



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 5

[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

Provider Incubation

Expand community incubation of new providers to add capacity

SOLUTION

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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).¹ 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 thoroughly 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.²

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

² <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.³

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.⁴

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

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

⁴ <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,⁵ 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.

⁵ See Root Cause: Broken Business Model

Networks Northwest Coalition

Regional Child Care Plan 2024