



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 7

[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

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,¹ 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**

¹ 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.²

Minneapolis uses a “pod model” for hosting and co-locating micro-centers, clustering several small group providers offering individual programs in one facility.³ 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

² “Micro-Center Network” Opportunities Exchange, September, 2019

³ “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

universal 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.⁴

- 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

⁴ 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.”

cannot afford to hire a second staff member

- 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.

Networks Northwest Coalition

Regional Child Care Plan 2024