



How Michigan's Economic and Workforce Development Organizations Would Solve the State's Child Care Crisis

Insight, Innovation, and Recommendations from 16 Regional Child Care Planning Coalitions that Support a Stronger Early Learning and Care Infrastructure



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● Introduction

Economic and workforce development organizations are critical partners in Michigan’s efforts to build a stronger early learning and care system. Tasked with promoting and implementing policy, regulatory, and workforce initiatives that help the state retain, grow, and attract businesses, these organizations have a front-line perspective on how accessible, affordable, and high-quality child care can help Michigan achieve its economic goals.

From the perspective of economic and workforce development organizations, child care is critical to Michigan’s economic growth for three reasons:

- 1. Child care affords Michigan businesses access to a broader pool of labor:** When economic development organizations pitch businesses to locate in Michigan, they must make the case that the state has a labor pool with the necessary skills to meet their needs. A strong child care infrastructure ensures that businesses can access the segment of the workforce with young children that would otherwise be unavailable if not for child care. Child care supports labor force participation, particularly among women, and the economic mobility of Michigan families.
- 2. Child care is critical to building the “workforce of tomorrow”:** Economic development and workforce development organizations are not only concerned about the skills and competitiveness of the state’s current workforce, but also must ensure a strong workforce pipeline to sustain economic growth over the long term. High-quality child care is a critical first step in the workforce pipeline, building the initial cognitive and social-emotional skills of children that will one day make them part of a highly competitive workforce.
- 3. Access to high-quality child care is now part of the “quality of life” conversations economic development organizations have with businesses:** There is a growing body of economic development literature that documents quality of life as a driver of economic growth.¹ One factor that businesses consider when locating in a state or region is the overall experience that the region will provide for employees. Child care is now a part of these “quality of life” conversations alongside public safety, housing, the quality of schools, and access to parks and other recreational venues. Indeed, high-quality child care is a critical element in making a community “a magnet for young families, home buyers, and eager entrepreneurs.”²



Despite the importance of child care to Michigan’s economy, economic and workforce development organizations have grown increasingly concerned with the ability of the state’s child care infrastructure to support economic growth. A 2022 U.S. Chamber of Commerce Foundation report found that the Michigan economy loses nearly \$3 billion annually due to child care issues that cause workers to miss work or leave the labor force altogether. Child care

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¹ Amanda Weinstein, Michael Hicks, and Emily Wornell. (2021). [An Aggregate Approach to Estimating Quality of Life in Micropolitan Areas](https://ohiorivervalleyinstitute.org/Manuscript-Quality-of-Life-in-Micropolitan-Areas-3-2-21-with-title-page.pdf). (Manuscript-Quality-of-Life-in-Micropolitan-Areas-3-2-21-with-title-page.pdf (ohiorivervalleyinstitute.org))

² Vibrant Futures and The Right Place. (2024). West Regional Childcare Action Plan: Barry, Ionia, Kent, Mecosta, and Montcalm Counties. [WEST-REGIONAL-CHILDCARE-ACTION-PLAN-Vibrant-Future.pdf](https://www.vibrantfutures.org/wp-content/uploads/2024/03/WEST-REGIONAL-CHILDCARE-ACTION-PLAN-Vibrant-Future.pdf)



breakdowns cost businesses \$2.3 billion from lower employee productivity and turnover, and the state loses nearly \$600 billion in tax revenue.³ These findings validate the concern of economic and workforce development organizations: Michigan is suffering measurable economic losses due to inadequate child care capacity.

Early in 2022, Michigan began leveraging American Rescue Plan Act (ARPA) dollars to make significant investments in the state's early learning and care infrastructure under the *Caring for MI Future* initiative. A \$100 million statewide initiative implemented by the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), *Caring for MI Future* used ARPA funding to open or expand over 3,600 child care programs. Specific aspects of the initiative included:

- **Child Care Facilities Improvement Fund:** A \$59 million fund administered by IFF that has helped more than 1,100 home- and center-based facilities pay for over 3,500 renovation and upgrade projects, expanding access to safe, quality, and affordable child care.
- **Start-up grants to community-based child care businesses:** Initially funded with ARPA dollars and sustained with FY2025 School Aid funding, MiLEAP provided \$25,000 per classroom to community-based child care businesses to support participation in the Great Start Readiness Program (GSRP). These grants were used to attract staff, access/improve facility space, conduct outreach to families, purchase materials, and improve quality.
- **Our Strong Start:** A MiLEAP initiative focused on recruiting new child care entrepreneurs and helping current child care businesses expand by providing a team of trained navigators to help with start-up and licensing.

³ U.S. Chamber of Commerce Foundation. (2022). *Untapped Potential in MI: How Childcare Impacts Michigan's Workforce Productivity and the State Economy*. <https://www.michamber.com/miuntappedpotential/>



- **Family Child Care Networks:** A program implemented by the Early Childhood Investment Corporation (ECIC) that expands child care options by bringing together home-based child care programs in staffed networks to offer business and financial supports, improve program quality, and promote the well-being of home-based child care business owners.
- **Early childhood registered apprenticeship program:** Initially funded with ARPA dollars and sustained through a Department of Labor grant, ECIC is facilitating a collaboration among employers, the public workforce system, higher education, and community-based organizations to offer child care apprenticeships.



In addition to *Caring for MI Future*, Michigan also used state funds to build capacity, support quality, and improve the affordability of the state’s early learning and care system through additional programs, including:

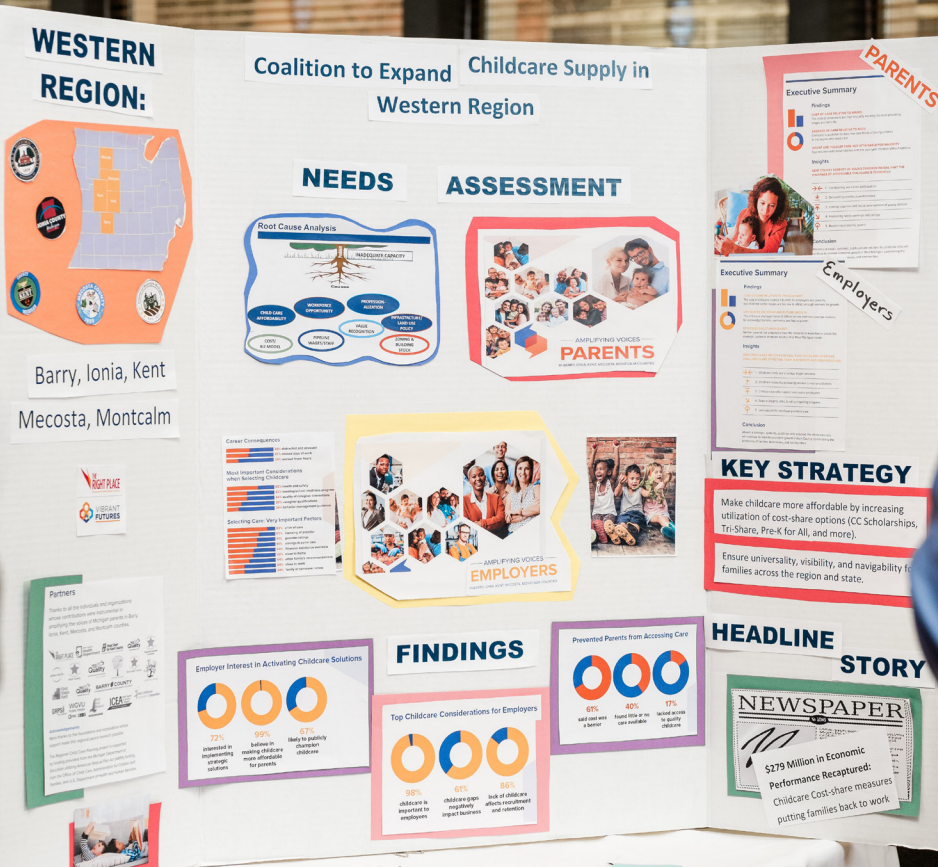
- **PreK for All:** A commitment by Governor Whitmer to serve all Michigan 4-year-olds in a high-quality PreK program at no cost to families. Michigan’s FY2025 budget included a \$130 million increase in funding toward this commitment, allowing the state to expand the eligibility threshold to 400 percent of the federal poverty level, increase the per-child funding allocation, expand the number of children served, and open new classrooms.
- **Michigan Tri-Share Program:** An innovative child care financing model implemented by MiLEAP where the cost of child care is split between the state, employers, and employees.

• • • Regional Child Care Planning Grants

Caring for MI Future also included funding for Regional Child Care Planning Grants. These grants were designed to help the state build on the strong foundation created by the programs above by funding action plans to create stronger regional child care systems. The state recognized both the importance of child care to Michigan’s economy and the critical perspective of economic and workforce development organizations and used these grants to create Regional Child Care Planning Coalitions. These consist of economic development and workforce development organizations, employers, municipalities, early childhood leaders, business owners, and families with young children. The Regional Coalitions work to identify and address child care needs within their regions.

Figure 1. Lead grantees and counties covered by the 16 Child Care Regional Planning Grants





ECIC was chosen to administer the program as part of its Child Care Innovation Fund.⁴ The ECIC Child Care Innovation Fund implemented a grant competition for the economic and workforce development organizations across the state to apply for up to \$150,000 each to establish a Regional Coalition and develop a child care action plan that would accelerate community-level, cross-sector efforts to address the child care needs and preferences of working families and child care business owners. In March 2023, 16 Regional Child Care Planning Grant recipients were announced, covering every Michigan Economic Development Corporation (MEDC) region (see **Figure 1**).

Throughout 2023 and the first three quarters of 2024, the Regional Coalitions worked to conduct needs assessments and develop plans. Policy Equity Group provided ongoing technical assistance through monthly Peer Learning Community meetings with the Regional Coalitions, in collaboration with the ECIC–Child Care Innovation Fund and Weaving Change, LLC.

By September 2024, each Regional Coalition had published a child care plan for their region (see **Appendix A**). Each plan provides the child care needs identified from a child care needs assessment, an analysis of the root causes driving those needs, and recommendations.

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⁴ ECIC – Child Care Innovation Fund collaborates with national, state, regional and community partners to design, pilot, and scale common-sense business, workforce, and financing solutions that expand equitable access to high quality, affordable child care for working families. More info about ECIC – Innovation Fund can be found in the FY23 Impact Report: <https://www.ecic4kids.org/child-care-innovation-fund-impact/>

This report provides a summary of the plans' findings, as well as recommendations for the state on how to best address the child care needs across the 16 regions. This document focuses both on regional recommendations as well as the state-level policies that are required to operationalize the collective recommendations for improving the state's child care infrastructure.

Methodology

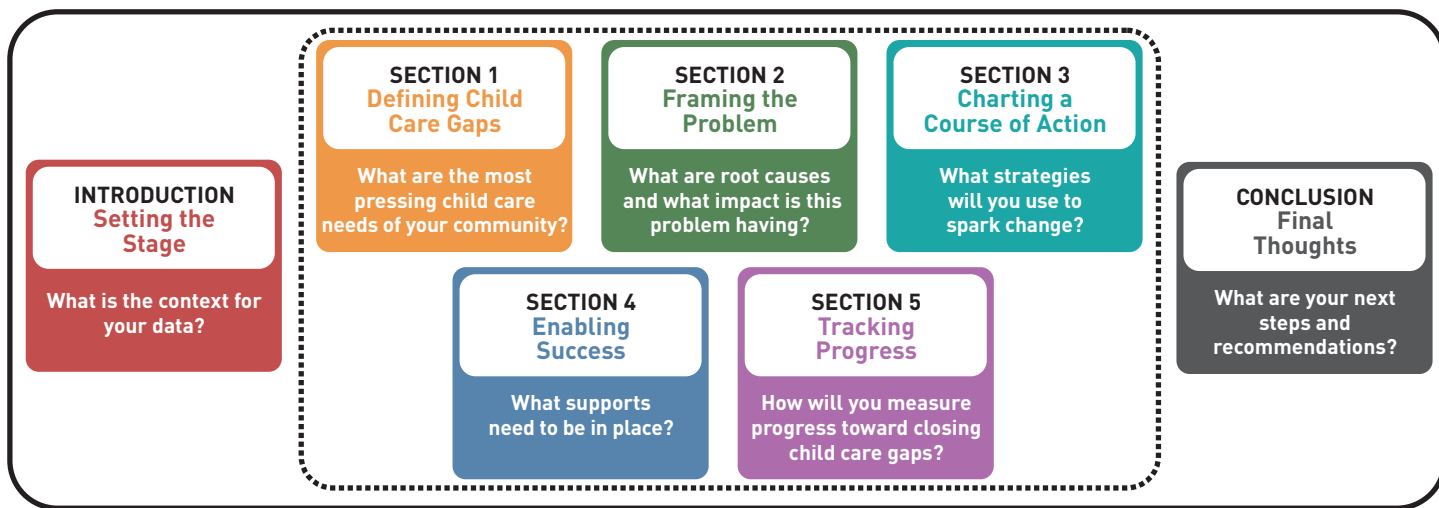
The depth and comprehensive nature of the findings in the individual regional child care plans and this summary report derive from an intentional data collection and stakeholder engagement process at the regional level. To develop each final regional child care plan, the lead organization created a Regional Coalition including representatives from the economic/workforce development and child care sectors, local government officials, families with young children, and other interested parties. Each Regional Coalition conducted a needs assessment that employed various methods, including surveys, focus groups and listening sessions, interviews, and analyses of publicly available data and reports. Grantees were encouraged to seek input from at least three key interest groups with relevant partners: (1) parents and caregivers with young children that have direct experience navigating the local child care system; (2) child care business owners; and (3) local employers. How each Regional Coalition gathered information from these critical interest groups is outlined in **Table 1**.

Table 1. Partner Engagement Activities by Regional Coalition

	FAMILIES			ECE BUSINESS OWNERS AND EDUCATORS			EMPLOYERS		
	SURVEY	FOCUS GROUPS/ ROUND TABLES	INTERVIEWS	SURVEY	FOCUS GROUPS/ ROUND TABLES	INTERVIEWS	SURVEY	FOCUS GROUPS/ ROUND TABLES	INTERVIEWS
ANN ARBOR SPARK	✓	✓	-	✓	✓	-	✓	-	-
DEVELOP IOSCO	✓	-	✓	✓	✓	✓	✓	✓	✓
DETROIT METRO - IFF	✓	✓	-	-	-	-	-	-	-
FLINT AND GENESEE	✓	✓	-	✓	✓	-	✓	-	-
HURON COUNTY ECONOMIC DEVELOPMENT CORPORATION	✓	-	✓	✓	-	✓	✓	✓	✓
LANSING ECONOMIC AREA PARTNERSHIP	✓	✓	-	✓	✓	-	✓	✓	-
LENAWEE ECONOMIC DEVELOPMENT CORPORATION	✓	-	-	✓	-	-	✓	-	-
MACOMB COUNTY PLANNING AND ECONOMIC DEVELOPMENT	✓	-	✓	✓	-	✓	✓	-	-
MIDDLE MICHIGAN DEVELOPMENT CORPORATION	✓	-	✓	✓	-	✓	✓	✓	-
NETWORKS NORTHWEST	✓	✓	✓	✓	✓	✓	✓	✓	✓
NORTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	✓	-	✓	✓	✓	✓	✓	-	✓
OTTAWA AREA INTERMEDIATE SCHOOL DISTRICT	✓	✓	-	✓	✓	✓	✓	-	✓
PULSE @ W.E. UPJOHN INSTITUTE OF EMPLOYMENT RESEARCH	✓	-	-	✓	-	-	-	✓	-
THE RIGHT PLACE	✓	✓	-	✓	✓	✓	✓	-	✓
UNITED WAY OF THE LAKESHORE	✓	✓	-	✓	✓	-	✓	✓	-
UPWARD TALENT COUNCIL	✓	✓	✓	✓	✓	✓	✓	✓	-
TOTAL	16	9	7	15	10	9	14	8	6

To support the grantees, Policy Equity Group developed a set of three surveys that Regional Coalitions could use for their needs assessment. Each survey captured insights from a specific child care perspective: 1) child care business owners, 2) families, and 3) employers. In addition, to help the Regional Coalitions “begin with the end in mind,” a strategic plan template was created by the Policy Equity Group, the ECIC–Child Care Innovation Fund, and Weaving Change, LLC (See **Figure 2**). This template provided a potential framework and process for the strategic plan, including sections focused on defining child care gaps, identifying root causes, proposing actionable strategies, outlining conditions for success, and specifying metrics to track their progress. The Regional Coalitions were encouraged to adapt the surveys and template to fit their regional context and needs. The extent to which Regional Coalitions utilized these resources varied.

Figure 2. Strategic Plan Template to Guide Regional Coalition Needs Assessment and Strategic Planning



Policy Equity Group conducted a content analysis of the Regional Coalition Action Plans to inform the findings of this summary document. An analysis template was created that included data fields to capture the major content areas of each plan, including the composition of the Regional Coalition, the needs of the region, the root causes of those needs, and the recommended strategies for meeting the needs. The template was populated with content from each report and then analyzed for common themes and recommendations. Additional research was conducted to enhance the recommendations.

The findings from the content analysis are presented below. In addition, many solutions to Michigan’s child care needs will involve state- and federal-level policy change. Accordingly, the report outlines actions the state can take to create policies that support sustainable and transformative change in Michigan’s child care system.

● Findings

Establishing a Regional Coalition in each region worked to enhance relationships among stakeholders and helped to develop new partnerships to address child care issues. Through the needs assessment process, each Regional Coalition identified child care issues affecting families, child care business owners, and employers. The findings are strikingly similar across the regions and paint a clear picture of how Michigan’s weak child care infrastructure negatively impacts different stakeholder groups and the state’s overall economic well-being.



• • • Families

Every Regional Coalition cited availability and affordability as major child care issues facing families. The Regional Coalitions detailed how the price of child care is a significant burden, consuming a large portion of household income. The percent of family income spent on child care was found to be as high as 36 percent in some regions,⁵ far exceeding the 7 percent of household income that is generally considered “affordable” child care.⁶ Child care costs were discussed across the Regional Coalitions as being “prohibitively expensive,” “significant,” and a “financial burden,” with a disproportionate impact felt by lower-income families.⁷ Families found child care costs to be a major source of financial stress and discussed the sacrifices that were made to ensure their children were in a safe, high-quality child care arrangement: “I’m willing to be poor for a few years if it means my children can be cared for.”⁸

The Regional Coalitions also discussed challenges with the state’s Child Development and Care (CDC) scholarship program, which is designed to make child care more affordable and accessible. These challenges

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⁵ *Public Sector Consultants*. (July 2024). *Thumb Area Regional Child Care Planning Coalition Action Plan Huron, Sanilac, and Tuscola Counties*.

⁶ Office of Child Care (OCC), Administration for Children and Families (ACF), Department of Health and Human Services (HHS). (April 30, 2024). *Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF)*. · 45 CFR Part 98 RIN 0970-AD02

⁷ Northeast Michigan Child Care Coalition (page 14), Ottawa Area ISD (page 22), and Pulse (page 30), respectively

⁸ Flint and Genessee Economic Alliance plan (page 10).

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included low take-up rates among eligible families, often due to a lack of awareness about the program or a distrust of government; difficulties with the enrollment process; or the fact that a family's preferred child care business does not accept CDC scholarship payments. The take-up rates for the scholarship program varied widely across the regions but were most often below 50 percent of eligible families. Even among those who received support, specific Regional Coalitions noted how the amount of the scholarship was often not large enough to alleviate the financial burden of child care costs.⁹



Some Regional Coalitions also discussed how families above the eligibility threshold for the scholarship struggled with child care costs. Eligibility for the scholarship is capped at 200% of the federal poverty level, or roughly \$62,000 for a Michigan family of four. Given the high cost of care, families well above this income threshold struggle with the financial burden of child care costs but are not eligible for support.

Equally troubling was the consistent finding across Regional Coalitions that families found it difficult to access the child care arrangement that met their needs and preferences difficult. **Every Regional Coalition cited child care availability as a concern for families.** The Regional Coalitions cited the lack of sufficient licensed slots to meet the demand for care, and specifically identified the need for care for families with children younger than 3, care outside of a “traditional” workday, backup care, before- and afterschool care, and care for children with disabilities and special medical needs. The Regional Coalitions also discussed that it often takes a significant amount of time for a family to find a care arrangement, and when an arrangement is accessed, it is often inconvenient (e.g., far from home and work), or was not their preferred care arrangement (e.g., home-based vs. center-based care). As noted by the Northeast Michigan Child Care Coalition, “[For] families that are fortunate enough to find a child care facility that has open slots that fit their needs, there is a good chance they are traveling a great distance to access that care.”¹⁰

The Regional Coalitions also noted that the low CDC Scholarship payment and issues with delayed payments to child care businesses reduced the number of child care business owners willing to accept the scholarship, further limiting the amount of child care available to low-income families.

These child care affordability and availability issues undermine the state’s economic development goals by limiting parents’ ability to work. Many Regional Coalitions found that this influenced employment decisions

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⁹ See the Detroit and Wayne County Action Plan for specific examples of how child care costs do not alleviate the cost burden.

¹⁰ Northeast Michigan Council of Governments. (2024) *Northeast Michigan Child Care Coalition Plan* (page 12).



for families with young children. Given the issues of finding care, and a significant portion of income going toward child care expenses, for some families the financial benefits of working were not large enough to improve the family’s overall well-being, making participation in the labor force less compelling. This calculation is of concern to economic development organizations as it reduces the labor pool and makes it more difficult for employers to find and retain qualified workers (discussed below).

• • • **Child Care Business Owners.**

Needs assessment findings related to child care business owners illustrate why the state struggles with child care capacity. **Every Regional Coalition highlighted the challenge child care business owners face in recruiting and retaining qualified staff.** The child care business model was described as “untenable,” “inherently unstable,” and “difficult” by the Regional Coalitions.¹¹ Child care business owners across the regions discussed that they could not offer wages that would attract child care educators and made it difficult to retain the educators that they currently employ. Child care business owners discussed the small applicant pool for open positions, the lack of qualified applicants among those who did apply, and the inability to find substitutes. Child care business owners discussed how these staffing issues affected the quality of their program, and how they retain staff that they would have otherwise terminated in order to stay open.

In addition, many Regional Coalitions documented the regulatory burden placed on child care business owners by child care licensing requirements. The Regional Coalitions discussed child care as “one of the most highly regulated businesses in Michigan.” Regulations significantly increase the cost and time needed to start and run a child care business. Many Regional Coalitions noted both the financial cost and administrative strain of specific regulations, including background checks, fire and environmental inspections, the depth of wood chips on the playground, water temperature, lighting, and numerous other regulations. These challenges were particularly burdensome within rural communities. Several Regional Coalitions outlined how these regulatory issues prevent entrepreneurs from starting new child care businesses, prevent the expansion of current child care businesses, and stifle innovation in the child care sector.

Restrictive local zoning ordinances were also consistently identified across the Regional Coalitions as a barrier to increasing capacity, as they make it more difficult for child care businesses to expand into areas where care

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¹¹ United Way Lakeshore (page 12), UPWARD Talent Council (page 6), and The Right Place (page 8), respectively.



is needed and convenient for families. The Regional Coalitions discussed that many localities limit or restrict child care businesses in residential areas to minimize sound disturbances, traffic, parking, and other perceived negative impacts of the business. Most localities do not include child care in their master plan for land use and the administrative hassle and cost of a special use permit can be a disincentive for child care businesses to open in an area of need not zoned for a child care business. As discussed in the Detroit and Wayne County Regional Child Care Plan: “Planning processes can often require the hiring of expensive consultants who are familiar with the specific municipality planning processes, who can draft the necessary plans, and who can advocate on behalf of the ECE business. Application fees, public hearings, stakeholder meetings, site plan reviews and revisions, etc., can all add to the burden imposed upon ECE businesses as they seek to develop new ECE facilities or expand existing facilities.”¹²

Several Regional Coalitions discussed that the available sources of revenue for child care business owners—the state CDC scholarship program and the tuition paid by families—do not generate enough funding to offset the high costs of operating a child care business. The CDC scholarship payment rate and what families can afford to pay fall short of what is required to sustain a high-quality child care business.

• • • Employers

Regional Coalitions described the negative impact that the lack of child care has on employers. Because child care capacity does not meet demand, employers noted difficulty recruiting the workforce needed to operate at full capacity. For example, 60 percent of employers surveyed by the Huron County Economic Development Council reported that a lack of child care limited their ability to recruit or retain employees. The UPWARD Tal-

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¹² IFF, Detroit Regional Partnership, Detroit Regional Workforce Partnership, and Public Policy Associates. (2024). *Detroit and Wayne County Child Care Plan* (page 3). [WayneCountyChildCarePlan_update091024.pdf](#)

ent Council described the lack of capacity as a “crisis” for employers, specifically for hiring second- and third-shift workers who need care outside the operating hours of most child care programs.

Employers noted that even when employees find care, issues arise with the stability of care (e.g., the child care business temporarily closes due to an illness). Employers discussed the way limited or unstable child care affected employee productivity and advancement. Regional Coalitions noted how unstable child care causes employees to miss work, turn down promotions or reassignments, and forfeit opportunities for training to advance their careers.

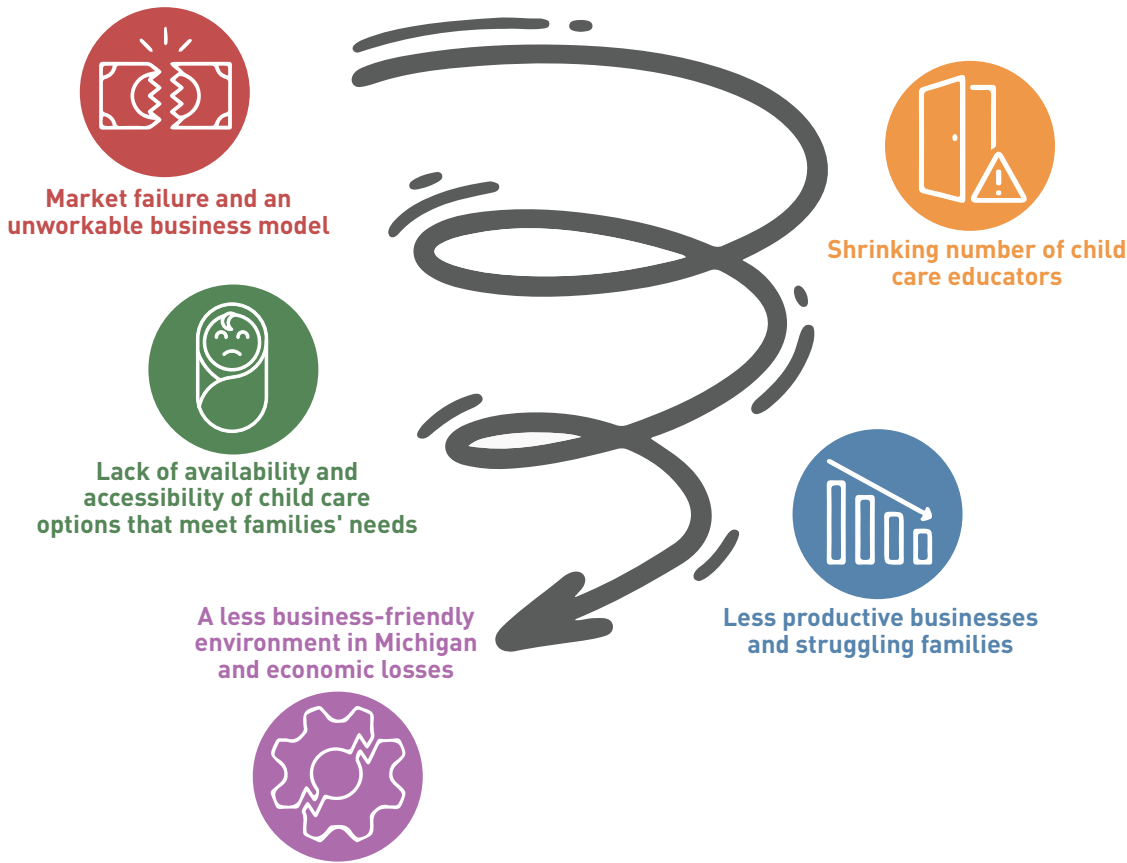
Many Regional Coalitions stated that employers understand there is a mismatch between the child care needs of their employees and what they are doing as a company to support child care, but they lack the expertise and resources to be more supportive.

● Root-cause analysis


A unique feature of the methodology employed by the Regional Coalitions was analyses designed to uncover the underlying factors driving the findings of the needs assessment. Because the needs expressed by families, child care business owners, and employers are symptoms of deeper systemic issues, a “root cause analysis” allowed the Regional Coalitions to develop a clear understanding of the state’s complex child care issues. They could then offer more robust solutions for impactful, sustainable changes to the state’s early learning and care system.

Figure 3 provides an overview of the findings of the root cause analyses across the Regional Coalitions. The analyses revealed how inadequate financing and an unworkable child care business model led to the inability to recruit and retain educators, which impacts the availability and accessibility of care for families, and ultimately affects Michigan’s economic growth.

Figure 3. Overview of the Root Cause Analysis of Child Care Needs in Michigan




Looking across the Regional Coalitions plans, the pathway can be described in the following way:

 **Market failure and an unworkable child care business model.** In the broadest terms, economists define “market failure” as a free market where an exchange of goods and services fails to deliver a socially optimal outcome. When a private transaction—such as a family paying a child care business owner for child care—results in an undue burden for one or both parties of the transaction while others outside the transaction yield a significant benefit (called an “externality”), the market has failed. In the case of child care, there are many beneficiaries of the transaction between families and child care business owners, including employers who benefit from the labor that becomes accessible to them, the state that benefits from the revenue generated from taxes on the wages, and other organizations that benefit when the participation of the individual is made possible because of child care.

At the same time, child care businesses have an unworkable business model that is difficult to sustain. The foundational goal of any state child care system is to ensure the safety and health of children in child care. Overwhelmingly, national parent survey data indicates that “safety, cleanliness, and the prevention of illness” are the most important factors when choosing a child care arrangement, which was also reflected in the family surveys conducted by the Regional Coalitions.¹³ One of the most important ways that the state keeps children healthy and safe is by limiting the number of children that can be cared for by one educator in a child care setting. This critical child-to-adult ratio in turn limits the amount of revenue that can be generated per educator to operate the child care business. Parents struggle to pay the high cost of care necessary to sustain the business, and the financial support offered to families through federal and state programs falls far short of alleviating the financial burden. The Macomb County Regional Coalition summarizes the issue in the following way:

...regulations in child care settings intersect in complex ways that cause astronomical expenses for businesses already operating at 1% profit margins. The issue, however, is not to reduce regulatory burdens across the board. Most are in place to keep children safe and promote developmentally appropriate care and quality education. The issue is, rather, that insufficient and inconsistent funding is available to these essential businesses composing our child care infrastructure. Even when grant funding is available, child care business owners offered mixed reviews on the impact of grants and, in some cases, described inequities regarding the funding opportunities.¹⁴

 **Shrinking number of child care educators.** The primary cost driver of a child care business is labor. While the revenue generated by a child care business is based on the tuition collected for each child that is cared for, the number of children per educator is capped. This means only so much revenue can be generated per educator. The revenue that is generated per educator must pay for all of the business operating costs (mortgage/rent, back-office functions, etc.) in addition to labor. At the prices that most families can afford, the limited revenue that businesses generate means it can only sustain low wages. These low wages—often barely above minimum wage—combined with limited benefits, have made it difficult to attract and retain qualified staff. Many child care educators face challenging working conditions, including long hours and high levels of stress, while being compensated far less than their counterparts in other education fields. The pandemic exacerbated the workforce crisis, with many educators leaving the profession due to health concerns or seeking better-paying jobs in other industries. As discussed in the West Regional Child Care Action Plan, even when child care workforce programs were in place, “No students were interested in pursuing a career in a field that provides minimal pay and no benefits.”¹⁵


¹³ [PowerPoint Presentation \(bipartisanpolicy.org\).](#)

¹⁴ Macomb County Child Care Coalition. (2024). *Regional Child Care Action Plan* (page 31). [Macomb-County-Regional-Action-Plan-Final.pdf](#)

¹⁵ Vibrant Futures and The Right Place. *West Regional Child Care Action Plan: Barry, Ionia, Kent, Mecosta, and Montcalm Counties* (page 17).



As noted by many Regional Coalitions, the ongoing workforce shortage has placed a strain on child care business owners, reducing the availability of care and limiting options for families. The issue is well-described by the Upper Peninsula Regional Coalition: “Despite high tuition prices for families, child care business owners struggle to make ends meet and offer competitive wages and benefits to their employees. Child care is labor intensive, requiring low staff-to-child ratios as young children require a high degree of individual attention to support their safety, learning, and development.”¹⁶

 **Lack of availability and accessibility.** The unworkable business model and the difficulty recruiting and retaining child care educators is impacting child care capacity in every region of the state. Families have specific preferences for child care that involve considerations about the type of care, location, their child’s health and safety, and alignment with their values. As discussed, every Regional Coalition reported that the lack of child care capacity is making it difficult for families to find child care and influencing the affordability of child care options that are available. Issues of capacity and affordability mean that families essentially “take what they can get” with regard to child care. The care they can find is often in an inconvenient location and/or does not align with their care preferences.

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¹⁶ Michigan Works et. al., *Early Childhood Education (ECE) Task Force of the Upper Peninsula Serving the Counties of Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft.* (Page 6).



Less productive businesses and struggling families. One of the most important findings to emerge from the Regional Coalition Action Plans is the impact that Michigan’s weak child care infrastructure has on the productivity of Michigan businesses. Employers across the state reported that child care issues were negatively affecting their business. Issues such as distracted or stressed employees, frequent absenteeism, and employees arriving late and leaving early were common. Additionally, employers find it difficult to hire new staff, as many prospective candidates lack child care or require higher wages to afford care in order to work. This lack of child care affects employees’ decisions to accept promotions, seek additional job training that would advance their careers, or stay in the workforce. These issues affect the economic mobility of Michigan’s workforce and contribute to the struggle of many Michigan families to make ends meet.

A less business-friendly environment and economic losses. From an economic and workforce development perspective, a primary concern of the state’s weak child care infrastructure is that it creates an environment where it is more difficult to retain, grow, and attract businesses. The downward spiral that starts with market failure and an unworkable business model culminates in a business environment that makes it more difficult for economic development organizations to successfully support the state’s economic growth.

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● Recommendations

• • • Regional Child Care Coalition Strategies

The economic and workforce development organizations leading the Regional Coalitions brought a new perspective on improving Michigan’s early learning and care system. Using this perspective, combined with insights from the needs assessment and analysis of the root causes of those needs, each Regional Coalition offered strategies to improve child care access, affordability, and quality within their region. A summary of the strategy areas proposed across the Regional Coalitions is provided in **Table 2. Appendix B** provides additional detail on the strategies and specific examples from the regional plans.

Table 2. Regional Child Care Planning Coalition Strategy Areas

<p>Child Care Business Owners</p> <p>Create a more resilient and thriving child care sector by providing child care business owners with resources and training to improve their financial sustainability and operational efficiency, including business management support, access to capital, mentorship, and guidance on regulatory compliance.</p>
<p>Families</p> <p>Ensure families can secure child care that meets their needs by enhancing access to affordable, high-quality child care through stronger financial assistance programs, increased availability of child care slots, a wider array of scheduling options, and improved information for and engagement of families.</p>
<p>Child Care Workforce</p> <p>Create a well-equipped and valued workforce through improved compensation, professional development opportunities, and career pathways, including increased wages, benefits, training programs, and other initiatives to support recruitment and reduce turnover.</p>
<p>Employers</p> <p>Encourage employers to support their employees’ child care needs by promoting family-friendly workplace policies, offering child care benefits, and creating partnerships with child care business owners to help employees balance work and family responsibilities more effectively.</p>
<p>Community Engagement</p> <p>Increase community awareness and involvement in the child care sector by engaging local stakeholders, building partnerships, and creating a collective understanding of the importance of quality child care in supporting economic development and family well-being.</p>
<p>Policy & Funding</p> <p>Advocate for policies and secure sustainable funding to improve child care systems by pushing for increased public investment, advocating for policy changes that support child care accessibility and quality, and working to ensure long-term financial support for the child care infrastructure.</p>

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• • • State-level recommendations

While the Regional Coalition strategies address change at the local level, the plans also identified “enabling conditions” that need to be addressed and implemented at the state level. The recommendations below provide additional context and ways the state can operationalize the strategies through policy change to support the Regional Coalitions’ work.

Recommendation 1: Take a “Child Care in All Policies” approach to improving the state’s child care infrastructure.

The implementation of a wide range of state-level policies—especially those that are designed to promote economic development—can place a strain on the capacity of state’s early learning and care system. As Michigan creates policies to promote economic growth, it is important that it take into account the need for additional child care capacity created by those policy changes. Assessing and creating a “child care impact statement” for policies being considered and ensuring funding and child care capacity-building initiatives are included in those policies to address the demand are critical aspects of building a stronger system that will promote economic growth.

At the same time, policies not specific to the early learning and care system can provide the opportunity to address specific child care needs. The state can look to the federal government as a model for the “Child Care in All Policies” approach. Programs to expand, improve, or support child care are being considered or implemented by the Department of Commerce (CHIPS), Labor (Apprenticeships), Education (Whole Child Communities), and Agriculture (Rural Child Care), among other agencies. An example of the approach is implementation of the CHIPS Act at the Department of Commerce, where semiconductor companies that apply for more than \$150 million in funding to build or expand a plant in the United States must create and implement a child care plan for construction workers and employees of the plant. Michigan must take a similar approach where policy proposals outside of child care are considered as opportunities to improve the state’s early learning and care system.



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Recommendation 2: Support and incentivize employers to address the child care needs of their employees and to partner with child care programs in their region.

Although a growing number of Michigan employers recognize the negative effects that unaffordable or inaccessible child care has on employee productivity and well-being, many remain unaware of the issue. Employers who are aware often lack the expertise to address their employees' child care needs and may be concerned about the costs of offering child care benefits. Therefore, the state should work to educate and incentivize employers to support their employees' child care needs, utilizing the strategies and resources highlighted by the Regional Coalitions (see Pulse Roadmap Spotlight below as an example):

- a. **Creating employer awareness and knowledge of child care supports:** The state should partner with the Michigan Chamber of Commerce and the Michigan Economic Development Corporation to develop and implement an awareness campaign focused on employer child care benefits. The campaign should focus on the return on investment of child care benefits to employers,¹⁷ the range of child care supports that could be offered to employees,¹⁸ and the tax incentives for offering employer child care benefits.¹⁹ The campaign could utilize any number of employer toolkits such as the Employer Roadmap created by Pulse, the organization that led the Region 8 Child Care Planning Coalition.

Regional Coalition Spotlight: Stakeholder Roadmaps

Pulse at the W.E. Upjohn Institute for Employment Research spearheaded a Roadmap series with tailored strategies for different stakeholders designed to help them address challenges and opportunities within the early learning and care system. The various roadmaps are designed to empower stakeholders to collaboratively tackle pressing challenges with the goal of fostering economic growth and supporting families. The Employer Roadmap offers innovative strategies for businesses to integrate child care solutions into their employee benefits, promoting retention and job satisfaction. Recognizing the critical role of municipal leaders, the Municipal Roadmap emphasizes the importance of investing in community infrastructure to ensure access to affordable, high-quality child care. To further expand these efforts, roadmaps tailored for economic development organizations, philanthropic organizations, and advocate stakeholder groups are currently in development.

- b. **Incentivizing employer child care benefits through the expansion of Tri-Share and other incentive programs:** Tri-Share is the primary mechanism through which the state currently incentivizes employers to help offset their employees' child care costs. Recently, MiLEAP took over the administration of the Tri-Share model, administering the payments to child care business owners through a centralized administrative partner—the United Way of Northwest Michigan—and using 12 regional hubs to recruit employers and support child care businesses.

Many of the Regional Coalitions expressed strong interest in improving and expanding this model. Potential opportunities for expansion include increasing the maximum eligibility threshold from 325% of poverty to 400% of poverty to cover a wider range of employees and providing additional funding and resources to regional hubs to help them in recruiting employers and child care businesses. Finally, it will be important to ensure each Regional Coalition catchment area has its own regional Tri-Share hub. The Regional Coalitions recommended that the state also explore other incentives for employers to support employees, such as tax credits and additional employer benefits for child care, which would further encourage employer participation.

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¹⁷ Kos, E., Clark, K., De Santis N., and Joseph, T. (March 2024). Childcare Benefits More Than Pay for Themselves and US Companies. Boston Consulting Group: [Childcare Benefits Pay for Themselves at US Companies | BCG](#).

¹⁸ U.S. Chamber of Commerce Foundation. (2022) Employer Roadmap: Childcare Solutions for Working Parents: [Untitled \(svdcdn.com\)](#)

¹⁹ U.S. Chamber of Commerce. Employer Guide to Childcare Assistance and Tax Credits: [024285_Fed_Childcare-Guide_v2.pdf \(uschamber.com\)](#)



c. **Creating employer-child care business partnerships:** The state should identify and fund an organization or organizations to connect employers and child care business owners. The Regional Coalitions could act in this role and MiLEAP can look to other states for models on how it could provide guidance to support child care-employer partnerships that expand the availability of child care, particularly in rural areas.²⁰

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²⁰ See, for example: Texas Workforce Commission (2023). "Child Care-Employer Partnerships: A Comprehensive Guide for Employers and Child Care Providers." [Employer-Child Care Partnerships Guide.pdf \(hubspotusercontent-na1.net\)](https://www.texasworkforce.com/wp-content/uploads/2023/08/Child-Care-Employer-Partnerships-Guide.pdf).

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Recommendation 3: Support child care business owners and entrepreneurs to create and sustain child care businesses.

Most child care business owners in Michigan want to grow their businesses, and there are entrepreneurs in the state interested in starting new child care businesses. Regulatory hurdles, zoning, the lack of capital, low profit margins, and the lack of business expertise are barriers that stand in the way of creating and expanding child care businesses. The state should help business owners and entrepreneurs grow and create child care businesses by providing the following supports:

- a. **Provide start-up funding, tax incentives, and technical assistance to create and/or expand child care businesses:** The state should build on programs such as the Michigan Community Development Financial Institute Fund and the Facilities Improvement Fund to support lending and direct grants to child care businesses and entrepreneurs to expand or start child care businesses. In addition, the state should continue to find additional ways to incentivize the creation of child care businesses through tax incentives and other funding mechanisms. Equally important, the state should publicize and expand the number of Our Strong Start Navigators who provide technical assistance to help child care business owners and entrepreneurs navigate the regulatory landscape associated with child care licensing and zoning. Technical assistance resources should include a catalog, organized by locality, with potential locations and available building stock for child care businesses.

Regional Strategy Spotlight: Expanding the capacity of economic development organizations to support child care business owners

The Middle Michigan Development Corporation (Region V) is partnering with Civitas Strategies to strengthen the ability of economic development staff to support the child care sector. The Thrive Pathway® Coach Training and Certification program helps local small business development organizations fill the gaps in their understanding of the child care industry, which has limited their capacity to assist child care business owners. This training, along with enhanced collaboration, aims to provide child care businesses with coaching, tax preparation, and financial assistance to ensure their continued inclusion in local economic development initiatives.

- b. **Reduce the regulatory burden on child care businesses:** As MiLEAP undertakes a revision of its child care regulations, it will be important to work with the Regional Coalitions to reduce unnecessary, duplicative, confusing, and costly regulations. The state should ensure that it considers the financial implications of meeting the regulations, as well as the cost of acquiring a license, including fee-based licensing and inspection requirements. The state should also consider the impact of the new regulations on the ability of the child care sector to innovate, such as through micro-centers, and better publicize the process of waiving regulations.

In addition to the standards themselves, the state should also address inspection capacity and monitoring protocols. While the state is making progress in this area with the FY2024 budget funding 100 new licensing consultants, it should now work to increase its licensing and inspector workforce to address wait times for licenses, which are especially burdensome in rural communities.

Better communication about licensing between the state and child care is also required. A local child care business owner from the Northeast Michigan Council of Governments region shared, "It feels like you need to have a law degree to keep up with the regulations....They seem to change so often!" The state should work with the Regional Coalitions to develop new communication pathways to support child care businesses in understanding and meeting the changing regulations.

- c. **Provide guidance to localities on zoning ordinances:** Local zoning ordinances can make it more difficult to start a child care business or expand a current business to a new location. The state can draw on



the resources created by the Regional Coalitions, such as *A Planning and Zoning Best Practice Guide for Child Care Facilities*, to support localities in better understanding the impact of local zoning ordinances that affect child care capacity.²¹ The state can provide guidance or even sample language to support the implementation of child care-friendly zoning policies and encourage localities to include child care in their master plans. Finally, the state should work with localities to reduce redundancies and regulatory conflicts between state and local requirements that currently burden new child care business owners.

- d. **Provide additional child care business supports:** Michigan child care business owners would benefit from a host of different business supports. The state should consider supporting local resource hubs that could provide technical assistance, coordinate mentorships, and connect child care business owners through a local community of practice. The state should also encourage shared service hubs and the creation of substitute pools.

Regional Strategy Spotlight: Management Services Organizations (MSO)

Management Services Organizations (MSOs) are collaborative entities designed to provide a range of administrative and operational support services to child care business owners, helping them streamline their operations and reduce overhead costs. By offering shared services such as billing, human resources, technology support, compliance assistance, and group purchasing, MSOs enable child care business owners to focus on their core mission: delivering quality care and education to children. They also support new and existing child care businesses in navigating the complexities of the licensing process and other regulatory burdens. To implement this initiative, three Regional Coalitions, Northeast Michigan Council of Governments, Develop Iosco, and Pulse are organizing to conduct a feasibility study to assess needs, identify relevant services, engage with child care business owners for feedback on the model, and develop a detailed implementation plan.

- e. **Support home-based child care business owners:** ECIC is currently supporting Family Child Care Networks, which are being sustained and expanded through \$4 million in funding from the legislature. The state should expand the number of family child care networks to support more home-based programs across the state and fund additional efforts to provide home-based child care business owners with resources to support and expand this critical form of child care in the state. The state should also take steps to allow home-based child care businesses to participate in the state’s GSRP program.²²

Regional Strategy Spotlight: Expanding Micro-Centers in Michigan.

Networks Northwest (Region II) is exploring the expansion of micro-centers: small-scale child care facilities operating in non-residential settings such as schools, churches, and shopping malls. Micro-centers typically care for small groups of around 6-12 children, allowing for the intimate care environment many families prefer, especially for infants and toddlers. These programs operate under adapted home-based care rules, alleviating barriers faced by aspiring child care businesses (e.g., property use restrictions, home size). Currently, MiLEAP allows the operation of micro-centers through variances, and the Michigan Child Care Licensing Bureau has approved a pilot program in Leelanau County for their Infant and Toddler Child Care Start Up project for “home-scaled” micro-center programs. To support the continued expansion of micro-centers, Networks Northwest recommends refining licensing rules, identifying existing suitable facilities for new micro-centers, modifying zoning regulations, and eliminating unnecessary or redundant regulations.

²¹ Central Upper Peninsula Planning and Development Regional Commission. (Draft). *A Planning and Zoning Best Practice Guide for Child Care Facilities*, found in the Early Childhood Education (ECE) Task Force of the Upper Peninsula Regional Plan, [Action Plan.docx](#)

²² See the Malcomb County Child Care Coalition Regional Action Plan for a discussion about including home-based business owners in GSRP. [Macomb-County-Regional-Action-Plan-Final.pdf](#)

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Recommendation 4: Address the child care workforce crisis.

As noted in the needs assessments and root cause analyses, child care business owners struggle with recruiting and retaining child care educators. Child care businesses are unable to generate enough revenue to pay higher wages, given the high cost of doing business and the fact that they must rely on parent fees as a primary source of revenue. This “families can’t afford to pay, teachers can’t afford to stay” problem is the main underlying cause of the state’s child care capacity crisis.

Since the current private-pay financing mechanism for child care is causing a shortage of child care educators and overall capacity issues, the state should address child care educator compensation by:

a. **Establishing a funding mechanism to supplement the wages of child care educators:**

A large majority of child care educators in Michigan (66 percent) earns less than \$15 per hour.²³ The state should develop a funding mechanism to supplement the wages of child care educators either through the direct funding of child care educators or through tax credits. The state should look to innovative policies and programs being used in other states as models, with the goal of achieving pay parity with elementary school teachers with the same credentials within the region.

b. **Improving child care educator benefits:** One of the greatest ironies in the child care sector is that child care educators often cannot afford the child care for their own children that they are providing to other families. To make the child care field more attractive to potential educators, the state should work to make child care educators categorically eligible for the CDC scholarship program and subsidize educator benefits, including health, vision, dental, retirement, and transportation.

c. **Supporting a stronger child care workforce pipeline:** Given the low wages of child care educators, it is difficult to attract talent into the field. As the state works to support better wages and benefits for child care educators, it must also strengthen pathways into the field. This should be done by: Promoting the child care apprenticeship programs currently being implemented and expanding the number of child care businesses and training institutions engaged in the model; and Creating stronger connections between institutes of higher education and child care business owners.



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²³ Andrews, A. (2023). *Balancing the Scales: A Proposal for a Systemwide Wage Scale to Address Michigan’s Early Childhood Education Crisis*. Early Childhood Investment Corporation and Talent First.



Recommendation 5: Make child care accessible and affordable for Michigan families

The findings and strategies proposed by the Regional Coalitions support and validate recommendations from various state stakeholders aimed at making child care more accessible, affordable, and higher in quality, aligning with the preferences of Michigan families. Many of these recommendations focus on enhancing the capacity of the state’s child care system to increase availability for families. Additionally, the Regional Coalitions offered further recommendations, particularly around reforming the CDC scholarship program, including:

- a. **Enhance awareness and remove barriers to accessing the CDC scholarship:** Despite the state’s ongoing efforts to raise awareness and reduce the challenges associated with accessing the CDC scholarship, these issues persist. The state should continue collaborating with the Regional Coalitions to identify and implement effective solutions that address both the lack of awareness and the difficulties families face in accessing the CDC scholarship.

Regional Strategy Spotlight: Increasing utilization of the CDC scholarship program

A regional strategy from The Right Place, LLC aims to enhance the utilization of CDC scholarships among both eligible families and child care businesses by addressing critical program barriers. For child care businesses, the Regional Coalition proposes improving the CDC website interface, streamlining the qualification process, and advocating for changes to the scholarship reimbursement process. For families and caregivers, this strategy highlights the need for increased communication with CDC case managers and an increase in the scholarship reimbursement rates to cover the full cost of quality care.

- b. **Significantly increase the reimbursement amounts for specific types of hard-to-find care, including infant and toddler care, overnight and weekend care, and care for children with disabilities:** While the state has differential reimbursement rates to incentivize the provision of specific forms of child care, these rates are not moving the needle on increasing capacity. The state should continue to work with the Regional Coalitions to determine reimbursement rates and alternative funding models that will generate supply.
The state should continue to explore alternate ways of financing hard-to-find care, including the use of grants for infants and toddlers.

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Recommendation 6: Continue to increase state funding for child care

As the root cause analyses conducted by the Regional Coalitions point out, an unworkable child care business model is at the heart of Michigan’s child care capacity issue. There is a significant need to increase funding for Michigan’s early learning and care system to support the financing of child care businesses, expand child care capacity, and allow the Regional Coalitions to continue their work implementing the regional plans that they have created. The state should look to the cost modeling conducted to maximize current investments, inform new investments in the system, and better coordinate programs.²⁴ *Caring for MI Future* was an excellent example of how additional funding can increase system capacity. Additional funding from multiple sources, including the School Aid Fund, state economic development programs, Temporary Assistance for Needy Families (TANF), before/after school programming, and the traditional child care funding streams, are required to build child system capacity to promote economic growth.

● Conclusion: Child Care is Infrastructure

The state’s economic and workforce development organizations recognize child care as a critical component of the state’s infrastructure that supports economic growth. The unique perspective of these organizations as leaders of the Regional Coalitions advanced a set of recommendations that should be strongly considered as they will support the retention and growth of current businesses in the state, as well as help create a more business-friendly environment that will attract new businesses. The work of the Regional Coalitions has elevated child care as a key strategy in meeting Michigan’s economic goals and advancing the economic mobility of all of its families.

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²⁴ Jeanna Capito, Abby McCartney, and Simon Workman, *A comprehensive fiscal analysis of the prenatal to five system in Michigan, Prenatal to Five Fiscal Strategies*, 2023. [23_MI_Report_FINAL_webv2.pdf](#)

Appendix A. Regional Child Care Planning Grantee Reports

Lead Grantee	Counties Covered	Coalition Website (if applicable)	Link to Regional Plan
Ann Arbor SPARK	Washtenaw, Livingston	Coalition Website	Regional Plan
Detroit Metro-IFF	Wayne	---	Regional Plan
Develop Iosco, Inc	Alcona, Arenac, Iosco, Ogemaw	Coalition Website	Regional Plan
Flint and Genesee Chamber Foundation	Genesee, Shiawassee, Lapeer, St. Clair	Coalition Website	Regional Plan
Huron County Economic Development Corporation	Huron, Sanilac, Tuscola	---	Regional Plan
Lansing Economic Area Partnership	Clinton, Eaton, Ingham	Coalition Website	Regional Plan
Lenawee Economic Development Corporation	Lenawee, Monroe, Hillsdale	---	Regional Plan
Macomb County Planning and Economic Development	Macomb	Coalition Website	Regional Plan
Middle Michigan Development Corporation	Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, Saginaw, Osceola	---	Regional Plan
Networks Northwest	Manistee, Wexford, Missaukee, Kalkaska, Grand Traverse, Benzie, Leelanau, Antrim, Charlevoix, Emmet	---	Regional Plan
Northeast Michigan Council of Governments	Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon	Coalition Website	Regional Plan
Ottawa Area Intermediate School District	Ottawa, Allegan	Coalition Website	Regional Plan
Pulse @ W.E. Upjohn Institute of Employment Research	Lake, Mason, Muskegon, Newaygo, Oceana	---	Regional Plan
The Right Place, Inc.	Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft	---	Regional Plan
United Way of the Lakeshore	Kent, Mecosta, Montcalm, Barry, Ionia	Coalition Website	Regional Plan
UPWARD Talent Council	Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren	---	Regional Plan

Appendix B. Overview of Regional Child Care Planning Grant Coalition Strategies

The strategies offered by the 16 Regional Coalitions were thematically analyzed and coded by Policy Equity Group, revealing six distinct categories of strategies to support their regional child care needs. These categories include:

- Supporting child care business owners
- Supporting families
- Supporting the child care workforce
- Supporting employers
- Supporting community engagement
- Supporting policy and funding

Additional sub-categories were uncovered through this process. These sub-categories and specific Regional Coalition strategies are included in the tables below.

How to navigate this resource



• • • Supporting Child Care Business Owners

START-UP & EXPANSION SUPPORTS	
START-UP & EXPANSION SUPPORTS	
Offer funding/incentives for start-up & expansion	
Incentivize the development of new child care spaces.	Ann Arbor SPARK
Offer funding to support in-home child care startup or expansion efforts to address the lack of available quality child care in the region.	Develop Iosco
Implement targeted activities to address the shortage of child care in our community.	Ottawa Area ISD
START-UP & EXPANSION SUPPORTS	
Inventory building stock and under-used community spaces that could be converted into child care facilities	
Inventory and catalog existing approved locations for child care centers	Huron County EDC



START-UP & EXPANSION SUPPORTS	
Create community liaison or navigator position to support start-up	
Appoint a community liaison position specifically focused on child care startups and ongoing operations, who can work closely with elected officials, funding sources, and employers.	Develop Iosco
Expanding Child Care Capacity Project to ease the startup process for small businesses with limited funding, making it less daunting and more feasible	NEMCOG
Fund a full-time regional child care licensing navigator to assist current licensed-exempt and new licensing applicants in understanding and navigating the state child care licensing process, local permitting process, and will ensure utilization of available public funds for space, start up grants, staffing concerns and business supports.	Pulse

START-UP & EXPANSION SUPPORTS	
Explore creation & expansion of micro-centers	
Evolve, formalize and expand use of micro-centers	Networks Northwest
Support the creation of Micro-centers in our region.	United Way of the Lakeshore
Micro-center creation and expansion through licensing variance in high child-density areas, and to specifically address more infant and toddlers opportunities. (See Gretchen’s House, and High Child-Density Geographies By County)	The Right Place

BUSINESS SUPPORTS FOR CHILD CARE BUSINESS OWNERS

BUSINESS SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Child care business support resource hubs	
Develop a regional resource hub/list to support child care providers	Ann Arbor SPARK
Develop a resource hub encompassing the dispersed technical assistance (TA) resources available	Lansing Economic Area Partnership
Identify and publicize community-based resources which could reduce the cost of business for licensed providers (e.g., access to diaper banks, facilities/maintenance contractors, grocery stores providing free food delivery, etc.)	Pulse

BUSINESS SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Child care business support trainings & technical assistance	
Work with ECIC and other state entities to provide technical assistance to current and potential child care providers to support the creation, expansion, and management of child care in the region.	Flint Genesee Chamber Foundation
Offer additional educational opportunities when existing TA is insufficient.	Lansing Economic Area Partnership
Sector Strategies Training- Employer-led production of training that is designed to stabilize elements of the industry where current training is insufficient or overly costly.	Lenawee EDC
Help the Industry Leverage Child Care Management Software: Support child care businesses in adopting management software to streamline operations, reduce administrative burdens, and improve efficiency.	Macomb County Planning & Economic Dev.
Leverage Child Care Management Software: Assist child care businesses in adopting management software to streamline operations and reduce administrative burdens.	Middle Michigan Development Corp
Develop systems for addressing the administrative and business needs of child care business owners.	UPWARD Talent Council



BUSINESS SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Explore shared services models	
The MSO would function as one-stop shop for back-office administrative services such as billing, finance, regulatory and compliance, as well as a staffing company for childcare providers to recruit, train, certify and provide healthcare benefits (which could be a step toward dealing with equity in pay for childcare workers).	Develop Iosco
MSO concept (in coordination with Develop Iosco and NEMCSA)	NEMCOG
Develop a statewide or regional model of shared services so every licensed child care provider in Michigan can have access to centralized business services including centralized HR including staffing resources, statewide pool of open positions/workers looking, part-time respite/aides, sick/vacation coverage, pooled health care, etc.	Pulse

GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS

GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Access to quality-building supports	
Align and fully fund locally based training, coaching, curriculum, and materials for licensed providers.	Pulse

GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Child care business peer communities/communities of practice	
Develop a child care business owner professional organization that includes shared services and technical assistance, and is a vehicle for joint advocacy, organizing, and community building	Detroit Metro-IFF
Strengthen connection and support for child care providers by facilitating relationships among child care providers and between child care providers and families.	Lansing Economic Area Partnership
Provider Peer Communities: Create a space in each community that would be used for child care business owners to connect, offer support, share advice, as well as work together to solve problems. Support new programs, advocate for programs and resources	NEMCOG
Expand community incubation of new providers	Networks Northwest
Strengthen peer-to-peer and community collaboration	Networks Northwest
Organize a mentorship program aimed at supporting new child care business owners in establishing their businesses	Ottawa Area ISD
Start a local child care “community of practice” via email with other providers, to informally network and share ideas	Pulse

GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Support home-based providers (licensed & license-exempt)	
Implement a home-based pilot for universal preschool	Networks Northwest
Identify resources to develop a home-based child care network hub.	Pulse
Collaborate with licensed-exempt and Friend, Family and Neighbor (FFN) care providers	Pulse



GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Strengthen local technical assistance capacity	
Build the capacity of regional Resource Centers to act as navigators for all technical assistance needs.	Lansing Economic Area Partnership
Proactively engage licensing consultants for advice and support—and to strengthen the provider-consultant relationship	Pulse

GENERAL SUPPORTS FOR CHILD CARE BUSINESS OWNERS	
Expand educator substitute pools	
Expand educator substitute pools	Networks Northwest

• • • **Supporting Families**

INCREASE ACCESS FOR FAMILIES

INCREASE ACCESS FOR FAMILIES	
Collect more data on child care gaps	
Identify and collect potential missing data points and update existing data to better inform GLSSC strategy to improve various aspects of child care in the region	Flint Genesee Chamber Foundation
Use the new and updated data to revisit the ongoing regional strategy and adjust goals and objectives as needed	Flint Genesee Chamber Foundation

INCREASE ACCESS FOR FAMILIES	
Incentivize serving populations requiring individualized care	
Expand access to children who need individualized care (Special Needs, Medical Needs, Behavioral, Trauma)	Ottawa Area ISD

INCREASE AFFORDABILITY FOR FAMILIES

INCREASE AFFORDABILITY FOR FAMILIES	
Establish, expand, incentivize, & improve Tri-Share Models	
Establish a MI Tri-Share program where the cost of an employee's child care is shared equally among the employer, the employee, and the State of Michigan	Huron County EDC
Base appropriation for Tri-share on thriving wage for providers and cost of care study. Consider how Tri-share might serve as a vehicle for wage supplements.	Pulse
Expand parent use of financial support programs.	UPWARD Talent Council
Increase participation in Tri-Share as an affordability measure	The Right Place

INCREASE AFFORDABILITY FOR FAMILIES	
Support implementation of PreK for All	
Implement universal preschool to support quality, affordability and family choice	Networks Northwest
Build out PreK for All as an affordability measure	The Right Place

INCREASE AFFORDABILITY FOR FAMILIES	
Increase CDC scholarship use among families & providers	
Identify and eliminate barriers to accessing the state child care subsidy	Pulse
Support the growth and availability of existing programs intended to support families with the cost of childcare including CDC Scholarship (Subsidy) and Tri-Share.	United Way of the Lakeshore
Increase utilization of CDC Subsidy among parents and providers	The Right Place

INCREASE AFFORDABILITY FOR FAMILIES	
Funding for families who do not qualify for CDC	
Expand funding for local programs targeted to low-and-moderate income families statewide.	Pulse
Create and sustain community based child care scholarships for ALICE families who do not meet the requirements for CDC Scholarship or Tri-Share.	United Way of the Lakeshore

NAVIGATION SUPPORTS FOR FAMILIES

NAVIGATION SUPPORTS FOR FAMILIES	
Supports for families to navigate child care system	
Develop a Child Care Referral Tool: Create a tool to help families in Macomb County find child care that meets their needs. This tool should be widely disseminated and supported by community partners to improve access to information.	Macomb County Planning & Economic Dev.
Develop a Child Care Referral Tool: Create a tool to help families identify available child care options in the region, supported by community partners to improve access to information.	Middle Michigan Development Corp
Enhance information resources for families with navigators and coordination	Networks Northwest
Incentivize programs to participate in a searchable publicly accessible website & database that provides timely information to parents seeking child care options.	Pulse

• • • **Supporting the Child Care Workforce**

COMPENSATION & BENEFITS

COMPENSATION & BENEFITS	
Explore strategies to increase ECE workforce compensation	
Supporting expanded resources and partnership to improve salary and benefits for workers	Ann Arbor SPARK
Develop wages and benefit strategy to encourage competitive and fair compensation packages for child care staff.	Flint Genesee Chamber Foundation
Inform and support advocacy efforts to create wage and benefits parity among all early childhood educators with their K-12 peers.	Lansing Economic Area Partnership
Identify the appropriate wage necessary to pay early learning teachers a thriving wage	Pulse
Bring program leads together with local workforce support partners to 1) assess access to existing workforce funding; 2) explore ways to leverage and/or braid existing workforce funding; 3) consider collective funding requests that illustrate the region's systemic approach to building our workforce.	Pulse
Develop sustainable methods to increase compensation for the ECE workforce and increase recruitment and retention in ECE careers.	UPWARD Talent Council

COMPENSATION & BENEFITS	
Explore other benefits/supports (e.g., housing, transportation assistance)	
Learn from our region, identify scalable ideas and support them (e.g., ECE professional housing assistance program in Battle Creek)	Pulse

COMPENSATION & BENEFITS	
Subsidized child care as a benefit for all child care employees	
Advocate for implementing programs that make child care free for all child care providers	Huron County EDC
Encourage child care business owners to explore discounted child care for families and their employees	Huron County EDC
Classify all licensed child care providers as eligible for the state child care subsidy (regardless of household income).	Pulse
Ask the State to fund child care scholarships for the children of all ECE employees.	United Way of the Lakeshore

COMPENSATION & BENEFITS	
Improve working conditions & benefits packages	
Access to Health Care: Consider providing TeleHealth options, leveraging Nevada's example	Pulse
Require all licensed child care centers to provide health insurance or a subsidy to pay the monthly rate on the insurance marketplace.	Pulse
Create a Child Care Association to offer benefits such as health insurance	United Way of the Lakeshore

TRAINING & EDUCATION

TRAINING & EDUCATION	
Foster partnerships between local higher ed/training institutions & ECE providers	
Connecting providers with training institutions to fill staff capacity issues	Ann Arbor SPARK
Foster partnerships between local educational institutions and child care providers to clarify and support career pathways for child care providers in a mutually beneficial manner.	Flint Genesee Chamber Foundation
Continue support for the Great Start to Quality in providing high-quality training to providers.	United Way of the Lakeshore

TRAINING & EDUCATION	
Expand pathways & supports (financial and other) for credentials & education	
Facilitate access to educational opportunities for child care providers	Huron County EDC
Promote funding and education opportunities for new and existing child care staff	Huron County EDC
Establish ECE workforce and talent pathway program	Detroit Metro-IFF
Improve access to early childhood education credentials.	Lansing Economic Area Partnership
Talent Pipeline Strengthening: Free CDA + Support + Language Support	Lenawee EDC
Expand pathways and support for educators to earn credentials	Networks Northwest



TRAINING & EDUCATION	
Implement & expand apprenticeship models	
Collaborate with high schools and ISDs to create child care internship and apprenticeship opportunities	Huron County EDC
Expanding apprenticeships	Lenawee EDC
Apprenticeships through ECIC Child Care Innovation Fund for the Apprenticeship Scale Up programs.	NEMCOG
Support ECE Apprenticeship with Michigan Works! Participants earn on-the-job and in classroom training while getting paid. When their apprenticeship is complete their journey worker's credential is transferable to anywhere in the United States.	United Way of the Lakeshore
Utilize registered apprenticeships as a workforce development pipeline approach to on-board talent in ECE sector.	The Right Place

RECRUITMENT & RETENTION

RECRUITMENT & RETENTION	
Work with local schools & colleges to promote ECE career pathways	
Develop and implement a targeted college recruitment program	Huron County EDC
Extend pipeline opportunities into the high schools	The Right Place

RECRUITMENT & RETENTION	
Raise public awareness of ECE pathways	
Publicly promote possible careers in the child care industry to expand the talent pipeline	Lansing Economic Area Partnership
Use technology to create a no-wrong door approach. Consider developing a shared portal (or repurposing/utilizing an existing site) for early childhood careers in the region that will connect with existing programs and provide an easy entry to folks looking to explore this as a career path.	Pulse

RECRUITMENT & RETENTION	
Identify & support geographic gaps in workforce availability	
Consider geographic gaps (especially in our rural areas) and what partnerships need to be created to expand reach to those areas.	Pulse

RECRUITMENT & RETENTION	
Establish child care corps (e.g., retirees)	
Establish a child care corps aimed at engaging retirees and experienced individuals to cover child care staffing	Huron County EDC

• • • **Supporting Employers**

ENGAGE & EDUCATE EMPLOYERS

ENGAGE & EDUCATE EMPLOYERS	
Educate & engage employers about benefits of supporting employee child care needs	
Employers should actively engage in discussions and partnerships with childcare providers, offering support where possible.	Develop Iosco
Identify and inform local businesses and employers about the benefits of, and how to, support employee's child care needs, reinforcing the need for child care as an economic and business development provision.	Flint Genesee Chamber Foundation
Support regional employers to learn about and adopt child care solutions as an employee-retention and equity strategy	Detroit Metro-IFF
Engage and educate employers about how to best support employee child care needs.	Lansing Economic Area Partnership
Educate employers about opportunities to support family-friendly policy that will make them an employer of choice.	United Way of the Lakeshore

ENGAGE & EDUCATE EMPLOYERS	
Align & coordinate employer-facing supports	
Leverage existing spaces where sectors meet, embed early learning & care into agendas	Pulse
Provide training to employer-facing staff so tools (like the Pulse Roadmap) can be implemented effectively	Pulse
Explore opportunities to bring training (& awareness) to state-level convenings hosted by MEDC, MML, Business Leaders for Michigan, MEDA, etc.	Pulse
Consider a shared (cross-sector) position and/or braided funding to build capacity to provide direct support to employers exploring and implementing Pulse Roadmap opportunities.	Pulse

EMPLOYER INVESTMENT IN CHILD CARE SOLUTIONS

EMPLOYER INVESTMENT IN SOLUTIONS	
Co-location of child care/child care cooperatives	
Form an employer-based child care cooperative	Huron County EDC
Supporting Businesses establishing an onsite Child Care option / Sustaining a location of a multi-site center	Lenawee EDC

EMPLOYER INVESTMENT IN SOLUTIONS	
Supports for child care as employee benefit	
implement policies and partnerships to support families	Networks Northwest
Establish a collective benefit coalition among employers to offer child care-related benefits to employees	Huron County EDC
Build employer-based ECE infrastructure (subsidy as a benefit; co-location at larger employers)	UPWARD Talent Council



EMPLOYER INVESTMENT IN SOLUTIONS	
Recognizing child care-friendly employer policies	
Develop a locally recognized “child care friendly” employer certification	Ann Arbor SPARK
Encourage local “village-like” climate among everyone, especially employers, and cultivate robust availability of childcare friendly practices by employers including: bi-shares, FSA, and other participation through CEO Roundtable	The Right Place

CONNECT CHILD CARE PROGRAMS & LOCAL EMPLOYERS

CONNECT EMPLOYERS & ECE PROGRAMS	
Facilitate partnerships among employers & child care providers	
Foster connections between local business and child care providers	Ann Arbor SPARK
Facilitate and support connections between local businesses and child care providers to increase access to care for regional parents.	Flint Genesee Chamber Foundation
Connect employers with local child care providers to provide child care for employees	Huron County EDC
Reserved child care spaces-Paying child care programs a sufficient amount to raise their actual capacity, with the caveat that those spots will be reserved for employees of that company. (Primarily 1:1 child care provider/business partnerships)	Lenawee ECD
Partner with employers to grow their investment in ECE and facilitate the use of existing spaces for licensed facilities.	UPWARD Talent Council

● ● ● **Supporting Community Engagement**

ENGAGING COMMUNITY PARTNERS

ENGAGING COMMUNITY PARTNERS	
Support “child care in all policies/agendas” approach	
Advocate for local governments to adopt the regional action plan and recognize child care as a pressing economic crisis.	Ann Arbor SPARK
Creating checklists of base-line tasks that organizations can be doing to check that they considered families/children in their planning.	Lenawee EDC
Meeting individually and in small groups with community decision makers and making the case that child care needs to be on the agenda.	Lenawee EDC
Embed Early Learning and Care into Existing Frameworks/Efforts/Organizations/Agencies	Pulse
Create a climate for both “inclusive ECE community development investments” and “child care in all policies” approaches like redevelopment communities.	The Right Place

ENGAGING COMMUNITY PARTNERS	
Engaging diverse, cross-sector interest groups	
Invite/include EDOs, community partners, and business leaders in general ECE/child care awareness activities.	Lenawee EDC
Advocate for Policy Change: Collaborate with key stakeholders to promote policy changes that recognize child care as essential infrastructure and provide the necessary funding and support to child care businesses.	Macomb County Planning & Economic Dev.
Advocate for Policy Change: Work with policymakers to recognize child care as essential infrastructure, ensuring long-term funding and support for providers.	Middle Michigan Development Corp
Provide child care resources to local community members and partners.	Ottawa Area ISD



Engagement from municipal agents and workforce & economic development organizations, with offers of support and desire to understand what is helpful	Pulse
Seek support and engagement from local schools, colleges, extension, and business affinity groups to see if resources are available for networking and awareness-raising	Pulse
Establish county-level implementation teams	Pulse

ENGAGING COMMUNITY PARTNERS	
Integrating national/federal resources and opportunities into regional work	
Integrate elements from national programs (e.g., National Job Quality Academy Standards, Centering the ECE Workforce in Policy & Programming Community of Practice) into regional work.	Pulse

PUBLIC AWARENESS CAMPAIGNS

PUBLIC AWARENESS CAMPAIGNS	
Mobilize community support through awareness campaigns	
Develop visionary shared language for increased and improved messaging	Ann Arbor SPARK
Initiate awareness campaign to highlight the significance of child care workers as small business owners, early childhood educators, and entrepreneurs; and the influence of their work on children's development and the community.	Ottawa Area ISD
Distribute information to current and prospective families about things providers already know in order to raise awareness and shift mindsets	Pulse
Improve community awareness about the crisis and its importance	UPWARD Talent Council

PUBLIC AWARENESS CAMPAIGNS	
Elevate professional recognition of ECE	
Greater Professional Recognition of the field through a combination of: Informational Videos, Publicizing the improvements that are seen in ECE, credentialing the field, etc.	Lenawee EDC
Change the narrative for Early Childcare Professionals.	United Way of the Lakeshore

● ● ● **Supporting Policy & Funding**

FUNDING & FINANCE

FUNDING & FINANCE	
CDC scholarship funding and structure	
Engage in, and support advocacy efforts to improve the MDHHS CDC subsidy program.	Flint Genesee Chamber Foundation
Expand Funding and Reimbursement Programs: Increase funding for programs like the CDC Scholarship and CACFP to ensure fair compensation for providers and expand access to affordable child care options for families.	Macomb County Planning & Economic Dev.
Expand Funding and Reimbursement Programs: Increase funding for the CDC Scholarship and other programs to provide fair compensation for providers and expand access to affordable child care.	Middle Michigan Development Corp
Enhance sustained state investments in child care	Networks Northwest
Align subsidy with recommendations of Michigan Cost of Care Study	Pulse



FUNDING & FINANCE	
Engaging philanthropic community	
Bring together local funding partners to support child care field	Ann Arbor SPARK
Create tools that will support funders' active engagement both internally and externally in early learning & care	Pulse
Bring funders together and develop a statewide philanthropic strategy.	Pulse

FUNDING & FINANCE	
Other state-level funding requests (e.g., contracts, re-establish stabilization grants)	
Advocate for state-level reform related to child care funding	Ann Arbor SPARK
Expand ECE investments in existing facility finance and construction programs	Detroit Metro-IFF
Build support for local public funding of early childhood school-based programs	Networks Northwest
Coordinate community investments for facilities	Networks Northwest

SUPPORT ADVOCAY EFFORTS

ADVOCACY	
Support advocacy efforts and create unified voice	
Child care providers should form a unified advocacy group or organization to serve as a central point of contact for elected officials, funding sources, and employers.	Develop Iosco
Engage in and support advocacy efforts to increase access to high-quality early childhood initiatives.	Lansing Economic Area Partnership
Advocacy on providers' and parents' behalf for policy changes leading to increased investment from the public, private, and nonprofit sector	Pulse
Develop tools and opportunities for Development Leaders to advocate for changes that increase investment and create more family-friendly policies and practices.	Pulse
Pursue and align advocacy efforts and innovative approaches	The Right Place
Support Pre-K for All for its embedded compensation parity strategy, mixed-delivery, and educational pathways to begin to move workforce issues and compensation levels for ECE workers.	The Right Place

REGULATIONS & PROCESSES

REGULATIONS & PROCESSES	
Address child care regulations and streamline processes	
Reduce the regulatory burden for child care organizations.	Ann Arbor SPARK
Ease municipal and licensing requirements obstacles for existing, new, and expanding child care businesses.	Flint Genesee Chamber Foundation
Streamline the process for establishing new or expanding existing child care businesses	Huron County EDC
Ease administrative obstacles for existing, new, and expanding child care businesses.	Lansing Economic Area Partnership
Create a Municipal Handbook: Develop a guide to support municipalities in understanding the needs of child care businesses and aligning local policies with state regulations. This handbook will provide practical advice and tools to encourage child care expansion.	Macomb County Planning & Economic Dev.
Create a Municipal Guidebook: Develop a guidebook to support municipalities in aligning local policies with state regulations and understanding the needs of child care providers	Middle Michigan Development Corp



Adopt policy changes to help providers acquire and maintain licenses	Networks Northwest
Develop recommendations for municipal government to eliminate barriers to licensing and share with EDOs statewide.	Pulse
Advocacy for licensing and regulation changes	The Right Place

REGULATIONS & PROCESSES	
Streamlining & amending zoning language and processes	
Collaborate with local authorities to streamline zoning regulations to facilitate childcare startup and operation	Develop losco
Develop and advocate for municipalities to adopt model ordinances	Detroit Metro-IFF
Drafting sample language for local ordinances regarding child care would be greatly beneficial to communities to encourage child care facilities to open	NEMCOG
Municipalities should consider reviewing and amending zoning language to help ensure that zoning regulations do not artificially place stringent restrictions on child care uses.	Pulse
Municipalities with the capacity to do so can consider zoning stress-tests to assess the impact and effectiveness of their zoning policies.	Pulse
Provide support for municipalities to include child care in their master plans.	Upward Talent Council
Negotiate child care friendly zoning practices among municipalities through a municipalities convening	The Right Place