



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 6

[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

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.”¹

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**² 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.

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

² <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.³

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.

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

Networks Northwest Coalition

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