



Networks Northwest Regional Child Care Coalition | 14 Impactful Solutions

Regional Child Care Plan

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

Solution
12

[DOWNLOAD THE FULL PLAN HERE](#)

Introduction to the 14 Solutions

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

The following Child Care Solution module is one of 14 Solutions that comprise the Regional Child Care Plan of the Networks Northwest Regional Child Care Planning Coalition. The 49-member Coalition represents regional and community partners in the northwest-lower Michigan counties of Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee and Wexford.

The work of the Coalition is funded by a Regional Child Care Planning grant awarded and supported by Michigan's Early Childhood Investment Corporation (ECIC) Child Care Innovation Fund in order to understand and address the child care crisis and to expand equitable access to high-quality, affordable child care for working families. Grants were issued to 16 regional coalitions covering every part of Michigan.

Regional Child Care Planning grants were issued to ECIC by the Michigan Department of Lifelong Education, Advancement and Potential (MILEAP), utilizing American Rescue Plan Act (ARPA) funds from the Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services.

Each Solution Module:


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.
- **Vetted** – have proven to be successful regionally or elsewhere
- **Sponsored** – one or more regional entities or groups is presently committed to or leading implementation

Consists of five components::

- **Primary Root Cause** addressed
- **An introductory paragraph** summarizing 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 14 Solutions are:

1. State Investment
2. Local Public Funding
3. Policy Changes
4. Local Planning & Zoning
5. Provider Incubation
6. Community Facility Investments
7. Micro-Centers
8. Credential Pathways
9. Substitute Pools
10. Universal Preschool
11. Home-Based Universal Preschool Option
12. Employer Policies & Actions 
13. Enhanced Family Navigation
14. Peer-to-peer & Community Collaboration

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 owners¹ 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.²

The Regional Child Care Plan Employer Survey³ 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

PRIMARY ROOT CAUSE
ADDRESSED:

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

¹ 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>

² See Employer Interviews

³ 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.⁴

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,⁵ 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 Survey⁶ 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 process⁷ 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,⁸ 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

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

⁵ <https://pulseroadmap.org/>

⁶ See Appendix 3: Family Survey

⁷ Employer Interviews

⁸ 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,⁹ 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.¹⁰ 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.¹¹ 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.¹²

The Great Start to Quality Northwest Resource Center services include support for families searching for child care and preschool options.¹³ Help Me Grow Northwest provides resources for families as well as access to a care coordinator who can provide direct support to families.¹⁴ 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

⁹ See Appendix 3: Employer Survey

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

¹¹ <https://duoshare.org/>

¹² See Employer Interviews

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

¹⁴ <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.¹⁵ 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

¹⁵ 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.

Networks Northwest Coalition

Regional Child Care Plan 2024