care Planning Coalition identified 14 solutions featured in Section II of this plan. The Coalition also discussed a large number of additional solutions that could have positive impact on the regional child care system, and these solutions are captured here as a resource for future planning work.

The solutions and ideas below are organized based on the primary population the solutions are intended to benefit or engage—**Families, Educators, Providers** and the **Community** at large. The 14 Solutions featured earlier in the plan are repeated here, for context.

### Families

#### Increase affordability for families

- **Expand access to Tri-Share**  
Expand promotion and visibility efforts  
Advocate for change to income requirements  
Explore local units of government paying employer portion as per the City of Kalamazoo example.
- **Eliminate barriers to accessing CDC scholarship**  
Expand promotion and visibility efforts  
Advocate for change to income requirements  
Advocate for replacement of expired federal funding to supplement scholarship
- **Advocate for statewide programs for universal access that preserves family choice of care setting**
- **Child care credits or ‘coupons’ for parents**  
Paid maternity/paternity leave for parents

Use GSRP dollars within home-based care settings (money follows the child)

- **Promote expanded use of Health Savings Accounts to cover child care**  
Promote family-friendly benefits policies to employers
- **Advocate to change Michigan tax laws to allow financial contributions from employers to be pre-tax or provide tax credits for employers**
- **Support or initiate more voter approved children’s funds—local millages to support early childhood programming**
- **Leverage GSC scholarship funds by using as seed dollars for employer programs**

#### Improve information resources for families

- **Enhance visibility and access to tools to help connect parents with support, etc.**
- **Enhance universal/common intake with child care options for families**
- **Establish universal/common child care wait list for families**
- **Employ community-based navigators to help families find programs and options to best fit their needs**

- **Enhance opportunities to bring parent voice into local and statewide policy decisions**

#### Improve early childhood quality experiences

- **Expand/Extend home visiting programs**
- **Braid programs/funding models so that children of various income levels aren’t segregated into different programs**

#### Improve options for families with special needs children

### Child Care Educators

#### Increase wages and benefits available to early childhood educators

- **Enhance wages directly**  
Wage enhancements in a statewide program (funds appropriated by the Legislature)
- **Enhance wages indirectly (through providers and families)**  
Increase child care scholarship reimbursement rates  
Raise family income eligibility to receive CDC subsidies  
Provide foundation grants (per child funding on the level of K-12 public education)

## Additional Impactful Solutions

Child tax credit that provides funding for wage supplementation

- **Expand benefits**

Provide free child care for people working in the child care industry

Invest in and subsidize housing for child care educators

### **Expand recruitment efforts to attract educators and professional development to help them advance within the field**

- **Launch a coordinated communications campaign to elevate the field and attract new workers**

Use opportunity to “re-brand” the child care industry to be more appealing

Include an approach to attract young people who may not be thinking of college but are entrepreneurial and interested in opening a business.

- **Expand points of entry into the field**

Fully implement regional registered apprenticeship programs

Provide additional support for career development and credentialing:

- *Raise scholarship funds at community colleges to support getting degrees*

- *Increase income eligibility for TEACH scholarship*

- *Provide more paid education/training (e.g. paying participants in an accelerated CDA program)*

- *Provide some kind of professional development —e.g. Michigan Association for the Education of Young Children (Mi AEYC), to help providers become more educated on their own terms and with no or low cost*

- *Business planning support; connections to specific type of support (individual professionals) as well as guides/lists/training*

- *Develop and share a career ladder that shows how an early care/educator can progress up the wage scale*

### **Expand support for early childhood educators**

- **Create/Expand a robust career path, with training and career development regardless of where folks come into the system**

- **Work with community colleges and other institutions to increase access to credentialing and degree programs**

- **Expand regional substitute pools so that substitutes are qualified and available**

- **Expand mentorship programs**

Create opportunities for mentors and/or mentees to earn continuing education credits through mentorship activities

- **Maintain the Family Child Care Networks**

- **Launch a regional child care conference that brings the early childhood community together**

### **Increase recognition and stature of child care educators**

## **Providers**

### **Make the child care business model more sustainable**

- **Keep the mindset/framing of a *living wage* in all policy making and planning processes**

- **Enhance funding from the State of Michigan**

Provide direct contracts between Michigan and licensed providers for the provision of care (with more flexibility than current infant/toddler contracts)

Foundation grants (per-child funding on the level of K-12 public education)

Increase child care scholarship reimbursement rates

Raise family income eligibility to receive CDC subsidies

Subsidy grants similar to Child Care Stabilization grants, with points for different provider behaviors

- **Maximize the use of existing supports: CDC subsidies, Tri-Share and DuoShare, etc.**

- **Develop guidance and model language for planning, zoning and local units of government**

Include model master plan language

- **Promote and facilitate programs that reduce cost (e.g. USDA food)**

- **Expand use of employer-provider partnerships**

### **Expand child care capacity (as needed)**

- **Expand GSRP and Strong Beginnings programs with broadened support for home-based and community settings**

## Additional Impactful Solutions

- Expand “community supported child care” in the model of Leelanau Infant Toddler Child Care Start-up (ITCS) *See next solution: Support existing providers, below*
- Evolve micro-center concept from a variance to a defined model for care and remove barriers to micro-center operation
- Enhance funding for child care expansion through community and economic development

### Support existing providers

- Expand “community supported child care” in the model of Leelanau ITCS

Potential components: public communications geared toward recruitment, active mentorship and skill-building in multiple areas (business planning, licensure, provision of child care), shared services, navigation of the process, and other community support

- Expand capacity and programs of Great Start Resource Centers  
Potentially working outside of quality rating
- Expand professional development and business offerings available in person and online through workforce development, higher ed and other partners
- Offer standalone shared services through a subsidized central shared service (e.g. Wonder-school, Tootris)
- Purchasing alliance for supplies, materials and services

- Offer social emotional learning support to providers
- Expand substitute pool
- Maintain and support continuous improvement through Family Child Care Networks
- Provide subsidized shared services (e.g. book-keeping, scheduling) that providers can opt into using if they choose

### Continuously improve quality

- Reflective supervision for providers
- Expanded mentorship opportunities for providers

## Community

### Engage and support employers

- Develop and promote a tool kit of family-friendly policies similar to the Pulse Roadmap (U.S. Chamber of Commerce Inspired)
- Create and promote a designation for “child-care-friendly businesses” *See Colorado EPIC<sup>1</sup> (Executives Partnering to Invest in Children)*
- Make presentations to chambers of commerce and local chapter of the Society for Human Resource Management

- Promote common employer exit surveys to measure the impact of child care and calculate the lost revenue associated with turnover and absenteeism; contrast with the investment of employers providing child care benefits
- Explore business incentives for businesses to start up on-site child care; potential tax incentives for businesses and make them more accessible (less complicated, less specific)
- Engage employers to lobby and advocate to the state
- Engage larger employers to fund solutions
- Continue to get the word out about Tri-Share  
Community Colleges are not participating in Tri-Share. They may need some kind of hand holding or liaison

### Engage local elected officials

- Through Networks Northwest, promote child care friendly policies for zoning, master planning and community investment in support of childcare
- Advocate with county leaders to help expand after care and camp opportunities to address a huge need

### Engage funders

- Invite big funders to the stakeholder table to hear needs from parents/providers etc.
- Solicit funding for public/private partnerships

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<sup>1</sup> <https://www.coloradoepic.org/>



### Strengthen communications and advocacy on behalf of the child care system

- Engage parents to advocate along with stakeholders and constituents to support childcare
- Engage providers to advocate at the state level
- Coordinate consistent messaging for meaningful impact:

Develop a coordinated communications campaign

Paint a picture of success

Public information campaign about how many people can go to work when one person takes care of 6-8 children and overall economic impact

Yard sign campaign to share information and build awareness

Story tell to help people better grasp the complications of the system (all levels—grassroots to elected officials, coffee talks, existing events, etc.)

Engage parents and community members in writing to legislators with a common set of talking points

Highlight people who love their jobs as a way to promote the field, especially if it can win new benefits—elevate the status and showcase what a rewarding, important job it is that makes such a difference

- Develop and promote a menu of ways to get involved to support early childhood

Business owners and managers, local government, community member...many different ways to get involved; include The Why

Encourage participants to share through their own networks, post on LinkedIn

Table top cards in local restaurants and other places where people are “here’s how you can help early childhood in our community”

Engage local media

- Utilize Great Start Collaboratives and Family Coalitions as a mechanism to convene broad stakeholders, executive teams, bodies, and initiative work; coordinate across multiple GSCs through Early Childhood Support Network or other structures to leverage greater impact
- Coordinate existing advocacy and engagement efforts by the Michigan Economic Development Corporation (MEDC), education associations and groups, United Way, Northern Michigan Chamber Alliance, Community Action Agencies and others so that a child care focus becomes part of annual priorities for key legislative activities

### Miscellaneous

- Share success, keep people engaged, and bring them along (share how they can help)
- Greater mobilization to help facilitate action and keep people accountable



# Glossary of Terms

## Appendix 2

### CCHIRP

Child Care Hub Information Records Portal, an s tool of the Child Care Licensing Bureau to help streamline the child care licensing process. *See also Child Care Licensing Bureau.*

### CCLB

Child Care Licensing Bureau, a division of the Michigan Department of Licensing and Regulatory Affairs (LARA). The CCLB performs state licensing regulatory duties as required by state laws and federal requirements and is responsible for issuing licenses to three types of child care operations: Family Child Care Homes, Group Child Care Homes and Child Care Centers. *See also LARA.*

### CDA

Child Development Associate, is a nationally-recognized professional credential for early learning and care professionals.

### CDFI

Certified Development Financial Institution, a mission-driven financial institution that aims to provide affordable financial products and business support services to underserved communities and individuals. CDFI's are able to directly access awards and programs offered by the U.S. Department of Treasury's CDFI Fund and are able to access and coordinate additional funding resources as needed. *See also Solution 6*, which proposes to coordinate community investments for facilities, CDFI's can play a key role.

### Child Care Center

A facility, other than a private residence, that receives 1 or more children under 13 years of age for early learning and care for periods of less than 24 hours a day. *See also Child Care Licensing Bureau.*

### Early Head Start

Also a program of the United States Department of Health and Human Services that provides similar services as Head Start, but is tailored to the unique needs of infants and toddlers and supports parents, both mothers and fathers, in their role as primary caregivers and teachers of their children.

### Early Learning and Care (ELC)

The state of Michigan recognizes the importance of both education and care for children from birth to age eight, including child care and early childhood programs, health, nutrition, and social services as part of a comprehensive approach to early childhood.

### Family Child Care Home

A private home where 1 to 6 minor children are provided early learning and care for periods of less than 24 hours a day. *See also Child Care Licensing Bureau.*

### Group Child Care Home

A private home where more than 6 but not more than 12 minor children are provided early learning and care for periods of less than 24 hours a day. *See also Child Care Licensing Bureau.*

### GSQ

Great Start to Quality, A state of Michigan program utilizing child care provider quality ratings to help families find and assess high quality early learning and care (child care) programs.

### GSQ-RC

Great Start to Quality Resource Centers, a state of Michigan program supporting early learning and care (child care) providers with professional development/training; quality improvement consultation/coaching; help with the rating process; and free resources through its lending libraries.

### GSRP

Great Start Readiness Program, Michigan's state-funded, free Pre-K program for eligible four-year-old children that aims to encourage a child's development and prepare them for success in kindergarten and beyond.

### Head Start

A preschool program of the United States Department of Health and Human Services that provides comprehensive early childhood education, health, nutrition, and parent involvement services to low-income children and families. It is the oldest and largest program of its kind.

### LARA

Michigan Department of Licensing and Regulatory Affairs, the primary regulatory body in Michigan that oversees licensing, safety standards and regulatory compli-



ance across a broad spectrum of industries and professions, including Child Care. *See also Child Care Licensing Bureau.*

### Master Plan

A master plan sets the policy for land use and community development in a municipality. *See also Zoning Ordinances.*

## Glossary of Terms

### **MIAEYC**

Michigan Association for the Education of Young Children's mission is to promote high-quality early learning for all children, birth through age 8.

### **Micro-center**

An innovative model of child care that combines home-scale operation within a center-based facility. Designed to provide a more manageable, cost-effective solution for child care providers while maintaining high-quality care standards and offering a new option for families. The model brings focus on infants and toddlers and on the needs of families and child care providers in rural areas.

### **MILEAP**

Michigan Department of Lifelong Education, Advancement and Potential, a newly created state department representing a significant restructuring in Michigan's approach to education, particularly in the early childhood and lifelong learning sectors. Its creation and role in the PreK for All initiative demonstrate the state's commitment to expanding and improving early childhood education access and quality.

### **MiRegistry**

A statewide data system for early learning and care professionals, trainers and organizations to verify and track employment, training and educational accomplishments.

### **Mixed-delivery**

An approach where early learning and care are provided through a variety of settings and providers to meet family needs and preferences. Key aspects of a mixed-delivery child care system include: a range of public, private and non-profit programs and services; multiple options for families that meet their needs, preferences, work schedules, and locations; multiple funding streams.

### **OSS**

Office of Strong Start, part of the broader Caring for MI Future initiative which aims to open 1,000 new or expanded child care programs by the end of 2024. An initiative run by the Child Care Licensing Bureau, (a division of the Michigan Department of Licensing and Regulatory Affairs, aka LARA) and focuses on recruiting new child care entrepreneurs; helping current child care businesses expand and; providing trained navigators as support.

### **PreK for All**

A proposal by Governor Gretchen Whitmer to provide free prekindergarten education to all four-year-olds in Michigan by 2027. Key goals are to: offer universal access regardless of family income while still prioritizing less advantaged families; support kindergarten readiness and future academic success; address workforce pay parity between pre-K and K-12 teachers; offer multiple pathways for credentialing, and; take a mixed-delivery approach, utilizing both public schools and community-based providers.

### **T.E.A.C.H. Scholarships**

A program of the Michigan Association for the education of Young Children (MIAEYC) that helps child care center teaching staff, preschool teachers, family child care providers, group home owners, center directors, early childhood professionals and administrators meet their professional development goals, while continuing their current employment in regulated early childhood and school age care settings.

### **Universal Access**

Refers to the availability of high-quality, affordable, early learning and care to all families regardless of income or other factors. This definition applies to both child care and preschool programs. *See also: Pre-K for All.*

Another use of Universal Access applies to the offering of numerous and diverse points of entry into one networked system, also known as "no-wrong-door."

### **Zoning Ordinances**

The regulating tool for implementing land use policies, enabled under the Michigan Zoning Enabling Act (PA 110). Within north-west lower Michigan, zoning ordinances are typically developed at the township level and occasionally at the county level. *See also Master Plan.*



# Additional Data

## Appendix 3

**This appendix provides data from three surveys and three maps as referenced in this report, as follows:**

### Family Survey

October, 2023 / Page 100

### Provider Survey

May, 2023 / Page 106

### Employer Survey

November and December, 2023 / Page 108

### Data Maps & Visualizations

May, 2024 / Page 112

### Family Survey

The Family Survey was an online survey completed in October, 2023 by 539 residents from the 10-county region (99 percent of whom had a child 0-11 years of age living at home) about current needs, challenges and priorities. The survey was offered in both online and printed forms in both English and Spanish. It was promoted through email campaigns, media releases, social media posts and advertising, and in-person data collection completed by Coalition members. Topline data is provided below. Cross-tabulations for each county and for other important sub-groups are available upon request. [Contact ssmith@avenueisr.com](mailto:ssmith@avenueisr.com).

q1: Household Size: Please specify the number of adults and children		
	Mean/Average	4.05
q2: Which county do you live in?		
	Antrim	10.1%
	Benzie	7.0%
	Charlevoix	6.3%
	Emmet	11.6%
	Grand Traverse	26.4%
	Kalkaska	4.2%
	Leelanau	12.4%
	Manistee	5.9%
	Missaukee	4.6%
	Wexford	11.6%
q3: Which of the following best describes where you live?		
	Small city or town	53.4%
	Rural area	40.8%
	Suburb near a large city	3.8%
	Large city	2.1%
q4: Please select all of the child care arrangements you use on a regular basis for your infant/toddler		
Infant/Toddler (0-2)		
	Parent (myself or my child(ren)'s other parent)	62.7%
	Relative (e.g., grandparent, aunt/uncle)	47.8%
	Child care center	26.3%
	Family child care home (licensed home-based care)	18.4%
	Non-relative (e.g., friend, neighbor)	18.4%
	Early Head Start/Head Start	9.2%
	Nanny or nanny share	4.8%
	Tribal child care services	0.0%



## Family Survey

q4: Please select all of the child care arrangements you use on a regular basis for your Preschooler (3-5)		
<u>Preschooler (3-5)</u>		
	Parent (myself or my child(ren)'s other parent)	54.6%
	Relative (e.g., grandparent, aunt/uncle)	45.0%
	Pre-K program (e.g., Great Start Readiness Program)	42.8%
	Child care center	22.3%
	Early Head Start/Head Start	15.3%
	Non-relative (e.g., friend, neighbor)	13.1%
	Summer camps/programs	13.1%
	Family child care home (licensed home-based care)	12.2%
	Community-based before-/after-school program	7.4%
	Nanny or nanny share	5.2%
	Tribal child care services	0.0%
q4: Please select all of the child care arrangements you use on a regular basis for your school-age (6-12)		
<u>School-age (6-12)</u>		
	Parent (myself or my child(ren)'s other parent)	69.4%
	Relative (e.g., grandparent, aunt/uncle)	54.9%
	Summer camps/programs	35.7%
	Non-relative (e.g., friend, neighbor)	23.0%
	School-based before-/after-school program	20.9%
	Community-based before-/after-school program	8.5%
	Child care center	7.2%
	Family child care home (licensed home-based care)	5.5%
	Nanny or nanny share	5.5%
	Tribal child care services	0.0%
q5: Which of these do you use most frequently for your...?: Infant-toddler		
<u>Infant/Toddler (0-2)</u>		
	Parent (myself or my child(ren)'s other parent)	37.3%
	Child care center	21.9%
	Family child care home (licensed home-based care)	16.7%
	Relative (e.g., grandparent, aunt/uncle)	12.7%
	Non-relative (e.g., friend, neighbor)	4.8%
	Early Head Start/Head Start	3.5%
	Nanny or nanny share	3.1%
	Pre-K program (e.g., Great Start Readiness Program)	0.0%
	Tribal child care services	0.0%
	Community-based before-/after-school program	0.0%

	School-based before-/after-school program	0.0%
	Summer camps/programs	0.0%
q5: Which of these do you use most frequently for your...?: preschooler?		
<u>Preschooler (3-5)</u>		
	Pre-K program (e.g., Great Start Readiness Program)	27.5%
	Parent (myself or my child(ren)'s other parent)	25.8%
	Child care center	15.7%
	Early Head Start/Head Start	10.0%
	Family child care home (licensed home-based care)	8.7%
	Relative (e.g., grandparent, aunt/uncle)	6.1%
	Non-relative (e.g., friend, neighbor)	2.6%
	Community-based before-/after-school program	1.7%
	Nanny or nanny share	0.9%
	Summer camps/programs	0.9%
	Tribal child care services	0.0%
	School-based before-/after-school program	0.0%
q5: Which of these do you use most frequently for your...?: school-ager?		
<u>School-age (6-12)</u>		
	Parent (myself or my child(ren)'s other parent)	48.7%
	Relative (e.g., grandparent, aunt/uncle)	19.2%
	School-based before-/after-school program	11.1%
	Summer camps/programs	6.4%
	Child care center	3.8%
	Non-relative (e.g., friend, neighbor)	3.4%
	Community-based before-/after-school program	3.0%
	Family child care home (licensed home-based care)	2.1%
	Nanny or nanny share	2.1%
	Early Head Start/Head Start	0.0%
	Pre-K program (e.g., Great Start Readiness Program)	0.0%
	Tribal child care services	0.0%
q6: What has prevented you from accessing the child care that you need/what (now or ever)?		
	Availability of care (e.g., open slots)	68.3%
	Cost of child care	64.7%
	Finding back-up care (e.g., sick child, school/center closures, caregiver unavailability)	43.3%
	Hours/days care is offered	35.9%
	Lack of access to care that I consider to be high-quality	25.6%
	Location of child care setting	22.0%

## Family Survey

	Dependability/consistency of care	20.9%
	Lack of paid time off work to care for own children	17.1%
	Care that meets my child(ren)'s special needs	10.6%
	Transportation to child care setting	7.6%
	Lack of care that meets my family's preferences (e.g., language spoken, faith-based, nature-based)	5.1%
	Other	8.0%
q7: What is your annual household income (before taxes)?		
	Mean/Average	\$ 101,955
	Median	\$ 90,000
q8: To the best of your knowledge, how much do you currently pay out-of-pocket for child care (for all children)?		
<u>Per Week</u>		
	Mean/Average	\$ 252
	Median	\$ 200
<u>Per Year</u>		
	Mean/Average	\$ 13,100
	Median	\$ 10,400
q9: Is your family currently using any of these programs?		
	Early Head Start/Head Start	9.9%
	Child Development and Care (CDC) Subsidy	3.3%
	Publicly funded preschool/pre-K	11.8%
	Tri-Share	0.4%
	I receive financial assistance, but I'm not sure what program it's from	1.8%
	None of these programs	75.9%
q10: When do you need child care?		
	Full-time (5 days/week)	51.9%
	Part-time (< 5 days/week)	33.3%
	Evenings	16.0%
	Overnight	3.0%
	Weekend	9.6%
	Summer care	43.5%
	School vacations and closures	39.5%
	Drop-in/flexible scheduling (e.g., times/days of week vary based on work schedule)	32.3%

q12: Which are most important to you in selecting child care?		
	Health and safety	73.2%
	Quality of caregiver-child interactions	62.8%
	Social-emotional learning supports	36.5%
	Caregiver qualifications (e.g., degrees, training)	36.3%
	Behavior management/guidance	21.3%
	1-on-1 attention for my child	19.7%
	School readiness supports	18.2%
	Supports for special needs/disabilities	7.3%
	My family's culture, traditions, and language are supported	3.1%
q13: How important to you are each of the following aspects of a child care arrangement?		
Scores of "very important"		
	Hours/days care is available	73.5%
	Price of care	59.0%
	Keeping child in same arrangement as my other child(ren)	42.0%
	Close to my home	36.4%
	Close to my work	26.9%
	Eligible for use with financial assistance (e.g., child care subsidy, Head Start, GSRP)	19.7%
<u>All Scores</u>		
Hours/days care is available	Very important	73.5%
	Somewhat important	24.1%
	Not important	2.4%
Price of care	Very important	59.0%
	Somewhat important	36.9%
	Not important	4.0%
Close to my home	Very important	36.4%
	Somewhat important	59.8%
	Not important	3.8%
Close to my work	Very important	26.9%
	Somewhat important	55.8%
	Not important	17.3%
Keeping child in same arrangement as my other child(ren)	Very important	42.0%
	Somewhat important	28.8%
	Not important	29.3%
Eligible for use with financial assistance (e.g., child care subsidy, Head Start, GSRP)	Very important	19.7%
	Somewhat important	24.8%
	Not important	55.5%
q14: How important to you are each of the following aspects of a child care arrangement?		
Scores of "very important"		
	Accreditation/licensing of child care provider	63.0%

## Family Survey

	Reviews/ratings of child care provider (e.g., Great Start to Quality Rating)	48.9%
	Other families' opinions/experiences with child care provider	43.9%
	Caregiver is family member or another person I know	13.0%
	Caregiver(s) and/or other families share my culture, traditions, and language	11.3%
<b>All Scores</b>		
Accreditation/licensing of child care provider	Very important	63.0%
	Somewhat important	28.8%
	Not important	8.2%
Caregiver is family member or another person I know	Very important	13.0%
	Somewhat important	37.5%
	Not important	49.5%
Caregiver(s) and/or other families share my culture, traditions, and language	Very important	11.3%
	Somewhat important	45.4%
	Not important	43.3%
Other families' opinions/experiences with child care provider	Very important	43.9%
	Somewhat important	49.9%
	Not important	6.2%
Reviews/ratings of child care provider (e.g., Great Start to Quality Rating)	Very important	48.9%
	Somewhat important	42.4%
	Not important	8.6%
q15: In your ideal scenario (e.g., finances were not a concern, location/hours were convenient) what type of child care arrangement(s) would you most prefer (or would have preferred)? (Infant/toddler)		
<b>Infant/Toddler (0-2)</b>		
	Parent (myself or my child(ren)'s other parent)	63.1%
	Child care center	58.4%
	Family child care home (licensed home-based care)	58.4%
	Relative (e.g., grandparent, aunt/uncle)	48.7%
	Nanny or nanny share	43.6%
	Early Head Start/Head Start	27.2%
	Non-relative (e.g., friend, neighbor)	23.8%
	Pre-K program (e.g., Great Start Readiness Program)	16.1%
	Tribal child care services	16.1%
	Community-based before-/after-school program	14.1%
	Summer camps/programs	11.4%
	School-based before-/after-school program	2.0%
q15: In your ideal scenario (e.g., finances were not a concern, location/hours were convenient) what type of child care arrangement(s) would you most prefer (or would have preferred)?		
<b>Preschooler (3-5)</b>		

	Pre-K program (e.g., Great Start Readiness Program)	69.8%
	Early Head Start/Head Start	49.7%
	Child care center	47.3%
	Summer camps/programs	28.5%
	Family child care home (licensed home-based care)	28.2%
	Parent (myself or my child(ren)'s other parent)	28.2%
	Relative (e.g., grandparent, aunt/uncle)	27.5%
	School-based before-/after-school program	27.5%
	Non-relative (e.g., friend, neighbor)	24.8%
	Community-based before-/after-school program	23.5%
	Nanny or nanny share	22.1%
	Tribal child care services	15.4%
q15: In your ideal scenario (e.g., finances were not a concern, location/hours were convenient) what type of child care arrangement(s) would you most prefer (or would have preferred)?		
<b>School-age (6-12)</b>		
	Summer camps/programs	67%
	School-based before-/after-school program	65%
	Community-based before-/after-school program	55%
	Non-relative (e.g., friend, neighbor)	34%
	Parent (myself or my child(ren)'s other parent)	33%
	Relative (e.g., grandparent, aunt/uncle)	31%
	Nanny or nanny share	24%
	Child care center	23%
	Family child care home (licensed home-based care)	21%
	Tribal child care services	14%
	Early Head Start/Head Start	13%
	Pre-K program (e.g., Great Start Readiness Program)	12%
q17: Do any members of your child(ren)'s family identify as:		
	White, Caucasian, or Euro-American	95.9%
	Latina/o/x/@/e, Hispanic, or Chicana/o/x/@	5.8%
	Native American, Alaska Native, American Indian, First Nations, or Indigenous	4.9%
	Black, African American, or Afro-Caribbean	3.0%
	Asian or East Asian	0.8%
	Arab or Middle Eastern	0.5%
	Indian or South Asian	0.0%
	Native Hawaiian or other Pacific Islander	0.0%
	Multiracial (please specify)	0.0%
	Another race/ethnicity (please specify)	1.1%

## Family Survey

q18: What languages are spoken in your child's family?		
-	English	98.9%
-	Spanish	3.4%
-	Korean	0.5%
-	Arabic	0.3%
-	French	0.3%
-	Polish	0.3%
-	Chinese (Cantonese or Mandarin)	0.0%
-	Hindi/Urdu	0.0%
-	Japanese	0.0%
-	Russian	0.0%
q19: Are you currently:		
-	Working full-time	74.2%
-	Working part-time	18.2%
-	Attending school	3.9%
-	Not currently working	10.4%
q19: (if currently working) Which best describe(s) you?		
-	Salaried	48.4%
-	Paid hourly	43.4%
-	Gig worker	2.6%
-	Self-employed	12.3%
-	Work from home at least part-time	10.6%
q19: (if not currently working) Which best describe(s) you?		
-	Currently seeking employment	23.1%
-	Not seeking employment	12.8%
-	Retired	2.6%
-	Stay-at-home caregiver	82.1%
q19: (if working) In which sector do you currently work?		
-	Healthcare	15.1%
-	Education (K-12)	9.8%
-	Non-profit	8.6%
-	Early care and education	8.0%
-	Accountancy, banking or finance	7.4%
-	Business, consultancy or management	5.9%
-	Government	5.9%
-	Public services or administration	5.3%
-	Retail	3.9%
-	Higher education	3.0%
-	Social care and services	3.0%
-	Creative arts or design	2.4%
-	Food services	2.4%
-	Marketing, advertising, or PR	2.4%
-	Manufacturing	2.1%

-	Computing, IT, or data	1.8%
-	Property or construction	1.8%
-	Transportation	1.8%
-	Hospitality or events	1.5%
-	Energy and utilities	1.2%
-	Environment or agriculture	1.2%
-	Construction	0.9%
-	Law or legal services	0.9%
-	Engineering or manufacturing	0.6%
-	Human resources	0.6%
-	Law enforcement and security	0.3%
-	Sales	0.3%
-	Science or pharmaceuticals	0.3%
-	Entertainment	0.0%
-	Leisure, sport, or tourism	0.0%
-	Media or digital	0.0%
-	Military	0.0%
-	Recruitment or HR	0.0%
-	Other	1.8%
q20: If applicable...is your child(ren)'s other parent/guardian currently:		
-	Working full-time	89.0%
-	Working part-time	6.1%
-	Attending school	0.6%
-	Not currently working	5.5%
q20: (if currently working) Which best describe(s) your child(ren)'s other parent/guardian?		
-	Salaried	41.4%
-	Paid hourly	44.1%
-	Gig worker	0.3%
-	Self-employed	14.8%
-	Work from home at least part-time	4.9%
q20: (if not currently working) Which best describe(s) your child(ren)'s other parent/guardian?		
-	Currently seeking employment	11.1%
-	Not seeking employment	27.8%
-	Retired	11.1%
-	Stay-at-home caregiver	66.7%
q20: (if currently working) In which sector does your child(ren)'s other parent/guardian currently work?		
-	Construction	14.4%
-	Manufacturing	8.5%
-	Healthcare	8.2%
-	Computing, IT, or data	6.6%
-	Engineering or manufacturing	6.0%
-	Accountancy, banking or finance	4.1%
-	Education (K-12)	4.1%
-	Environment or agriculture	3.8%
-	Sales	3.8%



## Family Survey

	Business, consultancy or management	3.4%
	Energy and utilities	3.4%
	Food services	3.4%
	Law enforcement and security	3.4%
	Retail	3.4%
	Non-profit	2.2%
	Property or construction	2.2%
	Transportation	2.2%
	Law or legal services	1.9%
	Government	1.6%
	Public services or administration	1.6%
	Higher education	1.3%
	Hospitality or events	1.3%
	Leisure, sport, or tourism	1.3%
	Marketing, advertising, or PR	1.3%
	Social care and services	1.3%
	Military	0.9%
	Media or digital	0.6%
	Creative arts or design	0.3%
	Early care and education	0.3%
	Entertainment	0.3%
	Human resources	0.3%
	Science or pharmaceuticals	0.3%
	Recruitment or HR	0.0%
	Other	2.5%
q21: Which of the following have you or your child(ren)'s other parents/guardians experienced because of child care issues?		
	Missed work, arrived late, left early	78.6%
	Been distracted, stressed, or worried at work	71.8%
	Had to leave job	42.5%
	Reduced regular work hours or changed from full- to part-time	41.7%
	Turned down job offer, promotion, reassignment, or further education/training	33.0%
q22: Please select all the benefits that are available through your or your child(ren)'s other parents/guardians employer:		
	Flexible work scheduling and/or remote work options	46.6%
	Other financial supports (e.g., reduced rate at certain programs; flexible spending accounts)	10.1%
	Emergency or backup care assistance (e.g., for sick child or school closure)	6.8%
	On-site child care	5.5%
	Financial assistance for child care expenses (e.g., vouchers to offset costs)	4.7%
	Information about child care availability in the area	4.1%

	Information about financial assistance for child care expenses	2.2%
	None of the above	44.1%
q23: Which employer supports for child care would you find most valuable? (Top 3)		
<u>Top Choices</u>		
	Flexible work scheduling and/or remote work options	31.6%
	Financial assistance for child care expenses (e.g., vouchers to offset costs)	23.6%
	Emergency or backup care assistance (e.g., for sick child or school closure)	21.4%
	On-site child care	19.1%
	Other financial supports (e.g., reduced rate at certain programs; flexible spending accounts)	2.3%
	Information about child care availability in the area	1.7%
	Information about financial assistance for child care expenses	0.3%
<u>Top 3 Choices</u>		
	Flexible work scheduling and/or remote work options	70.1%
	Emergency or backup care assistance (e.g., for sick child or school closure)	59.8%
	Financial assistance for child care expenses (e.g., vouchers to offset costs)	56.4%
	On-site child care	47.0%
	Other financial supports (e.g., reduced rate at certain programs; flexible spending accounts)	29.9%
	Information about child care availability in the area	11.1%
	Information about financial assistance for child care expenses	4.6%
<u>All Scores</u>		
Emergency or backup care assistance (e.g., for sick child or school closure)	1st choice	21.4%
	2nd choice	19.1%
	3rd choice	19.4%
	Not chosen	40.2%
Financial assistance for child care expenses (e.g., vouchers to offset costs)	1st choice	23.6%
	2nd choice	19.1%
	3rd choice	13.7%
	Not chosen	43.6%
Other financial supports (e.g., reduced rate at certain programs; flexible spending accounts)	1st choice	2.3%
	2nd choice	12.3%
	3rd choice	15.4%
	Not chosen	70.1%

Flexible work scheduling and/or remote work options	1st choice	31.6%
	2nd choice	26.2%
	3rd choice	12.3%
	Not chosen	29.9%
Information about child care availability in the area	1st choice	1.7%
	2nd choice	4.3%
	3rd choice	5.1%
	Not chosen	88.9%
Information about financial assistance for child care expenses	1st choice	0.3%
	2nd choice	1.7%
	3rd choice	2.6%
	Not chosen	95.4%
On-site child care	1st choice	19.1%
	2nd choice	11.4%
	3rd choice	16.5%
	Not chosen	53.0%

### Provider Survey

The Provider Survey was an online survey completed in May, 2023 by 114 child care business owners, center directors, child care educators and others from the 10-county region about current needs, challenges, plans and priorities. It was promoted through email campaigns and affiliate communications. Topline data is provided below. Cross-tabulations for each county and for other important sub-groups are available upon request.

[Contact ssmith@avenueisr.com](mailto:ssmith@avenueisr.com).

q2: Which best describes the setting where you work? Please select all that apply.

	Family Home child care	13.3%
	Group Home child care	10.6%
	Center-based child care	29.2%
	Tuition-based child care within a school	16.8%
	Head Start	20.4%
	GSRP (Great Start Readiness Program)	50.4%
	Strong Beginnings	8.8%
	Other	6.2%

q3: What's your role?

	Owner	23.0%
	Program administrator	12.4%
	Center director	11.5%
	Teacher	26.5%
	Assistant teacher	15.0%
	Aide	0.9%
	Other, please specify	10.6%

### Provider Survey

q4: In what county is your school/center/business located?		
	Grand Traverse	50.0%
	Antrim	19.3%
	Kalkaska	10.5%
	Leelanau	7.0%
	Wexford	4.4%
	Benzie	3.5%
	Manistee	0.9%
	Missaukee	0.9%
	Charlevoix	0.0%
	Emmet	0.0%
	Other, please specify	3.5%
q5: Are you interested in using or taking part in any of the following? For options that require some of your time, stipends or incentives could be available. Please choose all that apply, e		
	An informal group gathering with other providers to share ideas	41.7%
	A mentorship program, as a mentor or mentee	31.5%
	An organized pool of substitutes (meet licensing requirements) to work in your program(s)	50.9%
	A registered apprenticeship program	15.7%
	New tools and resources to recruit and train parents to volunteer in your classroom(s)	27.8%
	Stipends to cover your costs for training (e.g. closing during training, transportation costs)	44.4%
	Staffing (substitutes) to cover you while you are at a training	38.9%
	Additional sessions of a CDA (child development associate) program	22.2%
	A shared regional infant care wait list you could refer families to	21.3%
	A shared services (e.g. billing, scheduling) group to help reduce administrative costs	6.5%
	None of these	15.7%
q7: You indicated you would be interested in participating in a mentorship program, either as a mentor or mentee. Which of the following would you be willing to participate in? Please select all that apply.		
	Serve as a mentor to others	79.4%
	Have a mentor to support me in my career	32.4%
	One on one mentoring	85.3%
	Group setting with more than one mentor and more than one mentee	85.3%
	In person	94.1%
	Virtual	70.6%
	Work with people within my home county	91.2%
	Work with people from different counties in northern Michigan	61.8%

## Provider Survey

MENTORSHIP INTEREST	Interested in being a mentor	20.6%
	Interested in being a mentee	6.5%
	Both mentor and mentee prospect	3.7%
	Neither	69.2%
	Mentor + Both	24.3%
	Mentee + Both	10.2%
q8: How many times per year feels both realistic and helpful for mentorship sessions/meetings?		
	Once per month	54.5%
	Every other month	24.2%
	Quarterly	12.1%
	Other, please explain	9.1%
q9: What topics would you want to cover in mentorship sessions/meetings? Please select all that apply		
	Managing difficult behaviors (children)	72.7%
	Managing difficult behaviors (parents and other adults)	69.7%
	Managing and motivating staff	63.6%
	Licensure and compliance (LARA)	51.5%
	Career path in early childhood	54.5%
	Business management	30.3%
	Other	18.2%
q11: What do you need to fully participate in a mentorship program or informal group gathering with other providers to share ideas? Please choose all that apply		
	Stipend to cover your time	40.6%
	Professional Development credit for participating	40.6%
	Tiered Commitment - you choose a tier of support based on what you are able to offer	34.4%
	Materials for your classroom, center or business	25.0%
	Other	0.0%
	None of these they are "nice to haves" but I would do this anyway	46.9%
q12: You indicated you would be interested in a substitute pool What would you be able to pay substitutes on an hourly basis?		
	\$13-13.99	12.2%
	\$14-15.99	34.7%
	\$16-17.99	16.3%
	\$18-19.99	6.1%
	\$20 or more	2.0%
	Other, please specify	28.6%
q13: What would need to be true about a substitute pool for you to participate? What does this need to offer to you? Please select all that apply		
	Understanding of licensing requirements	84.0%
	Access to contact subs directly	74.0%
	Ongoing training resources and support	60.0%

	Onboarding	56.0%
	Easy system for payment	44.0%
	Other	8.0%
q14: Do you have any open positions for your school/center/business right now?		
	Yes	44.1%
	No	55.9%
q16: How long have you needed one or more employees?		
	1 month or less	23.1%
	2-3 months	15.4%
	4-6 months	11.5%
	7-11 months	19.2%
	1 year or more	30.8%
q18: What certificates and experience do you look for in employees? Please choose all that apply		
	Bachelor's in Early Childhood Ed	52.6%
	Associate's in Early Childhood Ed	56.1%
	CDA (Child Development Associate)	54.4%
	Experience in the field	66.7%
	Other	28.1%
q19: Would you be willing to consider expanding your licensed capacity either at your current location or a new location? If you wanted it, there would potentially be financial and planning support to help you through the process		
	Yes, could be interested in expanding at current location	22.4%
	Yes, could be interested in expanding at a new location	8.6%
	Yes to both of these	24.1%
	No to both	44.8%
q20: What would you need to expand? Please choose all that apply		
	Funding to purchase property and/or build a new building	50.0%
	Grant or loan to cover remodeling costs of an existing building I own or lease	56.7%
	A different location	16.7%
	Additional staff	70.0%
	One or more partners to help with costs and logistics	23.3%
	Business planning help	16.7%
	Other	10.0%
	None of these can expand on my own	0.0%
q21: To expand your business would you be interested in partnering with a business, nonprofit organization and/or school who would provide space to operate a child care facility (either at their site or another location)?		
	Yes	40.0%
	No	16.7%
	Not sure	43.3%

## Provider Survey

q22: Would you be interested in being on a mailing/email list to receive Requests for Proposals (RFP) from businesses, nonprofit organizations and/or schools seeking a partner to operate child care at their site or to contract for child care spaces for th		
	Yes, please add me to this list	58.3%
	No	41.7%
q23: If a Request for Proposal asked you to prepare a detailed written response potentially including a business plan, would you want help preparing your response?		
	Yes please!	50.0%
	Maybe	42.9%
	No, I/we can handle this	7.1%
	No, if this was required I wouldn't actually respond	0.0%
q24: Have you ever provided care for infants or toddlers (up to 2.5 years)?		
	Yes	80.0%
	No	20.0%
q25: Are you currently providing care for infants or toddlers (up to 2.5 years)?		
	Yes	87.1%
	No	12.9%
q26: Are you planning to provide care for infants or toddlers (up to 2.5 years) in the future?		
	Definitely	70.0%
	Possibly	12.5%
	No	12.5%
	Other, please explain	5.0%
q27: How many years have you worked in Early Childhood?		
	One year or less	2.9%
	2-3 years	3.9%
	4-5 years	7.8%
	6-10 years	21.4%
	More than 10 years	64.1%
q28: Now, would you be willing consider joining a "Provider Council" of providers from around northern Michigan who can provide ongoing input on new programs and advocacy to help our early care and learning system? This would involve completing super shor		
	Yes, that's all I need to know – count me in	25.5%
	Maybe, I am interested but need to know more	40.2%
	Not interested at this time	34.3%
q29: Finally, we are in the midst of developing a parent survey to learn what parents need from our early care and learning system and how they might be willing to help Any results from parents in your program would be shared with you Would you be willi		
	Yes	78.4%
	No	15.7%
	Other, please explain	5.9%

## Employer Survey

### Employer Survey

The Employer Survey was an online survey completed in November and December, 2023 by 197 employer representatives from the 10-county region (76% in a management or leadership role) about current employee child care challenges, business impacts and business policies. It was promoted through email from Coalition representatives and affiliate communications through regional economic development organizations and chambers of commerce. Topline data is provided below. Cross-tabulations for each county and for other important sub-groups are available upon request. [Contact ssmith@avenueisr.com](mailto:ssmith@avenueisr.com).

q1: Which of the following descriptions best fits your role within the company?		
	President, Chief Executive Officer, or business owner	30.6%
	Chief Operating Officer	9.7%
	Human resources executive or individual with equivalent responsibilities	30.6%
	Employee	24.0%
	Benefits manager or individual with equivalent responsibilities	2.0%
	Other	3.1%
q2: Please enter the county where your company/organization is located.		
	Antrim	2.0%
	Benzie	2.7%
	Charlevoix	4.8%
	Emmet	15.0%
	Grand Traverse	51.0%
	Kalkaska	1.4%
	Leelanau	4.8%
	Manistee	15.0%
	Missaukee	0.0%
	Wexford	3.4%
q3: Which of the following best describes the location of your company/organization?		
	A large city	4.2%
	A suburb near a large city	3.5%
	A small city or town	73.6%
	A rural area	18.8%
q4: Which of the following best describes the business or industry of your organization?		
	Accountancy, banking or finance	3.5%
	Business, consultancy or management	3.5%
	Computing, IT, or data	1.4%
	Construction	7.8%
	Creative arts or design	0.7%
	Early care and education	1.4%



## Employer Survey

	Education (K-12)	4.3%
	Energy and utilities	0.7%
	Engineering or manufacturing	1.4%
	Entertainment	0.7%
	Food services	4.3%
	Government	6.4%
	Healthcare	12.8%
	Higher education	1.4%
	Hospitality or events	3.5%
	Law or legal services	0.7%
	Leisure, sport, or tourism	1.4%
	Manufacturing	10.6%
	Non-profit	10.6%
	Property or construction	4.3%
	Public services or administration	1.4%
	Retail	8.5%
	Sales	0.7%
	Science or pharmaceuticals	0.7%
	Social care and services	3.5%
	Transportation	2.8%
	Other	0.7%
q5: About what percentage of employees at your company have children younger than 13?		
	Not sure	6.1%
	No employees have children younger than 13	4.8%
	25 percent or fewer	35.4%
	26 to 75 percent	47.6%
	76 percent or more	6.1%
with "Not sure" removed		
	No employees have children younger than 13	5.1%
	25 percent or fewer	37.7%
	26 to 75 percent	50.7%
	76 percent or more	6.5%
q6: How many full- and part-time employees work at your company?		
	Fewer than 5	10.6%
	5 - 9	12.8%
	10 - 19	12.8%
	20 - 49	23.4%
	50 - 99	13.5%
	100 - 249	19.9%
	250 - 500	4.3%
	More than 500	2.8%
q7: Does the business owner or most senior executive identify as a:		
	Woman	40.8%
	Person of color	2.1%
	Veteran	4.9%

	None of the above	54.9%
q8: About what percentage of your employees are salaried employees (i.e., not paid hourly)?		
	None	7.8%
	1 to 25 percent	50.4%
	26 to 50 percent	19.9%
	51 to 75 percent	5.0%
	76 percent or more	17.0%
q9: Which of the following is true of your employees and their potential child care needs? Select all that apply.		
	Employees work during non-traditional hours (e.g., evening, overnight, and/or weekend)	30.7%
	Employees have schedules that are not always consistent (e.g., working different days of the week, times of day, and/or length of shift)	40.0%
	Employees' schedules can change with little advanced notice (e.g., last-minute scheduling, overtime, reduction in hours, on-call work)	27.9%
	None of the above	39.3%
q10: From your perspective, how much does the lack of child care availability currently affect your ability to recruit job candidates for open positions or to retain employees?		
	Not at all	7.9%
	Somewhat	66.9%
	A lot	25.2%
q11: Please indicate the extent to which you agree or disagree with the following statement: Child care issues experienced by my employees are negatively impacting my business (e.g., effects on productivity, absenteeism, turnover)		
	Strongly disagree	3.6%
	Disagree	2.2%
	Neither agree or disagree	22.3%
	Agree	56.1%
	Strongly agree	15.8%
q12: How often have your employees experienced any of the following as a result of having a child care issue?		
<u>Frequently + Occasionally</u>		
	Missed work, arrived late, left early	94.1%
	Been distracted, stressed, or worried at work	86.6%
	Reduced regular work hours or changed from full- to part-time	57.1%
	Turned down job offer, promotion, reassignment, or further education/training	38.8%
	Had to leave job	38.8%
<u>All Scores</u>		
	Missed work, arrived late, left early	0.7%

## Employer Survey

	Rarely	3.7%
	Occasionally	47.4%
	Frequently	46.7%
	Not sure	0.0%
	Not applicable	1.5%
Been distracted, stressed, or worried at work	Never	1.5%
	Rarely	8.2%
	Occasionally	58.2%
	Frequently	28.4%
	Not sure	2.2%
	Not applicable	1.5%
Reduced regular work hours or changed from full- to part-time	Never	14.3%
	Rarely	23.3%
	Occasionally	36.8%
	Frequently	20.3%
	Not sure	0.8%
	Not applicable	4.5%
Turned down job offer, promotion, reassignment, or further education/training	Never	22.4%
	Rarely	28.4%
	Occasionally	26.1%
	Frequently	12.7%
	Not sure	3.7%
	Not applicable	6.7%
Had to leave job	Never	29.9%
	Rarely	26.1%
	Occasionally	29.9%
	Frequently	9.0%
	Not sure	3.7%
	Not applicable	1.5%
q13: We are interested in understanding the workplace policies that businesses implement. Please indicate whether you have implemented or would consider implementing these policies:		
<u>Implemented, planning or would consider</u>		
	Information about financial assistance for child care expenses	88%
	Information about child care availability in the area	86%
	Flexible work scheduling and/or remote work options	82%
	Other financial supports (e.g., reduced rate at certain child care programs; flexible spending accounts)	73%
	Provide support to/develop partnership with a local child care provider	72%
	Participate in Tri-Share model (employer, employee, and State split cost of care)	68%
	Emergency or backup care assistance (e.g., for sick child or school clos	62%

	Financial assistance for child care expenses (e.g., vouchers to offset costs)	60%
	On-site child care	31%
All Scores		
Emergency or backup care assistance (e.g., for sick child or school clos	Would not consider	29.3%
	Would consider or planning to implement	50.4%
	Have implemented	11.4%
	Not applicable	8.9%
Financial assistance for child care expenses (e.g., vouchers to offset costs)	Would not consider	34.1%
	Would consider or planning to implement	51.2%
	Have implemented	8.9%
	Not applicable	5.7%
Other financial supports (e.g., reduced rate at certain child care programs; flexible spending accounts)	Would not consider	20.3%
	Would consider or planning to implement	51.2%
	Have implemented	22.0%
	Not applicable	6.5%
Flexible work scheduling and/or remote work options	Would not consider	12.9%
	Would consider or planning to implement	16.9%
	Have implemented	64.5%
	Not applicable	5.6%
Information about child care availability in the area	Would not consider	4.2%
	Would consider or planning to implement	69.2%
	Have implemented	16.7%
	Not applicable	10.0%
Information about financial assistance for child care expenses	Would not consider	4.8%
	Would consider or planning to implement	79.0%
	Have implemented	8.9%
	Not applicable	7.3%
On-site child care	Would not consider	54.9%
	Would consider or planning to implement	21.3%
	Have implemented	9.8%
	Not applicable	13.9%
Participate in Tri-Share model (employer, employee, and State split cost of care)	Would not consider	23.6%
	Would consider or planning to implement	60.2%
	Have implemented	8.1%
	Not applicable	8.1%
Provide support to/develop partnership with a local child care provider	Would not consider	18.5%
	Would consider or planning to implement	70.2%
	Have implemented	1.6%
	Not applicable	9.7%

## Employer Survey

q15: We are interested in understanding what prevents a business from implementing workplace policies that support the child care needs of employees. Please indicate the extent to which the issues below represent barriers to supporting the child care needs of your employees.

<u>Major Barriers</u>		
	Regulatory burden of operating on-/near-site child care	71.5%
	Cost of providing child care benefits	52.8%
	Concerns about liability for employer-sponsored child care	31.4%
	Inability to offer flexibility in work location/schedule	29.5%
	Child care benefits only support some employees	24.4%
	Lack of knowledge/technical assistance around how to support child care needs	20.7%
	Lack of data about employee needs	5.0%
<u>All Scores</u>		
Cost of providing child care benefits	Not a barrier	8.9%
	Moderate barrier	38.2%
	Major barrier	52.8%
Lack of data about employee needs	Not a barrier	50.4%
	Moderate barrier	44.6%
	Major barrier	5.0%
Child care benefits only support some employees	Not a barrier	26.8%
	Moderate barrier	48.8%
	Major barrier	24.4%
Inability to offer flexibility in work location/schedule	Not a barrier	38.5%
	Moderate barrier	32.0%
	Major barrier	29.5%
Concerns about liability for employer-sponsored child care	Not a barrier	36.4%
	Moderate barrier	32.2%
	Major barrier	31.4%
Lack of knowledge/technical assistance around how to support child care needs	Not a barrier	23.1%
	Moderate barrier	56.2%
	Major barrier	20.7%
Regulatory burden of operating on-/near-site child care	Not a barrier	14.6%
	Moderate barrier	13.8%
	Major barrier	71.5%
q16: Please indicate how important it is for Michigan to make investments and pass child care policies to address the following issues:		
<u>Very Important</u>		
	Increasing the supply of child care	91.1%
	Making child care more affordable for parents	84.7%
	Supporting the child care industry and workforce	84.6%

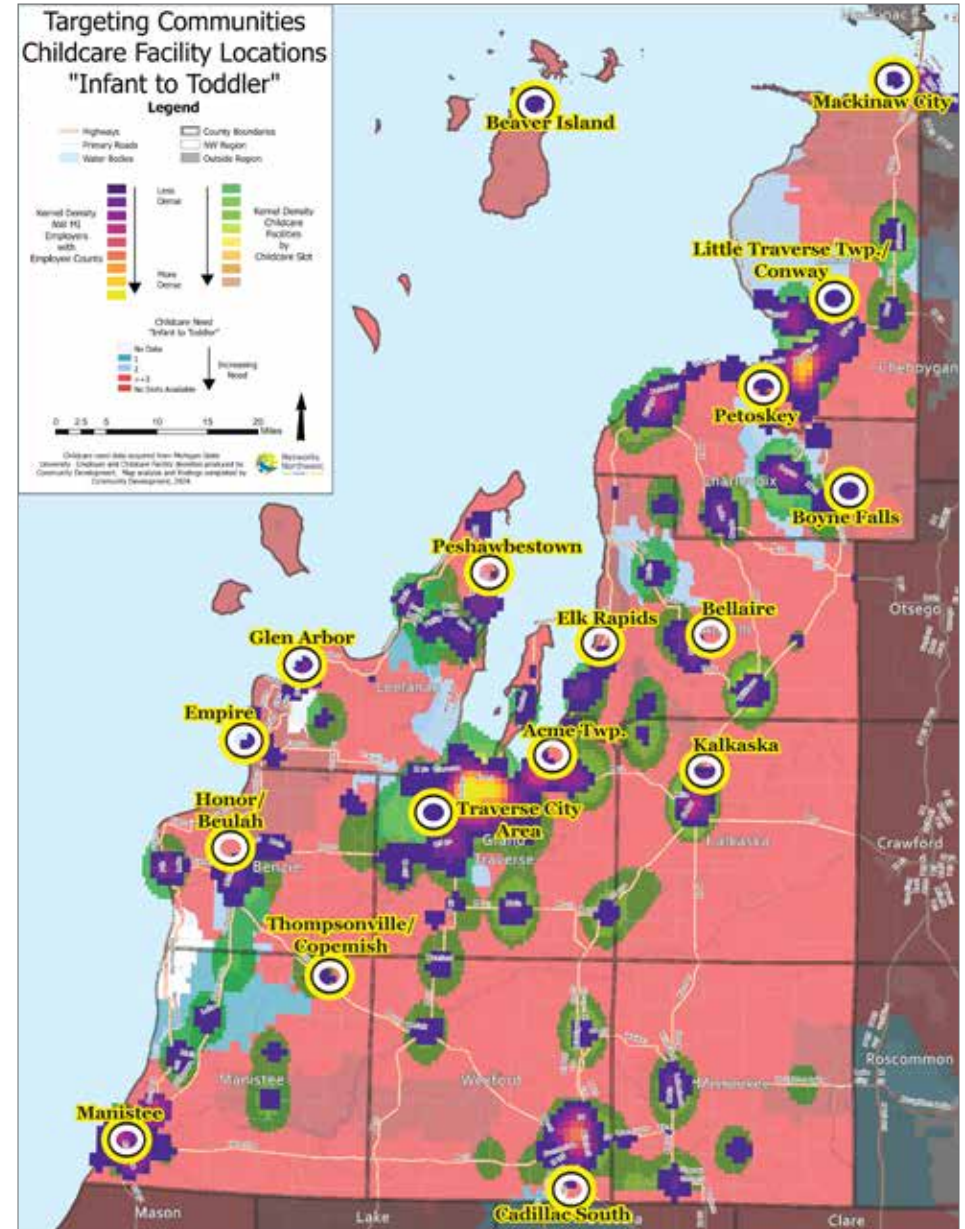
	Improving the quality of child care	77.4%
	Funding child care as a public good, like K-12	68.5%
<u>All Scores</u>		
Making child care more affordable for parents	Not important	3.2%
	Somewhat important	12.1%
	Very important	84.7%
Increasing the supply of child care	Not important	2.4%
	Somewhat important	6.5%
	Very important	91.1%
Improving the quality of child care	Not important	3.2%
	Somewhat important	19.4%
	Very important	77.4%
Supporting the child care industry and workforce	Not important	4.1%
	Somewhat important	11.4%
	Very important	84.6%
Funding child care as a public good, like K-12	Not important	10.5%
	Somewhat important	21.0%
	Very important	68.5%

### Data Maps & Visualizations

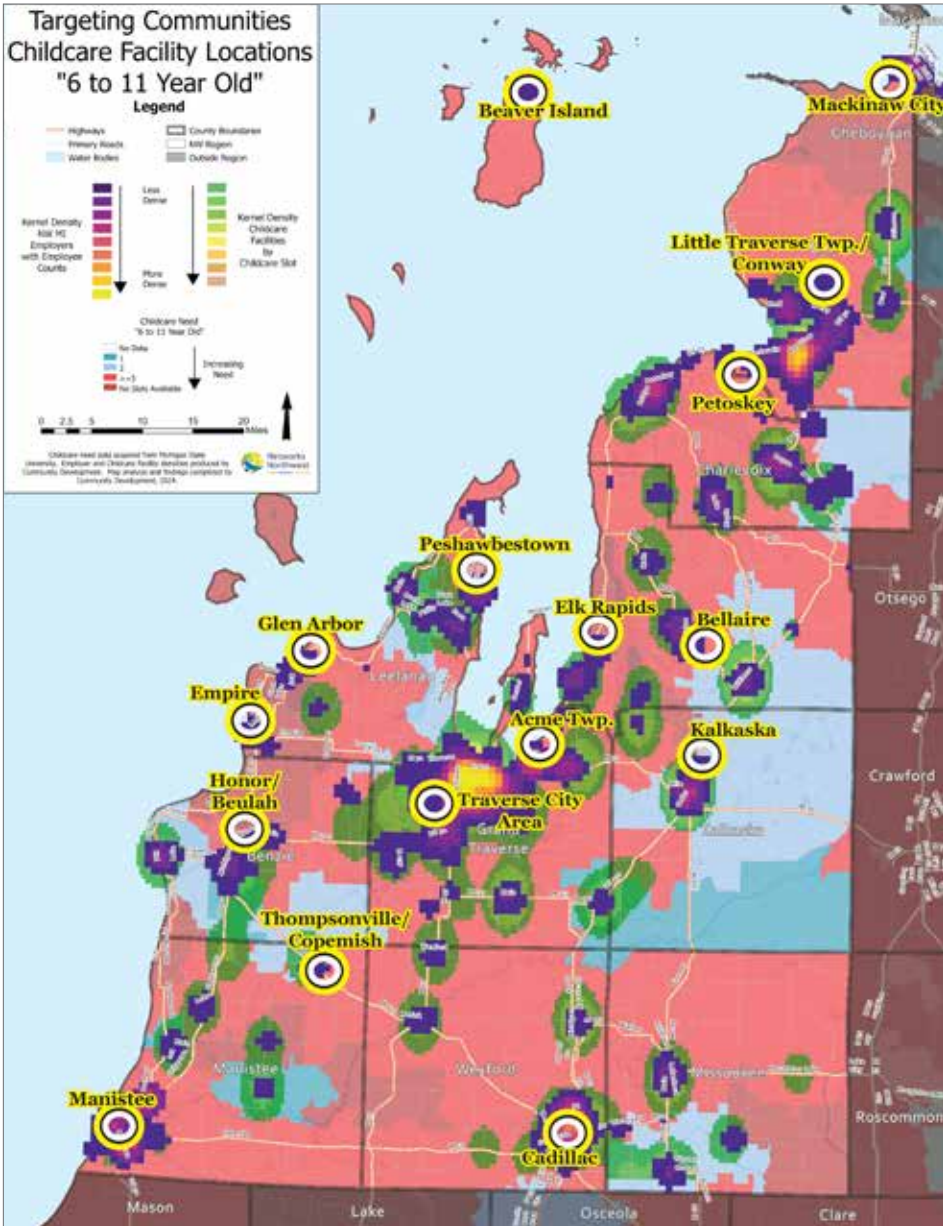
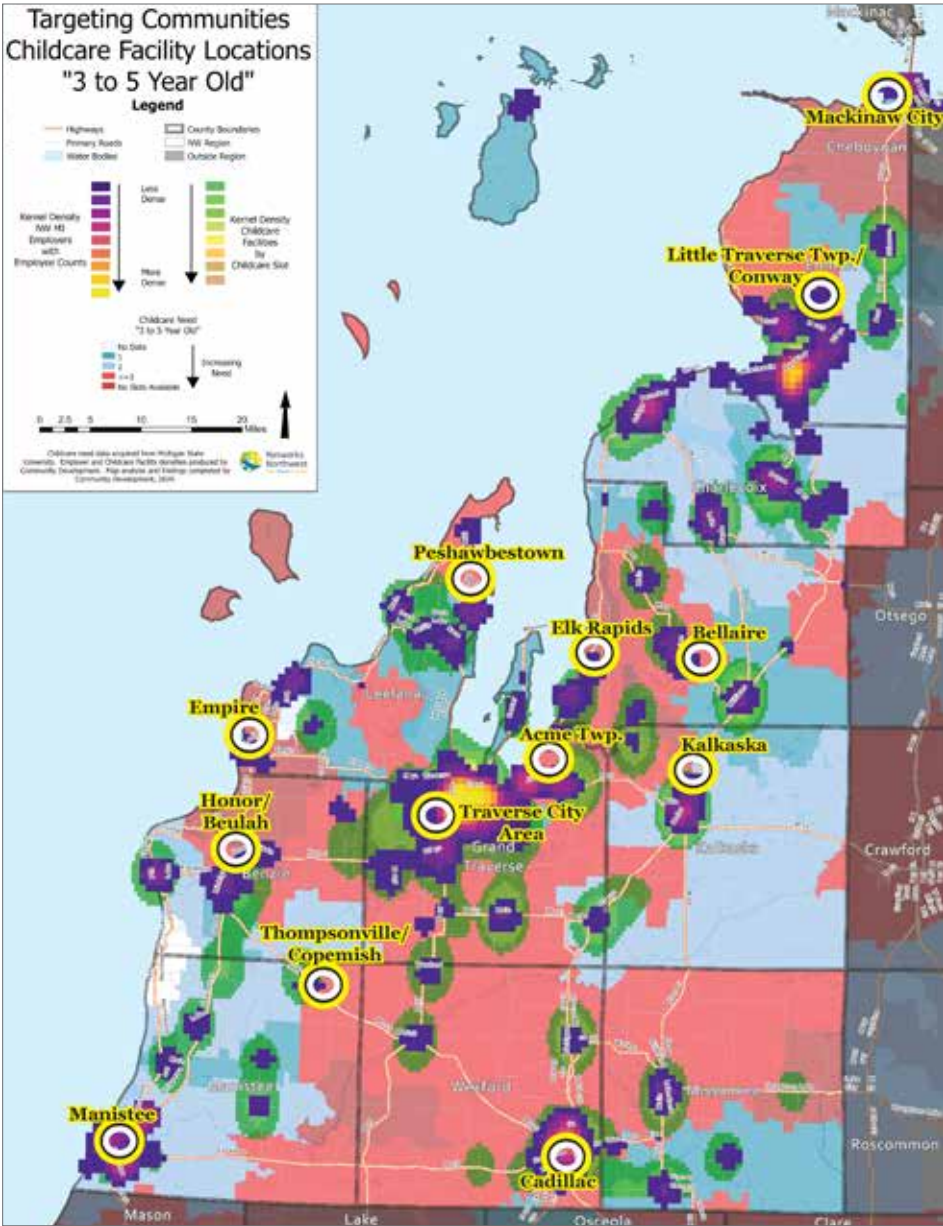
The following maps and visualizations were developed by Networks Northwest Community Development Department in May, 2024 as a means to contrast employment centers with available child care.

These overlay maps includes the Kernel Density files for Childcare Facilities, the Kernel Density files for both the Employers with Employee Counts and the Employers without Employee Counts. The map overlay consists of these three layers placed in succession, which allows the viewer to identify the reach (boundaries) of the individual datasets. The Employer Density without Employee Counts is placed first in the background, the Childcare Facility Density is then overlaid followed last by the Employer Density with Employee Counts overlaid at the forefront.

It appears from the overlay that very few locations in NW Michigan display childcare facilities (green hues) extending beyond the employers without employee counts (red hues), reinforcing the overall need for childcare facilities. Although, efforts to focus towards areas of higher employee density would meet the greatest need. Thus patterns to note are those locations where the raster cells of dark purple extend beyond or to the edge of the raster cells of the green raster cells.







# Licensable Property Analysis

## Appendix 4

The Regional Child Care Planning Coalition considered the criteria needed to create an inventory of “licensable” properties that could be prioritized to expand capacity or to place new universal preschool classrooms. The following types of properties were considered.

**Properties with currently licensed child care:** a property that already has a child care license, by definition, has already been evaluated and deemed suitable for child care, at least in part of the property; working with existing license-holders to stay in business and potentially expand capacity at current sites is the most direct approach to maintain and expand current child care capacity; these facilities were included in the inventory

**Properties that formerly housed licensed child care:** a property that used to have a child care license has also already been evaluated and deemed suitable for child care, at least in part of the property; assuming no major modifications have been made to the site, working to refurbish and reopen child care where it previously existed is the second most direct approach to expand current child care capacity; these facilities were included in the inventory

**Former elementary schools:** a property that once housed an elementary school likely has many of the physical and site-specific requirements—fire safety, window heights, play area configuration, etc., that would be applicable to child care licensing; in communities where school districts have closed elementary schools, transitioning the facility to licensed child care is a high-probability approach to expand child care capacity; these facilities were included in the inventory

**Vacant commercial or government property:** over the course of the Regional Child Care Planning process, members of the Coalition evaluated vacant property that had been used for retail operations, adult learning and training, faith-based community activities and others purposes; assessing the suitability of these sites for licensed child care is difficult without a thorough physical inspection by experienced building professionals and child care licensing professionals to assess the time and investment needed to modify facilities for child care licensing; as a general category, vacant commercial or government property is too broad to include in a 10-county inventory of licensable properties

**New residential or mixed-use developments:** members of the Coalition supported the formation of at least one new center-based licensed child care facility in a new mixed-use development over the course of the Regional Child Care Planning process; property developers seeking to create a high-value amenity for their occupants and communities may be

a priority audience with whom child care advocates can build connections going forward; however, without extensive meetings and planning to confirm interest, new developments cannot be credibly included in a 10-county inventory of licensable properties

Based on this assessment, the Coalition generated and shared with the region’s three Great Start Collaborative Coordinators an inventory of 1) currently licensed facilities, 2) facilities designated as “closed” in MiLEAP’s Child Care Hub Information Records Portal (CCHIRP) system and 3) former elementary schools.



**Networks Northwest Coalition**

**Regional Child Care Plan 2024**