

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

Table of Contents - click on the heading to view the section below

Contact Information for Program Questions

Networks Northwest

Child Care Back Office

Great Start to Quality Northwest Resource Center

Educator Eligibility

Eligible Employees

Ineligible Employees

Residency Requirement

Minimum Hours Requirement

Calculation of Average Weekly Hours

Temporary Reduction in Hours

Leave Periods (Maximum 3 Months)

Program Action Required

Staffing Changes and Program Updates

Changes in Status of Enrolled Educators

Payments for Partial Month Worked

Replacing a Former Employee

Hiring New Educators

Program Changes (Location, License, Contact Information)

Taxes and Benefit Eligibility

Recording the Stipend for Bookkeeping Purposes

Tax Implications for Educators

Potential Impacts to the Educator's Eligibility for Income-Based Programs and Services

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

Contact Information for Program Questions

Networks Northwest

Questions about: adding or removing educators, program guidelines, educator eligibility, program changes

Contact: Norika Kida Betti

Text or call: (231) 631-6947

Email: norika.kidabetti@networksnorthwest.org

Child Care Back Office

Questions about: monthly payments, documentation requirements, monthly verification emails

Contact: Lauren Foglesong

Call: (989) 278-8747

Email: wages@childcarebackoffice.org

Great Start to Quality Northwest Resource Center

Questions about: updating your MiRegistry account or your Great Start to Quality profile

Contact: [CLICK HERE](#) to find GSQ staff contact information

Educator Eligibility

Eligible Employees

- Eligible employees of the program include Lead Caregivers/Teachers and Assistant Teachers/Family Child Care Assistant Caregivers/Teachers who meet the residency and minimum hour requirements (defined below).

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

- Home-based child care business owner-operators qualify as Lead Caregivers/Teachers and are eligible if they meet the residency and minimum hours requirements (defined below).

Ineligible Employees

- Employees whose primary duties are not teaching/caregiving.
- Substitute educators.
- Directors are not eligible unless they are regularly scheduled as a lead or an assistant teacher/caregiver for the minimum required hours per week. To verify eligibility, programs must submit the staffing schedule to Networks Northwest to show that anyone in this dual role is regularly scheduled in the classroom for the required number of hours.

Residency Requirement

- All eligible educators must reside in Michigan.

Minimum Hours Requirement

Eligibility for an individual educator is based on their average weekly hours throughout the year:

- **Full-time educators** must work an average of **over 30 hours** per week.
- **Part-time educators** must work an average of **between 20 and 30 hours** per week.

Calculation of Average Weekly Hours

If an educator's hours vary (e.g., between the school year and summer), the average weekly hours must be calculated over a 52-week year.

- **Example Calculation:**
Summer hours (weekly hours x number of weeks) +

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

School year hours (weekly hours x number of weeks)

= Total Annual Hours

Total Annual Hours / 52 weeks = Average Hours/Week

Temporary Reduction in Hours

Educators who experience a temporary reduction in hours due to medical needs or another Networks Northwest approved reason may continue receiving the full stipend for up to three (3) months, provided that their regular average hours per week continue to meet the minimum requirements of the Early Education Wage Initiative. If the reduced hours continue beyond three months, the educator's average hours would need to be recalculated and they may no longer be eligible for the stipend.

Leave Periods (Maximum 3 Months)

Participating early education programs have the flexibility to determine how to manage educator stipend payments during approved periods of leave, up to a maximum duration of three (3) months. This flexibility acknowledges the diverse operational needs of each program. This policy applies to leave periods including parental leave, medical leave, summer break periods when the educator is not working, and other approved leave periods. Please contact Networks Northwest if you are unsure about whether a leave period falls under this policy.

Program Action Required

As soon as you know that an educator will be on leave, contact Networks Northwest, with:

1. The educator's name.
2. The expected start and end date of the leave period.
3. The reason for the leave.

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

4. The payment option you are requesting (continue, hold, or suspend).
 - **Continue Paying Stipend:** The program may choose to continue paying the educator their regular stipend amount monthly throughout the approved leave period (up to 3 months).
 - **Hold Stipend Payments:** Networks Northwest can disburse the total stipend amount owed to the program for the leave period (up to 3 months) in a single lump sum payment following the educator's return to work. If the educator does not return to work after the leave period, the program (and the educator) will not receive the lump sum payment.
 - **Suspend Stipend Payments:** The program may choose to stop the educator's stipend payment for the duration of the approved leave period (up to 3 months). Upon returning to work and continuing to meet all program eligibility requirements, the educator would start receiving the monthly stipend payment again.

Staffing Changes and Program Updates

Changes in Status of Enrolled Educators

Programs must contact Networks Northwest to report a change in the status of an enrolled educator as soon as possible, and not more than ten (10) business days from the date the change occurred.

Types of changes that programs must report:

- **Employment termination:** An educator currently receiving the wage initiative stipend is no longer employed with the child care program.
- **Permanent changes in weekly hours:** An educator's average number of weekly hours permanently changes and the change will make the

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

educator ineligible (under 20 hours/week) or change between part-time or full-time status (see definitions above).

- **Temporary changes:** See the policy above regarding temporary reductions in hours and leave periods.
- **Other changes that may impact an educator's eligibility for the stipend.** If you are unsure, contact Networks Northwest.

Payments for Partial Month Worked

If an educator is eligible on the date the program verifies employment, the educator will receive the full stipend for that month, even if the educator's employment status changes soon after.

For example, if the program verifies employment on July 15th and the educator quits on July 17th, the educator will receive the July stipend.

The program must pay the stipend to the educator or, if this is not possible, notify Networks Northwest and CCBO immediately. In the event the educator cannot be paid, Networks Northwest and CCBO will instruct the program to repay the overpaid amount to CCBO or inform the program that they will receive a reduced payment the following month to account for the overpayment. If CCBO instructs the program to repay, CCBO may pause the program's monthly payments until CCBO receives the overpaid amount.

Replacing a Former Employee

With prior approval from Networks Northwest, the employer may offer the stipend to another eligible, currently-employed educator. The new educator is not eligible to receive the stipend until Networks Northwest receives the educator's registration form, verifies the educator's MiRegistry account, and notifies the employer that the educator is enrolled.

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

Hiring New Educators

Opportunities may arise to add new staff into the Wage Initiative, subject to adequate funding. Employers must contact Networks Northwest to inquire about the possibility of enrolling new educators.

Program Changes (Location, License, Contact Information)

Participating programs must inform Networks Northwest and Child Care Back Office as soon as possible, and not more than ten (10) business days from the date the change occurred, of any changes, including:

- Program's location
- License number
- Contact information
- Any other essential program details

To report these changes, please email Networks Northwest and Child Care Back Office. The program would typically continue to receive stipends despite a change; however, Networks Northwest must report the changes to MiLEAP and verify program information with MiRegistry before approving the transition of awarded stipends to a new license number or location.

Taxes and Benefit Eligibility

Recording the Stipend for Bookkeeping Purposes

The stipend payment from Networks Northwest should be treated as income and the stipends paid to employees will be payroll expenses requiring payroll tax deductions (both employee portion and employer portion). **Employers are responsible for paying the employer portion and cannot deduct it from the educator's stipend amount.** For specific guidance related to your individual tax situation, please consult your accounting and bookkeeping professionals.

NORTHWEST REGIONAL CHILD CARE COALITION

Early Education Wage Initiative Policies and Program Guidance

Updated 7/29/2026

Tax Implications for Educators

The stipend is considered taxable income and will likely increase the total amount of income tax an educator owes for the year.

- For W-2 employees, the employer will take taxes out of the stipend amount.
- For 1099 employees, the stipend amounts will be included in the 1099 and educators are responsible for paying taxes on the total stipend amount received. Saving a portion of each stipend payment specifically for taxes is recommended.

Early educators should consult with their tax preparer or a qualified financial advisor for personalized advice tailored to their unique financial situation.

Potential Impacts to the Educator's Eligibility for Income-Based Programs and Services

Income based benefits have different rules and regulations around how individuals qualify. If an early educator is currently receiving benefits that are income based, they should contact the organization who administers these benefits to understand the potential impact.